

2025

ANNUAL REPORT



BDC



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2025 ANNUAL REPORT WELCOME STATEMENT

This report comes at a time when economic landscapes around the world continue to evolve rapidly, reshaping the operating environment for development finance institutions. In response, BDC remained focused on its core mandate, supporting Botswana's long-term economic resilience, advancing meaningful industrial development, and working in partnership with stakeholders to unlock sustainable and inclusive growth.

Throughout the year, we worked diligently to ensure effective governance, strengthen oversight structures, and deepen collaboration across sectors. Our investments, carefully selected and purposefully deployed, reflect our commitment to building competitive industries, empowering citizens, and contributing to national diversification. The strong support from our Shareholder, including the significant capital injection received during the year, further enabled us to prepare for a new phase of scale and impact.

The 2025 Annual Report captures our progress, our investments, and the steps taken to reposition BDC as a future-ready institution. But more importantly, it is a reflection of the trust placed in us by partners, clients, government, and the people of Botswana. Together, we continue to shape an economy built on opportunity, innovation, and shared prosperity.

We thank you for your continued engagement and commitment. As you read this report, we invite you to join us on this journey toward a more inclusive and resilient Botswana.



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COMPANY OVERVIEW

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Corporate Profile

WHO WE ARE

Botswana Development Corporation Limited, 'BDC' is the country's main investment agency for commercial and industrial development. Established in 1970, under the Companies Act, BDC is a company limited by shares and fully owned by the Government of Botswana.

BDC's mandate is to provide, facilitate and support funding of commercially viable enterprises that contribute towards building a sustainable and diversified Botswana economy; to stimulate the growth of the Botswana private sector; to invest in the region and internationally; whilst generating wealth for the Shareholder (Government of Botswana).

Our Brand Promise

BDC is committed to advancing Botswana's industrialisation and economic transformation. We provide tailored funding solutions for investors with viable projects that:

- Unlock value in existing industries
- Stimulate private sector growth and foster linkages with the local industry
- Drive diversification and exports
- Create significant employment
- Invest outside Botswana's borders

Mission

To create sustainable economic value as a strategic investor of inclusive, impactful and productive enterprises

Vision

To be an investment partner of choice in the transformation of Botswana's economy

Values

At BDC, our values define who we are and how we create impact. They guide our approach to development, ensure the success of our partnerships, and shape our vision for a prosperous Botswana. These values are more than principles—they are our promise to our clients, the communities within which we operate, and our nation

- **Client Centricity** - Our business is premised on creating a heightened and impactful client experience, one that emphasises responsiveness, diligence and long-term value creation.
- **Innovation** - We value creative, future-oriented thinking that challenges conventional views, encourages novelty and constantly redefines the standard of excellence in everything we do.
- **Integrity** - We remain steadfast in delivering on our promises in a manner that upholds honesty, transparency, fairness and equality. We act responsibly in all interactions and are accountable for our decisions and actions.
- **Sustainability** - In our ambition to realise the triple bottom line "people, profit and planet" we pledge ourselves to being socially, economically, environmentally and financially responsible in all our dealings.

BDC Logo

The logo is the visual representation of who and what BDC is and what it stands for. It is a graphic representation of BDC and the important role it plays as a development finance institution. The BDC brand logo represents four **“pillars”** of Botswana Development Corporation and a **“round table”**.

The **“pillars”** element represents the Corporation’s continued support to local and foreign investors through providing financial support to feasible projects, for the benefit of Botswana’s economic growth and development. The pillars identify and reinforce BDC as a commercial and industrial development agency.

The **“roundtable”** depicts a conversational type of atmosphere where viable partnerships are forged and cementing lasting relationships which will develop the quality of life and strengthen the Corporation’s brand values and promise.

The BDC brand differentiator, **“Your Investment Partner”**, puts emphasis on the cooperation and responsibility of both the Corporation and its stakeholders towards a sphere of common interest. It depicts BDC as a leader in strategic investments and as an agency that is worthy of its stakeholders’ trust to improve their quality of life.



Financial Highlights

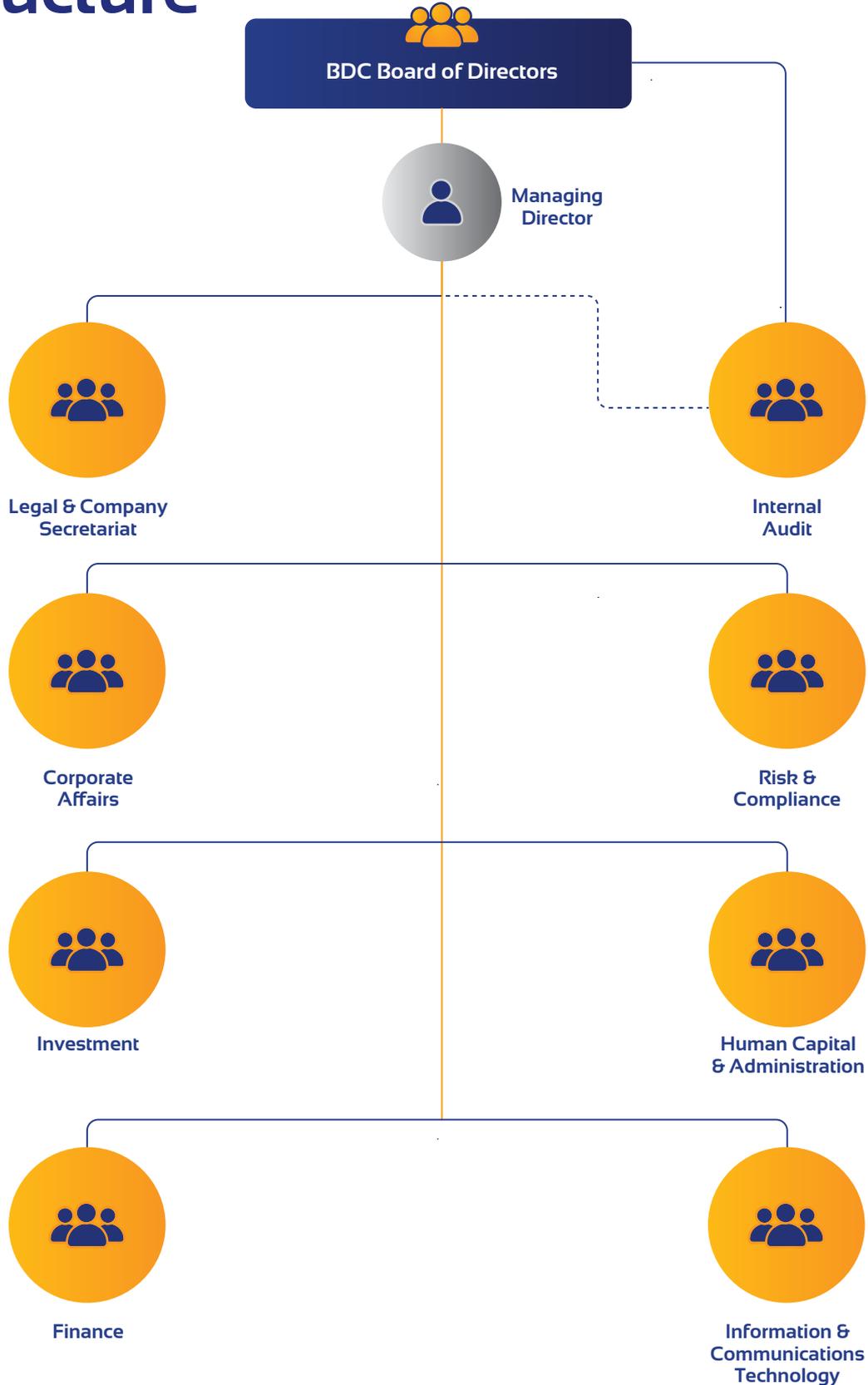
Financial Performance Indicators

Company income from trade			Net share of profit of equity accounted investees		
2025	2024		2025	2024	
78m	78m	Nil	61m	43m	42%
Group net income from trade			Company expenses		
2025	2024		2025	2024	
82m	128m	36%	154m	135m	14%
Company interest on loans			Group expenses		
2025	2024		2025	2024	
263m	265m	1%	302m	253m	20%
Group interest on loans			Company impairment charges		
2025	2024		2025	2024	
235m	236m	Nil	119m	213m	44%
Company total consolidated revenue			Group impairment charges		
2025	2024		2025	2024	
437m	415m	5%	129m	175m	26%
Group total consolidated revenue					
2025	2024				
787m	621m	27%			

Financial Position Indicators

Total Assets						Investment Assets					
Company			Group			Company			Group		
2025	2024		2025	2024		2025	2024		2025	2024	
4.7bn	5.0bn	5%	5.8bn	5.7bn	2%	4.5bn	4.7bn	6%	4.7bn	4.6bn	1%
Shareholders worth						Borrowings					
Company			Group			Company			Group		
2025	2024		2025	2024		2025	2024		2025	2024	
2.2bn	2.1bn	6%	3.0bn	2.7bn	11%	2.2bn	2.5bn	14%	2.2bn	2.5bn	15%

Organisational Structure



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**LEADERSHIP &
GOVERNANCE**



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Corporate Governance Report

At the heart of its existence, **Botswana Development Corporation Limited** ("BDC" or "the Corporation") is a State-Owned Enterprise ("SOE") owned 100% by the Government of Botswana. As such, it is classified as a public interest entity under the Financial Reporting Act.

BDC operates under various statutory enactments and is subject to oversight by multiple regulators which include Companies and Intellectual Property Authority ("CIPA"), Botswana Accountancy Oversight Authority ("BAOA") and Botswana Stock Exchange ("BSE").

As a public interest entity, BDC is required to conduct its dealings and transactions in a transparent, coherent and ethical manner. To achieve this, BDC subscribes and conforms to the highest standards of corporate governance and good ethical leadership. BDC considers corporate governance fundamentally imperative to the achievement of its statutory and regulatory obligations as well as the achievement of its "Beyond 2019" strategic intent. This commitment to good corporate governance as overseen by the Board of Directors ("the Board"), has enabled BDC to continuously maximise long-term value for the Shareholder and create wealth for future generations in a sustainable manner in the preceding years and the year under review.

This report serves to inform and update BDC's stakeholders on corporate governance developments during the financial year 2025 (FY25).

THE BOARD OF DIRECTORS

As outlined above, BDC is a public interest entity that is governed by an independent Board appointed by the Minister of Trade and Entrepreneurship, as the representative of the Government of Botswana ("Shareholder"). The Board provides oversight to Management and is collectively accountable to the Shareholder for promoting and

safeguarding the long-term success of the Corporation. The Board is responsible for the sustainability of the Corporation and for enhancing long-term value creation for its stakeholders. The Board is responsible for compliance with applicable legislation and governance provisions.

In the period under review, the Board comprised of members with an appropriate balance of knowledge, skills, experience, diversity and independence which enabled it to discharge its governance role and responsibilities objectively and effectively. The BDC Board comprised of a total of thirteen (13) members of which nine (9) were independent non-executive members, two (2) were non-executive members and two (2) executive members. BDC continues to support the principles of gender diversity and had a female representation of 54% on its Board in FY25.





Chairperson's Statement



This period marks a moment of renewal for BDC, one that calls for clarity of purpose, bold ambition, and a strengthened organisational culture.

Fellow stakeholders

The 2025 financial year was marked by a complex and shifting global landscape, where tighter monetary conditions, muted investment sentiment, and volatility across key sectors placed pressure on emerging economies. In this context, Botswana Development Corporation demonstrated the discipline, stability, and strategic foresight expected of the nation's principal development finance institution.

Throughout the year, the Board remained steadfast in ensuring that BDC upheld the highest standards of governance, transparency, and accountability. Our work centred on reinforcing institutional integrity; strengthening oversight processes, ensuring alignment with King III principles, and maintaining a governance environment that supports long-term value creation for the Shareholder – being the Government of Botswana and the country at large.

The Corporation continued to play an active role in Botswana's economic trajectory. We sharpened the focus on investments that support localisation, deepen industrial capability, and expand opportunities for citizen participation. Capital was deployed deliberately, guided by a long-term transformational lens rather than short-term cycles. This prudence ensured that the Corporation remained financially resilient while still contributing meaningfully to national priorities.

During the year, the Board undertook extensive stakeholder engagement, project site visits, and Committee reconstitutions to enhance independence and bring fresh expertise into critical decision-making structures. These deliberate actions strengthened strategic oversight and

ensured that BDC's governance architecture remained agile and responsive to the evolving needs of the organisation.

Leadership transitions were also an important feature of the period. The Board acknowledges the contributions of the outgoing Managing Director Mr Cross Kgosidiile and expresses its full confidence in the leadership guiding the Corporation into its next chapter. BDC is entering a period of renewal; one that requires clarity of purpose, bold ambition, and a strengthened organisational culture.

Looking ahead, Botswana's transformation agenda calls for institutions like BDC to be drivers for industrialisation, innovation, and economic diversification. Our priority as a Board is to ensure that the Corporation remains future-fit, well governed, prudently managed, and strategically oriented towards opportunities that advance national development.

In closing, I extend my gratitude to the Shareholder for its guidance, to the management team and staff for their commitment, and to our clients, partners, and communities for their continued trust. Together, we remain focused on supporting a more resilient, inclusive, and prosperous Botswana.



Mr. Ndinabo Max Setaelo
Vice Chairperson of the Board

Board of Directors



Mr. Ndinabo Max Setaelo
Board Vice Chairperson
(Appointed 01 August 2021)

Mr. Setaelo is the Founder and Director of Petrohyper (Pty) Ltd, Firstwatch Holdings (Pty) Ltd, Hi-Lift Services (Pty) Ltd and First Energy Botswana (Pty) Ltd, operating in civil works, fuel logistics and sales, retail and supplies. He brings with him a rich skill set based on immense experience in the petroleum and gas industry, and his outstanding business acumen garnered from his diversified businesses and investments.

A graduate in Bachelor of Arts in Social Sciences (Business Economics), Mr. Setaelo started his career at Shell Oil Botswana as Depot Operations Supervisor and thereafter as Area Business Manager before establishing his business ventures.



Ms. Benedicta Abosi
Managing Director (A)
(Appointed on 01 April 2025)

Ms. Abosi is currently serving as the Acting Managing Director of BDC, a role she assumed on 01 April 2025. Substantively, she serves as the Chief Financial Officer, a role she has held since 04 March 2019. She is a seasoned professional with over 18 years of diverse experience in financial markets across Botswana, South Africa and the United States of America. In her substantive role, she is primarily responsible for managing BDC's finance department including treasury, reporting and investor relations. She is also responsible for the execution of the overall strategy of BDC whilst ensuring sound Risk Management practices are adhered to.

Ms. Abosi holds a Bachelor of Accountancy Degree from the University of Botswana. She is an Associate Member of the Institute of Chartered Accountants of England and Wales (ICAEW), a Fellow Member of the Association of Chartered Certified Accountants (ACCA), and a fellow member of the Botswana Institute of Chartered Accountants. She has also completed an Executive Development Programme with the University of Stellenbosch Business School.



Mr. Boniface Mphetlhe
Shareholder Representative
(Appointed 01 February 2020)

Mr. Mphetlhe has worked as an Economist in the Ministry of Finance and Development Planning for over 11 years in the Development Programmes Section and the Macroeconomics Section. He worked in various positions in the Development Programmes Section up to the level of Director for Macroeconomics Policy. He is currently the Secretary Budget, a position that entails coordination and management of the overall Government revenue; recurrent and development budgets. In this regard, he is responsible for project appraisal and financing, resource mobilisation, public funds management and control, public debt management; and coordination of Botswana's Public Finance Management (PFM) Reform Programme.

Mr. Mphetlhe earned a Master of International Affairs (Program in Economic Policy Management) at Columbia University in the USA and B.A. Social Sciences (Economics & Accounting) at the University of Botswana.



Ms. Onalenna Otladisa-Diloro
Board Risk and Compliance
Committee Chairperson
(Term expired 31 January 2024
and was renewed on 1 April 2024)

Ms. Otladisa-Diloro is a seasoned attorney with over 18 years post-qualification experience and is the founder of Otladisa Law, a boutique corporate and commercial law firm. Her broad expertise includes insolvency and restructuring, banking and finance, commercial dispute resolution, capital markets, mergers and acquisitions, regulatory and general corporate commercial work. She holds a Master of Laws (LLM) in Commercial and Corporate Law from Queen Mary University of London and a Bachelor of Laws (LLB) degree from the University of Botswana.

Ms. Otladisa-Diloro is also an Independent Non-Executive Director of Minet Retirement Solutions (Pty) Limited, where she chairs the Remunerations and Nominations Committee.



Ms. Julia Ntshole
Finance and Audit Committee
Chairperson
(Appointed 01 August 2021)

Ms. Ntshole has extensive experience and skill in finance, treasury, and risk management in the financial services sector. She currently holds the position of Head, Non-Financial Risk at Stanbic Bank.

Ms. Ntshole holds a Bachelor of Commerce (Accounting) from the University of Botswana and is a member of the Association of Chartered Certified Accountants (ACCA). Ms Ntshole holds various certificates in Finance and Risk Management. She holds an ACI Operations Certificate (Financial Markets Association), ICAAP Principles, Basel II and Capital Management Certificate, IFRS 9 Enterprise-wide risk management principles, and Operational Risk Management and Basel II from Dupleix Institute.

Board of Directors



Mr. Gideon Mmolawa
Shareholder Representative
(Appointed on 01 April 2024)

Mr. Mmolawa is currently the Deputy Permanent Secretary of the Ministry of Trade and Entrepreneurship, where he provides strategic leadership and coordinates internal and international trade issues and advises the Permanent Secretary on appropriate strategies and policy issues relating to trade. Mr. Mmolawa has served on the boards of Botswana Bureau of Standards, Public Enterprises Evaluation and Privatisation Agency, and Citizen Entrepreneurial Development Agency. Other assignments include serving as the Coordinator of the European Union and the Southern African Customs Union plus Mozambique and United Kingdom Economic Partnership Agreements.

Mr. Mmolawa holds a Master of Arts Degree (Development Policy and Public Administration) and a Bachelor of Arts Degree (Economics and Accounting) from the University of Botswana.



Ms. Cecilia Mamelodi-Onyadile
(Appointed on 15 September 2024)

Ms. Mamelodi-Onyadile is an expert in the development and implementation of telecommunications, Information Communications Technology (ICT) and postal programmes, with a strong focus on technology, innovation, regulation, policy and infrastructure development. She has over twenty-six (26) years of experience, having previously served in various leadership capacities including Head of Communications and ICT at SADC Secretariat (SADC).

Ms. Mamelodi-Onyadile holds a Masters in Business Administration (MBA) from the University of Cape Town, a Bachelor of Commerce (Accounting) from the University of Botswana, a Post Graduate Diploma in Management Accounting from the Chartered Institute of Management Accountants, and a Post Graduate Diploma in Regulation and Policy (Telecommunications) from the University of West Indies.



Ms. Boyang Mufahothe
Human Capital Committee Chairperson
(Appointed on 01 April 2024)

Ms. Mufahothe is a seasoned human capital professional with strong business acumen leveraging 10+ years of experience working across different industries in Botswana. Through her roles she has proven to be a competent leader and practitioner who demonstrates exceptional people management skills which ensure that human resources programs and initiatives create a good employee experience, in alignment with overall business objectives. Having worked in progressive organizations she is intimately familiar with issues around organizational culture, change management, diversity & inclusion, and the myriads of important issues packed under the ESG themes.

Ms. Mufahothe holds a Master's Degree in People Management, an Honors Degree in Organisational Psychology and a Degree in Labour Law, Organisational Psychology & Human Resources Management from the University of Cape Town.



Ms. Lebogang Joan Pillar
(Appointed on 15 September 2024)

Ms. Pillar is a seasoned legal practitioner with twenty-one (21) years of experience during which she has worked with various industries and economic sectors. Her key areas of expertise include corporate commercial law, corporate governance, regulatory compliance, and the development and review of organizational policies. Beyond her professional experience, she has served in several board positions for both corporate entities and non-governmental organizations (NGOs). She currently serves as the Chairperson of the Botswana Football Association Appeals Committee, and the Vice Chairperson of the Botswana National Sports Commission Disciplinary Committee.

Ms. Pillar is the founder of Pillar Law Consultants, a boutique law firm based in Gaborone which specializes in providing commercial, corporate and advisory services. She holds a Bachelor of Laws from the University of Botswana (UB) and an Mphil in Development Policy and Practice from the University of Cape Town.



Ms. Lesley Bradley
(Appointed on 15 September 2024)

Ms. Bradley is an accomplished corporate banker with over 31 years of experience. She currently holds the position of Business Development and Stakeholder Engagement within the executive office of ABSA Bank Botswana. Her key role mandate covers acquisition of new businesses across the various business segments and value chain development to drive citizen empowerment and build partnerships with various stakeholders across the Region.

Ms. Bradley holds a Bachelor of Commerce degree from the University of Botswana (UB) and has also undertaken leadership programmes through the University of Stellenbosch (RSA) and Duke University (USA).

Board Activities

In the year under review, the BDC Board undertook the following key activities:

Board Induction

In the year under review, BDC inducted three new Directors. The objective of the induction programme was to provide all new directors with the information they required to be effective in their role as a director of the Corporation. In line with the BDC Governance documents and the King III code on corporate governance, the induction programme is a formal process that equips new directors with the requisite knowledge of the Corporation's strategy, risks and operations, thus enabling the Directors to participate and be fully effective from their first Board meeting.

Reconstitution of Board Committees

Clause 57.2 of the BDC Constitution permits the Board to delegate any of its powers to the Board Committees consisting of such membership as the Board deems and thinks fit, to assist the Board to effectively promote, monitor and enforce the corporate governance principles. In the year under review, the Board reconstituted the membership of its Board Committees.

The purpose of the reconstitution of the membership of the Board Committees was to strengthen BDC's ambition to adhere to best corporate governance practises and reduce entrenchment from the Board Committees. Further, this exercise encouraged diverse perspectives and provided Board members with the opportunity to serve on different Committees which would enhance their knowledge and hone their leadership skills.

Launches and Conferences

The Board participated in the Lobatse Clay Works (Pty) Ltd launch on 24 September 2024, the Milk Valley Farms (Pty) Ltd launch on 10 October 2024 as well the launch of Delta Automotive Technologies (Pty) Ltd on 23 October 2024, as part of its stakeholder engagement and its intention to foster relationships with key players of different markets.

The Board further participated at the BDC Open Day on 4 June 2025, wherein Directors from the BDC Group of Companies were invited to partake in a dialogue discussion of BDC's strategic intent as well as to proffer suggestions for improvement.

Tour of BDC Investment Projects

The Board visited different companies and operations in which BDC has invested either debt, equity or both (mezzanine). On 23 August 2024, the Board underwent a tour of Lobatse Clay Works, Delta Automotive Technologies and Milk Valley Farms. A subsequent tour, to the foregoing entities, was undertaken on 7 March 2025 with the newly appointed Directors.

Annual General Meeting

BDC conducted its mandated Annual General Meeting ("AGM") on 24 March 2025, pursuant to section 105 of the Companies Act and clause 41.1 of the BDC Constitution. The purpose of the AGM was to enable the shareholder to review the Corporation's financial performance, address issues pertaining to the Corporation's strategic direction, and allow the Shareholder to ask questions and vote on key issues.

Board and Committee Record of Attendance

The Board and its Committees convene at least four (4) ordinary meetings annually. Additional special meetings are held based on the dictates of business requirements. During FY25, the Board and its Committees satisfactorily convened all meetings as required by the Companies Act [Cap42:01] and the Corporation's Governance documents.

The table below depicts the number of meetings held by the Board and its Committees:

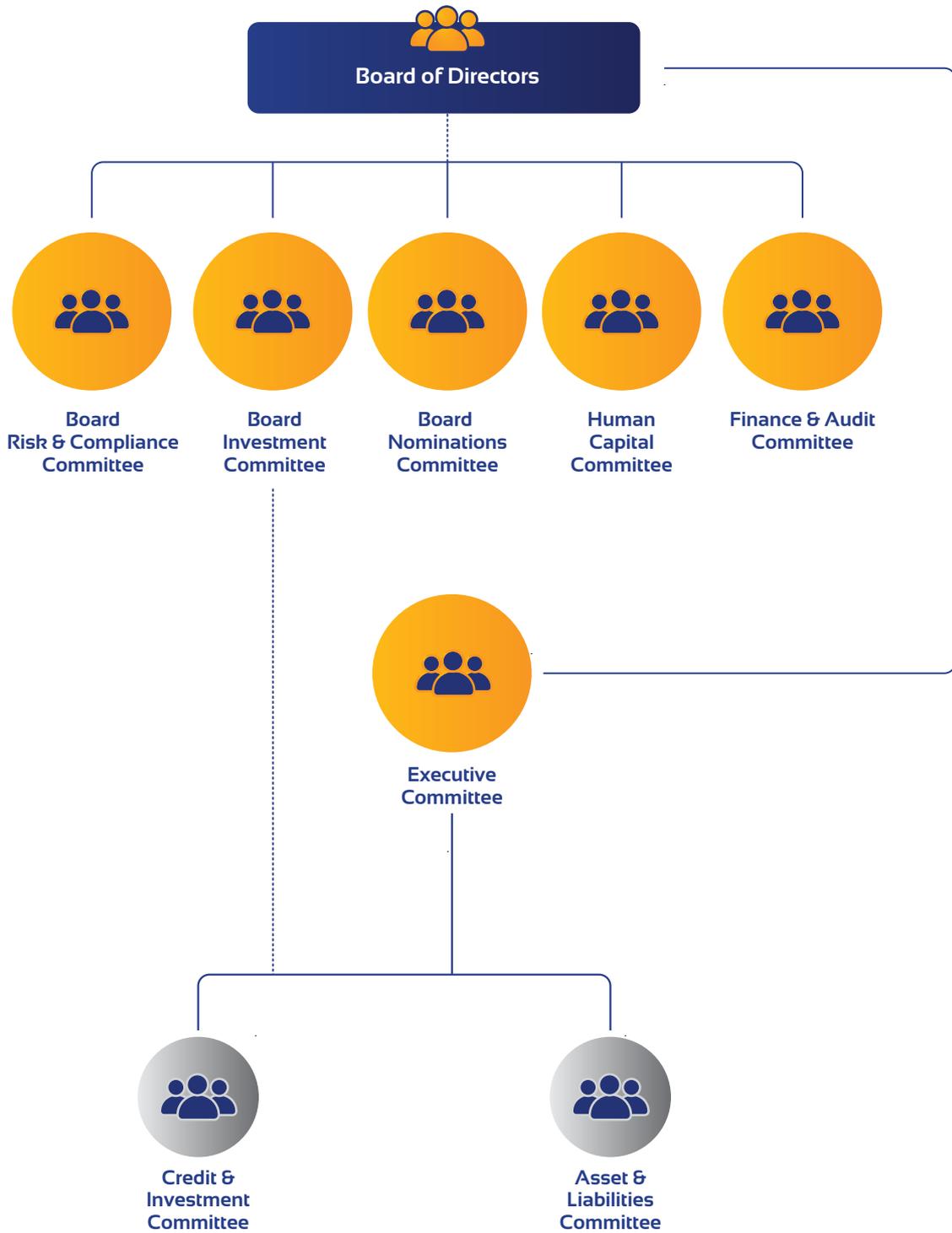
Main Board	Finance and Audit Committee	Human Capital Committee	Board Investment Committee	Board Risk & Compliance Committee	Board Nominations Committee
Nine (9) meetings held in FY25	Six (6) meetings held in FY25	Six (6) meetings held in FY25	Six (6) meetings held in FY25	Four (4) meetings held in FY25	One (1) meeting held in FY25

Meetings held during FY25

The table below depicts the fees paid to the Board members for attendance of meetings of the Board and its Committees:

Director	Total Amount Paid in FY25 (P)
Maleho Mothibatsela	53,500.00
Mmoloki Ramaeba	90,000.00
Julia Ntshole	182,500.00
Boniface G. Mphethe	114,500.00
Benedicta Abosi	N/A
Cross Kgosidiile	N/A
Onalenna Otladisa-Diloro	169,000.00
Ndinabo Max Setaelo	165,500.00
Goitseone Mamelodi-Onyadile	129,000.00
Gideon Mmolawa	168,000.00
Boyang Mufahothe	185,000.00
Lebogang Joan Pillar	129,000.00
Lesley Bradley	67,950.00

Directors' fees for FY25 amounted to P1,388,000.00 inclusive of retainer fees.



BDC King III Compliance Statement

In the year under review, BDC was compliant with all the principles outlined in the King III Code on Corporate Governance for South Africa, 2009 ("King III"), save for two (2) none-applicable principles. BDC focuses on improving its practices with specific focus on governance, sustainability, combined assurance, and stakeholder engagement. Below is an assessment of BDC's compliance with the King III for FY25:

Principle	King III Principle	BDC Compliance	Responsible Entity
Ethical and Corporate status of BDC			
Principle 1	Effective leadership based on an ethical foundation.	Complied	Board
Principle 2	Responsible corporate citizen.	Complied	Board
Principle 3	Effective management of the Company's ethics	Complied	Board
The Board and Directors			
Principle 4	The Board is the custodian of corporate governance.	Complied	Board
Principle 5	The Board appreciates that strategy, risk, performance, and sustainability are inseparable.	Complied	Board
Principle 6	The Board considers business rescue proceedings when appropriate	Not Applicable	Board
Principle 7	Directors act in the best interest of the company	Complied	Board
Principle 8	The Chairman of the Board is an executive director	Complied	Board
Principle 9	Establish a delegation of authority framework	Complied	Board
Principle 10	The Board comprises a balance of power, with a majority of non-executive director who are independent	Complied	Board
Principle 11	Directors are appointed through a formal process	Complied	Shareholder
Principle 12	Formal induction & ongoing training of directors is conducted	Complied	Board
Principle 13	The Board is assisted by a competent and suitably qualified and experienced Company Secretary	Complied	Board
Principle 14	Regular performance of the Board, Committees and individual directors is conducted	Complied	Board
Principle 15	The Board ensures the integrity of the Company's integrated report.	Complied	Board
Principle 16	A governance framework is agreed between the Corporation and its subsidiaries	Complied	Board
Principle 17	Directors are fairly and responsibly remunerated	Complied	Shareholder
Principle 18	Remuneration of directors is disclosed in the annual report	Complied	Board
Principle 19	The Corporations remuneration policy is approved by the shareholders	Not Complied	Shareholder
Internal Audit			
Principle 20	Effective risk based independent internal audit	Complied	Board
Principle 21	Written assessment of the effectiveness of the company's system of internal controls & risk management	Complied	Board
Principle 22	Internal Audit is strategically positioned to achieve its objectives	Complied	Board
The Audit Committee			
Principle 23	Effective and Independent	Complied	FAC
Principle 24	Suitably skilled and experienced independent non-executive directors	Complied	FAC
Principle 25	Chaired by an independent non-executive director	Complied	FAC
Principle 26	Oversees integrated reporting	Complied	FAC
Principle 27	A combined assurance model is compiled to improve efficiency in assurance activities	Complied	FAC
Principle 28	Satisfies itself of the expertise, resources, and experience of the company's financial function	Complied	FAC
Principle 29	Oversees the external audit process	Complied	FAC
Principle 30	Reports to the Board and Shareholders on how it discharged its duties	Complied	FAC

Managing Director's Statement



Our commitment to strategic, impact-driven investing allowed us to unlock value, support nationally significant enterprises, and reinforce BDC's role in driving Botswana's long-term development.

Fellow stakeholders

The 2025 financial year marked a turning point for the Botswana Development Corporation. It was a year in which economic headwinds demanded prudence and discipline, but it also revealed the scale of opportunity before us and underscored the urgency of repositioning BDC to play a much bigger role in Botswana's future. 2025 was a year for measured deployments into carefully selected projects that strengthen supply chains, expand production capacity, and reinforce commercially viable sectors of national importance. The selectiveness of our focus meant only P44.3million in disbursements but also, sharpened execution, strengthened financial posture, and advancement of the foundational work required to transition BDC into a mega investment company capable of driving national economic sovereignty.

Shareholder net worth strengthened to P2.2 billion, supported by the P200 million capital injection from the Shareholder (Government of Botswana). This infusion signals confidence in BDC's repositioning agenda and provides the balance sheet capacity required for the next cycle of high-impact, high-value investments.

The BDC Group closed the year with total assets of P 5.8 billion, supported by a cautiously managed credit environment and targeted value creation within investee companies. The investment pipeline stood at P 1.2 billion at year-end, offering clear visibility of growth momentum for the ensuing financial year.

In terms of financial performance, the group and company realised mixed results. While the overall company revenue grew by 5% to P437m from P415m in the prior year, and group revenue grew by 27% to P787m from P621m in the prior year, overall results were subdued. The group achieved a profit for the year of P15m while the company recorded a loss of P167m. This subdued

performance was driven by the underperformance of two main investments: a large foreign-currency-denominated exposure, for which recovery is underway, and an exposure through an investment in the coal mining sector, which is being actively monitored. We are confident that the efforts being made in the current financial year will be brought to fruition in the year ahead.

Post year end, we began the groundwork that will pivot BDC into a mega company; an institution that mobilises capital at scale, builds large industrial clusters, stimulates new sectors of the economy, and positions Botswana competitively at regional and global levels. This evolution goes beyond traditional development finance. It is about shaping value chains, driving economic sovereignty, and creating the conditions for sustainable national wealth.

Looking forward, our focus is clear: accelerate the conversion of our maturing pipeline, mobilise a more diverse pool of capital, expand our regional footprint, and deliver investments that create quality jobs and unlock long-term value for Botswana. The transformation into a mega company is not aspirational; it is a structured, deliberate journey anchored in impact, competitiveness, and execution excellence.

I extend my appreciation to the Board for its guidance, to the BDC team for their unwavering commitment, and to our partners and clients for their continued trust. Together, we will build a future-ready BDC that delivers scale, impact, and enduring prosperity for Botswana.



Ms. Benedicta Abosi
Managing Director (A)

Executive Management



Benedicta Abosi
Managing Director (A)



Kudzani Pickup
Chief Investment Officer



Maranyane Makhondo
Chief Financial Officer (A)



Onalenna Mfosi
Chief Audit Executive



Botshelo Mokotedi
Chief Risk Officer



Gilbert Ofetotse
Chief Legal Officer and
Group Company Secretary



Boitshwarelo Lebang-Kgetse
Head - Corporate Affairs



Boipelo Gaoetswe
Head - Human Capital
and Administration



Kebareileng Lebalang
Head - Information and
Communication Technology

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RESPONSIBILITY & RISK



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Investment Report

Economic Overview

This financial year was characterised by subdued domestic economic performance due to the underperformance of the diamond industry, the country’s largest revenue contributor.

Tightened global financial conditions, stemming from shifting trade policies, escalating geopolitical tensions, and weak demand for diamonds, led to liquidity challenges. Consequently, borrowing costs for consumers and businesses increased as interest rates rose.

In the second half of the year, Botswana witnessed a historic development when the Umbrella for Democratic Change (UDC) Party won the 2024 elections, ending 58 years of governance by the Botswana Democratic Party. The new administration’s economic transformation agenda will primarily focus on affordable housing, education, healthcare, and renewable energy.

Disbursements

For the year ended 30th June 2025, the Corporation disbursed P44.3 million. Of this, 72% was allocated to a significant retail development in the northern region of the country, where BDC currently has no presence, while the remainder was invested in the existing portfolio.

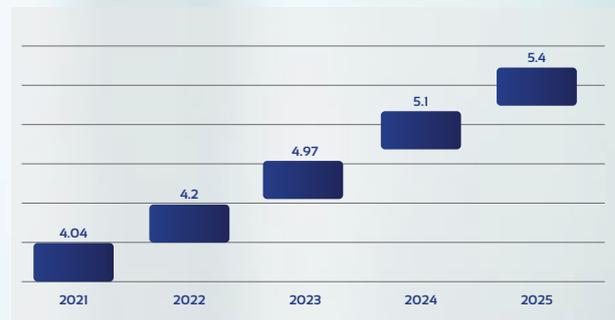
Disbursements fell short of budgeted levels, mainly due to the Corporation’s decision not to pursue certain opportunities after identifying risks that exceeded its risk appetite during the appraisal process.

Consequently, FY25 disbursements were also below the previous year’s level. Despite this shortfall, the Corporation remains optimistic and is determined to improve disbursement performance in Q1 FY26, with a bold strategic intent to transform BDC into a mega-enterprise.

Portfolio Valuation

The portfolio value, excluding the Industry Support Fund (ISF), increased to P5.4 billion in June 2025, representing a 6% rise from P5.1 billion in June 2024. Growth was driven primarily by disbursements into retail development and manufacturing projects, as well as appreciation in the value of investee companies.

However, the quality of loan assets declined slightly, with non-performing loans (NPLs) rising from 11.90% in FY24 to 47% in FY25. This spike was attributed to a single large exposure that went into default in the year. Efforts to remedy the default have advanced subsequent to year end. Without this exposure, NPLs would have been noted at 17%. within appetite.



Pipeline and Deal Conversion

At year-end, the Corporation maintained an active deal pipeline valued at P 1.21 billion. This comprised:

- **P 313 million** at the disbursement stage,
- **P 134 million** at legal close, and
- **P 275 million** at the approval stage,

with the balance of the pipeline at various initial approval phases.

Existing Portfolio

To support the growth of portfolio companies, the Corporation invested approximately P 12.4 million in additional funding for investee companies to meet working capital and expansion requirements.

Outlook and Strategic Intent

BDC's revised strategic focus prioritises projects of national and economic importance in areas such as infrastructure, financial services, media and technology, energy and climate, healthcare, services, and agriculture. A key strategic pillar is to foster collaborations and partnerships that leverage the competencies, technical expertise, and industry experience of potential partners.

The Corporation remains confident in a future characterised by exponential growth and financial stability. It is actively pursuing investments in priority sectors aligned with the country's core economic policies. In addition, BDC continues to collaborate closely with key partners, executing several Memoranda of Agreement to enhance value chain development, mineral beneficiation, and high-value manufacturing. The Corporation is also identifying commercially viable projects that advance its strategic objectives while driving sustainable economic development



Human Capital & Administration Report

Advancing People, Strategy and Impact

Aligned with global human capital trends, the Human Capital function focused on advancing strategic priorities that support the Corporation's mandate to contribute meaningfully to the transformation of Botswana's economy.

In driving this vision, emphasis was placed on strengthening the people agenda through deliberate investments in talent development, future-ready skills, and the integration of enabling technologies to enhance workforce capability and ensure long-term business sustainability. The Corporation's strategic focus was anchored on ensuring that Human Capital remained responsive to a rapidly evolving business environment and continued to deliver sustainable value to stakeholders. The year was characterised by significant organisational transformation amidst increasing geopolitical, regulatory, and economic complexity. These shifts reinforced the need for forward-thinking leadership, adaptive workforce strategies, and integrated human capital solutions to sustain performance and organisational resilience.

Human Capital played a central role in enabling the Corporation's strategic ambitions through a people-centered approach that fosters agility, capability, and high performance. A key milestone during the year

was the successful review and implementation of the Human Capital Strategy. This initiative was to establish a dynamic and future-focused strategy aligned with the Corporation's business priorities and evolving mandate. The review entailed a comprehensive assessment of the internal Human Capital landscape, including policies, practices, workforce dynamics, and emerging trends within the broader industry. This exercise resulted in a Human Capital Strategy that articulates a clear vision, mission, and core strategic pillars to build a workforce that is diverse, empowered, high-performing, and future-ready. This work also catalysed the review of several critical human capital policies and frameworks to ensure strategic alignment and operational efficiency.



Building a Strong Talent for Sustainable Success

The Corporation's Human Capital priority was anchored on "Building a Strong Talent for Sustainable Success." This focus responded to the evolving business landscape, which continues to demand agile, future-ready talent capable of navigating complex challenges and driving Shareholder value. Recognising the increasing importance of strategic workforce planning and leadership readiness, the Human Capital function implemented an enhanced Talent Management Strategy. This strategic shift aimed to elevate the Corporation's ability to identify, retain, and grow top talent across all levels. A key deliverable from this initiative was the development of a robust succession plan, designed to proactively identify high-potential employees and fast-track their readiness for future leadership roles. This approach not only ensures business continuity but also creates clear and inspiring career pathways for top-performing individuals, thereby boosting employee engagement, motivation, and retention.

In keeping with the human-centric focus of modern workplaces, the Corporation continued to invest in employee well-being by adopting a holistic approach. Beyond traditional health initiatives, the strategy embraced mental, emotional, psychological, and social wellness to support employees in maintaining balance and resilience. This integrated wellness framework reinforces the Corporation's commitment to creating a safe, inclusive, and supportive work environment, an essential enabler of sustainable performance and productivity.

Embracing the Culture of Continuous Learning

A key pillar of talent sustainability is continuous learning. Through the BDC Academy, our online, self-paced learning platform, the Corporation advanced its learning agenda with the implementation of its intentional learning plan, guided by the updated and revised competency framework. The plan provided a structured roadmap for learning, with periodic themes focused on closing identified skills gaps and building future capabilities across all functions. Leveraging digital platforms enabled the Corporation to offer accessible, flexible, and engaging learning experiences, while also supporting employees in pursuing professional certifications that ensure both industry compliance and competitive advantage.

Organisational culture remains a fundamental force in shaping high performance and strategic alignment. This year, Human Capital placed strong emphasis on cultivating a purpose-driven culture rooted in the Corporation's core values and strategic vision. By continuing to empower

leadership as culture champions, and collaborating with internal Change Champions, the Corporation has made meaningful progress in embedding behavioral shifts and driving cultural transformation. Through structured engagements, leadership development programs, and accountability mechanisms, leaders have been equipped to drive conversations that reinforce values, foster inclusivity, and align teams to the Corporation's strategic objectives. In addition, by collaborating with Change Champions, Human Capital has broadened ownership of the transformation agenda beyond leadership. Change Champions serve as on-the-ground influencers, creating a ripple effect across departments by reinforcing key messages, providing peer-to-peer support, and addressing resistance to change in real time. This network has helped to localize change efforts, making them relatable and practical for employees across different functions.

As a result of these initiatives, the Corporation has made meaningful progress in embedding behavioral shifts and driving cultural transformation. Observable outcomes include increased alignment with corporate values, greater openness to collaboration, improved communication across teams, and improved employee engagement. These changes have created a more resilient, adaptive, and performance-driven organisational culture, positioning the Corporation to meet both present and future challenges effectively. Leadership effectiveness remains central to this cultural evolution, reinforcing accountability, inclusivity, and a shared pursuit of excellence. Furthermore, Human Capital maintained its focus on embedding diversity, equity, and inclusion across all processes and policies, strengthening team cohesion, enhancing innovation, and unlocking the full potential of a diverse workforce.

Outlook: Shaping a Future-Ready Workforce

Looking ahead, as organisations navigate the complexities of a rapidly changing world, there is a distinct shift towards a human-centric culture. This approach prioritises employee well-being, growth, and creates a sense of purpose and belonging, acknowledging that an empowered and satisfied workforce is a significant driver of business success. Human Capital will deepen its commitment to building a resilient, empowered, and agile workforce. As part of this agenda, the Corporation will embark on a culture transformation journey, with the objective of fostering a growth mindset and enhancing alignment between strategy, leadership, and culture. Additionally, Human Capital will continue to modernise its practices by embracing HR technology, improving employee experiences, and driving strategic value through data-driven insights. In a world where talent is the key competitive advantage, these interventions will ensure the Corporation remains positioned to deliver long-term value to the Shareholder through its people.

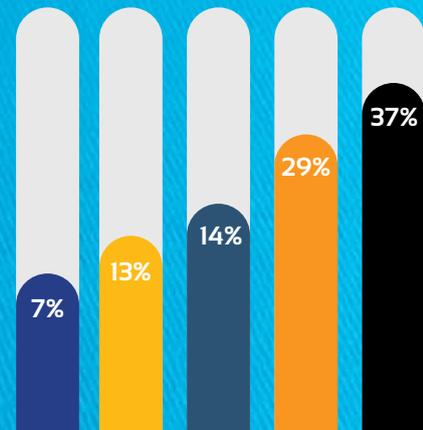
Team Dynamics

Gender Diversity



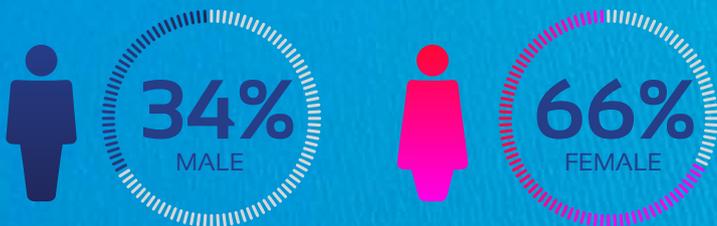
Staff Headcount

By Occupational Level & Types



- Executive Management
- Service Cadre
- Graduate Trainees/ Interns
- Middle Management
- Professional Staff

Management Diversity



Generational Analysis



Generation X - 20%

Millenials - 58%

Generation Z - 22%



Group Internal Audit Report

The Group Internal Audit (GIA) function continued to provide independent and objective assurance and advisory services throughout the year. Key focus areas included strengthening internal controls, enhancing risk management practices, and supporting governance across BDC and its subsidiaries. The function maintained its independence and delivered value through risk-based audits and strategic insights.

Purpose and Mandate

GIA operates in accordance with the Internal Audit Charter, approved by the Finance and Audit Committee. Its purpose is to support BDC in achieving its strategic objectives by evaluating and improving the effectiveness of governance, risk management, and internal controls.

Strategic Audit Oversight

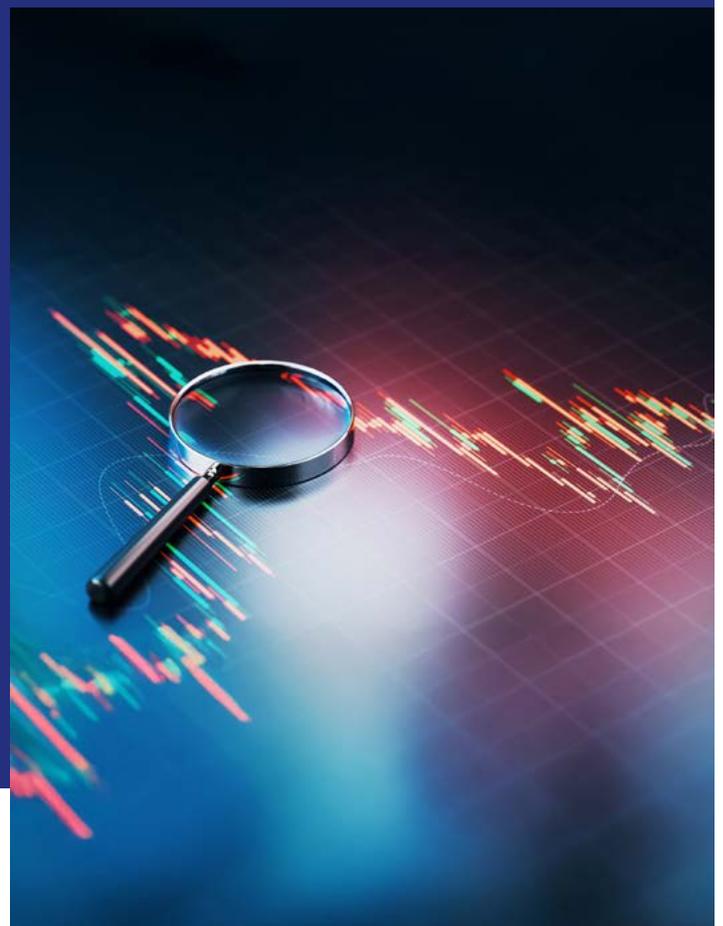
To ensure independence and objectivity, the Chief Audit Executive (CAE) reports functionally to the Board of Directors through the Finance and Audit Committee and administratively to the Managing Director. The CAE has direct and unrestricted access to the Board Chairperson, the Chairperson of the Finance and Audit Committee, and the Managing Director.

Solutions implemented to support the business.

Meetings Combined Assurance Model

Implementation of the Group's combined assurance activities, with a view to obtain optimal coverage of the Group's key risks. In alignment with the King III Code, BDC is progressively implementing a Combined Assurance Model to enhance coordination among assurance providers and optimize risk coverage. This model supports a robust control environment and strengthens the integrity of information used by the Board, its committees, and Executive Management. While King III does not prescribe a specific design, BDC has adopted a tailored approach involving both internal and external assurance providers. Internal providers include the Internal Audit Department,

Legal Services and Group Company Secretary, and Risk and Compliance Department. In line with the Global Internal Audit Standards, the Chief Audit Executive (CAE) coordinates internal audit activities with other assurance functions to reduce duplication and improve efficiency. A Combined Assurance Forum has been established, with approved Terms of Reference and quarterly meetings involving cross-functional teams. This integrated approach has contributed to improved risk awareness and a stronger risk culture across the Corporation.



Audit Strategy and Planning

Audit activities were guided by a risk-based annual audit plan aligned with BDC's strategic priorities. The plan was developed using risk assessments and stakeholder input, ensuring coverage of high-risk areas and emerging issues.

GIA has developed and approved an Internal Audit Strategy. This is a high-level statement which outlines how the Internal Audit function can continue to provide adequate level of assurance whilst considering the resource limitations. The strategy provides a roadmap for strengthening the Internal Audit Activity and improving service delivery to its stakeholders for the period from 2025 to 2027. The strategic plan is intended to enhance understanding of the department's key stakeholders especially the BDC Board of Directors, Board Finance and Audit Committee, BDC Management and subsequently improve performance measurement and evaluation of the department by these stakeholders. The key benefits expected to be derived during the implementation of the Internal Audit Strategy are as follows:

- Enhanced risk management assessment.
- Improved efficiency and effectiveness of GIA.
- Improved regulatory compliance.
- Enhanced entity governance.
- Strategic alignment with the entity wide strategy.
- Enhanced stakeholder confidence.

Implementation of Audit Recommendations

The Internal Audit Department periodically follows up on reported findings to ensure that Executive Management implements agreed corrective actions. As at year end, more than 70% of recommendations had been implemented, with the remainder in progress.

Advisory and Consulting Engagements

In addition to assurance work, GIA provided advisory support on strategic initiatives, including:

- Risk management framework enhancement
- Business continuity planning
- Internal control design for new systems

Tip-Off Anonymous

As part of its commitment to ethical conduct and fraud prevention, BDC operates an independent and anonymous whistleblower hotline administered by Deloitte Tip-Offs Anonymous. While utilisation of the facility remains below expectations, the Corporation continues to raise awareness through internal and external media platforms. During the reporting period, five (5) cases were reported via the hotline and successfully investigated by GIA. A comprehensive review of the Ethics and Whistleblowing Policy is scheduled for FY 2026. To reinforce awareness, BDC conducted its annual whistleblowing survey across the Corporation and its subsidiaries. This was followed by targeted ethics and whistleblowing training sessions, led by GIA, to promote understanding of the audit mandate and encourage responsible reporting.

Looking Ahead

In the coming year, GIA will focus on:

- Reviewing Ethics & Whistleblowing Policy
- Reviewing GIA methodology
- Increasing audit coverage in digital transformation initiatives
- Implementation of Combined Assurance Framework

Risk & Compliance Report

Sustainability Report

BDC commits to pursuing environmental and social sustainable practices including environmental management (energy efficiency, waste reduction and recycling) and human resource management (equal opportunity, health and safety). Doing business in a sustainable manner is critical for the Corporation's long-term value creation and preservation, building strong and lasting partnerships, attracting clients and investors as well as the best suppliers and employees.

The Corporation has a Board approved Environmental, Social Management Systems (ESMS) Framework which describes BDC's commitment, roles, and responsibilities related to environmental and social sustainability. The BDC ESMS framework is guided by the laws, statutes, guidelines, and regulations of the Government of Botswana and the relevant international treaties and covenants that the Government of Botswana has signed. Applicable International Finance Corporation IFC Performance Standards (PS) 1 to 8 and African Development Bank (AfDB) Integrated Safeguards Systems (ISS) are referenced in the framework. To ensure alignment to the changes in the sustainability space, the framework was reviewed and updated in the financial year under review.

Commitment to sustainable development is mainstreamed throughout the Corporation's business processes and is further realised through the implementation of the ESMS.

Investment Sustainability

BDC may be exposed to investing in projects or business activities that carry environmental and/or social risks. The Corporation recognises that if these risks are not well managed, they may have negative or adverse impacts to the environment, communities, employees, customers and other stakeholders.

The credit approval processes include appropriate categorisation of projects based on potential environmental and social impacts, and portfolio monitoring systems including continuous assessment of the client's capacity to responsibly manage environment

and social risks associated with their business. For investment opportunities outside of Botswana, BDC reviews the host country's relevant policies and guidelines and apply them when evaluating environmental and social risks.

The framework is also directed towards clients, providing guidance on how to identify potential environmental and social risks and impacts of their activities and facilitate avoiding, mitigating and managing identified risks while maintaining business viability. These efforts include stakeholder engagement and communications. When undertaking its investment role, the Corporation expects clients to apply provisions of this framework so that development opportunities are enhanced and sustained. The framework is used in conjunction with other policies to direct the business activities of the Corporation to achieve its overall objectives and mandate.

Monitoring and reviewing each client's ESMS engagement allows BDC and the client to assess the effectiveness of ESMS implementation and if necessary, adjust to ensure continued effectiveness. In the year under review, BDC undertook environment and social audits for some of its projects, and it was at these engagements that awareness trainings on the newly updated framework were undertaken.

Governance of sustainability

BDC continues to uphold the highest standards of corporate governance and good ethical culture to create value for the Corporation. Our commitment to good corporate governance is overseen by the BDC Board of Directors.

The Board is responsible for guiding BDC's strategic direction by providing leadership to Management and is collectively accountable to the Shareholder (Government of Botswana) for promoting and safeguarding the long-term success of the Corporation.

Sustainable human capital

In response to heightened demand for a highly skilled and adaptable workforce due to the fast-paced evolving business landscape, BDC remains committed to building a strong talent bench for Sustainable Success. Through implementation of the Human Capital mandate, BDC drives its people agenda vision by investing in developing and nurturing talent; and deploying new technologies to ensure long-term business sustainability.

Employee safety and well-being remain a priority in the successful delivery of the Corporation's objectives.

To enhance staff knowledge on the sustainability subject, BDC conducted training and an assignment on Sustainability through the BDC Online Learning Academy in the year under review.

Sustainability of our processes

Our Group Internal Audit Division provides an independent assurance that the processes, internal control systems and risk management are adequate and effective in mitigating the critical risks that threaten the achievement of BDC's corporate objectives.

Stakeholder management

BDC continues to prioritise strategic stakeholder engagement as a cornerstone of its operations. Engagement is not only about maintaining relationships but also about fostering trust, transparency, and accountability with all stakeholders, ensuring alignment to our mandate and Botswana's broader development agenda.

Approach

The Corporation adopts a structured and inclusive approach to stakeholder engagement. This includes:

- Integration of stakeholder perspectives into strategic planning, risk management, and reporting to ensure decisions are informed by stakeholder expectations.
- Regular dialogues/engagements with the Shareholder, clients, regulators, business & investor community, communities and employees.
- Tailored engagement channels such as annual stakeholder forums, client open days bilateral meetings, surveys, and digital platforms; to mention but a few, to ensure feedback is consistently captured and acted upon.

Sustainable social commitment

The Corporation remains dedicated to contributing to Botswana's sustainable and inclusive socio-economic growth through impactful Corporate Social Responsibility (CSR) initiatives. BDC proactively pursues programmes that uplift communities, strengthen resilience, and empower citizens in line with our mission to build a knowledge-based, high-income economy for Botswana. The Corporation's initiatives are informed by key pillars which include:

- Promote and support entrepreneurship.
- Inclusion of people living with disabilities.
- Promote and expose local talent through music, arts and cultural activities
- Conducting charitable activities of philanthropic & benevolent nature.

BDC Commitment on Green Finance:

"BDC commits to Investments, Projects and Initiatives that contribute to climate change mitigation and adaptation, thereby advancing Botswana's resilience, sustainable development, and alignment Sustainable Development (SDG) goals. The Corporation will further endeavour to fund and partner with projects whose operations and journey of growth, seek to and will be inclined towards opportunities that support Botswana's transition to a climate-resilient and low-carbon economy, ensuring sustainable and inclusive development."



Risk and Compliance

Botswana Development Corporation (BDC) aims to align with international best practice with regards to Risk and Compliance management. This is aimed to be achieved by the adopting key matrices relevant to a healthy state financial institution. The Corporation subscribes to the notion of Enterprise Risk Management (ERM) which are encoed on the provisions of ISO3100 and Committee of Sponsoring Organisations (COSO) which ensure the Corporation’s approach to risk management is structured. The ERM framework outlines how risks are identified, measures, monitored and controlled through appropriate mitigating measures. Below are the salient features of the ERM approach adopted and embedded within BDC:

- a. The Risk and Compliance management approach;
- b. Integrated organisation wide approach to risk management;
- c. gives rise to the creation of policies, guidelines, standards and procedures;
- d. clearly outlines roles and responsibilities to build a corporatwide culture of accountability with regards to risk and compliance management,

Risk Appetite Framework

The Risk Appetite of BDC is set and approved by the Board of Directors, compliance with the same is assessed at various committees within the Corporation. The Framework sets out the common language, policies, processes, systems, and tools used to establish, communicate, and monitor risk appetite. The intention is to ensure there is a unified risk management strategy. It articulates BDC’s overall desired level of exposure to the risks specified in the framework both quantitatively and qualitatively.

Risk Management Framework

The BDC Risk Management framework aims to ensure that risks are managed in a coordinated, comprehensive, and systematic manner that is in line with BDC’s corporate mandate, national legislation and is consistent with internationally accepted standards and guidelines.

An overview of the inter-relationships between the principal components of the risk management framework within the Corporation is outlined in the diagram below:

Integration Of Risk Management

The three lines of defence model sets out the responsibilities of the different actors to ensure risks are effectively considered and managed.

First line of defence	Second line of defence	Third line of defence
Primary Risk Owner: Heads of Business Unit	Foundation of risk governance: Risk, Compliance and Legal	Independent Views: Group Internal Audit
<p>Ensure that the business unit acts in accordance with mandates, policies and procedures.</p> <p>Assess, manage and report on risks and operate within appetite.</p> <p>Promote a positive risk and compliance culture.</p>	<p>Independent oversight and monitoring of risk.</p> <p>Report to the Executive Management and the Board of Directors on the risk environment and compliance to the risk appetite statement.</p>	<p>Provide independent assurance of the adequacy, compliance and effectiveness of the implemented risk management policies and procedures.</p> <p>Undertake audits.</p> <p>Report to the Board of Directors on the overall effectiveness of the governance framework.</p>

In the pursuit of business goals and objectives, BDC identifies all the risks associated with each business process it enters. It is therefore a key business imperative to understand and manage current and prospective risks that the Corporation faces.

Compliance Risk

Botswana Development Corporation (BDC) has adopted a proactive risk-based approach to adherence to legislative and regulatory requirements. The operating environment is constantly evolving, and the Corporation has responded to the same with agility, achieved through remaining abreast with these changes through legislative screening and surveillance as well as increased stakeholder engagement.

BDC maintains a Regulatory Universe which captures the compliance obligations applicable to the corporation. As a public interest entity and a participant in the bond market the key regulators and supervisory bodies for BDC are the Botswana Accountancy Oversight Authority, Botswana Stock Exchange, Financial Intelligence Agency, Information and Data Commission, Public Procurement Regulatory Authority and Botswana Unified Revenue Services.

Key legislative pronouncements in the past year include the commencement of the Data Protection Act, 2024 which required the Corporation to revise operational systems and processes to ensure personal and sensitive information remains protected.

The Corporation continues to strengthen its controls on financial crimes to reduce possible exposure especially given several stakeholders who have stringent requirements on the same. This includes reviews of the Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation Financing and Sanctions framework, training and awareness and Know Your Client (KYC) remediation exercises.

Operational Risk

Operational risk management is concerned with uncertainties and threats faced by the Corporation in its daily operations. The risks stem from people, systems, policies, and external events. Risk registers are maintained, and the identified risks are monitored with quarterly reporting of the risk environment made to Management and the BDC Board of Directors.

Business Resilience

BDC has a Business Continuity Management program in place which aims to protect BDC reputation, allow for it to meet its strategic intent and ensure the Corporation maintains operations during and following a disaster.



Information & Communications Technology Report

Overview of BDC's Technology Environment for FY25

During the period under review, Botswana Development Corporation (BDC) made significant strides in leveraging Information and Communications Technology (ICT) to support its operations, enhance governance, and accelerate digital transformation. The ICT function played a key role in executing strategic projects, enhancing cybersecurity, and ensuring robust infrastructure performance.

Key Projects and Initiatives

At the centre of BDC's digital transformation journey is the Motsvedi Project, a major automation initiative aimed at implementing an Integrated Information Management System (IIMS). The project seeks to streamline key business processes, improve operational efficiency, support compliance, and enhance data-driven decision-making. As of the end of the financial year, the project was at 44% completion, with notable progress in functional requirements gathering, stakeholder engagement, and the procurement process for a suitable implementation partner.

The COBIT 2019 Framework continued to guide ICT governance initiatives during the period under review. COBIT (Control Objectives for Information and Related Technologies), developed by ISACA, is a globally

recognised framework that helps organisations govern and manage IT effectively. It provides a structured approach to aligning Information Technology goals with business objectives, ensuring regulatory compliance, managing risk and performance, and optimising technology investments.

BDC's I&T Governance Framework prioritised twenty-four (24) of COBIT 2019's forty (40) governance and management objectives, half of which were implemented by the end of the prior period. During the review period, six (6) additional processes were successfully implemented, bringing the total to eighteen (18). This progress strengthens ICT alignment with corporate objectives, enhances internal controls, and standardises program, change, and project management practices.





Cybersecurity and Risk Management

Significant progress was made in reinforcing BDC’s cybersecurity posture. The Information Security Management System (ISMS) implementation reached full completion, with all 92 applicable security controls adopted across business processes. These controls were supported by departmental training, new policy guidelines, and increased awareness campaigns to foster a security-conscious culture.

Throughout the year, no security breaches were recorded on BDC systems. Risks were proactively managed through regular reviews of the ICT risk register, in alignment with the Enterprise Risk Management (ERM) framework. Security tools such as firewalls, endpoint protection, and email filtering systems (e.g., Mimecast) remained effective in mitigating cyber threats. Notably, BDC’s systems remained secure, highlighting the effectiveness of the Corporation’s cybersecurity safeguards.

Outlook and Strategic Intent

BDC’s revised strategic focus prioritises projects of national and economic importance in areas such as infrastructure, financial services, media and technology, energy and climate, healthcare, services, and agriculture. A key strategic pillar is to foster collaborations and partnerships that leverage the competencies, technical expertise, and industry experience of potential partners.

Looking ahead, BDC is poised to continue leveraging technology as a strategic enabler for operational excellence, stakeholder value, and national development impact.

Corporate Social Responsibility Report

At Botswana Development Corporation (BDC), our commitment to shaping Botswana’s future goes beyond investment and finance, it extends to building a nation where growth is both inclusive and sustainable. Guided by our mandate as the country’s premier development finance institution, we believe that meaningful progress must touch the lives of all Batswana.

Through impactful Corporate Social Responsibility (CSR) initiatives, BDC continues to champion programmes that uplift communities, enhance resilience, and empower citizens to actively participate in the nation’s transformation journey. During the year under review, our CSR agenda was deliberately aligned with Botswana’s long-term vision of transitioning to a knowledge-based, high-income economy.

We have focused on initiatives that foster innovation, promote skills development, and strengthen social welfare, ensuring that economic advancement translates into shared prosperity. These efforts are not stand-alone acts of goodwill—they are strategic investments

in human capital and community wellbeing, designed to complement our broader role in driving industrial and economic growth. By working hand-in-hand with stakeholders, partners, and the wider public, BDC continues to reinforce its position as a catalyst for positive change. Our CSR programmes embody our conviction that sustainable development is achieved when progress is inclusive, opportunities are equitable, and no community is left behind. This unwavering focus on social impact underscores our vision: to create lasting value for Botswana today, while laying the foundation for a prosperous tomorrow.

BDC CSR Mandate

The primary mandate of the BDC CSR is to:

- 01 To promote and support entrepreneurship activities undertaken by Batswana by providing funding, resources, skills development, facilities and the necessary enabling environment for their success.
- 02 To promote the inclusion of people living with disabilities. Inter alia: to provide education and training support, rehabilitation, and generally identifying and eliminating barriers to their participation in social and economic circle.
- 03 To promote and expose local talent through music, sports, arts, and cultural activities that benefit more than one person or foundations that support local arts and culture sector.
- 04 Conducting such further charitable activities of a philanthropic and benevolent nature as the Trustees may from time to time determine without departing from the spirit and primary objective of the Trust.



Criteria for Donations, Sponsorships and CSI

Botswana Development Corporation (BDC) may extend donations or financial support to Corporate Social Responsibility (CSR) initiatives, organisations, projects, publications, or causes that align with its mandate of promoting sustainable socio-economic development. All requests will be assessed on merit, with priority given to initiatives that demonstrate clear and measurable impact.

Eligible Beneficiaries

To qualify for consideration, applicants must meet the following criteria:

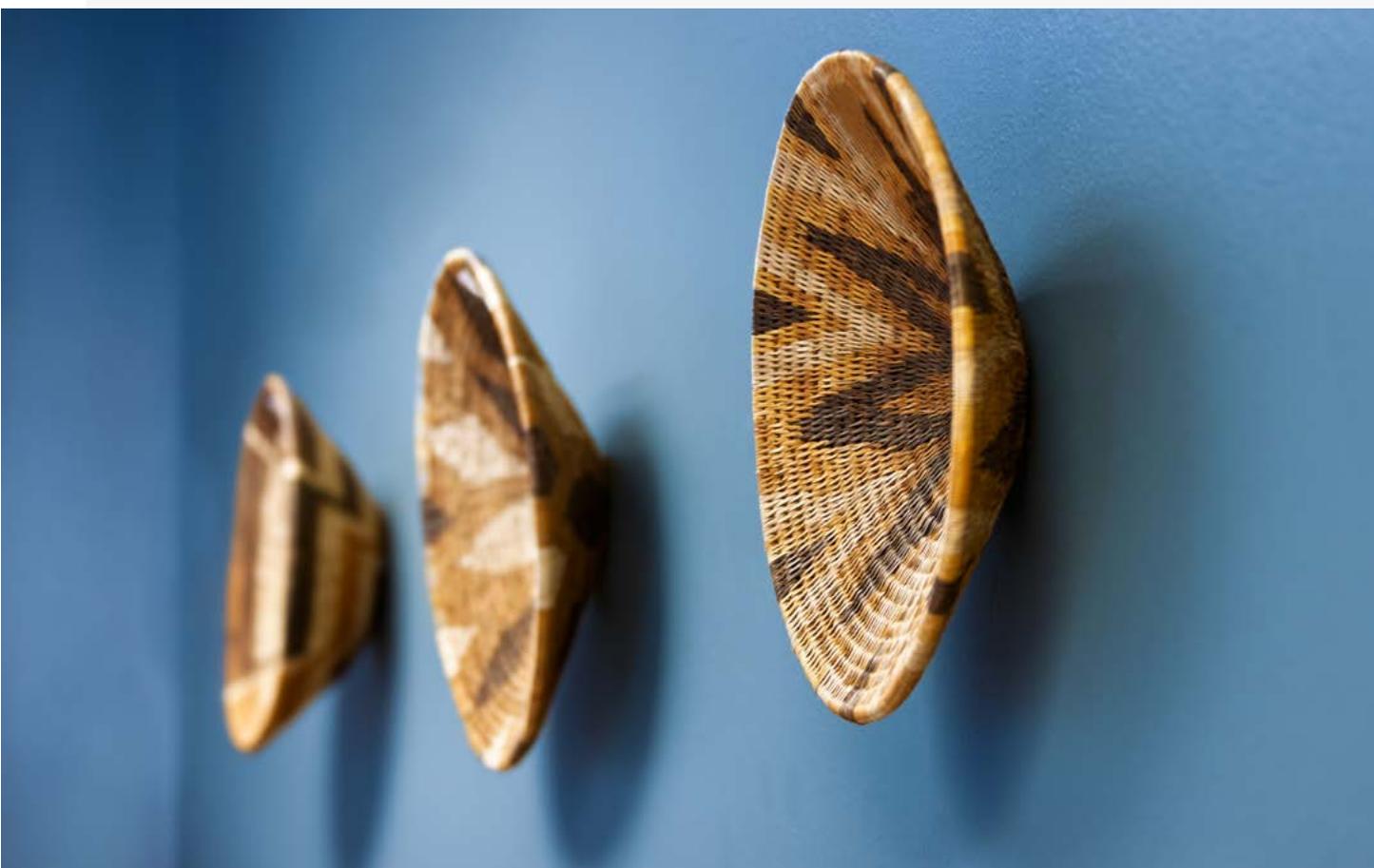
- Be a registered organisation in good standing and fully compliant with relevant laws and regulations.
- Deliver programmes or services that promote skills development, create employment opportunities, or contribute to broader community and national development.
- In exceptional cases, non-registered entities or individuals whose requests are deemed deserving may be approved at the discretion of the CSR Committee and the Managing Director.

Focus Areas

Requests must demonstrate direct and tangible benefit to communities and must be non-discriminatory. Priority will be given to initiatives that support:

- Conservation and sustainable use of the environment and natural resources.
- Creation of employment opportunities across the country.
- Care, rehabilitation, and training for persons with disabilities, the socially disadvantaged, or the ill.
- Research, documentation, and public education on Botswana's history, culture, and economy.
- Promotion and development of business, entrepreneurship, and self-employment skills.

The Corporation does not provide financial, human resource, or any other form of support to religious or political activities.



Empowering Education and Community Development

At Botswana Development Corporation (BDC), we recognise that education and community wellness form the foundation of a prosperous and inclusive nation. Guided by this conviction, BDC has continued to invest in initiatives that uplift schools and communities across Botswana, ensuring that learners and citizens alike are empowered to thrive.

Bobirwa Junior Secondary School: Donated a printer to enhance both administrative efficiency and academic delivery.

Nthwalang Junior Secondary School: Donated sanitary pads to support young girls, promoting dignity, equal opportunities, and uninterrupted access to education.

Pitikwe Junior Secondary School: In partnership with investee companies, Delta Automotive Technologies and Lobatse Clay Works, BDC participated in the school's sponsored walk under the theme *"Renew & Thrive: Cultivating Wellness from Within."* This collaboration highlighted our shared commitment to community wellness as an essential pillar of sustainable development.

MmaMoagi Settlement: Through the *'53 Hours of Community Service'* initiative, BDC staff provided school shoes to 52 students, enabling them to walk confidently and comfortably to school, particularly during the winter season.

Ramonaka Primary School: Also, under the *'53 Hours of Community Service'* initiative, BDC renovated classrooms to address health hazards caused by bat infestations. This project reinforced our dedication to creating safe, healthy learning environments that foster quality education.

These initiatives underscore BDC's unwavering belief that investment in education and wellness is an investment in the nation's long-term development. By supporting schools and communities, we are not only addressing immediate needs but also laying the groundwork for a resilient, knowledge-driven future for Botswana.



Celebrating Academic Excellence

Botswana Development Corporation (BDC) remains committed to recognising and rewarding academic achievement, celebrating both learners and educators who play a vital role in shaping the nation's future. Through our engagements, we continue to champion education as a cornerstone of sustainable development and a driver of Botswana's transformation into a knowledge-based economy.

Parwe Junior Secondary School, Mahalapye: BDC joined the school in celebrating its top achievers, recognising not only the dedication of learners but also the invaluable contributions of educators, parents, and staff.

Gaborone Senior Secondary School: At a prize-giving ceremony held under the theme "Developing Productive and Innovative Attitudes in the Digital World," BDC's Head of ICT, Mr. Kebareileng Lebalang, inspired students to embrace technology as a catalyst for innovation, growth, and future success.

Graduation Ceremonies: BDC proudly supported milestone celebrations at the Botswana University of Agriculture and Natural Resources (BUAN) and Ba Isago University. At BUAN, former Managing Director Mr. Cross Kgosidiile delivered a keynote address, underscoring education as the most powerful investment in Botswana's future prosperity.

These initiatives underscore BDC's unwavering belief that Through these initiatives, BDC continues to encourage academic excellence and to affirm its belief that education is the bedrock of national progress and competitiveness.



Strengthening National Resilience

As part of our commitment to supporting national recovery and resilience, BDC proudly donated P 300,000 to the Private Sector Disaster Relief Fund (PSDRF) contributing to the P 10 million raised by Business Botswana members. This support, delivered in collaboration with the National Disaster Management Committee, helped to address urgent community needs, including infrastructure repairs, reviving uninsured businesses, and restoring economic activity in affected areas such as Gaborone, Francistown, and Gantsi.



Fostering Innovation and Skills in Agriculture

BDC proudly sponsored the Kwenantle Farmers Children's Agriculture and Skills Fair in Tuli Block. This event nurtured children's curiosity in agriculture through hands-on experiences. Speaking at the fair, BDC Investment Principal, Mr. Sylvester Tshomane, emphasised the importance of innovation and an evolving mindset in agriculture to develop future leaders in the sector.

BDC Business Den

Through its Corporate Social Investment (CSI) programme, BDC launched the Business Den Entrepreneurial Development Programme, an initiative designed to empower young, growth-oriented entrepreneurs. The programme provides a unique platform that combines funding, mentorship, and networking opportunities, equipping self-driven entrepreneurs with the tools they need to transform their ideas into sustainable businesses.

The competition is open to young Batswana with innovative business concepts or existing enterprises ready to scale. In 2022, Alosa Group emerged as the inaugural winner of the Business Den, receiving both funding and mentorship from BDC to support its growth journey. Building on this success, 2023 marked the unveiling of Business Den 2.0, with UniPay (Pty) Ltd, an innovative payment solution for public transport, crowned as the winner.

As part of the programme, UniPay underwent an eight-month development journey under BDC's guidance, benefiting from structured mentorship, monitoring, and evaluation. This hands-on support is designed to strengthen its business model, accelerate growth, and ensure long-term sustainability, in line with BDC's mission to nurture entrepreneurship as a driver of Botswana's economic transformation.

BDC Trust

To expand its CSR impact, BDC established the BDC Trust to initiate, implement, and support charitable activities. BDC, as the donor, has committed an annual contribution of 1% of profit after tax to fund the Trust's activities and supplement its CSR objectives.

Objectives of the Trust:

- Promote and support entrepreneurship activities undertaken by Batswana through funding, resources, skills provision, training, and mentorship.
- Support people living with disabilities through care, rehabilitation, training, and skills development.
- Promote research and public education on Botswana's history, culture, and economy.
- Nurture and develop local talent and creative industries while supporting local arts and culture.
- Function as a philanthropic vehicle that supplements BDC's charitable initiatives in line with our CSR objectives.



Major Activities & Events Report

This report reflects not only the Corporation's performance, but also its continued commitment to fulfilling its mandate as Botswana's leading development finance institution. Over the past year, BDC has undertaken a range of strategic initiatives designed to stimulate sustainable economic growth, foster industrial development, and strengthen the Corporation's role as a trusted partner in advancing national priorities.

The report provides a comprehensive summary of the Corporation's major activities and key focus areas during the year under review. Central to these were robust stakeholder engagement and management efforts, deepened collaboration with the business and investor community, and extensive public outreach campaigns aimed at building awareness of BDC's mission and impact. These activities were executed with the overarching goal of aligning our investments and partnerships with Botswana's broader socio-economic transformation agenda.

As the country continues to navigate evolving global and domestic challenges, BDC has remained steadfast in adapting its strategies to ensure resilience, competitiveness, and relevance. This report captures not only what was achieved, but also how these efforts position the Corporation for sustainable growth, while reaffirming its role in driving inclusive development for the people of Botswana.





Stakeholder & Partnership Engagements

Shareholder alignment and partnership engagement are critical aspects of the business and key to the successful delivery of our mandate. It is for this reason that the Corporation continues to prioritise strategic stakeholder engagement. During the financial year, the Corporation participated in several activities to reinforce its relations with stakeholders.

Oxygas Courtesy Visit: The Corporation made a courtesy call to Oxygas (Pty) Ltd, an air separation plant in Selibe-Phikwe, funded by BDC and set up to produce medical and industrial gases, such as Oxygen, Nitrogen, Nitrous Oxide and Acetylene. Targeting the food and beverages sector, medical, mining, agriculture, industrial and transportation, their products are mostly used in surgical centres, health care facilities, laboratories, and MRI imaging centres.

JICA Engagement: BDC hosted a delegation from the Japan International Cooperation Agency (JICA). Key discussions focused on strategies to enhance support for local industries, particularly Micro, Small, and Medium enterprises, with an emphasis on financing schemes, productivity growth, and long-term investments.

SADC Development Finance Resource Centre Meet and Greet Session: BDC hosted colleagues from the SADC Development Finance Resource Centre (DFRC) for a meet-and-greet session. The newly appointed CEO, Mr. Zweli Sapula, paid a courtesy visit to BDC to foster camaraderie and share the organisation's aspirations for continued and enhanced collaboration, aimed at advancing SADC and development finance institutions in the region.

BDC/ University of Texas: BDC hosted a delegation from the University of Texas to provide insights into BDC's mandate, unique value proposition, and value chain, while also allowing the delegation to explore BDC's strategic initiatives.

AfDB Site Visit: BDC hosted a site visit for the African Development Bank (AfDB), to Delta Automotive Technologies Botswana (Pty) Ltd and Lobatse Clay Works (Pty) Ltd - two entities that have directly benefited from the Bank's financial support facilitated through the line of credit extended to BDC. The visit provided the AfDB delegation with an opportunity to witness firsthand the progress and impact of its funding on these projects. The delegation recognised the progress achieved at LCW in the implementation of the turnaround strategy focused on driving efficiency, including the ongoing plant refurbishment. In addition, the delegation visited Milk Valley Farms.

Engagement with the 2024 MBA cohort from Wits Business School: BDC hosted the 2024 MBA cohort from Wits Business School on their global academic tour. The visit aimed to provide insights into BDC's mandate, unique value proposition, and value chain, while also allowing the delegation to explore BDC's strategic initiatives and sustainability.

Selibe-Phikwe Engagement: BDC hosted a stakeholder engagement session in Selibe Phikwe, bringing together tenants, SPEDU, and Western Industrial Estates representatives. The session aimed to strengthen client relations, address tenant challenges, and collaboratively explore practical solutions.

Fashion Without Borders: BDC is proud to have sponsored the Fashion Without Borders (FWB) masterclass, fashion & arts exhibition and the exclusive fashion showcase. This partnership reflects our belief in the power of creativity to drive economic growth and cultural exchange.

Tuli Block Stakeholder Engagement: BDC alongside the Ministry of State President, Ministry of Trade and Entrepreneurship, and, Ministry of Transport and Infrastructure, had a stakeholder engagement session with Tuli Block Farmers, a vital sector in Botswana's agricultural economy. The discussions focused on opportunities for growth, infrastructure development, and the support mechanisms available to enhance agribusiness productivity.



Conferences & High - Level Forums

National Business Conference: BDC sponsored and participated at the National Business Conference under the theme “Invigorating Economic Transformation through the Private Sector.” the conference underscored the significance of collaboration, innovation, and strategic investment in achieving the nation’s long-term goals, particularly as envisioned in Botswana’s Vision 2036.

BDC also chaired a panel discussion titled “Enhancing Private Sector Growth Through Value Chain Development.” This session provided practical insights and experiences on how value chain development can serve as a catalyst for private sector growth in Botswana. The Corporation’s sponsorship of the business lounge provided a space for B2B meetings, enabling conference attendees to network, forge partnerships, and explore new business opportunities in a conducive environment.

SADC DFI CEOs Forum: BDC Participated at the 2025 SADC Development Finance Institutions (DFI) CEOs Forum to reaffirm its commitment to fostering regional economic integration, sustainable development, and institutional collaboration. As a key development finance institution in Botswana, BDC’s involvement underscores its support for strategic dialogues that drive innovation in financing mechanisms and strengthen resilience across the SADC region. The 2025 forum marked a pivotal moment for the DFRC as it unveiled a revised strategic direction focused on financial sustainability, institutional capacity building, and deeper regional cooperation.

Botswana Livestock Breeders Conference: BDC proudly sponsored the inaugural Botswana Livestock Breeders Conference, a groundbreaking event that featured exhibitors from the agricultural sector to present strategies and technologies aimed at enhancing and expanding the livestock industry.

HATAB Annual Conference: BDC is proud to have sponsored the 2025 Hospitality and Tourism Association of Botswana (HATAB) Annual Conference, themed “Botswana Tourism: Exploring the Conditions for Growth”

The conference served as a vital platform for dialogue between the public and private sector to share information on tourism development and challenges. Head-Corporate Affairs Ms Boitshwarelo Lebang-Kgetse led a roundtable discussion that brought together key stakeholders to explore strategies for unlocking growth within the sector. The conversation highlighted the need for a strong policy environment, Botswana’s unique tourism offering, and building a robust ecosystem that connects the entire value chain, from skilled personnel to technological advancement and collaborative partnerships.

BDC/ Mashatu Engagement: BDC hosted a strategic stakeholder engagement meeting at Mashatu Game Reserve, highlighting our commitment to sustainable tourism, conservation, job creation, and community development in Botswana. Mashatu Game Reserve represents a strong investment in Botswana’s growing tourism sector, which continues to thrive as a key driver of economic growth and sustainability.

Board Tour: To showcase the impact of BDC’s investments in Lobatse, the Corporation took its Board of Directors on a tour of its projects in the town. The Board Members kicked off their project tour at Delta Automotive Technologies, then Lobatse Clay Works and lastly Milk Valley Farms. This visit highlighted the innovative operations and high-quality products that drive Botswana’s position in global markets.

Mindset Change Campaign One Year Anniversary: BDC joined the nation in Seronga to celebrate the first anniversary of the National Mindset Change Campaign that was launched on the 20th of July 2023 in Zutshwa. The campaign represents a significant effort in advancing positive transformation across Botswana, empowering communities, enhancing national awareness, and laying the groundwork for attaining high-income status.

Trade Fairs, Expos & Public Outreach Events

Through networking opportunities, BDC participated at the 2024 Ghanzi Show in order to establish meaningful connections and foster sustainable business relationships that will help Botswana achieve its economic aspirations. The event was held under the theme “Sowing seeds of innovation for Agricultural Transformation”.

Furthermore, BDC, in partnership with the BDC Group of Companies, participated as the BDC Village at the 2024 Botswana Consumer Fair, witnessing Botswana open her arms to more business networking and strategic partnerships. The theme of the event was “Building a Sustainable Future: Balancing Economic Growth and Environmental Protection”.

To showcase and extend its services to different communities across the country, the Corporation also sponsored the Inaugural Selibe Phikwe Trade Fair and Agric Expo, Moshupa Trade show, Majana Intervillage Cultural Games, Bobirwa Culture day and the Shoeless Golf tournament among others.

Kwenantle Farmers Children’s Agric and Skills Fair: BDC is proud to have sponsored the Kwenantle Farmers Children’s Agriculture and Skills Fair, a meaningful event designed to spark children’s interest in agriculture by providing them with hands-on experience in the field.

Business Botswana Northern Trade Fair: BDC participated at the trade fair alongside investee companies LCW, Cresta and BECI, in order to strategically amplify portfolio companies’ presence. As part of its engagement, the Corporation also sponsored a business lounge creating a professional and welcoming space for B2B meetings, enabling meaningful interactions between the private sector and prospective partners. In alignment with the trade fair’s theme “Driving Economic Diversification: Innovation for sustainable growth,” BDC’s participation was driven by its dedication to promoting sustainable business practices and pioneering solutions that contribute to a greener future.

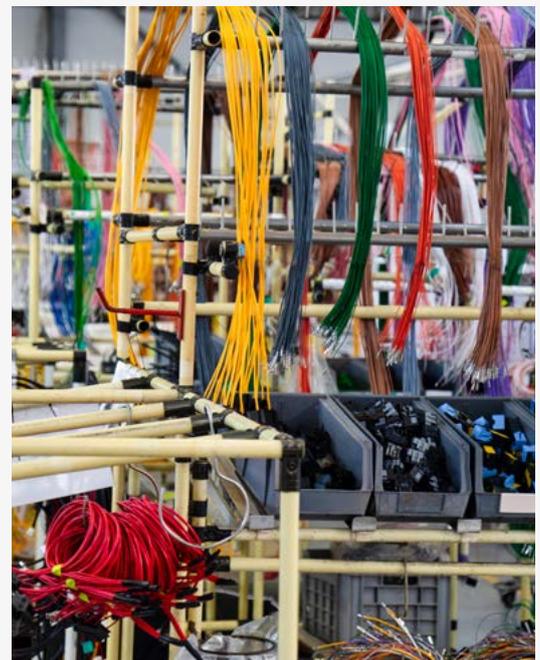


Project Launches

BDC has officially launched three major projects supporting economic diversification and industrial growth. The revitalised **Lobatse Clay Works (LCW)**, officiated by the Minister of Trade and Entrepreneurship now features cutting edge technology and boasts an enhanced annual production capacity of 36 million bricks positioning it to meet the rising demand for high-quality building material in Botswana, reclaim its market share and reinforce its leadership in the industry.

In addition, the Corporation officially launched the **Milk Afric Dairy Project**, which has been renamed to ‘**Milk Valley Farms**’, a milestone initiative set to play a critical role in advancing Botswana’s food security and economic diversification. The Project is poised to catalyse growth in the dairy industry, fostering innovation and excellence.

Further reinforcing its commitment to industrial development, BDC officially launched the **Delta Automotive Technologies Harness Manufacturing Plant**. The project marks a significant step in Botswana’s journey towards technological innovation and economic diversification.



04

FINANCIAL STATEMENTS

CONSOLIDATED AUDITED
FINANCIAL STATEMENTS



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General information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Investment arm of Government to promote and facilitate economic development of Botswana.
Directors	O Keabetswe (Caretaker Managing Director) R Desai (Interim Chairman) A W-Moyo B Mphetlhe E J Mogomotsi C Moseki B Ramorwa B Mokgosi
Registered Office	Fairscape Precinct Plot 70667 Fairgrounds Office Park
Postal Office	Private Bag 160 Gaborone
Bankers	Absa Bank of Botswana Limited First National Bank of Botswana Limited Standard Chartered Bank Botswana Limited Stanbic Bank Botswana Limited
Auditor	KPMG
Group Company Secretary	Gilbert Ofetotse

Directors' Responsibilities Statement and Approval of the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Botswana Development Corporation Limited ("the Group"), comprising the statements of financial position as at 30 June 2025 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of material accounting policies and notes to consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards).

The Directors are required by the Companies Act of Botswana (Companies Act, 2003) to maintain adequate accounting records and are responsible for the content and integrity of the financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and Company as at 30 June 2025 and the results of their operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the group and company financial statements and their report is presented on pages 58 to 64.

The Directors are responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors have made an assessment of the Company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead. The Directors are of the opinion, based on the information and explanations given by Management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

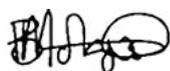
Disclosure of audit information

Each of the directors at the date of approval of this report confirms that:

- in so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

Directors' approval of the financial statements

The group and company financial statements set out on pages 65 to 164 which have been prepared on the going concern basis, were approved by the Board on 21 November 2025:



Director
B Mokgosi



Director
O Keabetswe

Director's Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of Botswana Development Corporation Limited for the year ended 30 June 2025.

1. Review of financial results and activities

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of Botswana. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group and company are set out in the accompanying statements.

2. Stated capital

The total number of ordinary shares issued and fully paid is 887,640,016 (2024: 638,274,756).

3. Directorate

The directors in office at the date of this report are as follows:

Name	Office	Designation	Nationality	Changes
M Mothibatsela	Chairperson	Non-executive	Motswana	Retired 4 December 2024
C Kgosiidile	Managing Director	Executive	Motswana	Term ended 31 March 2025
M Ramaeba	Other	Non-executive	Motswana	Retired 4 December 2024
O Otladisa-Diloro	Other	Non-executive	Motswana	Retired 5 August 2025
J S Ntshole	Other	Non-executive	Motswana	Retired 31 July 2025
N M Setaelo	Other	Non-executive	Motswana	Retired 31 July 2025
G Mmolawa	Other	Non-executive	Motswana	Retired 5 August 2025
B Mufahotho	Other	Non-executive	Motswana	Retired 5 August 2025
C Mamelodi-Onyadile	Other	Non-executive	Motswana	Appointed 15 September 2024, retired 5 August 2025
L Pillar	Other	Non-executive	Motswana	Appointed 15 September 2024, retired 5 August 2025
B G Mphetlhe	Other	Non-executive	Motswana	Retired 5 August 2025 and reappointed 13 October 2025
O Keabetswe	Caretaker Managing Director	Executive	Motswana	Appointed 1 August 2025
B Abosi	Acting Managing Director	Executive	Motswana	Appointed 1 April 2025, to 31 July 2025
A Wellio-Moyo	Other	Non-executive Independent	Motswana	Appointed 13 October 2025
B Mphetlhe	Other	Non-executive	Motswana	Appointed 13 October 2025
E J Mogomotsi	Other	Non-executive Independent	Motswana	Appointed 13 October 2025
C Moseki	Other	Non-executive Independent	Motswana	Appointed 13 October 2025
R Desai	Interim Chairperson	Non-executive Independent	Motswana	Appointed 13 October 2025
B Ramorwa	Other	Non-executive Independent	Motswana	Appointed 13 October 2025
B Mokgosi	Other	Non-executive Independent	Motswana	Appointed 13 October 2025

Director's Report

4. Events after the reporting period

Refer to note 42 for details of subsequent events.

5. Going concern

The group incurred a total comprehensive income for the year ended 30 June 2025 of P116 million (2024: total comprehensive loss of P54 million) and as of that date its total assets exceeded its total liabilities by P3.11 billion (2024: P2.78 billion).

The company incurred a total comprehensive loss for the year ended 30 June 2025 of P85 million (2024: total comprehensive loss of P185 million) and as of that date its total assets exceeded its total liabilities by P2.22 billion (2024: P2.10 billion).

The Board of Directors has assessed based on profitability and cash flow projections that both the group and company have sufficient cash resources available to settle the obligations up to 12 months from the date of the approval of these financial statements.

The group and company have also implemented strategies to return to profitability and these are monitored regularly by the Board of Directors. Furthermore, the group and company keeps track of the Botswana government initiatives to protect the economy and will participate as appropriate. Measures are already in place through the Botswana Economic Recovery Transformation Plan (BERTP) which BDC is at the centre of as one of the key vehicles for driving outcomes.

The consolidated and separate financial statements have thus been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

6. Directors fees and expenses

It is recommended that the directors fees of P1,388,000 and executive directors emoluments of P4,387,348 (2024:Fees P553,000, Emoluments P2,267,000) for the year to 30 June 2025 be ratified.

7. Dividends declaration

No dividends (2024: P Nil million) have been declared post the reporting date.

By Order of the Board



G. Ofetotse
Group Company Secretary

Independent Auditor's Report



KPMG, Chartered Accountants Audit

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Independent Auditor's Report

To the shareholder of Botswana Development Corporation Limited

Opinion

We have audited the consolidated and separate financial statements of Botswana Development Corporation Limited (the Group and Company), which comprise the statements of financial position as at 30 June 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, material accounting policies and notes to the consolidated and separate financial statements and other explanatory information, as set out on pages 65 to 164.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Development Corporation Limited as at 30 June 2025, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

Independent Auditor's Report



1) Valuation of investment properties

This key audit matter is applicable to the consolidated financial statements.

Refer to note 1.5 - Significant judgements and sources of estimation uncertainty, Critical judgements in applying accounting policies, Valuation of investment properties, note 1.7 - Material accounting policy for Investment property and note 7 - Investment property.

Key audit matter	How the matter was addressed in our audit
<p>The Group owns a portfolio of investment properties comprising office buildings, residential property, industrial property and mixed-use properties. The carrying values of the investment properties amounted to P 1,530.22 million as at 30 June 2025. This accounts for 41% of the Group's total non-current assets and is a significant asset of the Group.</p> <p>The Group's investment properties are measured at fair value based on valuations carried out by independent qualified professional valuers (the "valuers").</p> <p>The primary valuation model considers the present value of net cash flows to be generated from the respective property, taking into account the unobservable inputs, which is subject to estimation uncertainty and judgements, such as the expected rental growth rate, void periods, occupancy rate and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates which considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. Other models used by the group are the cost method and the market approach method.</p> <p>Due to the significance of the value of investment properties and the estimation uncertainty and judgments involved in determining the fair values of the investment properties, the valuation of investment properties is considered to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We tested the design and implementation of controls over management's process for reviewing the inputs and results obtained from these valuation reports and ensuring that the movement in the property fair values are appropriately recorded. • We evaluated the competence, capabilities, objectivity of the external valuers, including an evaluation of controls implemented for the appointment and assessment of these experts by management. This was achieved through conducting background checks, inspecting details of the valuers' qualifications and experience and verifying their membership to professional bodies. • With the assistance of our valuation specialists, we evaluated the appropriateness of valuation methodologies used by comparing it to the valuation methodologies applied by other valuers for similar property types. • We obtained an understanding of the valuation process used by the valuers, including the significant assumptions and critical judgements applied in the valuation methodologies and evaluated whether these methodologies met the requirements of IFRS 13, Fair Value Measurement.

Independent Auditor's Report



1) Valuation of investment properties

This key audit matter is applicable to the consolidated financial statements.

Refer to note 1.5 - Significant judgements and sources of estimation uncertainty, Critical judgements in applying accounting policies, Valuation of investment properties, note 1.7 - Material accounting policy for Investment property and note 7 - Investment property.

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> • We assessed and challenged the key inputs and assumptions in the valuation models to ensure that the significant inputs are within a reasonable range for the respective market sector and asset. This included performing the following procedures: <ul style="list-style-type: none"> - We agreed cash flows (rental incomes) to underlying lease contracts on a sample basis; - We assessed the reasonableness of cash flows related to rental costs by comparing them to historical financial information; - We compared expected market rental growth and discount rates to industry data; - We compared occupancy rates, void periods and other costs not paid by tenants to historical data. In addition, we considered whether the historical data was an appropriate indication for future inputs in line with current market conditions; and - We agreed the fair values of all the Group's investment properties to the independent valuers' reports. • We considered the adequacy of the disclosures made in the consolidated financial statements related to the valuation of investment properties in relation to the requirements of IAS40, Investment Property and IFRS 13.

Independent Auditor's Report



2) Impairment of investments in subsidiaries and equity accounted investees (associates)

This key audit matter is applicable to the separate financial statements.

Refer to note 1.3- Material accounting policies on Consolidation, note 1.4- Investments in associates, note 1.5 - Significant judgements and sources of estimation uncertainty Critical accounting estimates and judgements in applying accounting policies Impairment of investments in subsidiaries and equity accounted investees notes, note 15 - Investment in subsidiaries and note 16 - Investments in associates.

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of the Company's investments in subsidiaries and equity accounted investees amounted to P1,147.18 million and P327.56 million respectively at the reporting date. This constitutes 37.5% and 11% of the Company's total non-current assets respectively. The accumulated impairment balance on investments in subsidiaries and equity accounted investees amounted to P 242.58 million and P 133.63 million respectively.</p> <p>Investment in subsidiaries and equity accounted investees are carried at cost less accumulated impairment losses.</p> <p>Management assesses the investment in subsidiaries and equity accounted investees whenever circumstances may indicate the presence of impairment indicators considering amongst other factors the Company's carrying value to the respective net asset values of the investees. Management also takes into consideration information available at the reporting date which may have contributed to the current performance, or which is expected to improve future performance of the subsidiaries and equity accounted investees.</p> <p>The assessment of these investments for impairment therefore requires the application of significant judgement and the use of significant assumptions, which include revenue growth rates, and other cash flow projections.</p> <p>Significant judgements and assumptions are also applied in determining the current market value of non-current assets held by the subsidiaries and equity accounted investees based on valuations carried out by independent qualified professional valuers (refer to the key audit matter in respect of the valuation of investment properties).</p> <p>Given the significance of the carrying values of the investment in subsidiaries and equity accounted investees and the significant judgements made by management, we considered the impairment of these assets to be complex with estimation uncertainty and thus a key audit matter in our audit of the separate financial statements.</p>	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the valuation process used by the valuers to compute the recoverable amount, including the significant assumptions and critical judgments applied in the valuation methodologies and whether these methodologies meet the requirements of IFRS 13 Fair Value Measurement. We tested the design and implementation of controls over management's process for reviewing the inputs and results for impairment of investments in subsidiaries and equity accounted investees and ensuring that the movement in impairment losses is appropriately recorded. We compared the carrying values of the investment in subsidiaries and equity accounted investees with the respective net asset values per the subsidiaries and equity accounted investees' financial statements. Where the above comparison indicated a possible impairment, we discussed with management and assessed the adequacy of their impairment assessment taking into account expected future performance. We reviewed and critically evaluated the future performance and growth rates applied by management in their cash flow projections, based on information available at the reporting date which included comparing expected revenue growth rates to the investees' historical performance and relevant market growth data. We evaluated the competencies, capabilities, independence and objectivity of the external valuers, including an evaluation of controls in place for the appointment and assessment of these experts by management. We further evaluated the appropriateness of the valuation methodologies used by comparing it to the valuation methodologies applied by comparing them to industry norms. We assessed the adequacy of disclosures in the separate financial statements related to investments in subsidiaries and equity accounted investees in accordance with the requirements of IAS 36, Impairment of Assets and IFRS 13.

Independent Auditor's Report



3) Impairment of financial assets measured at amortised cost

This key audit matter is applicable to the separate financial statements.

Refer to note 1.5 - Significant judgements and sources of estimation uncertainty, Sources of estimation uncertainty in applying accounting policies Loans to subsidiaries, associates and non-affiliates, note 1.11 - Material accounting policy on Financial instruments and note 17 - Other investments - relating to financial assets measured at amortised cost.

Key audit matter	How the matter was addressed in our audit
<p>The financial assets measured at amortised cost are included under the "other investments" financial statements caption and amount to P1,563.7 million and P1,963.2 million at the reporting date for the Group and Company respectively. This constitutes 26.7% and 41.9% of the Group and Company's total assets respectively. The accumulated expected credit loss on these financial assets amounted to P505,62 million and P568,58 million for Group and Company respectively.</p> <p>The financial assets measured at amortised cost consist of loans disbursed to subsidiaries, equity accounted investees and non-affiliated entities.</p> <p>Loans to subsidiaries, equity accounted investees and non-affiliated entities are initially recognised at fair value and subsequently measured at amortised cost less impairment.</p> <p>The impairment of these loans is considered based on the Expected Credit Loss (EGL) which considers credit risk ratings, Exposure at Default (EAD), the Probability of Default (PD) and the Loss Given Default (LGD).</p> <p>The assessment of these loans for impairment therefore requires the application of judgement and the use of significant assumptions in determining certain inputs used in the expected credit loss computation.</p> <p>Given the significance of the financial assets measured at amortised cost and the significance and subjectivity of the judgements made by management in evaluating these assets for possible impairment, we considered the valuation of these assets to be a key audit matter in our audit of the consolidated and separate financial statements.</p>	<p>Our audit procedures performed included the following:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of controls over the impairment of loans to evaluate the appropriateness of key assumptions applied and the measurement of expected credit losses recognised. • We reconciled the input parameters (interest rates, repayment terms, collateral and exposures) applied in the expected credit loss calculation to underlying records. • With the assistance of our specialists, we reassessed the credit ratings of the borrowers using approaches deemed appropriate to derive reasonable credit risk ratings, PD, EAD and LGDs for each borrower. • We assessed the appropriateness of the staging of the loans by inspecting the payment history of counterparties against agreed loan terms. We also considered qualitative aspects such as its current and forecast financial performance. • We engaged our valuation specialists to assess management's expected credit loss computation on the financial assets measured at amortised cost based on the requirements applicable to IFRS 9, Financial Instruments. This included critically evaluating management's judgements and assumptions in determining the expected credit loss on loans to subsidiaries, associates and non-affiliates entities through performance of the following procedures: <ul style="list-style-type: none"> - Re-calculating the EAD based on the remaining term of each loan; - Re-rating the obligors using approaches deemed appropriate to derive reasonable credit risk ratings for each obligor; - Comparing the unsecured LGD to global market practice; and - Assessing the appropriateness of the PD on each loan by considering the credit risk rating and financial information of the borrowers. • We considered the adequacy of the disclosures made in the consolidated and separate financial statements in accordance with IFRS 7, Financial Instruments disclosure.

Independent Auditor's Report



Other information

The directors are responsible for the other information. The other information comprises the general information, the directors' responsibilities statement and approval of the financial statements and the directors' report, 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 and will not express 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 that we have 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), 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 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/or company or to cease operations, or have no realistic alternative but to do so.

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 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 and 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

Independent Auditor's Report



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/or company to cease to continue as a going concern.

- 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 group 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.

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.

Signed by:

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KPMG

Firm of Certified Auditors

Practicing member: Archibald Gumede (CAP 0045 2025)

Certified Auditor of Public Interest Entity

Gaborone

17 December 2025

Statements of Profit or Loss and Other Comprehensive Income

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Income from trade	2	287,563	310,703	77,817	78,172
Cost of sales	6	(205,711)	(182,365)	-	-
Gross profit		81,852	128,338	77,817	78,172
Interest on loans	3	234,903	235,908	263,473	264,866
Rental income		64,026	65,744	-	-
Contractual rental		71,780	63,278	-	-
- Straight line lease rental adjustment		(7,754)	2,466	-	-
		380,781	429,990	341,290	343,038
Finance income	4	57,447	51,750	67,184	66,762
Other income	5	61,348	29,625	28,333	5,584
Fair value gains on investment properties	7	226,666	66,513	-	-
- As per valuation		218,912	68,979	-	-
- Straight line lease rental adjustment	7	7,754	(2,466)	-	-
Share of profit of equity accounted investees, net of tax	16	61,172	42,971	-	-
Unrealised impairment of equity investments	8	-	-	1,371	(28,879)
Marketing expenses		(6,895)	(7,123)	(6,011)	(6,029)
Occupancy expenses	6	(26,743)	(25,484)	-	-
Expected credit losses	8	(128,941)	(174,767)	(120,129)	(184,097)
Unrealised foreign exchange (losses)/gains		(19,918)	1,782	(19,918)	1,753
Other operating expenses		(268,549)	(219,903)	(148,171)	(128,773)
Finance costs	4	(186,970)	(211,698)	(191,879)	(220,354)
Operating profit/(loss)		149,398	(16,344)	(47,930)	(150,995)
Change in fair value of debt instruments		(123,331)	(24,343)	(123,331)	(24,343)
Profit/(loss) before income tax expense		26,067	(40,687)	(171,261)	(175,338)
Income tax (expense)/credit	9	(10,330)	(12,796)	3,584	(1,901)
Profit/(loss) for the year		15,737	(53,483)	(167,677)	(177,239)
Other comprehensive income:					
Items that will not be subsequently reclassified to profit or loss					
Gains/(losses) on fair value of equity securities	26	82,454	(10,074)	82,454	(10,074)
Gains on valuation of land and buildings		23,599	8,680	-	-
Deferred taxation on revaluation loss of land and buildings		(6,093)	(2,585)	-	-
Foreign exchange (losses)/gains		(182)	3,882	(182)	2,033
Total items that will not be reclassified to profit or loss		99,778	(97)	82,272	(8,041)
Other comprehensive income/ (loss) for the year, net of taxation		99,778	(97)	82,272	(8,041)
Total comprehensive income/(loss) for the year		115,515	(53,580)	(85,405)	(185,280)
Profit/(loss) for the year attributable to:					
Owners of the Company		29,740	(47,238)	(167,677)	(177,239)
Non-controlling interest		(14,003)	(6,245)	-	-
		15,737	(53,483)	(167,677)	(177,239)
Other comprehensive income/(loss) attributable to:					
Owners of the Company		87,077	(97)	82,272	(8,041)
Non-controlling interest		12,701	-	-	-
		99,778	(97)	82,272	(8,041)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Statements of Financial Position as at 30 June 2025

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Assets					
Non-Current Assets					
Investment property	7	1,530,218	1,287,405	-	-
Rental straight-lining adjustment	7	43,608	51,362	-	-
Property, plant and equipment	10	663,493	624,376	1,936	1,676
Intangible assets	11	96,252	102,751	3,644	3,640
Right-of-use assets	13	-	51	62,589	75,899
Biological assets	12	4,903	4,840	-	-
Goodwill	14	13,909	13,909	-	-
Investments in subsidiaries	15	-	-	1,147,179	1,148,880
Equity accounted investees	16	498,366	510,191	327,568	391,416
Other investments	17	968,528	1,354,086	1,433,070	1,955,662
Due from group companies	18	-	-	79,910	72,141
Deferred tax	19	15,600	5,958	-	-
		3,834,877	3,954,929	3,055,896	3,649,314
Current Assets					
Inventories	20	119,370	98,726	-	-
Trade and other receivables	21	190,014	192,912	74,513	80,606
Other investments	17	1,502,301	1,162,085	1,489,903	1,007,868
Other assets	22	7,509	2,591	-	-
Cash and cash equivalents	23	167,630	303,077	52,704	203,487
Current tax receivable		23,779	23,416	9,948	9,747
		2,010,603	1,782,807	1,627,068	1,301,708
Total Assets		5,845,480	5,737,736	4,682,964	4,951,022
Equity and Liabilities					
Equity					
Stated capital	24	1,234,140	984,774	1,234,140	984,774
ISF equity reserves	25	1,607	42,108	1,607	42,108
Fair value reserve	26	(28,997)	(24,172)	(28,997)	(24,172)
Other reserves	27	436,090	430,036	86,081	84,832
Claims equalisation reserve	25	1,207	1,207	-	-
Retained earnings		1,350,823	1,235,229	933,589	1,015,418
Equity attributable to owners of the Company		2,994,870	2,669,182	2,226,420	2,102,960
Non-controlling interests	28	113,110	114,412	-	-
Total equity		3,107,980	2,783,594	2,226,420	2,102,960

Statements of Financial Position as at 30 June 2025 *(continued)*

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Liabilities					
Non-Current Liabilities					
Borrowings	29	1,304,996	1,759,550	1,282,546	1,734,098
Government grants	30	8,563	8,919	-	-
Bonds outstanding	32	455,631	454,635	455,631	454,635
Lease liabilities	13	-	-	103,256	125,365
Provisions for restoration costs	33	14,291	9,904	-	-
Deferred tax	19	135,335	122,560	-	-
		1,918,816	2,355,568	1,841,433	2,314,098
Current Liabilities					
Borrowings	29	443,851	324,083	414,237	310,734
Government grants	30	356	356	-	-
Current tax payable		1,618	1,609	717	717
Trade and other payables	31	282,266	164,306	102,665	103,761
Lease liabilities	13	-	15	22,906	16,955
Bank overdraft	23&34	90,593	108,205	74,586	101,797
		818,684	598,574	615,111	533,964
Total Liabilities		2,737,500	2,954,142	2,456,544	2,848,062
Total Equity and Liabilities		5,845,480	5,737,736	4,682,964	4,951,022

Statements of Changes of Equity

Figure in Pula thousand (P'000)	Stated capital	Fair value reserve	ISF Equity reserve	Claims equalisation reserve	Other reserves	Retained earnings	Total attributable to members	Non-controlling interest	Total equity
Group									
Balance at 01 July 2023	888,269	168,861	96,505	1,207	414,949	1,103,683	2,673,474	120,657	2,794,131
Loss for the year	-	-	-	-	-	(47,238)	(47,238)	(6,245)	(53,483)
Other comprehensive income	-	(10,074)	-	-	9,977	-	(97)	-	(97)
Total comprehensive (loss)/income for the year	-	(10,074)	-	-	9,977	(47,238)	(47,335)	(6,245)	(53,580)
Issue of shares	96,505	-	(96,505)	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	5,110	(4,175)	935	-	935
Equity contribution from parent	-	-	42,108	-	-	-	42,108	-	42,108
Transfer of fair value on disposal of shares	-	(182,959)	-	-	-	182,959	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	96,505	(182,959)	(54,397)	-	5,110	178,784	43,043	-	43,043
Balance at 01 July 2024	984,774	(24,172)	42,108	1,207	430,036	1,235,235	2,669,188	114,412	2,783,600
Profit for the year	-	-	-	-	-	29,740	29,740	(14,003)	15,737
Other comprehensive income	-	82,454	-	-	4,623	-	87,077	12,701	99,778
Total comprehensive income/(loss) for the year	-	82,454	-	-	4,623	29,740	116,817	(1,302)	115,515
Issue of shares	200,000	-	-	-	-	-	200,000	-	200,000
Transfer between reserves	49,366	-	(49,366)	-	1,431	(1,431)	-	-	-
Equity contribution from parent	-	-	8,865	-	-	-	8,865	-	8,865
Transfer of fair value on disposal of shares	-	(87,279)	-	-	-	87,279	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	249,366	(87,279)	(40,501)	-	1,431	85,848	208,865	-	208,865
Balance at 30 June 2025	1,234,140	(28,997)	1,607	1,207	436,090	1,350,823	2,994,870	113,110	3,107,980
Note(s)	24	26	25	25	27				

Statements of Changes of Equity *(continued)*

Figure in Pula thousand (P'000)	Stated capital	Fair value reserve	ISF Equity reserve	Claims equalisation reserve	Other reserves	Retained earnings	Total attributable to members	Non-controlling interest	Total equity
Company									
Balance at 01 July 2023	888,269	168,861	96,505	-	78,624	1,013,873	2,246,132	-	2,246,132
Loss for the year	-	-	-	-	-	(177,239)	(177,239)	-	(177,239)
Other comprehensive income	-	(10,074)	-	-	2,033	-	(8,041)	-	(8,041)
Total comprehensive loss for the year	-	(10,074)	-	-	2,033	(177,239)	(185,280)	-	(185,280)
Issue of shares	96,505	-	(96,505)	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	4,175	(4,175)	-	-	-
Equity contribution from parent	-	-	42,108	-	-	-	42,108	-	42,108
Transfer of fair value on disposal of shares	-	(182,959)	-	-	-	182,959	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	96,505	(182,959)	(54,397)	-	4,175	178,784	42,108	-	42,108
Balance at 01 July 2024	984,774	(24,172)	42,108	-	84,832	1,015,418	2,102,960	-	2,102,960
Loss for the year	-	-	-	-	-	(167,677)	(167,677)	-	(167,677)
Other comprehensive income	-	82,454	-	-	(182)	-	82,272	-	82,272
Total comprehensive loss for the year	-	82,454	-	-	(182)	(167,677)	(85,405)	-	(85,405)
Issue of shares	200,000	-	-	-	-	-	200,000	-	200,000
Transfer between reserves	49,366	-	(49,366)	-	1,431	(1,431)	-	-	-
Equity contribution from parent	-	-	8,865	-	-	-	8,865	-	8,865
Transfer of fair value on disposal of shares	-	(87,279)	-	-	-	87,279	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	249,366	(87,279)	(40,501)	-	1,431	85,848	208,865	-	208,865
Balance at 30 June 2025	1,234,140	(28,997)	1,607	-	86,081	933,589	2,226,420	-	2,226,420
Note(s)	24	26	25	25	27				

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Statements of Cash Flows

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash used in operations	39	(97,792)	(104,862)	(165,219)	(92,218)
Tax (paid)/received		(7,559)	9,706	(4,386)	(5,268)
Net cash used in operating activities		(105,351)	(95,156)	(169,274)	(97,486)
Cash flows from investing activities					
Purchase of property, plant and equipment	10	(35,846)	(38,350)	(262)	(242)
Proceeds from sale of property, plant and equipment		108	654	(286)	356
Purchase of biological assets		(63)	(4,840)	-	-
Proceeds on disposal of investments in equity-accounted investees		98,215	(1,705)	90,372	-
Additions to investment property	7	(16,147)	(16,747)	-	-
Purchase of intangible assets	11	(4)	(665)	(4)	(665)
Loans repaid		73,388	181,115	97,762	160,280
Proceeds from equity securities		93,498	202,053	93,498	202,053
Loans disbursed to non-affiliates		(31,737)	(184,886)	(41,861)	(184,886)
Loans disbursed to subsidiaries		-	-	-	(16,656)
Dividends from associates		10,908	25,470	-	-
Acquisition of additional shares in subsidiaries		-	-	(3,012)	(50,999)
Interest received		38,489	86,031	42,087	100,894
Dividends received		27,731	55,860	77,817	78,172
Net cash from investing activities		258,540	305,695	356,111	304,963
Cash flows from financing activities					
Proceeds on share issue		200,000	-	200,000	-
Borrowings repaid		(284,039)	(321,095)	(292,247)	(289,873)
Borrowings raised	46	-	263,660	-	262,500
Finance costs paid		(186,970)	(208,785)	(191,879)	(220,354)
Payment on lease liabilities	13	(15)	(166)	(26,284)	(24,890)
Net cash used in financing activities		(271,024)	(266,386)	(310,410)	(272,617)
Total cash movement for the year		(117,835)	(55,847)	(123,573)	(65,140)
Cash at the beginning of the year		194,872	250,719	101,691	166,830
Total cash at end of the year	23	77,037	194,872	(21,882)	101,690

Material Accounting Policies

Corporate information

Botswana Development Corporation Limited is a public limited company incorporated and domiciled in Botswana. Its registered office is in Fairscape Precinct, Plot No 70667, Fairgrounds Office Park. The Company is an investment arm of the Botswana government that promotes and facilitates economic development of Botswana.

The group and company financial statements for the year ended 30 June 2025 were signed and authorised for issue on 21 November 2025.

1. Material accounting policies

The material accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

1.1 Basis of preparation

The group and company financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), effective at the time of preparing these consolidated and separate financial statements.

The consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Botswana Pulas, which is the group and company's functional currency.

These accounting policies are consistent with the previous period, except for the changes set out in note 44.1.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

The basis of segmental reporting has been set out in note 43.

1.3 Consolidation

Basis of consolidation

The group's financial statements incorporate the consolidated and separate financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statements of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.3 Consolidation *(continued)*

assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Under IFRS 3, the consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Material Accounting Policies

1.4 Equity accounted investees (associates)

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, including those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Classification of Property as Investment Property

Management has exercised significant judgement in determining whether properties are classified as investment property in accordance with IAS 40. This includes assessing whether the property is held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services or for administrative purposes.

In particular, judgement was applied in the classification of mixed-use properties. Where portions of the property are used for administrative purposes and other portions are leased out under operating leases, management has assessed the significance of each portion and concluded that the property as a whole meets the definition of investment property.

Measurement Basis

The Group has elected to measure investment property at fair value. This decision requires judgement in selecting appropriate valuation techniques and inputs, particularly in markets where observable data is limited.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

Land Block 5

Included in the group's investment properties is plot 29062 which has a fair value of P225 million. The land is earmarked for building houses and a golf course. The project is under progress with fundraising expected to be completed in May 2026.

Impairment of investments in subsidiaries and equity accounted investees

Assessment of Impairment Indicators

Management applies judgement in identifying indicators of impairment for investments in subsidiaries and associates. This includes evaluating financial performance trends, changes in market conditions, regulatory developments, and strategic shifts that may affect the recoverable amount of the investment.

In particular, judgement is required in determining whether a decline in the fair value of an associate or subsidiary is significant or prolonged, and whether such decline constitutes objective evidence of impairment under IAS 28 and IAS 36.

Determination of Recoverable Amount

The recoverable amount of investments is determined as the higher of fair value less costs of disposal and value in use. Estimating value in use involves significant judgement, particularly in:

- Forecasting future cash flows from the investee
- Determining appropriate discount rates
- Assessing terminal growth rates
- Evaluating the impact of macroeconomic and sector-specific risks

These estimates are inherently uncertain and sensitive to changes in assumptions. Management considers both historical performance and forward-looking information in developing these estimates.

Allocation of Impairment Losses

Where the investment includes both equity interests and long-term interests (e.g., loans), judgement is applied in allocating impairment losses across the components of the net investment. This is particularly relevant where the equity method is applied to part of the investment and IFRS 9 applies to other components.

Recent Transactions as Impairment Indicators

In cases where the Group has acquired or disposed of interests in an associate or subsidiary, the transaction price is assessed against the carrying amount of the investment. A purchase price below carrying amount may indicate impairment, requiring further analysis.

Sources of estimation uncertainty

Valuation of investment properties

The Group owns a portfolio of investment properties comprising office buildings, residential property, industrial and mixed use properties located primarily in Gaborone, Selibe-Phikwe and Lobatse. The carrying values of the investment properties amounted to P1.530 billion as at 30 June 2025 (2024: P 1.287 billion). This accounts for 40% (2024:33%) of the group's total non-current assets.(note 7).

The Group's investment properties are included in the consolidated statement of financial position at fair value based on valuations carried out by independent qualified professional valuers ("the valuers"). The valuations are dependent on unobservable inputs which are generally applied by valuers. These unobservable inputs involve judgement. The group uses the following valuation models:

The discounted cash flow valuation model considers the present value of the net cash flows to be generated from property, taking into account the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates.

Among other factors, the discount rate estimations considers the quality of a building and its location (prime vs secondary) tenant credit worthiness and lease terms. Fair value per the income method is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The last method is the cost method which is based upon the determination of a modern equivalent property and includes consideration of adjustments for "physical, functional, technological and economic obsolescence". It is generally applied based on the depreciated replacement cost. It may be considered as a primary methodology where "there is either no evidence of transaction prices for similar property or no identifiable actual or notional income stream that would accrue to the owner.

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

Sources of estimation uncertainty Valuation of investment properties *(continued)*

These valuations are performed annually by the directors. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Impairment of investments in subsidiaries and equity accounted investees

The company's investments in subsidiaries and equity accounted investees amounted to P1.47 billion (2024: P1.54 Billion) at the reporting date. This constitutes 48% (2024: 42%) of the group's total non-current assets. The company assesses its investment in subsidiaries and equity accounted investees whenever circumstances may indicate the presence of impairment indicators. The value of the investments is determined using generally accepted valuation methods that are based on overall strategic business models and the current financial position and past performance of these subsidiaries and equity accounted investees companies (note 15 and 16).

Management compares the carrying values of the investments in subsidiaries and equity accounted investees with the respective net asset values per the financial statements. Management also takes into consideration information available at the reporting date which may have contributed to the current performance or which is expected to improve future performance of the subsidiaries and equity accounted investees companies. The assessment of these investments for impairment therefore requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the subsidiaries and equity accounted investees companies.

Taxation

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Expected credit losses on debtors

The directors reviews its debtors to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the directors make judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of debtors. Directors use estimates based on the default rate together with forward looking information in terms of the simplified approach under IFRS 9 (refer to Accounting policies 1.11). The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

Loans to subsidiaries, associates and non-affiliates

Loans to subsidiaries, associates and non affiliates are initially recognised at fair value and subsequently measured at amortised cost less impairment. Under IFRS 9 the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the cash characteristics test and all cash flows that the group expects to receive, discounted at the original effective interest rate. The impairment of loans from subsidiaries, associates and nonaffiliates is computed on a loan by loan basis using a formula $ECL = PD * LGD * EAD$. Significant judgement is applied in determining the Probability of Default (PD) and Loss Given Default (LGD).

Probability of Default (PD) - Estimate of the likelihood of default over a given time horizon.

Loss Given Default (LGD) - Estimate of the loss arising in case a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payment.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

12-month ECLs (stage 1), which apply to all items as long as there is no significant deterioration in credit risk

Lifetime ECLs (stages 2 and 3), which apply when a significant increase in credit risk has occurred on an individual or collective basis or when applying the simplified approach under IFRS 9.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty *(continued)*

Intangible Assets-Customer contracts

The excess earnings method estimates the value of an intangible asset as the present value of the cash flows attributable to the subject intangible asset after excluding the proportion of the cash flows that are attributable to other assets required to generate the cash flows ("contributory assets"). It is often used for valuations where there is a requirement for the acquirer to allocate the overall price paid for a business between tangible assets, identifiable intangible assets and goodwill. The method takes a "residual" approach to estimate the income that an intangible asset is expected to generate. The calculation started with the total expected income stream from the group assets as a whole and deducted charges for all other charges for all other assets used to generate income with the intangible asset under review during its economic life. Residual streams were then discounted using asset specific rates.

1.6 Biological asset

Biological assets are measured initially at cost and subsequently revalued at the end of the year, at fair value less costs to sell. The estimation of fair value is determined by applying the requirements of IFRS 13 Fair Value Measurement. This is determined based on market prices at measurement date of livestock of similar age, breed, and genetic merit.

To arrive at a reliable fair value measurement, the company groups the biological assets of dairy animals by age, weight and use (lactating cows, bulls for reproduction/breeding or for slaughter/sell), in a similar manner of how they would be valued in a market.

The change in fair value of a biological asset between reporting dates is reported as a gain or loss in the statement of profit or loss. The aggregate of gain or loss of livestock may be attributable to;

- Newborn of calves
- Physical change (growth of animal)
- Loss (death or theft), sickness or lameness

Biological assets and agricultural produce are classified separately under;

- non-current assets - Biological assets (Livestock held for milking for more than 12 months)
- current assets - Agricultural produce (milk, cull livestock to be sold within 12 months) The classification of agricultural produce is consistent with the company's assessment of its inventories, i.e., typically classified as a current asset because it will be sold, consumed or realised as part of the normal operating cycle. Agricultural produce (milk) is valued in accordance with IAS 2 Inventories. The fair value of milk is determined based on market prices in the local area

Land, dairy equipment and other farm machinery are classified under property, plant and equipment as noncurrent assets. The dairy equipment covers a broad variety of assets, from stand-alone machines to complete production lines or factories. These are valued at market value. The market value is the estimated amount for which the plant, machinery and equipment should exchange on the date of valuation between a willing buyer, willing seller in an arm's-length transaction.

A gain or loss on initial recognition of farm produce at fair value less costs to sell is included in profit or loss for the period in which it arises.

Where market determined prices or values are not available, the present value of the expected net cash inflows from the asset, discounted at a current market-determined rate is used to determine fair value. Where fair value cannot be measured reliably, biological assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on biological assets where fair value cannot be determined, to write down the cost, less residual value, by equal instalments, over their useful lives as follows:

Item	Depreciation method	Average useful life
Cattle	Straight line	7 years

Material Accounting Policies

1.7 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

In certain circumstances it is difficult to distinguish investment property from owner occupied property or inventory. In those circumstances the criteria used to distinguish investment property are where the owner occupied section is insignificant.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in profit or loss for the period in which it arises.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in Other Comprehensive Income (OCI) and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognised in other comprehensive income and reduces the revaluation surplus within equity.

Derecognition of investment property

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The disposal of an investment property may be achieved by sale or by entering into a finance lease.

1.8 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

When investment property is transferred to property, plant and equipment, the cost is the fair value on the date of transfer.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting year.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the revaluation of the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.8 Property, plant and equipment (continued)

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in profit or loss in the current year. The decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in the revaluation reserve in equity.

The revaluation reserve related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings and other developments	Straight line	25-50 years
Plant and machinery, fixed equipment and other assets	Straight line	6-25 years
Furniture and fixtures	Straight line	4-10 years
Motor vehicles	Straight line	3-5 years
IT equipment	Straight line	3-5 years
Land	No depreciation	

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Material Accounting Policies

1.9 Site restoration and dismantling cost

The group has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period.
- b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in profit or loss.
- c) if the adjustment results in an addition to the cost of an asset, the entity considers whether this is an indication that new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in profit or loss.

If the related asset is measured using the revaluation model:

- a) changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability (subject to (b)) is credited in other comprehensive income and accumulated in the revaluation reserve in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss
 - an increase in the liability is recognised in profit or loss, except that it is debited to other comprehensive income as a decrease to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- b) in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in profit or loss.
- c) a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to profit or loss and to other comprehensive income under (a). If a revaluation is necessary, all assets of that class are revalued.

1.10 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.10 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 years
Customer contracts	Straight line	9.6 years

1.11 Financial instruments

Financial instruments held by the group are classified in accordance with IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the group as applicable, are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 49 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

Material Accounting Policies

1.11 Financial instruments *(continued)*

Financial assets at amortised cost

Classification

Loans and receivables have been classified at amortised cost because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Loans receivable include loan commitment and are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in finance income and finance cost (note 4).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the loan, even if it is no longer credit-impaired.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 49).

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Material Accounting Policies

1.11 Financial instruments *(continued)*

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counter parties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information. The quantitative factors of the model rely on the use of financial statements to extract financial ratios, which assess the financial strength of the borrower from the calculated probability of default and loss given default using a credit rating system .

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 49).

Derecognition

Any gains or losses arising on the derecognition of a loan receivable is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 21).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Material Accounting Policies

1.11 Financial instruments *(continued)*

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis using the simplified approach which takes into account historical loss ratios for all trade and other receivables in totality.

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 17. They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the group becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Dividends received on equity investments are recognised in profit or loss when the group's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in income from trade (note 2).

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.11 Financial instruments *(continued)*

Derecognition

The gains or losses which accumulated in equity in the reserve for valuation of investments for equity investments at fair value are not reclassified to profit or loss on derecognition. Instead, the cumulative amount is transferred directly to retained earnings.

Borrowings and loans from related parties

Classification

Due from group companies (note 18) and borrowings (note 29) are classified as financial liabilities and subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the group to liquidity risk and interest rate risk. Refer to note 49 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 31), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 3).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 49 for details of risk exposure and management thereof.

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Pula equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss in the other operating gains (losses) (note 6).

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 49).

Material Accounting Policies

1.11 Financial instruments *(continued)*

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities at fair value through profit or loss. Refer to note 32.

When a financial liability is contingent consideration in a business combination, the group classifies it as a financial liability at fair value through profit or loss. Refer to note 32.

The group, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 32 for details.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are measured at amortised cost and stated at carrying amount which is deemed to be fair value.

Bank overdrafts, bonds and borrowings

Bank overdrafts, bonds and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of bank overdrafts, bonds and borrowings is recognised over the term of the bank overdrafts, bonds and borrowings in accordance with the group's accounting policy for finance costs.

Other assets

Other assets (note 22) comprise short term fixed income securities placed in the capital markets with various fund managers. Due to the short term nature of these placements, the carrying value of the assets equals their fair value.

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Material Accounting Policies

1.12 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Group tax relief

Companies in Botswana Development Corporation Limited Group are subject to the special provision Section 3(i) of part II of the Fourth Schedule of the Income Tax Act (Cap 52:01) which allows the group to set-off the taxable losses of its wholly owned subsidiaries against the taxable profits in arriving at the group tax liability.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.13 Leases

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 13 Right of Use Assets/Leases.

Material Accounting Policies

1.13 Leases (continued)

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 4).

The group remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	- discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the group will exercise a purchase, termination or extension option.	- discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate	- discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
Change in expected payment under a residual value guarantee.	- discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease	- discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

The right-of-use asset is initial measured at cost, which comprises the initial amount of the lease liability adjusted for;

- Any lease payments made at or before the commencement date, less any lease incentives received.
- Any initial direct costs incurred;
- Any initial direct costs incurred by the lessee; and less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the asset.
- An underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Material Accounting Policies

1.13 Leases (continued)

- When the group incurs an obligation for the costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease, a provision is recognised in the Statement of Financial Position in note 33 Provisions for restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings, the group adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the group. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy. Right of use assets that are investment property are fair valued in line with IAS 40 Investment property.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

1.14 Inventories

Inventories (note 20) are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Material Accounting Policies

1.15 Other investments

Short term investments (note 17) comprise highly liquid money market instruments placed with local commercial banks.

1.16 Impairment of non financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.17 Stated capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'stated capital' in equity. Dividends are recognised as a liability in the group in the period in which they are declared.

1.18 Compound instruments

Compulsory convertible preference shares and debentures are compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible instruments and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in equity.

Combined units are compound instruments, consisting of a debenture (liability) component and a share (equity) component. The debentures are carried at amortised cost, and any premium or discount on issue is written off over the redemption period using the effective interest method.

Issue costs are apportioned between the liability and equity components of the compound instruments based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

1.19 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Material Accounting Policies

1.19 Employee benefits *(continued)*

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.20 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 36.

1.21 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statements of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Material Accounting Policies

1.21 Government grants *(continued)*

Grants related to income are deducted from the related expense.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.22 Revenue

Revenue is measured based on the consideration specified in the contract with a customer. The group recognises revenue when it transfers control over a good or service to a customer.

The group recognises revenue from the following major sources:

Interest on Loans and other interest revenue

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Payment terms are within funding agreements which typically require quarterly payments.

Dividend and distribution Income.

Dividend and distribution income is recognised when the right to receive payment is established.

Income from trade

Income from trade comprises revenue from the sale of goods and rendering of services.(within the scope of IFRS 15)

Sale of goods

For sales of goods to cash customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. For sales of goods on credit, a receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Rendering of services

Revenue relating to the rendering of services for hotel, conference activities and entertainment events is recognised at the point in time the service is rendered to the customer and the customer simultaneously consumes the benefits.

Revenue for management services and other services is recognised over time based on the stage of completion method. This is determined as based on cost incurred as a proportion of the total costs expected to satisfy the performance obligation. If a customer pays consideration before goods or services are delivered, an advance deposit liability is recognised. The period of contracts average less than a year.

1.23 Rental income

Rental income from operating leases is recognised in the statement of comprehensive income on a straight line basis over the term of the relevant leases.

1.24 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Material Accounting Policies

1.25 Translation of foreign currencies

Group presentation currency

Items included in the consolidated and separate financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate financial statements are presented in Pula which is the company's functional currency and group presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pulas, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pulas by applying to the foreign currency amount the exchange rate between the Pula and the foreign currency at the date of the cash flow.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
2. Income from Trade					
<i>Income from trade:</i>					
Sale of goods		177,311	185,319	-	-
Rendering of services		82,521	69,524	-	-
<i>Dividends received:</i>					
Subsidiaries		-	-	50,000	13,000
Associated companies		-	-	86	9,312
Quoted investments		27,731	55,860	27,731	55,860
		287,563	310,703	77,817	78,172
3. Interest on Loans					
Subsidiaries		-	-	27,523	26,654
Associated companies		3,739	3,464	3,739	3,464
Non-affiliate entities		231,164	232,444	232,211	234,748
		234,903	235,908	263,473	264,866
Interest on loans has been calculated based on effective interest rate method. The interest rates range from 7.5% to 16%.					
4. Finance income and finance cost					
<i>Finance Income:</i>					
- Cash and cash equivalents		9,987	12,493	4,356	7,002
- Debenture interest		-	-	10,822	16,158
- Preference shares interest		47,460	39,257	52,006	43,602
		57,447	51,750	67,184	66,762
<i>Finance Costs:</i>					
- Bank borrowings		(96,332)	(109,486)	(91,594)	(107,659)
- Term loans		(54,183)	(59,922)	(54,157)	(59,696)
- Bank overdraft		(5,451)	(9,242)	(5,451)	(9,242)
- Bank charges		(372)	(326)	(91)	(91)
- Bonds		(30,632)	(32,715)	(30,460)	(32,580)
- Lease interest		-	(7)	(10,126)	(11,086)
		(186,970)	(211,698)	(191,879)	(220,354)
5. Other Income					
Management fees		6,925	6,001	6,897	5,959
Compensation from insurance claims		13,466	-	-	-
Arrangement and monitoring fees		1,288	1,710	508	859
Levies recoveries and other sundry income		19,191	23,088	450	194
Profit on disposal of property, plant and equipment		38	531	38	277
Profit/(loss) on sale of investments		20,440	(1,705)	20,440	(1,705)
		61,348	29,625	28,333	5,584

Management fees are earned from investee companies (subsidiaries and non-subsidiary companies) and these do not relate to rental properties.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
6. Profit before tax					
The following items have been accounted for in arriving at profit before tax, in addition to the amounts already disclosed in notes 2, 3 and 4					
Included in other operating expenses are the following items;					
Amortisation of government grant	30	356	356	-	-
Auditors remuneration - financial statements audit		(2,933)	(3,159)	(1,824)	(2,045)
Auditors remuneration - prior year under provision		-	(579)	-	(579)
Consulting and professional fees - other		(27,689)	(31,006)	(13,140)	(16,688)
Consulting and professional fees - legal fees		(1,602)	(4,220)	(955)	(3,017)
Amortisation of Intangible assets	11	(6,503)	(6,503)	-	-
Depreciation on property, plant and equipment	10	(10,773)	(20,584)	(326)	(769)
Depreciation Right-of-use-assets		-	(151)	(13,932)	(13,923)
Directors' fees		(2,471)	(1,800)	(1,388)	-
Staff costs (<i>as below</i>)		(105,384)	(93,474)	(70,103)	(58,693)
Directors' emoluments		(4,387)	(2,267)	(4,387)	(2,267)
Repairs and maintenance		(7,164)	(7,320)	(220)	(511)
Subscriptions		(6,643)	(5,476)	(5,769)	(4,883)
Training		(980)	(1,509)	(572)	(1,061)
Occupancy expenses*		(26,743)	(25,484)	-	-
Staff costs					
Salaries and wages		(95,188)	(87,398)	(62,249)	(55,217)
Terminal benefits		(4,490)	(1,815)	(2,846)	-
Medical aid - company contributions		(2,475)	(1,718)	(2,475)	(1,718)
Defined benefit plan expense - pension		(3,231)	(2,543)	(2,533)	(1,758)
Included in cost of sales are the following items:					
Sale of goods (inventory)		(127,833)	(139,004)	-	-
Rendering of services		(24,345)	(13,336)	-	-
Employee costs		(17,552)	(5,149)	-	-
Depreciation and impairment	10	(2,856)	(1,601)	-	-
Manufacturing expenses		(33,125)	(23,275)	-	-
		(205,711)	(182,365)	-	-

*Occupancy expenses of P26.7million (2024: P 25.5million) are included in arriving at profit before tax. These relates to property related expenses for the upkeep of property held for long term rental yields or for capital appreciation or both. There were no non-audit services that were provided by the external financial statements auditor.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
7. Investment property					
Reconciliation of investment property - Group					
Land and buildings at fair value		1,573,826	1,338,767	-	-
Rental straight line adjustment		(43,608)	(51,362)	-	-
Balance at the end of the year		1,530,218	1,287,405	-	-
Reconciliation of fair value					
Balance at beginning of the year		1,287,405	1,214,455	-	-
- At valuation		1,338,767	1,263,351	-	-
- Straight line lease rental adjustment		(51,362)	(48,896)	-	-
Additions during the year - acquisitions		16,147	16,747	-	-
Transfer from/(to) property plant and equipment		-	(10,310)	-	-
Fair value gain of investment properties		226,666	66,513	-	-
- Increase in fair value during the year		218,912	68,979	-	-
- Straight line lease rental adjustment		7,754	(2,466)	-	-
Balance at end of the year		1,530,218	1,287,405	-	-

Fair value of investment properties

The investment properties of the group measured at fair value at the end of the reporting period fall under Level 3 - Significant unobservable inputs.

Valuation technique - Discounted cash flows:

The valuation model considers the present value of net cash flows to be generated from the properties, taking into account the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs

Expected market rental growth 2-5% (2024: 3-8%). Occupancy rate 80% - 95% (2024: 88% - 95%). Rent-free periods 1-3 months period on new leases (2024: 1-3 months period on new leases). Risk-adjusted discount rates 7-15% (2024: 7-15%).

Valuation technique

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific investment property. If this information is not available, the group uses alternative valuation methods such as recent prices on more active markets. These prices are adjusted based on the rental rates or selling price disparities of the different markets. Rental rates and selling prices fluctuate in the region of 2-5% (2024: 3-7%) of the reference location which is Gaborone. Relevant adjustments were made to arrive at the fair value of certain investment properties.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

7. Investment property (continued)

Valuation technique - cost replacement method:

The cost approach is based upon the determination of a modern equivalent property and includes consideration of adjustments for "physical, functional, technological and economic obsolescence". It is generally applied based on the depreciated replacement cost. It may be considered as a primary methodology where "there is either no evidence of transaction prices for similar property or no identifiable actual or notional income stream that would accrue to the owner. Where relevant the cost replacement method was averaged with other methods to reflect a more appropriate fair value of the investment property. The significant unobservable inputs include the area of the respective properties and the cost per square metre for the relevant location. The cost per square metre rates used varied from P3000 to P25000 (2024:P5500 to P22000) for land and buildings. Professional fees, demolition and clearing costs and contingencies averaged 15% (2024:22%).

Inter-Relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase if expected market rental growth were higher; void periods were shorter; the occupancy rate were higher; rent-free periods were shorter; or the risk-adjusted discount rate were lower. The fair value of the investment properties has been arrived at on the basis of valuations carried out at 30 June 2025 by independent professional external valuers. The external valuers are members of the Real Estate Institute of Botswana and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuations were done in conformity with and are subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organisations with which the valuers are affiliated. The market values were determined by the valuers using investment valuation models for industrial and commercial properties. The effective date of the valuations was 30 June 2025. All of the Group's investment property is held under freehold interests.

Investment properties

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

During the year, the valuation methodology of the Block 5 investment property (land) was revised from the cost model to the fair value approach. The investment property was previously measured at cost due to significant uncertainty over future benefits from it accruing to the group as it had not complied with the developmental requirements of the land that had been stipulated by the government that granted the group the property. The government removed the restrictions over the property's use and developmental timelines which meant the group had unrestricted ownership rights and there were no restrictions that significantly impaired the marketability of the property. The development process of the property has commenced and at year-end it was valued at P224 million and its revaluation gain recognised in the profit or loss amounted to P184 million.

Transactions associated with investment properties are :

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Rental income		64,026	65,744	-	-
Repairs and maintenance expenses		(4,979)	(7,142)	-	-

Notes to the Consolidated and Separate Financial Statements

8. Movement in impairment allowances

Figure in Pula thousand (P'000)	2025					2024			
	Equity accounted investments	Other investments	Trade receivables	Other receivables	Charge to profit or loss	Equity accounted investments	Other investments	Trade and other receivables	Charge to profit or loss
Group									
Note(s)	16	17	21	21		16	17	21	
Opening balance	16,401	334,964	26,950	29,527	-	16,401	181,817	33,001	-
ECL on loan expense/(reversal)	-	136,555	10,231	-	146,786	-	153,147	(7,908)	145,239
Other receivables ECL	-	-	-	(17,854)	(17,185)	-	-	29,528	29,528
Trade receivables write offs	-	-	-	-	-	-	-	1,857	1,857
Other investments write offs	-	(3,358)	-	-	(3,358)	-	-	-	-
Income adjustment (IFRS 9)**	-	37,457	-	-	37,457	-	-	-	-
Closing balance	16,401	505,618	37,181	11,682	163,040	16,401	334,964	56,478	176,624

Figure in Pula thousand (P'000)	2025						2024				
	Investment in subsidiaries	Equity accounted investments	Other investments	Trade receivables	Other receivables	Charge to profit or loss	Investment in subsidiaries	Equity accounted investments	Other investments	Trade and other receivables	Charge to profit or loss
Company											
Note(s)	15	16	17	21	21		15	16	17	21	
Opening balance	237,870	139,721	377,028	8,732	29,527	-	244,398	104,314	224,316	6,875	-
ECL on loan expense/(reversal)	-	-	136,557	1,416	-	137,973	-	-	152,712	1,857	154,569
Other receivables ECL	-	-	-	-	(17,845)	(17,845)	-	-	-	29,528	29,528
Unrealised impairment loss/gains on equity valuation	4,713	(6,084)	-	-	-	(1,371)	(6,528)	35,407	-	-	28,879
Other investments	-	-	15,000	-	-	15,000	-	-	-	-	-
Income adjustment (IFRS 9)**	-	-	39,992	-	-	39,992	-	-	-	-	-
Closing Balance	242,583	133,637	568,577	10,148	11,682	173,749	237,870	139,721	377,028	38,260	212,976

The Group and Company presents Trade and other receivables in the current period as disaggregated values while the comparative figures are aggregated.

**The impairment disclosed includes Stage 3 credit-impaired loans, which exhibit objective evidence of impairment such as financial difficulty, default, or restructuring. In line with IFRS 9, interest income on these loans is recognised using the effective interest rate applied to the net carrying amount (gross amount less the loss allowance), ensuring it reflects the recoverable value of the asset. Included in the movement above is the "Income Adjustment (IFRS 9)", which represents the reduction in interest income arising from the requirement to recognise interest on the amortised cost of Stage 3 loans.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
9. Taxation					
Major components of the tax expense(credit)					
Current					
Local income tax - prior period (over) provision		(9,275)	316	-	-
Withholding tax		-	2,219	-	2,219
Group tax relief		-	1,912	(7,769)	1,912
Withholding tax on dividends		4,185	(2,230)	4,185	(2,230)
Total normal taxation		(5,090)	2,217	(3,584)	1,901
Deferred tax - current year		15,420	10,579	-	-
		10,330	12,796	(3,584)	1,901
Reconciliation of the tax expense/(credit)					
Reconciliation between accounting profit and tax expense.					
Accounting profit/(loss)		26,067	(40,687)	(171,261)	(175,338)
Tax calculated at 22%/15%		4,914	(7,786)	(37,677)	(38,574)
Tax effect of adjustments on taxable income					
Income not subject to tax		(85,956)	(29,760)	(45,239)	(26,790)
Normal taxation - prior year		(22,030)	316	-	-
Capital gains tax		3,382	(11,420)	-	-
Expense not deductible for tax purposes*		92,262	41,067	70,580	47,282
Withholding tax on debenture interest		-	2,219	-	2,219
Withholding tax paid on dividends received		4,185	1,912	4,185	1,912
Unrecognised deferred tax balances		13,573	16,248	12,336	18,082
Group tax relief (Refer to accounting policy note 1.12)		-	-	(7,769)	(2,230)
		10,330	12,796	(3,584)	1,901

Income not subject to tax

The Income Tax Act of Botswana details in Part 2 of the Second Schedule the gross income items that are exempted from taxation. These items comprise Dividends, Preference shares dividends, Gains on sale of investments, Gain on de-recognition of debt instruments, Fair value gains on investment property

*Expenses not deductible for tax purposes

Section 50 of the Income Tax Act of Botswana details the types of expenditure which are not allowable as a deduction in arriving at taxable income for the year. These comprise expected credit loss adjustments, depreciation, asset impairments, changes in fair value of equity investments and lease interest adjustments.

Group

The amount of income tax relating to revaluation of land and buildings recognised in other comprehensive income amounted to P(6.09) million (2024: P (2.59) million). Other movements in other comprehensive income did not have a tax impact on the group.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Company		Group	
		2025	2024	2025	2024
9. Taxation (continued)					

Unrecognised deferred tax balances

At 30 June 2025, there was a deferred tax liability of P59 million (2024: P 50 million) for temporary differences of P267million (2024: P 226million) related to investments in subsidiaries. However, this liability was not recognised because the Group controls the dividend policy of its subsidiaries - i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

The company has not recognised a deferred tax asset on its accumulated tax losses carried forward and on the tax temporary differences because of the uncertainty over the future utilisation of such an asset against taxable profits.

Tax losses:

In accordance with the Income Tax Act (Chapter 52:01), Section 46, assessed tax losses in relation to any tax year are deductible in ascertaining the relevant chargeable income for the subsequent tax year. No assessed tax losses shall be carried forward as a deduction for a period of more than the five years succeeding the tax year in which such losses arose.

At the end of the year, the assessed and estimated tax losses available for deduction are as follows:

Tax year:

2019/2020	-	7,595	-	-
2020/2021	3,209	3,209	1,582	1,582
2021/2022	3,304	3,304	30,084	30,034
2022/2023	35,822	35,822	-	-
2023/2024	75,298	75,298	70,622	70,622
2024/2025	78,822	-	38,649	-
	196,455	125,228	140,937	102,238

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment

Group	2025			2024		
	Cost or revaluation	Accumulated Depreciation	Carrying value	Cost or revaluation	Accumulated Depreciation	Carrying value
Figure in Pula thousand (P'000)						
Land & buildings	494,876	(30,415)	464,461	456,846	(22,679)	434,167
Plant and machinery	244,932	(165,374)	79,558	236,101	(160,692)	75,409
Furniture and fixtures	21,974	(18,940)	3,034	21,789	(17,712)	4,077
Motor vehicles	7,189	(6,145)	1,044	6,863	(5,215)	1,648
IT equipment	14,222	(11,874)	2,348	12,922	(11,247)	1,675
Capital - Work in progress	113,048	-	113,048	107,400	-	107,400
Total	896,241	(232,748)	663,493	841,921	(217,545)	624,376

Company	2025			2024		
	Cost or revaluation	Accumulated Depreciation	Carrying value	Cost or revaluation	Accumulated Depreciation	Carrying value
Figure in Pula thousand (P'000)						
Furniture and fixtures	10,141	(9,696)	445	10,049	(10,025)	24
Motor vehicles	906	(362)	544	906	(199)	707
IT equipment	7,048	(6,101)	947	6,600	(5,655)	945
Total	18,095	(16,159)	1,936	17,555	(15,879)	1,676

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2025

Figure in Pula thousand (P'000)	Land & buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Capital work in progress	Total
Opening balance							
Cost	456,846	236,101	21,789	6,863	12,922	107,400	841,921
Accumulated depreciation and impairment	(22,679)	(160,692)	(17,712)	(5,215)	(11,247)	-	(217,545)
Carrying value at 01 July 2024	434,167	75,409	4,077	1,648	1,675	107,400	624,376
Additions	19,461	8,831	202	349	1,355	5,648	35,846
Disposals and scrappings - cost	-	-	(15)	-	(55)	-	(70)
Transfers	-	(510)	(2)	(23)	-	-	(535)
Revaluations	17,505	-	-	-	-	-	17,505
Depreciation	(6,672)	(4,172)	(1,228)	(930)	(627)	-	(13,629)
Carrying value at 30 June 2025	464,461	79,558	3,034	1,044	2,348	113,048	663,493

Reconciliation of property, plant and equipment - Group - 2024

Figure in Pula thousand (P'000)	Land & buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Capital work in progress	Total
Opening balance							
Cost	427,040	224,665	21,242	6,843	12,514	88,242	780,546
Accumulated depreciation and impairment	(12,911)	(145,877)	(17,098)	(4,507)	(10,809)	-	(191,202)
Carrying value at 01 July 2023	414,129	78,788	4,144	2,336	1,705	88,242	589,344
Additions	5,943	11,243	558	734	714	19,158	38,350
Disposals and scrappings - cost	-	-	(24)	(714)	(111)	-	(849)
Disposals and scrappings - accumulated depreciation and impairment	-	-	14	643	69	-	726
Transfers (to) and from investment property	10,310	-	-	-	-	-	10,310
Revaluations	8,680	-	-	-	-	-	8,680
Depreciation	(4,895)	(14,622)	(615)	(1,351)	(702)	-	(22,185)
Carrying value at 30 June 2024	434,167	75,409	4,077	1,648	1,675	107,400	624,376

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment (continued)

Capital Work in Progress

The Group commenced upgrade of one of its factories in the year ended 30 June 2020. The refurbishment of the plant is nearing completion, with only the final phase remaining. The capital commitments associated with the last stage amount to approximately P32 million.

Reconciliation of property, plant and equipment - Company - 2025

Figure in Pula thousand (P'000)	Fixtures & fittings	Motor vehicles	IT equipment	Total
Cost	10,049	906	6,600	17,555
Accumulated depreciation and impairment	(10,025)	(199)	(5,655)	(15,879)
Carrying value at 01 July 2024	24	707	945	1,676
Additions	93	-	169	262
Disposals and scrappings - cost	-	-	(53)	(53)
Disposals and scrappings - accumulated depreciation and impairment	331	-	46	377
Depreciation	(3)	(163)	(160)	(326)
Carrying value at 30 June 2025	445	544	947	1,936

Reconciliation of property, plant and equipment - Company - 2024

Figure in Pula thousand (P'000)	Fixtures & fittings	Motor vehicles	IT equipment	Total
Cost	10,049	1,620	6,375	18,044
Accumulated depreciation and impairment	(9,992)	(619)	(5,151)	(15,762)
Carrying value at 01 July 2023	57	1,001	1,224	2,282
Additions	-	-	242	242
Disposals and scrappings - cost	-	(714)	(18)	(732)
Disposals and scrappings - accumulated depreciation and impairment	-	643	10	653
Depreciation	(33)	(223)	(513)	(769)
Carrying value at 30 June 2024	24	707	945	1,676

Notes to the Consolidated and Separate Financial Statements

10. Property, plant and equipment (continued)

Revaluations

The group's land and buildings are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed every 3 years and in intervening years if the carrying amount of the land and buildings differs materially from their fair value.

Refer to note 7 for specific details regarding the valuation of the land and buildings.

The carrying value of the revalued assets under the cost model would have been:

Group Revaluations

Figure in Pula thousand (P'000)

	2025	2024
Land	18,305	9,729
Buildings	148,389	135,868
	166,694	145,597
Group - Accumulated depreciation		
Buildings	(41,328)	(38,112)
Group - Net carrying amount		
Land	18,305	9,729
Buildings	107,061	97,756
	125,366	107,485

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company and its respective subsidiaries.

11. Intangible Assets

Figure in Pula thousand (P'000)	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Group						
Computer software, other	7,869	(4,225)	3,644	7,865	(4,225)	3,640
Customer contracts	125,125	(32,517)	92,608	125,125	(26,014)	99,111
Total	132,994	(36,742)	96,252	132,990	(30,239)	102,751
Figure in Pula thousand (P'000)						
Company						
Computer software, other	3,644	-	3,644	3,640	-	3,640

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

11. Intangible Assets *(continued)*

Reconciliation of intangible assets - Group - 2025

Figure in Pula thousand (P'000)	Opening Balance	Additions	Amortisation	Closing Balance
Computer software, other	3,640	4	-	3,644
Customer contracts	99,111	-	(6,503)	92,608
Total	102,751	4	(6,503)	96,252

Reconciliation of intangible assets - Group - 2024

Figure in Pula thousand (P'000)	Opening Balance	Additions	Amortisation	Closing Balance
Computer software, other	2,975	665	-	3,640
Customer contracts	105,614	-	(6,503)	99,111
Total	108,589	665	(6,503)	102,751

Reconciliation of intangible assets - Company - 2025

Figure in Pula thousand (P'000)	Opening Balance	Additions	Closing Balance
Computer software, other	3,640	4	3,644

Reconciliation of intangible assets - Company - 2024

Figure in Pula thousand (P'000)	Opening Balance	Additions	Closing Balance
Computer software, other	2,975	665	3,640

Computer software with a cost of P3,644,000 (2024: P 3,640,000) has not been amortised as it was under development at year-end.

Customer contracts relates to original equipment manufacture contracts for Delta Automotive Technologies (Pty) Ltd. These are multi-year contracts with auto manufacturers to supply wiring harnesses for specific car models. The value in use of customer contracts of P125million are for Volkswagen, Nissan and Renault harnesses. The contracts were valued at a post-tax discount rate of 16% as of 21 December 2021 and adjusted to 21.54% on a pre-tax discount basis in accordance with IAS 36.55. For significant estimates and judgments on these contracts refer to policy note 1.5.

Notes to the Consolidated and Separate Financial Statements

12. Biological Assets

Reconciliation of biological assets - Group - 2025 Figure in Pula thousand (P'000)	Opening Balance	Additions	Closing Balance
Cattle	4,840	63	4,903

Reconciliation of biological assets - Group - 2024 Figure in Pula thousand (P'000)	Opening Balance	Additions	Closing Balance
Cattle	-	4,840	4,840

As at 30 June 2025, livestock comprised of 154 (2024:188) dairy cows, 3 (2024:2) bulls, 57 (2024:55) small heifers, 105 (2024:37) calves. These were measured at fair value less cost to sell.

Cattle	2024	Death	Additions	2025
Cows	188	39	5	154
Bull	2	-	1	3
Small Heifer	55	-	2	57
Calves	37	3	71	105
Totals	282	42	79	319

13. Right of use assets/Leases

The group leases several assets, including buildings and motor vehicles. The average lease term is 5 years (2024: 5 years). Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Buildings		-	-	62,589	75,848
Motor vehicles		-	51	-	51
		-	51	62,589	75,899

The parent company leases an office building from its subsidiary. The lease is for a period of 15 year commencing January 2015 to December 2029. The lease term for motor vehicles expired during the year with no renewal.

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	-	-	13,932	13,772
Motor vehicles	-	151	-	151
	-	151	13,932	13,923

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Notes to the Consolidated and Separate Financial Statements

13. Right of use assets/Leases (continued)

Other disclosures

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Capital portion of lease liability paid		15	159	16,158	13,804
Interest expense on lease liabilities		-	7	10,126	11,086
Total cash outflow from leases		15	166	26,284	24,890
Leases of low value assets included in operating expenses		-	(3)	-	(3)

At 30 June 2025, the group is committed to Pnil (2024: P nil) for short-term leases.

Lease liabilities

The maturity analysis of lease liabilities in relation to the company as a lessee is as follows:

Within one year	-	15	22,906	16,955
Two to five years	-	-	103,256	106,820
More than five years	-	15	-	18,545
		15	126,162	142,320

Undiscounted contractual maturities for lease liabilities have been disclosed in note 49.

Leases (group as lessor)

Global resort Botswana has a lease agreement with a 100% subsidiary Botswana Hotel Development Company which has variable lease rate. The terms of the lease are that the initial rent shall escalate on each anniversary of the Effective Date at a rate equal to the increase of the Consumer Price Index (CPI) urban areas as published by the Government statistician Department of statistics for the Government of Botswana as at the date of escalation compared with such index published by such statistician as at effective date; provided that on 01 January 2009, 01 January 2014, 01 January 2019, 01 January 2024 and on 01 January 2029 the escalation shall be the CPI escalation plus 7 percentage points.

As of December 2024, the increase in CPI for Cities & Towns was 1.5%. Therefore, as per lease agreement, the applicable escalation rate as of 1 January 2025 is 1.5% (2024: 3.7%).

The group leases its properties under operating lease arrangements to various customers, the leases are typically for 3 to 10 years and escalate annually with rates linked to inflation and are renewable. The maturity analysis (contractual undiscounted rentals receivable) are as follows

Less than one year	68,951	68,095	-	-
One to two years	57,900	65,729	-	-
Two to three years	53,846	53,045	-	-
Three to four years	50,290	48,547	-	-
Four to five years	40,897	45,133	-	-
More than 5 years	25,944	61,444	-	-

Lease payments by lessees include both fixed and variable components.

- Fixed lease payments for the year ended 30 June 2025 amounted to P289million, recognised in accordance with IFRS 16
- Variable lease payments, which are linked to changes in the Consumer Price Index (CPI) totalled P8.1 million. These payments are recognised in profit or loss as incurred.

Variable lease payments represent approximately 3% of rental income for the year.

Lease agreements include annual CPI-based adjustments to maintain the real value of lease payments overtime. A 3.75% increase in CPI typically results in a proportional increase in lease payments for the affected contracts. These adjustments are uncapped and apply to approximately 3% of the company's leased assets/ The company monitors inflation trends and CPI forecasts to assess the potential impact on future lease expenses and cash flow.

Notes to the Consolidated and Separate Financial Statements

14. Goodwill

Group	2025			2024		
	Cost / Valuation	Accumulated impairment	Carrying value	Cost / Valuation	Accumulated impairment	Carrying value
Goodwill	13,909	-	13,909	13,909	-	13,909

Reconciliation of goodwill - Group - 2025

Figure in Pula thousand (P'000)	Opening Balance	Closing Balance
Goodwill	13,909	13,909

Reconciliation of goodwill - Group - 2024

Figure in Pula thousand (P'000)	Opening Balance	Closing Balance
Goodwill	13,909	13,909

In reviewing the goodwill arising from the acquisition of Delta Automotive Technologies (Proprietary) Limited for impairment, the following key assumptions were made;

- The recoverable values of assets at the end of their useful lives are estimated to be nil.
- No material change in the asset composition and utilization rates since the valuation date.
- Growth rates will average between 8-10%.
- The cost of equity for auto and parts is a good proxy of the expected returns on Delta Automotive Technologies (Proprietary) Limited assets.
- As at 30 June 2025, the carrying amount of the entity was compared to the recoverable amount of the cash generating unit and no impairment indicators noted. The recoverable amount has been determined based on value in use while the valuation of the entity was based on a discounted cash flow methodology in which a terminal growth rate of 4% was applied and a weighted average cost of capital of 19% used. The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the group of CGUs to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not materially cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements in Pula thousand.

2025 Figure in Pula thousand (P'000)	Ordinary shares at cost	Total investment	% of shares held
Agriculture	150,246	150,246	
Farm Development Company (Pty) Ltd	-	-	100 %
Talana Farms (Pty) Ltd	9,237	9,237	100 %
LP Amusements (Pty) Ltd	60,426	60,426	100 %
Malutu Investments (Pty) Ltd	16,196	16,196	100 %
Milk Valley Farms (Pty) Ltd	64,387	64,387	100 %
Industry	297,664	297,664	
Lobatse Clay Works (Pty) Ltd	238,223	238,223	100 %
Delta Automotive Technologies (Pty) Ltd	59,441	59,441	60 %
Services	35,433	35,433	
Export Credit Insurance & Guarantee (Pty) Ltd	35,433	35,433	100 %
Property management	906,419	906,419	
Botswana Hotel Development Company (Pty) Ltd	104,098	104,098	100 %
Commercial Holdings (Pty) Ltd	377,048	377,048	100 %
Fairground Holdings (Pty) Ltd	8,615	8,615	51 %
NPC Investments (Pty) Ltd	-	-	100 %
Residential Holdings (Pty) Ltd	41,360	41,360	100 %
Western Industrial Estate (Pty) Ltd	374,184	374,184	100 %
Phakalane Property Development (Pty) Ltd	510	510	51 %
BDC Asset Management Company (Pty) Ltd	604	604	100 %
	1,389,762	1,389,762	
Less: Accumulated impairment		(242,583)	
		1,147,179	

Notes to the Consolidated and Separate Financial Statements

15. Investment in subsidiaries (continued)

2024 Figure in Pula thousand (P'000)	Ordinary shares at cost	Total investment	% of shares held
Agriculture	150,246	150,246	
Farm Development Company (Pty) Ltd	-	-	100 %
Talana Farms (Pty) Ltd	9,237	9,237	100 %
LP Amusements (Pty) Ltd	60,426	60,426	100 %
Malutu Investments (Pty) Ltd	16,196	16,196	100 %
Milk Valley Farms (Pty) Ltd	64,387	64,387	100 %
Industry	295,256	295,256	
Lobatse Clay Works (Pty) Ltd	235,815	235,815	100 %
Delta Automotive Technologies (Pty) Ltd	59,441	59,441	60 %
Services	35,433	35,433	
Export Credit Insurance & Guarantee (Pty) Ltd	35,433	35,433	100 %
Property management	905,815	905,815	
Botswana Hotel Development Company (Pty) Ltd	104,098	104,098	100 %
Commercial Holdings (Pty) Ltd	377,048	377,048	100 %
Fairground Holdings (Pty) Ltd	8,615	8,615	51 %
NPC Investments (Pty) Ltd	-	-	100 %
Residential Holdings (Pty) Ltd	41,360	41,360	100 %
Western Industrial Estate (Pty) Ltd	374,184	374,184	100 %
Phakalane Property Development (Pty) Ltd	510	510	51 %
	1,386,750	1,386,750	
Less: Accumulated impairment		(237,870)	
		1,148,880	

All the above subsidiaries are registered in Botswana.

Impairment

The accumulated impairment of P243 million (2024: P238 million) relates to the write down of some subsidiaries on the basis of their recoverable amounts.

The assessment of these investments for impairment requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the subsidiaries.

Key assumptions used in the determining future profitability of subsidiaries include revenue growth rate and cash flows projections which were assessed as reasonable and are in line with relevant market growth rates. Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which the investees operate. The current value of assets held by subsidiaries which is mostly property, plant and equipment and investment property was performed by independent property valuers. Refer to note 7 and 10 for additional details.

Impairment increased mainly due to adjustments for recoverable amount of subsidiaries. Impairment loss of P4.7 million and impairment reversal in (2024: P6.5 million) is included in the profit or loss (refer to note 8).

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

16. Equity accounted investees

The following table lists all of the associates in the group in Pula thousand:

Group - 2025 Figure in Pula thousand (P'000)	Ordinary shares at cost	Post Acquisition Reserve	Total investment	% of shares held
Agriculture	4,432	(4,432)		
Marekisetso A Merogo (Pty) Ltd	4,432	(4,432)	-	23 %
Industry	44,370	(10,033)	34,337	
Nampak Div Food Botswana	23,077	(7,757)	15,320	26 %
Indus Healthcare (Pty) Ltd	21,293	(2,276)	19,017	26 %
Services	217,511	(63,253)	154,258	
Peermont Global (Botswana) Ltd	3,000	34,702	37,702	40 %
TransUnion (Pty) Ltd	147	11,354	11,501	49 %
Mashatu Nature Reserve (Pty) Ltd	10,287	94,768	105,055	30 %
Kamoso Africa (Pty) Ltd	204,077	(204,077)	-	24 %
Property management	194,892	131,280	326,172	
Letlole La Rona Limited	194,892	131,280	326,172	31 %
Total all sectors			514,767	
Less: Accumulated impairment			(16,401)	
			498,366	

Group - 2024 Figure in Pula thousand (P'000)	Ordinary shares at cost	Post Acquisition Reserve	Total investment	% of shares held
Agriculture	4,432	(4,432)		
Marekisetso A Merogo (Pty) Ltd	4,432	(4,432)	-	23 %
Industry	44,370	(9,841)	34,529	
Nampak Div Food Botswana	23,077	(7,757)	15,320	26 %
Indus Healthcare (Pty) Ltd	21,293	(2,084)	19,209	26 %
Services	217,511	(58,255)	159,256	
Peermont Global (Botswana) Ltd	3,000	31,569	34,569	40 %
TransUnion (Pty) Ltd	147	1,992	2,139	49 %
Mashatu Nature Reserve (Pty) Ltd	10,287	107,854	118,141	30 %
Kamoso Africa (Pty) Ltd	204,077	(199,670)	4,407	24 %
Property management	264,824	67,983	332,807	
Letlole La Rona Limited	264,824	67,983	332,807	40 %
Total all sectors			526,592	
Less: Accumulated impairment			(16,401)	
			510,191	

All associated companies are registered in Botswana.

Letlole la Rona Limited has shareholding in JTTM Properties (Pty) Limited (57.79%), NBC Developments (33.3%) and Orbit Africa Logistics (30%). Mashatu Nature Reserve (Pty) Ltd has shareholding in Limpopo Valley Access (Pty) Ltd (100%), Rhodesdrift Investments (Pty) Ltd (100%) and Kanda (Pty) Ltd (51%).

Notes to the Consolidated and Separate Financial Statements

16. Equity accounted investees (continued)

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
Group investments as disclosed above	-	-	498,366	510,191
Add/Less post acquisition reserves	-	-	(37,161)	20,946
	-	-	461,205	531,137
Less: Accumulated impairment	-	-	(133,637)	(139,721)
			327,568	391,416

All associated companies are registered in Botswana.

Movement in equity accounted investees:

Opening balance	510,191	492,690	391,416	426,823
Share of profit net of tax	61,172	42,971	-	-
Debenture interest and dividend received	(10,908)	(25,470)	-	-
Share of other comprehensive income net of tax	-	-	-	-
Total before impairment	560,455	510,191	391,416	426,823
Disposal of investment	(62,089)	-	(69,932)	-
Impairment reversal/(charged) for the year	-	-	6,084	(35,407)
	498,366	510,191	327,568	391,416

Impairments on equity accounted investments at group level amounted to P16,401,000 (2024: P 16,401,000), these were as a result of significant write down of goodwill of an associate company in prior periods. There was no movement in the current year.

Post acquisition reserves are the group share of post acquisition profits on equity accounted investments.

The assessment of these investments for impairment requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the equity accounted investees.

Key assumptions used in determining future profitability of equity accounted investees include revenue growth rates which were assessed as reasonable and are in line with relevant market growth rates. Such assumptions are based on historical results adjusted for anticipated future growth. These assumptions are a reflection of management's past experience in the market in which the investees operate.

Impairment decreased mainly due to the reversal of impairments arising from increase in recoverable amounts of equity accounted investees. Impairment for equity accounted investees at company level was P134 million (2024: P 140 million).

The current value of assets held by equity accounted investees which is mostly property, plant and equipment and investment property was performed by independent property valuers. Refer to note 7 and 10 for additional details.

Refer to note 41 for summarised financial information for material equity-accounted companies.

Investments in Letlotle La Rona Limited comprises of linked units, each comprising one ordinary share and one variable debenture which are indivisibly linked. Each linked unit comprises an ordinary share issued at P0.01 and one variable rate unsecured debenture issued at P1.49. The yield on the unit comprises a dividend on the share component and interest on the debenture component of the linked unit.

Notes to the Consolidated and Separate Financial Statements

17. Other investments

Group	Note(s)	2025			% Interest	2024			% Interest
		Current investments	Non-current investments	Total		Current investments	Non-current investments	Total	
Figure in Pula thousand (P'000)									
Financial assets at amortised cost									
- To associate companies									
Mashatu (Pty) Ltd		19,346	-	19,346	7.50%	-	19,465	19,465	7.50%
- To non-affiliated entities									
Botswana based entities		576,874	361,671	938,545	14.00%	517,903	366,020	883,923	14.00%
P Pather Capital II		16,903	-	16,903	6.00%	14,853	-	14,853	6.00%
Regional entities		1,060,196	-	1,060,196	15.00%	919,668	-	919,668	15.00%
Industry Support Fund (ISF) loans		34,346	-	34,346	5.25%	37,970	-	37,970	5.25%
Total financial assets at amortised cost		1,707,665	361,671	2,069,336	-	1,490,394	385,485	1,875,879	-
Equity securities at fair value through profit/loss									
Preference shares									
Crates and Pallets (Pty) Ltd		-	7,022	7,022	13.00%	-	7,022	7,022	13.00%
Thakadu and Kwena Hotels (Pty) Ltd		-	1,060	1,060	16.00%	-	13,223	13,223	16.00%
Indus Healthcare (Pty) Ltd		-	34,805	34,805	9.65%	-	37,064	37,064	9.65%
Minergy Coal (Pty) Ltd		-	110,000	110,000	18.00%	-	177,097	177,097	18.00%
Total equity securities at fair value through profit/loss		-	152,887	152,887	-	-	234,406	234,406	-
Debt securities - designated at fair value through profit or loss									
RFG Botswana	47	290,000	98,214	388,214	10.00%	-	363,613	363,613	10.00%
Equity securities-designated at Fair value through other comprehensive income									
Sechaba Brewery Holdings Limited shares		-	280,601	280,601	18.00%	-	254,369	254,369	18.00%
Cresta Marakanelo Limited shares		-	64,363	64,363	27.00%	-	54,307	54,307	27.00%
Grit Real Estate Limited shares		-	21,046	21,046	5.79%	-	68,561	68,561	5.79%
Total Debt and Equity securities - designated at fair value		290,000	464,224	754,224		-	740,850	740,850	-
		1,997,665	978,782	2,976,447		1,490,394	1,360,741	2,851,135	
Less:									
Accumulated impairment		(495,364)	(10,254)	(505,618)	-	(328,309)	(6,655)	(334,964)	-
		1,502,301	968,528	2,470,829		1,162,085	1,354,086	2,516,171	

Notes to the Consolidated and Separate Financial Statements

17. Other investments (continued)

The Company holds 8,067,870 (2024:10,987,870) and 50,283,961 (2024:50,283,961) ordinary shares in Sechaba Brewery Holdings Ltd and Cresta Marakanelo Ltd, respectively. During the year the Group disposed 860,231 shares in Sechaba Brewery Holdings Ltd. The equity method of accounting is not followed by the Group as it only holds 18% of the shares of Sechaba Breweries Holdings Ltd as at 30 June 2025. For the year ended 30 June 2025, the Group did not exercise significant influence over Sechaba Breweries Holdings Ltd's financial and operating policies. The Group had only one board seat and did not participate in the process of appointing senior management, neither did it have direct influence over the operational strategies of Sechaba Brewery Holdings Limited.

The Group owns 27% (2024: 27%) of Cresta Marakanelo Ltd's issued capital, however the equity method of accounting is not followed as the Group does not exercise significant influence over Cresta Marakanelo Ltd's financial and operating policies. The financial and operating policies of Cresta Marakanelo have been delegated by the Board to Cresta Holdings (Pty) Ltd who manages hotels on behalf of the Cresta Group. The BDC Group does not have any board seats nor oversight participation in Cresta Holdings (Pty) Ltd and thus does not control the process of appointing senior management, neither does it have direct influence over the operational strategies of Cresta Marakanelo Limited. The fair value of the quoted investments was determined by using level 1 inputs - the share price of the respective investee is quoted on Botswana Stock Exchange.

Figure in Pula thousand (P'000)	Note(s)	Company	
		2025	2024
Consolidated other investments as above (gross):		2,976,447	2,851,135
Add back loans and preference shares to subsidiaries:			
Lobatse Clay Works (Pty) Ltd		144,302	128,224
Botswana Hotel Development Corporation (Pty) Ltd		24,254	29,080
Delta Automotive Technologies (Pty) Ltd		229,289	211,717
Western Industrial Estate (Pty) Ltd		20,623	20,005
Milk Valley Farms (Pty) Ltd		35,458	35,458
Fairground Holdings (Pty) Ltd		15,600	14,732
Delta Automotive Technologies (Pty) Ltd		5,008	-
Delta Automotive Technologies (Pty) Ltd ISF loan		20,444	18,412
Western Industrial Estate (Pty) Ltd - Preference shares		37,028	46,648
Less loans from non-related parties			
P Panther Capital II		(16,903)	(14,853)
Subtotal		3,491,550	3,340,558
Accumulated impairment		(568,577)	(377,028)
		2,922,973	2,963,530
Classified as follows			
Current assets		1,489,903	1,007,868
Non-current assets		1,433,070	1,955,662
		2,922,973	2,963,530

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17. Other investments (continued)

Equity securities are held for long term period and have no fixed maturity.

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
Maturity analysis of gross loans, financial assets at amortised costs				
Up to 1 year	1,708,478	1,477,607	1,758,226	1,542,227
1-5 years	360,858	322,040	638,155	638,137
>5 years	-	76,232	135,428	123,558
Subtotal	2,069,336	1,875,879	2,531,811	2,303,922
Impairment loss allowance	(505,618)	(334,964)	(568,577)	(377,028)
	1,563,718	1,540,915	1,963,234	1,926,894

2025 Figure in Pula thousand (P'000)	Group		Company	
	Fair value	Dividends	Fair value	Dividends
Equity securities designated at FVOCI				
Sechaba Brewery Holdings Limited	280,600	27,731	280,600	27,731
Cresta Marakanelo Limited	64,363	-	64,363	-
GRIT Real Estate Limited	21,047	-	21,047	-
	366,010	27,731	366,010	27,731

2024 Figure in Pula thousand (P'000)	Group		Company	
	Fair value	Dividends	Fair value	Dividends
Equity securities designated at FVOCI				
Sechaba Brewery Holdings Limited	254,369	48,263	254,369	48,263
Cresta Marakanelo Limited	54,307	2,162	54,307	2,162
GRIT Real Estate Limited	68,561	5,435	68,561	5,435
	377,237	55,860	377,237	55,860

The Group designates the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

Gross financial assets at amortised cost for the group and company at the end of the year amounted to P2.069 billion (2024: P 1.876 billion) and P2.527 billion (2024: P 2.304 billion) respectively. Corresponding impairment allowances at year end for group and company amounted to P506 million (2024: P 335 million) and P569 million (2024: P 377 million) respectively.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024

18. Due from group companies

This comprises amounts due from Group companies as a result of the companies having claimed, under the provisions of the Fourth Schedule of the Income Tax Act, to offset their assessable income against the assessable losses of the Company. The balances are offset across the various group companies' tax positions as per Schedule 4 of the Income Tax Act, and this is over periods exceeding a financial year, hence of a long-term nature. The balances are shown net as the ultimate right to the assets/liabilities lies with the Company. These amounts are settled net through an allocation by the Company across the group

Group Company Name	2025	2024	2025	2024
Export Credit Insurance and Guarantee(Pty) Ltd	-	-	1,565	1,565
Lobatse Clay Works(Pty) Ltd	-	-	(6,935)	(9,409)
Commercial Holdings(Pty) Ltd	-	-	14,141	11,805
Botswana Hotel Development Company(Pty) Ltd	-	-	51,257	48,424
Milkr Valley Farms (Pty) Ltd	-	-	(513)	(513)
Residential Holdings (Pty) Ltd	-	-	14,487	14,487
Talana Farms(Pty) Ltd	-	-	928	802
Western Industrial Estates(Pty) Ltd	-	-	6,218	6,218
LP Amusement Centre (Pty) Ltd	-	-	(2,866)	(2,866)
Malutu Enterprises (Pty) Ltd	-	-	1,628	1,628
	-	-	79,910	72,141

19. Deferred tax

Investment property and property plant and equipment	(135,335)	(122,560)	-	-
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The capital gains and losses giving rise to the deferred tax liability are on investment properties and property, plant and equipment.

Deferred tax asset	2025	2024	2025	2024
Investment properties, plant and equipment	10,180	531	-	-
Provisions and accruals	5,420	5,420	-	-
Deferred tax balance from temporary differences other than unused tax losses	15,600	5,951	-	-
Tax losses available for set off against future tax income	-	7	-	-
Total deferred tax asset	15,600	5,958		
Deferred tax liability	(135,335)	(122,560)	-	-
Deferred tax asset	15,600	5,958	-	-
Total net deferred tax liability	(119,735)	(116,602)		
Reconciliation of net deferred tax liability				
At beginning of year	116,602	92,757	-	-
Charged to profit/(loss)-current year capital allowances	10,496	6,991	-	-
Deferred tax adjustment - prior year	(12,305)	8,090	-	-
Charged to profit/(loss) -tax losses in current year	-	6,004	-	-
Charged to profit/(loss) -capital gains tax	4,934	2,760	-	-
At end of year	119,727	116,602		

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Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
20. Inventories				
Raw materials, components	37,142	43,848	-	-
Work in progress	69,856	31,633	-	-
Finished goods	13,830	24,731	-	-
Merchandise	28	-	-	-
	120,856	100,212	-	-
Inventories (write-downs)	(1,486)	(1,486)	-	-
	119,370	98,726		

Amounts of inventory recognised as an expense in cost of sales amounts to P127.8 million (2024: P139.0 million)

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
21. Trade and other receivables				
Financial instruments:				
Gross trade receivables	54,101	58,884	10,574	8,770
Allowance for expected credit losses	(37,181)	(26,950)	(10,148)	(8,732)
Net trade receivables	16,920	31,934	426	38
Prepayments	60,889	66,729	54,223	58,469
Advances to officers	4,438	10,796	4,371	754
Non-financial instruments:				
Due from related parties	558	318	-	-
Value Added Tax (VAT)	47,663	26,880	2,886	2,886
Other receivables	35,415	34,439	12,607	18,459
Refundable taxes	24,131	21,816	-	-
Total trade and other receivables	190,014	192,912	74,513	80,606

The average credit period is 30 days (2024:30 days). No interest is charged on overdue trade debtors. The Group has provided for all trade debtors based on estimated irrecoverable amounts.

Expected credit loss assessment for trade and other receivables

The Group allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss, (including but not limited to management accounts, audited financial statements, cash flow projections etc) and applying experienced credit judgement. The nature of the company's trade receivables are such that credit gradings are applied on a simplistic basis using qualitative and quantitative factors that are indicative of a risk of default. The expected credit losses for the Company are not material.

Balances of PNil million (2024: PNil million) has been written off while the accounts are being pursued for settlement.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024

21. Trade and other receivables (continued)

Trade receivables past due analysis - days past due but not impaired

1 - 30 days	3,053	11,081	797	1,355
31 - 60 days	1,530	1,989	859	261
61 - 90 days	6,201	10,195	-	125
91 and above	43,317	35,619	8,918	7,029
Total	54,101	58,884	10,574	8,770

Movement in the allowance for expected credit losses

Balance at beginning of the year	26,950	33,001	8,732	6,875
Allowance charged during the year	10,231	(7,908)	1,416	1,857
Amounts written off as uncollectable	-	1,857	-	-
Balance at end of the year	37,181	26,950	10,148	8,732

At the reporting date, the Group considers the concentration of credit risk limited due to the customer base being unrelated. There are no other impaired trade and other receivables.

Figure in Pula thousand (P'000)	2025			2024		
	Trade receivable	Expected credit loss	Not impaired	Trade receivable	Expected credit loss	Not impaired
Current	-	-	-	6,628	(446)	6,182
1-30 days	3,053	106	3,159	4,094	(125)	3,969
31-60 days	1,530	(443)	1,087	1,687	(155)	1,532
61-90 days	6,201	(3,290)	2,911	6,567	(2,607)	3,960
more than 90 days	43,317	(33,554)	9,763	39,908	(23,617)	16,291
	54,101	(37,181)	16,920	58,884	(26,950)	31,934

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short term nature.

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
22. Other assets				
Balance at beginning of the year	2,591	2,758	-	-
Interest income - reinvested	4,918	198	-	-
Net withdrawals	-	(365)	-	-
Balance at end of the year	7,509	2,591	-	-

Other assets comprise short term fixed income securities placed in the capital markets with various fund managers. Due to the short term nature of these placements, the carrying value of the assets equals their fair value. The value of funds are based on valuation of units provided by fund managers.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
23. Cash and cash equivalents				
Cash on hand	10	7	-	-
Bank balances	52,889	115,413	5,839	42,590
Money market funds	86,219	142,029	5,717	68,874
Industry Support Funds (refer to note 46)	28,512	45,628	28,512	45,628
Cash held on behalf of subsidiaries	-	-	12,636	46,395
Bank overdraft	(90,593)	(108,205)	(74,586)	(101,797)
	77,037	194,872	(21,882)	101,690
Current assets	167,630	303,077	52,704	203,487
Current liabilities	(90,593)	(108,205)	(74,586)	(101,797)
	77,037	194,872	(21,882)	101,690

Cash held on behalf of subsidiaries

The company has setup a bank account with Standard Chartered Bank Botswana for the use by owner managed property companies for their daily cash management. The account is used solely by the respective subsidiaries as they have restrictive control. As at 30 June 2025 P13 million (2024: P46 million) was held in the account on behalf of the subsidiaries.

Industry Support Facility

The Industry Support Facility (the "ISF") was a fund created by the Botswana Government to assist businesses with operating costs and working capital loans to sustain their existence during and post the COVID-19 Pandemic. BDC was required as a precondition for receipt of the funds to open and maintain a separate bank account. The account is restricted for the use of operation of the Fund only.

Money market funds

Surplus cash funds are invested in money market funds which comprise rolling and fixed deposits with fund managers and have a tenure of 1 week to 90 days. The interest earned is at an effective interest rate of 6.8% (2024: 7.2%). The proportionate amount of interest up to 30 June is added to the cost of investment to approximate fair value.

For the purpose of impairment assessment, investments in money market funds are considered to have insignificant credit risk as the credit rating of where these investments are held have a minimum of BBB- credit rating. Correspondingly, for the purpose of impairment assessment for these assets, the loss allowance is measured at an amount equal to 12-month ECL.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
24. Stated Capital					
Reconciliation of number of shares issued:					
Reported as at 1 July		984,774	888,269	984,774	888,269
Issue of shares - ordinary shares		249,366	96,505	249,366	96,505
		1,234,140	984,774	1,234,140	984,774
Issued					
887,640,016 (2024: 638,274,756) Ordinary shares of no par value		1,234,140	984,774	1,234,140	984,774

The company's ordinary shares are held by a sole shareholder, the Government of the Republic of Botswana. The shares carry a single vote, as well as a right to dividends as may be declared by the company from time to time. During the year 49,366,260 (2024:96,505,294) shares were issued at no par value for a consideration of P49,366,260 (2024: P 96,505,294) against the ISF equity reserve which represents capital injections by the Government of Botswana. The shareholder injected P200,000,000 in cash during the year.

The shareholder contributed additional shares amounting to P200,000,000 during the year for which 200,000,000 shares were injected in cash.

25. Claims Equalisation Reserve and ISF Equity Reserve

Claims Equilisation Reserve

Balance at beginning and end of year		1,207	1,207	-	-
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It is the policy of a subsidiary company to transfer 10% of the net commercial and domestic premium income from retained earnings into the claims equalisation reserve. The transfer from retained earnings ceases when the balance in the reserve account amounts to 150% of the highest gross premium income over the past five years. A transfer amounting to PNil (2024: P Nil) was made to retained earnings to reduce the impact of abnormal claims.

ISF Equity Reserve

Balance as at 30 June 2024		42,108	96,505	42,108	96,505
Transfers during the year		8,865	42,108	8,865	42,108
Transfer to stated capital	24	(49,366)	(96,505)	(49,366)	(96,505)
Balance as at 30 June 2025		1,607	42,108	1,607	42,108

The company was mandated to administer a P300 million facility on behalf of the Botswana Government for large business (refer to note 45). In an amendment to the agreement, the Government of Botswana agreed that all collections made on the loans issued be absorbed by the company and treated as shareholder equity for future investments. The repayments will cover cost of administration and used for business purposes. As at 30 June 2025, the total amount in the reserve amounted to P1,607,000 (2024: P 42,108,000).

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Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
26. Fair value reserve					
Balance at beginning of the year		(24,172)	168,861	(24,172)	168,861
Fair value movement during the year		82,454	(10,074)	82,454	(10,074)
Disposal of shares		(87,279)	(182,959)	(87,279)	(182,959)
Balance at end of the year		(28,997)	(24,172)	(28,997)	(24,172)
Comprising:					
Sechaba Breweries Holdings Limited		305,135	272,684	305,135	272,684
Cresta Marakanelo Limited		(13,576)	(23,633)	(13,576)	(23,633)
Grit Real Estate Income Group Limited		(320,556)	(273,223)	(320,556)	(273,223)
		(28,997)	(24,172)	(28,997)	(24,172)

The group has made an irrevocable election on adoption of IFRS 9 to classify these equity instruments at fair value through OCI as it is the business model not to hold the equities for trading or for contingent consideration. The fair value and dividend information on these securities are disclosed in Note 17.

During the year, the group disposed of shares in Sechaba Breweries Holdings Limited for a consideration of P93 million and the original cost of those shares was P6 million.

Notes to the Consolidated and Separate Financial Statements

27. Other Reserves

The following table lists all of the associates in the group in Pula thousand:

Figure in Pula thousand (P'000)	Foreign exchange movements	Capital and Debt Reserve	Statutory Capital & Solvency Reserve	Revaluation Reserve	Total
Company					
Balance as at 30 June 2023	8,294	70,330	-	-	78,624
Transfers during the year	-	4,175	-	-	4,175
Foreign exchange gains	2,033	-	-	-	2,033
Balance at 30 June 2024	10,327	74,505	-	-	84,832
Transfers during the year	-	1,431	-	-	1,431
Foreign exchange losses	(182)	-	-	-	(182)
Balance at 30 June 2025	10,145	75,936	-	-	86,081
Group					
<i>Subsidiaries</i>					
Balance as at 30 June 2023	(1,444)	-	2,262	217,327	218,145
Transfers from retained earnings	-	-	-	935	935
Foreign currency translation reserves	1,849	-	-	-	1,849
Revaluation reserves	-	-	-	6,095	6,095
Balance at 30 June 2024	405	-	2,262	224,357	227,024
Revaluation reserves	-	-	-	4,805	4,805
Balance at 30 June 2025	405	-	2,262	229,162	231,829
<i>Associates</i>					
Balance as at 30 June 2023	-	-	-	118,180	118,180
Balance at 30 June 2024	-	-	-	118,180	118,180
Balance at 30 June 2025	-	-	-	118,180	118,180
Total Other reserves at 2024	10,732	74,505	2,262	342,537	430,036
Total Other reserves at 2025	10,550	75,936	2,262	347,342	436,090

Debt and Capital Reserve

Although the Company is not a regulated financial institution, a Capital and Debt Reserve requirement framework was set up in 2017, through an internal policy. For this purposes, a Capital and Debt Reserve Account (CDRA) was set up, and a minimum of 12.5% of NOPAT gets allocated to this account annually. The account can also be funded from cash windfalls and excess operational liquidity. The primary purpose of the CDRA is to hold adequate reserves for repayment obligations under long term funding facilities as well as mitigating against the impact of credit losses. Disbursements to investments can be made from this account under exceptional circumstances, provided a replacement is made from the Investment fund thereafter.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024

27. Other Reserves (continued)

Statutory capital and solvency reserves

In terms of the Insurance Act (CAP 46:01), 15% of profit after taxation and 10% of profit before tax of a subsidiary company, which is providing export and domestic credit insurance, is transferred to statutory capital and solvency reserves respectively. No transfers to these reserves were made during the current or prior financial year as the subsidiary realised a loss before and after taxation in both financial years.

28. Non-controlling interest

Balance at beginning of the year	114,412	120,657	-	-
Share of loss and OCI for the year from subsidiaries	(1,302)	(6,245)	-	-
Balance at end of the year	113,110	114,412	-	-

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
29. Borrowings				
Held at amortised cost				
Commerzbank Aktiengesellschaft	201,418	189,626	201,418	189,626
A non-sovereign EUR50mill secured facility at interest rate EURIBOR +0.45% payable in 14 equal consecutive semi-annual interest payments plus principal payments after a 3 year grace period, secured by a guarantee issued by the Multilateral Investment Guarantee Agency (MIGA) with a 95% cover on outstanding balances.				
Standard Chartered Bank	5,000	-	-	-
The company has entered into a P15 million facility arrangement with Stanbic Bank Botswana Limited, in November 2024. The loan has a 180 day tenor and is set at prime (6.01%) plus 2% per annum.				
Absa Bank of Botswana Limited	25,405	37,230	-	-
A maximum loan of P179 960 000 that accrues interest at 2.1% below prime rate. The loan is repayable in 168 equal monthly instalments. The loan is secured by a first mortgaged bond over Lot 70667 Gaborone.				
Botswana Government	24,254	29,080	24,254	29,080
Unsecured loan bearing no interest repayable annually in instalments amounting to 50% of the total incremental free cash flow generated by Gaborone International Conference Centre (GICC), subject to a minimum of P200 000 for the first year, escalated thereafter at a rate equal to the increase in Consumer Price Index for urban areas.				
Standard Chartered Bank Botswana	5,027	15,031	5,027	15,031
A non-sovereign EUR50mill secured facility at interest rate Secured long term loan facility of P50 million bearing interest rate of prime rate plus 1.25% per annum repayable over 5 years. Interest is paid semi annually in arrears with instalments commencing 6 months after end of availability period. The facility is secured by African Guaranteed Fund cover of maximum 75% on principal.				
First National Bank , Absa Bank Botswana Limited and Stanbic Bank Botswana Syndicated facility	533,769	630,596	533,769	630,596
Long term unsecured loan facility of P775 000 000 bearing interest at a rate of prime plus 1.35% margin. Interest is payable semi-annually in arrears with 16 equal amortizing repayments starting 6 months at the end of the capital grace period.				
Industry Support Funds (ISF)	86,022	81,809	65,578	81,809
P300 million issued in a series of three tranches of P100 million each over a period of 5 years .The first tranche issued in December 2020 (refer to note 45).				
African Development Bank	842,777	1,024,913	842,777	1,024,913
Non-sovereign guaranteed line of credit facility of USD80 million bearing interest rate at 6 months Libor plus 3% per annum. Repayable by semi-annual instalments,amortised with a 2-year principal grace period and balance payable in 16 equal and consecutive payments for a period of 8 years.				
SCB Commercial Facility	23,960	73,653	23,960	73,653
Unsecured 60 months facility of USD16.2 million bearing interest of 5.20% payable in 10 semi-annual equal instalments commencing six months after end of availability period.				

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Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
29. Borrowings <i>(continued)</i>				
First Capital Bank	-	124	-	124
A non-sovereign EUR50mill secured facility at interest rate EURIBOR +0.45% payable in 14 equal consecutive semi-annual interest payments plus principal payments after a 3 year grace period, secured by a guarantee issued by the Multilateral Investment Guarantee Agency (MIGA) with a 95% cover on outstanding balances.				
Bank Gaborone	1,215	1,571	-	-
The facility attracts interest of prime lending plus 3.5% and is repayable over a period of 84 months at equal instalments of P40540.60. The loan is secured by covering mortgage bond of Lot 50660, Gaborone.				
Total Loans	1,748,847	2,083,633	1,696,783	2,044,832
Split between non-current and current portions				
Non-current liabilities	1,304,996	1,759,550	1,282,546	1,734,098
Current liabilities	443,851	324,083	414,237	310,734
	1,748,847	2,083,633	1,696,783	2,044,832

The company is required to comply with several covenants surrounding its long-term loan agreements. The company is required to report on these covenants to financial institutions mainly on a bi-annual basis.

As at 30 June 2025, the company was in breach of the following loan covenants:

- **Interest cover ratio** : This covenant related to Standard Chartered Bank Botswana Limited loans (Note 29) required a minimum interest cover of 2 or more.
- **Non-Performing Loans ratio**: This covenant related to Standard Chartered Bank Botswana Limited, Commerzbank Aktiengesellschaft and Syndicate required a maximum non-performing loans percentage.

All loan providers except for Standard Chartered Bank Botswana Limited provided condonation of breach/waivers before year end.. In addition, none of the loan providers have exercised their rights to call the facility up to the date of this report. In the absence of the loan condonation by Standard Chartered Bank, the facility in its entirety has been classified as a short-term liability to signify that risk that the liability could become due on demand.

Maturity analysis of borrowings is presented on liquidity risk in note 49

30. Government grants

Non-current liabilities	8,563	8,919	-	-
Current liabilities	356	356	-	-
	8,919	9,275	-	-
Balance at beginning of the year	9,275	9,631	-	-
Amortisation during the year	(356)	(356)	-	-
	8,919	9,275	-	-
Gross Government grants	32,456	32,456	-	-
Amortisation	(13,537)	(13,181)	-	-
Utilised as provision for impairment loss	(10,000)	(10,000)	-	-
	8,919	9,275	-	-

The amounts above relate to the funding that was obtained from the government in the form of government grants in prior years to fund the acquisition of property. Subsequent to acquisition, an impairment loss of P10million for the factory premises in Selebi Pkwe on lot 11270, 11271 and 11272 was made in 2000. The corresponding government grant funding ("Utilised for impairment loss") was released to cover the cost of impairment as the assets were purchased through government grants in the year 2000.

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
31. Trade and other payables					
Financial instruments:					
Trade payables		120,341	50,593	73,030	82,440
Trade payables - related parties		8,329	319	20	20
Interest accruals		28,575	12,277	4,262	5,149
Accrued expenses		20,206	26,237	10,316	6,090
Other payables		51,672	27,927	1,674	1,709
Deposits		26,261	28,580	1,325	1,030
Non-financial instruments:					
Amounts received in advance		727	1,196	-	-
Refund liability		15,692	10,438	10,907	5,882
VAT		10,463	6,739	1,131	1,441
		282,266	164,306	102,665	103,761

32. Bonds outstanding

At amortised cost

BDC 001		82,030	82,030	82,030	82,030
Effective date: June 2016					
Tenor: 13 years					
Pricing: Botswana prime rate plus 2.25%					
Repayment mechanism: 3 equal installments of principal - 2027, 2028 and 2029					
Collateral: None					
BDC 005		75,000	75,000	75,000	75,000
Effective date: October 2023					
Tenor: 7 years					
Pricing: Botswana fixed rate at 9.75%					
Repayment mechanism: Bullet at maturity					
Collateral: Unsecured					
BDC 003		142,530	142,530	142,530	142,530
Effective date: February 2018					
Tenor: 10 years					
Pricing: Botswana prime rate plus 1.75%					
Repayment mechanism: 3 equal installments of principal - June 2027, 2028 and 2029					
Collateral: Listed securities .					
BDC 004		162,140	162,140	162,140	162,140
Effective date: September 2020					
Tenor: 11 years					
Pricing: Fixed rate at 8%					
Repayment mechanism: 3 equal installments of principal - 2029, 2030 and 2031					
Collateral: None					
Issuance Costs on BDC 001		(2,331)	(2,560)	(2,331)	(2,560)
Issuance Costs on BDC 003		(36)	(45)	(36)	(45)
Issuance Costs on BDC 004		(1,954)	(2,266)	(1,954)	(2,266)
Bond discount		(1,748)	(2,194)	(1,748)	(2,194)
		455,631	454,635	455,631	454,635

The Company maintains a Botswana Stock Exchange approved P1 billion Domestic Medium Term Notes Program from which debt notes are issued to raise capital as and when need arises.

Split between non-current and current portions

Non-current liabilities	455,631	454,635	455,631	454,635
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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

33. Provisions for restoration costs

Figure in Pula thousand (P'000)	Opening balance	Additions	Closing balance
Reconciliation of provisions - Group - 2025			
Environmental rehabilitation	9,904	4,387	14,291

Figure in Pula thousand (P'000)	Opening balance	Additions	Closing balance
Reconciliation of provisions - Group - 2024			
Environmental rehabilitation	9,904	-	9,904

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Split between non-current and current portions					
Non-current liabilities		14,291	9,904	-	-

A subsidiary company has two mining sites which have been operational since 1992. Botswana legislation and the lease agreement for the mine require the company to restore the sites to their original condition on cessation of mining operations in 2035. The main uncertainty in respect of the estimated provision is the amount of costs to be incurred. The Group expects to settle the majority of the liability at the end of the life of the mine.

At the end of June 2025, there was no incremental mine restoration assessment performed because there was insignificant mining activity during the year at Lobatse and none at Mmamabula sites, as the company has stockpiles accumulated from previous years. The last estimate provision for site rehabilitation was performed in September 2025, by an external expert, Grey Area Enterprises (Pty) Ltd. The costs estimated by the expert included estimated cost of backfilling the quarry at the end of the mining period. The discounted liability is adjusted at the end of each period to reflect the passage of time, based on a discount rate of 13.14% (2024:5.22%) that reflects current market assessments and the risks specific to the liability, and changes in the estimated future cash flows underlying the obligation.

The updated liability reflects an increase of approximately 17% over the 2023/2024 provision, attributable to the additional excavation volumes since the operations resumed after closure in 2017, inflationary adjustments, and expanded scope recognition for hazardous waste and Health, Safety and Environment (HSE) compliance.

34. Bank Overdrafts

Bank overdraft	90,593	108,205	74,586	101,797
The Group's bank overdraft limits are as follows:				
- Standard Chartered Bank Botswana Limited	45,000	70,000	35,000	70,000
- Bank Gaborone	6,500	6,500	-	-
- Stanbic Bank Botswana Limited	55,000	55,000	55,000	55,000
	106,500	131,500	90,000	125,000

Land and buildings were pledged as security for overdraft of P6 500 000 for a subsidiary company, being first Continuing Coverage Mortgage Bond of P9,000 000 over Lot 69336, Gaborone (A portion of Lot 0660 Gaborone).

The Company's facilities are unsecured.

Notes to the Consolidated and Separate Financial Statements

35. Commitments

The Group and Company have following commitments

Figure in Pula thousand (P'000)	Group and Company	
	2025	2024
Capital expenditure	74,105	-
Guarantees	5,000	-
Approved funding	314,037	189,824
	393,142	189,824

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
36. Contingent liabilities					
Guarantees and Bonds outstanding		(761,511)	(573,952)	-	-

The amount of the potential future cash outflows in respect of loan guaranteed as well as their timing dependent on whether there will be instances of non-compliance with loan agreements.

The Guarantees and Bonds outstanding are securities that policy holders take to give their suppliers for various projects and reflects the value of bonds that are active.

Legal cases

The Group is currently defending certain legal cases in local courts. Based on legal advice and management's assessment, it is expected that the Group will successfully defend its position. Accordingly, no provision has been recognised in respect of these matters. The potential financial impact, if any, is not expected to be material to the Group's financial position.

37. Pension scheme arrangements

The Company operates a defined contribution pension scheme for its eligible employees which provides for a pension based on length of service. The defined contribution scheme was effected in March 2001. The defined benefit plans are administered by a fund that is legally separated from the company. The trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders in the plan. Contributions are based on a fixed percentage of salary of the employees. The total contribution for the current year included in staff costs was P3.3 million (2024: P 2.5 million).

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Notes to the Consolidated and Separate Financial Statements

38. Related parties

Relationships Ultimate holding company	The company is owned 100% by the Government of Botswana. Related balances consist of amounts due from/(to) entities the under common ownership or control other than the Government of the Republic of Botswana and its entities
Subsidiaries	Refer to note 15
Associates	Refer to note 16
Directors	Executive Director and non-executive directors
Members of key management	Executive management

Figure in Pula thousand (P'000)	Group and Company	
	2025	2024
Western Industrial Estates (Pty) Ltd		
Cash invested on behalf of subsidiaries	2,735	17,658
Group tax relief with BDC	6,218	6,218
Loan from BDC	20,563	20,005
Payables to BDC	108	99
Dividend earned/due to BDC	20,000	-
Cashpooling fund	12,371	9,063
Cashpooling Interest	1,118	343
Preference shares	46,633	46,647
Interest on Preference shares	2,678	2,686
Commercial Holdings (Pty) Ltd		
Cash invested on behalf of subsidiary by BDC	1,430	12,494
Group tax relief with BDC	14,141	11,805
Dividend earned/due to BDC	20,000	5,000
Cashpooling fund	16,442	8,944
Cashpooling Interest	1,232	298
Payables to BDC	32	14
Rentals paid by BDC	23,833	22,067
Letlole la Rona Limited		
Debenture interest and dividend due to BDC	10,907	16,271
Botswana Hotel Development Company (Pty) Ltd		
Group tax relief with BDC	51,257	48,424
Loan from BDC	24,253	29,080
Cash invested on behalf of subsidiary	911	106
Dividend earned/due to BDC	10,000	8,000
Cashpooling Fund	7,081	2,259
Cashpooling Interest	350	65
Payables to BDC	1	1

Notes to the Consolidated and Separate Financial Statements

38. Related parties (continued)

Figure in Pula thousand (P'000)	Group and Company	
	2025	2024
Talana Farms (Pty) Ltd		
Group tax relief	928	802
Cash invested on behalf of subsidiary	1,718	3,032
Cashpooling fund	1,478	-
Cashpooling interest	78	-
Malutu Investments (Pty) Ltd		
Group tax relief with BDC	1,628	1,628
Payables to BDC	2	2
Residential Holdings (Pty) Ltd		
Group tax relief with BDC	14,487	14,487
Cash invested on behalf of subsidiary by BDC	481	148
Cashpooling Fund	10,642	9,927
Cashpooling Interest	714	720
LP Amusement Centre (Pty) Ltd		
Group tax relief with BDC	(2,866)	(2,866)
Cash invested on behalf of subsidiary by BDC	828	783
Payables to BDC	2	-
Export Credit Insurance & Guarantee (Pty) Ltd		
Group tax relief with BDC	1,565	1,565
Lobatse Clay Works (Pty) Ltd		
Loan from BDC	144,302	128,224
Group tax relief	(6,935)	(9,409)
Payables to BDC	365	-
Milk Afric (Pty) Ltd		
Loan from BDC	35,458	35,439
Group tax relief with BDC	(513)	(513)
Payables to BDC	172	153
Cash invested on behalf of subsidiary by BDC	4,917	10,074
Delta Automotive Technologies (Pty) Ltd		
Loan from BDC	229,289	211,717
ISF Loan	20,444	18,412
Payables to BDC	123	-
Mashatu Nature Reserve (Pty) Ltd		
Loan from BDC	19,465	19,465
Interest on loans	1,346	1,353
Kamoso Africa (Pty) Ltd		
Loan from BDC	16,238	13,845
ISF loan	34,346	29,398
Indus Health Care (Pty) Ltd		
Preference shares	21,293	37,064
Interest on Preference shares	2,721	2,729
Fairground Holdings (Pty) Ltd		
Payables to BDC	17	18
Preference shares	16,601	14,732
Interest on preference shares	1,868	1,662
Payables to Fairground Holdings (Pty) Ltd	(100)	274

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

38. Related parties (continued)

Figure in Pula thousand (P'000)	Group and Company	
	2025	2024
Related party transactions		
Directors' fees paid		
Botswana Development Corporation	1,388	553
Botswana Hotel Development Company (Pty) Ltd	42	15
Commercial Holdings (Pty) Ltd	20	10
Export Credit Insurance & Guarantee (Pty) Ltd	-	102
Western Industrial Estates (Pty) Ltd	22	-
Letlole La Rona Limited	-	1,890
Residential Holdings (Pty) Ltd	42	23
Directors' remuneration for executive services		
Botswana Development Corporation - short term benefits	4,387	2,267
Botswana Development Corporation - long term benefits	-	1,141
Management fees paid to BDC		
Western Industrial Estates (Pty) Ltd	60	60
Key management remuneration		
Botswana Development Corporation	18,869	20,467
Delta Automotive Technologies (Pty) Ltd	190	555
Fairgrounds Holdings (Pty) Ltd	4,807	4,778
Letlole La Rona Limited	9,612	10,516
LP Amusement Centre (Pty) Ltd	496	694
Export Credit Insurance & Guarantee (Pty) Ltd	4,275	3,196
Indus Healthcare (Pty) Ltd	1,140	3,111
Dividends Received		
Botswana Hotel Development Company	10,000	8,000
Transunion (Pty) Ltd	-	9,199
Western Industrial Estates (Pty) Ltd	20,000	-
Letlole La Rona Limited	86	113
Commercial Holdings (Pty) Ltd	20,000	5,000
Finance costs paid to BDC		
Western Industrial Estates (Pty) Ltd	1,251	1,510
Lobatse Clay Works (Pty) Ltd	10,953	9,165
Mashatu (Pty) Ltd	1,346	-
Delta Automotive Technologies(Pty) Ltd	20,656	18,580
Kamoso Africa (Pty) Ltd	5,689	3,990
Rental income from BDC		
Commercial Holdings (Pty) Ltd	23,833	22,067
Interest income on debentures		
Letlole La Rona Limited	10,907	16,158
Other expenses		
Electricity - Commercial Holdings (Pty) Ltd	205	263
Levy - Commercial Holdings (Pty) Ltd	1,906	1,765

Notes to the Consolidated and Separate Financial Statements

38. Related parties (continued)

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Compensation to directors and other key management					
Salaries, allowances and other short term benefits		39,389	29,219	18,869	20,466
Post employment benefits		2,535	2,822	2,535	2,267
Remuneration for executive directors		1,764	3,588	1,764	2,185
		43,688	35,629	23,168	24,918

The finance costs on related party facilities bear interest at rates of 8-12% and payable within a period of 5-15 years .
Trading accounts are interest free and repayable on demand.

39. Cash used in operations

Profit /(loss) before tax	26,067	(40,687)	(171,261)	(175,338)
Adjustments for:				
Depreciation - Property, plant and equipment	13,629	22,185	326	769
Depreciation - Right of use asset	-	151	13,932	13,923
Amortisation of intangible assets	6,503	6,503	-	-
Expected credit losses - loans receivables	146,786	147,095	137,975	154,859
Expected credit losses - trade and other receivables	(17,846)	29,528	(17,846)	29,528
Amortisation of Government grants	(356)	(356)	-	-
Loss on disposal of property, plant and equipment	(38)	(531)	(38)	(277)
Impairment of ISF loan	(1,651)	-	(2,638)	-
Impairment and settlement discount on RFG investment	14,520	-	34,928	-
Change in fair of value debt instrument	123,331	24,343	123,331	24,343
Change in fair value of other investments	(82,454)	10,074	(82,454)	10,074
Unrealised losses on foreign exchange	660	635	654	90
Share of profits of equity accounted investees	(61,172)	(42,971)	-	-
Dividends received	(27,731)	(55,860)	(77,817)	(78,172)
Interest income	(234,903)	(235,908)	(263,473)	(264,866)
Finance costs	186,970	211,698	191,879	220,354
Fair value adjustment of investment properties	(226,666)	(66,513)	-	-
Rental straightlining adjustment	7,754	(2,466)	-	-
Provision for restoration costs	4,387	-	-	-
Gains on sale of investments	(20,440)	-	(20,440)	-
Interest on preference shares	(47,460)	(39,257)	(52,006)	(43,602)
Unrealised impairment (reversal)/expense of equity investments	-	-	(1,371)	28,879
Changes in working capital:				
Inventories	(20,644)	(28,956)	-	-
Trade and other receivables	(91)	(28,063)	22,522	(17,693)
Other assets	(4,918)	167	-	-
Trade and other payables	117,971	(15,673)	(1,091)	4,911
	(97,792)	(104,862)	(164,888)	(92,218)

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Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
40. Fair value information					
Levels of fair value measurements					
Level 1					
Recurring fair value measurements					
Assets					
Equity investments at fair value through other comprehensive income					
Listed shares	17	366,010	377,237	366,010	377,237
Financial assets mandatorily at fair value through profit or loss					
Other equity instrument		7,509	2,591	-	-
Total		373,519	379,828	366,010	377,237
Level 3					
Recurring fair value measurements					
Assets					
Biological assets					
Dairy cattle	12	4,903	4,840	-	-
Debt instruments at fair value through profit or loss					
RFG Botswana Limited	17	388,214	363,613	-	-
Financial assets mandatorily at fair value through profit or loss					
Preference shares	17	152,887	234,406	205,515	295,786
Total		546,004	602,859	205,515	295,786

Notes to the Consolidated and Separate Financial Statements

40. Fair value information (continued)

Valuation technique - cost replacement method:

Level 1

These instruments comprise of securities listed on the Botswana Stock Exchange or similar and are valued based on active share prices as at year end.

Level 2

There were no level 2 financial instruments in the current or prior year.

Level 3

The Group determines the intrinsic value of its investments based on a discounted cash flow (DCF) methodology. The valuation is based on the anticipated future cash flows projected by the business, which usually has a terminal value date. These projected future cash flows are discounted together with the value of the company in perpetuity at a terminal date, at the company's cost of capital, considering the risks associated with the business and its growth prospects.

In addition, this methodology is widely considered to be the more accurate valuation methodology and the discount rate applied takes account of the cost of the funds invested.

The Group also utilizes relative valuation whereby the value of a business is derived from the pricing of comparable assets, standardized using a common variable such as earnings, cash flows, book value, or revenues. Therefore, the value of cumulative preference shares in Thakadu and Kwena Hotels is P11,060,000.0 (2024: P 13,222,966.0).

Significant unobservable inputs utilized herein include nominal growth factor of 3.8% (2024: 3.8%) based on expected long term industry growth rates and expected rump-up following the effects of current economic conditions, coupon rate of 6% and strike price of P1.59.

The valuation of preference shares in Fairground Holdings is based on a predetermined valuation approach as per the provisions of the preference share agreement signed in 2015. The valuation as of 30 June 2025 was P15.4 million (2024: P 14.7 million).

The preference shares in Minergy Coal (Pty) Ltd have been fair valued at P110.0 million (2024: P 177.1 million), based on the provisions of the Preference Share Subscription Agreement entered into between the Company and BDC. The downside protection on same is provided for by a floating deed of hypothecation on the company's assets including all licenses and unencumbered plant & machinery, cession of all debts to the Company excluding trade receivables and a corporate guarantee from Minergy Limited, a Botswana Stock Exchange listed company with a market capitalization of P188.0 million (2024: P 289.8million)

The investment in Rhodes Foods Group Holdings Limited (RFGH) represents a debt instrument provided to a feeder fund through which the BDC Group and company, in addition to its interest return on the debt instrument, has access to returns on any upside experienced in the feeder fund. The feeder fund invested into Rhodes Foods Group Holdings Limited (RFGH), a Johannesburg Stock Exchange (JSE) listed company. The upside on this arrangement is affected by the movement in share price of RFGH and the waterfall structure arrangement of returns in relation to other partners in the fund. Significant unobservable inputs herein constitute investment management fees charged by the master fund and the residual value of the upside due to the waterfall arrangement.

The valuation of preference shares in Indus Healthcare is based on a predetermined valuation approach as per the provisions of the preference shares agreement signed in 2019. The valuation as of 30 June 2025 was P41.4million (2024:P40.4million)

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
40. Fair value information <i>(continued)</i>					
Level 3					
Recurring fair value measurements					
Assets					
Investment property	7	1,530,218	1,287,405	-	-
Land and buildings	10	464,461	434,167	-	-
Biological assets	12	4,903	4,840	-	-
Total		1,999,582	1,726,412		

Notes to the Consolidated and Separate Financial Statements

40. Fair value information *(continued)*

Reconciliation of assets and liabilities measured at Level 3

Group 2025 Figure in Pula thousand (P'000)	Note(s)	Opening Balance	Gains (losses) rec- ognised in profit (loss)/ deprecia- tion	Gains (losses) recognised in other comprehen- sive income	Purchases / additions	Disposals	Transfers into Level 3	Transfers out of Level 3	Closing Balance
Assets									
Investment property									
Investment property		1,287,405	226,666	-	16,147	-	-	-	1,530,218
Property, plant and equipment									
Land and Buildings	10	434,167	(6,672)	17,505	19,461	-	-	-	464,461
Equity investments at fair value through other comprehensive income									
Listed shares		377,237	-	82,272	-	(6,220)	-	(87,279)	366,010
Debt instruments at fair value through profit or loss									
RFG Botswana		363,613	24,601	-	-	-	-	-	388,214
Financial assets mandatorily at fair value through profit or loss									
Preference shares		234,406	(81,519)	-	-	-	-	-	152,887
Total		2,696,828	163,076	99,777	35,608	(6,220)		(87,279)	2,901,790

Notes to the Consolidated and Separate Financial Statements

40. Fair value information *(continued)*

Reconciliation of assets and liabilities measured at Level 3

Group 2024 Figure in Pula thousand (P'000)	Note(s)	Opening Balance	Gains (losses) rec- ognised in profit (loss)/ deprecia- tion	Gains (losses) recognised in other comprehen- sive income	Purchases / additions	Disposals	Transfers into Level 3	Transfers out of Level 3	Closing Balance
Assets									
Investment property	7								
Investment property		1,214,455	66,513	-	16,747	-	(10,310)	1,287,405	1,530,218
Property, plant and equipment	10								
Land and Buildings		414,129	-	-	20,038	-	-	434,167	464,461
Equity investments at fair value through other comprehensive income									
Listed shares		587,331	-	(210,094)	-	-	-	377,237	366,010
Debt instruments at fair value through profit or loss									
RFG Botswana		345,012	18,601	-	-	-	-	363,613	388,214
Financial assets mandatorily at fair value through profit or loss									
Preference shares		209,390	25,016	-	-	-	-	234,406	152,887
Total		2,770,317	110,130	(210,094)	36,785	-	(10,310)	2,696,828	2,901,790

Notes to the Consolidated and Separate Financial Statements

40. Fair value information *continued*)

Reconciliation of assets and liabilities measured at Level 3

Company 2025 Figure in Pula thousand (P'000)	Note(s)	Opening Balance	Gains (losses) recognised in profit (loss)/ depreciation	Gains (losses) recognised in other comprehensive income	Purchases / additions	Disposals	Transfers into Level 3	Transfers out of Level 3	Closing Balance
Assets									
Equity investments at fair value through other comprehensive income									
Listed shares		377,237	-	82,272	-	(6,220)	-	(87,279)	366,010
Debt instruments at fair value through profit or loss									
RFG Botswana		363,613	24,601	-	-	-	-	-	388,214
Financial assets mandatorily at fair value through profit or loss									
Preference shares		295,786	(90,271)	-	-	-	-	-	205,515
Total		1,036,636	(65,670)	82,272		(6,220)		(87,279)	959,739

Notes to the Consolidated and Separate Financial Statements

40. Fair value information *(continued)*

Reconciliation of assets and liabilities measured at Level 3

Company 2024 Figure in Pula thousand (P'000)	Note(s)	Opening Balance	Gains (losses) recognised in profit (loss)/ depreciation	Gains (losses) recognised in other comprehensive income	Purchases / additions	Disposals	Transfers into Level 3	Transfers out of Level 3	Closing Balance
Assets									
Equity investments at fair value through other comprehensive income									
Listed shares		587,331	-	(210,094)	-	-	-	-	377,237
Debt instruments at fair value through profit or loss									
RFG Botswana		345,012	18,601	-	-	-	-	-	363,613
Financial assets mandatorily at fair value through profit or loss									
Preference shares		270,770	25,016	-	-	-	-	-	295,786
Total		1,203,113	43,617	(210,094)					1,036,636

Notes to the Consolidated and Separate Financial Statements

40. Fair value information (continued)

Gains and losses recognised in other comprehensive income are included in gains and losses on property revaluation.

The valuation of investment properties is primarily driven by market growth and occupancy rates. Given that the group has long term lease contracts with relatively stable customers, a reasonable change in market assumption is not expected to have a significant impact on the value of investment properties and land and buildings.

41. Interests in other entities

41.1 Entities with non-controlling interests and material associate companies

Name of subsidiary	Phakalane Property Development (Pty) Ltd	Fairgrounds Holdings (Pty) Ltd	Delta Automotive Technologies (Pty) Ltd
Principal Place of Business	Phakalane	Plot 50381, Fairground Office Park	Plot 50371, Fairground Office Park
Nature of Business	Property Developers	Conference Facilities, Renting office Space, Operating a Restaurant, a bar and take away	Manufacture and distribution of high quality electrical wiring harnesses for the automotive industry in all its aspects.
Proportion of ownership held by NCI	49% (2024:49%)	49% (2024:49%)	40% (2024:40%)
Proportion of voting rights held by NCI	49% (2024:49%)	49% (2024:49%)	40% (2024:40%)
Total comprehensive income allocated to NCI of subsidiary in P'000s	PNil (2024: PNil)	-P7,632 (2024: P4,105)	P8,934 (2024: P7,381)
Accumulated NCI of subsidiary in P'000s	P12,833 (2024: P12 833)	P92,895 (2024: P85,263)	P7,382 (2024: P24,094)
Dividend paid to NCI in P'000s	PNil (2024: PNil)	PNil (2024 :PNil)	PNil (2024 :PNil)

Name of associate	Peermont Global Resort	Kamoso Africa (Pty) Ltd	Letlole la Rona Limited	Mashatu Nature Reserve	Indus Healthcare Pty Ltd
Nature of Business	Operation of Casinos, Hotels, conference centres in Botswana	Manufacturing, supply and distribution of fast moving consumer goods in Southern Africa	Variable loan stock company engaged in property investment and deriving revenue in property rentals and trade in property.	Game safaris and accommodation in northern Botswana	Academic hospital
Principal Place of Business	Gaborone	Gaborone	Gaborone	Tuli Enclave	Francistown
Proportion of ownership interest held by entity	40% (2024: 40%)	24% (2024: 24%)	31% (2024: 40.36%)	30% (2024: 30%)	26% (2024: 26%)
Investment measure	Equity method	Equity method	Equity method	Equity method	Equity method
Dividends received from associate in P'000	PNil (2024: PNil)	PNil (2024: PNil)	P10,908 (2024: P 20 803)	PNil (2024: PNil)	PNil (2024: PNil)

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42. Interests in other entities (continued)

42.2 Summarised financial information for non-controlling interests and material associate companies

Subsidiary companies

Statements of Profit or Loss and Other Comprehensive Income Figure in Pula thousand (P'000)	Fairground Holdings	Phakalane Property Development	Delta Automotive
Revenue	31,579	-	165,609
Cost of sales	(16,848)	-	(126,907)
Gross profit	14,731	-	42,751
Operating income	1,668	-	8,097
Finance income	21	-	2,335
Operating expenses	(17,843)	-	(47,170)
Finance costs	(2,677)	-	(20,863)
Profit before tax	(4,100)	-	(14,850)
Income tax credit/expense	(151)	-	(4,117)
Profit for the year from continuing operations	(4,251)	-	(18,967)
Total comprehensive income for the year	(4,251)	-	(18,967)
Statements of Financial Position			
Non-current assets	239,698	27,057	73,864
Current assets	4,498	192	145,493
Total assets	244,196	27,249	219,357
Capital and reserves	196,861	26,098	(77,610)
Non-current liabilities	27,999	43	265,170
Current liabilities	19,336	1,108	31,797
Total equity and liabilities	244,196	27,249	219,357

Equity accounted investee's companies

Statements of Profit or Loss and Other Comprehensive Income Figure in Pula thousand (P'000)	Letlole La Rona	Peermont Global Resorts	Mashatu Nature Reserve	Kamoso Africa (Pty) Ltd	Indus Healthcare
Year end	June	December*	June	June	June
Revenue	201,757	92,602	10,222	1,476,718	8,082
Profit/(loss) for the year from continuing operations	107,036	(964)	4,641	(24,956)	4,286
Total comprehensive income for the year	107,520	(964)	4,641	(28,104)	104
Statements of Financial Position					
Non-current assets	1,943,915	166,478	425,717	193,094	116,207
Current assets	162,770	27,651	(32,633)	253,036	34,840
Total assets	2,106,685	194,129	393,084	446,130	151,047
Capital and reserves	1,181,770	104,757	319,312	(184,857)	87,161
Non-current liabilities	849,568	63,240	-	114,895	24,388
Current liabilities	75,347	26,132	73,772	516,092	39,498
Total equity and liabilities	2,106,685	194,129	393,084	446,130	151,047

*Equity accounted investee's company results are disclosed for the year ended 30 June 2025. Total comprehensive income has been derived from the latest available results.

Notes to the Consolidated and Separate Financial Statements

42. Events after the reporting period

Subsequent to year end, the company announced the establishment of the Unity Healthcare Botswana Partnership Fund I (UHBP I), a landmark P 5 billion initiative designed to address critical shortages of essential medicines and healthcare supplies across the country. The fund, structured as an en commandite partnership, will directly support the procurement of medicines, consumables, hospital equipment and related assets, in close alignment with the Ministry of Health's national plan. The company has committed P 100 million, amounting to 2% of the targeted fund size as an anchor investment. The first fund-raising trench is targeted at 2.5 billion by December 2025.

Subsequent to the reporting date, the company had drawdown a total of P186 million (\$14 million) from the OPEC fund facility with a total of P547 million (\$40 million) approved and available for draw down by December 2025. The facility is unsecured and payable after 8 years at a rate of 6 month SOFR +2.8% margin.

Subsequent to year end the company disposed debt securities -designated at fair value through profit/loss, in RFG Botswana. The settlement amount of P400 million is to be paid in two tranches, P290million on acceptance of the settlement (August 2025) and the balance by June 2026.

In August 2025, the President of Botswana announced the signing of a USD12 billion investment deal with a Qatari entity, Al Mansour Holdings. The deal, which was signed in partnership with Botswana Development Corporation Limited, is expected to accelerate national development goals through investment in strategic sectors of the economy.

Subsequent to year end, the Milk Valley Farms facility amounting to P35,457,809 was converted to equity.

Except as disclosed above, there has been no material events after the reporting date, which would require disclosure or adjustment to the financial statements for the year ended 30 June 2025.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

43. Segmental information

The Group adopted IFRS 8, "Operating segments". This has resulted in a number of reportable segments presented.

In addition, segments are reported in a manner that is consistent with the internal reporting provided to the operating decision maker.

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The company has determined that its chief decision maker is the Board of the Company.

Management has determined the operating segments based in the reports reviewed by the Board in making strategic decisions and the board considers the business on the following operating decisions.

- Property development companies (Rental) - Companies that let properties and occasionally sell properties.
- Trade companies (Trade) - Companies that operate within the hospitality or manufacturing industries.
- Service companies (Service) - Companies that provide insurance or investment services (loans).

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

43. Segmental information (continued)

The segment information provided to the Board for the reportable segments for the year ended 30 June is as follows:

30 June 2025 Figure in Pula thousand (P'000)	Rental	Trade	Services	Total
Revenue	-	221,285	66,278	287,563
Interest on loans	-	-	234,903	234,903
Rental income	64,026	-	-	64,026
Depreciation	-	(10,583)	(3,046)	(13,629)
Amortisation of intangible assets	-	(6,503)	-	(6,503)
EBITDA	178,892	(76,913)	(303,175)	(201,196)
Profit/(loss) before tax for the year	230,355	(37,038)	(167,250)	26,067
Finance cost	5,718	(809)	(191,879)	(186,970)
Finance income	(1,499)	2,114	56,832	57,447
Fair value gain on investment properties	226,666	-	-	226,666
Assets				
Intangible assets	-	92,608	3,644	96,252
Cash and cash equivalents	51,158	9,869	106,603	167,630
Investment property	1,530,218	-	-	1,530,218
Liabilities				
Overdraft	-	9,757	80,836	90,593
Government grant	8,919	-	-	8,919
Borrowings	25,405	6,215	1,717,227	1,748,847
Total assets	1,581,375	728,319	3,535,785	5,845,479
Total liabilities	25,405	255,549	2,456,544	2,737,498
30 June 2024	Rental	Trade	Services	Total
Revenue	-	241,179	69,524	310,703
Interest on loans	-	-	235,908	235,908
Rental income	65,479	-	265	65,744
Depreciation	-	(17,614)	(4,571)	(22,185)
Amortisation of intangible assets	-	(6,503)	-	(6,503)
EBITDA	57,520	131,119	(12,611)	176,028
Profit/(loss) for the year	53,639	(82,071)	(12,255)	(40,687)
Finance cost	(2,150)	(209,296)	(252)	(211,698)
Finance income	2,741	49,720	(711)	51,750
Fair value gain on investment properties	66,513	-	-	66,513
Assets				
Intangible assets	-	99,111	3,640	102,751
Cash and cash equivalents	64,339	178,761	59,977	303,077
Investment property	1,284,749	-	2,656	1,287,405
Liabilities				
Overdraft	-	68	108,137	108,205
Government grant	9,275	-	-	9,275
Borrowings	37,230	2,044,831	1,572	2,083,633
Total assets	1,419,026	3,886,637	432,072	5,737,735
Total liabilities	163,450	2,611,869	178,822	2,954,141

Notes to the Consolidated and Separate Financial Statements

43. Segmental information *(continued)*

Segmental revenue and results

The Board assesses the performance of the operating segments based on the measure of EBITDA. This measure excludes the effects of non-recurring expenditure from the operating segments such as restructure costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. The results of discontinued operations are not included in the measure of EBITDA. This measure is consistent with all prior periods which are presented.

The segment information provided to the Board is presented above.

44. New Standards and Interpretations

44.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate financial statements. The impact of the amendment is not material.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate financial statements.

The adoption of this standard has resulted in additional disclosures relating to the breaches of loan covenants. Refer to note 29 borrowings for details.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The group has adopted the amendment for the first time in the 2025 consolidated and separate financial statements. The impact of the amendment is not material.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

44. New Standards and Interpretations *(continued)*

44.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2025 or later periods:

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new sub-totals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub-totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but is expected to have a significant impact on presentation and disclosure related to the statement of profit or loss and will bring enhanced disclosure in certain notes to the financial statements. Management is still performing a detailed assessment of the impact.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.

Annual Improvements to IFRS Accounting Standards - Volume 11 - Hedge Accounting by a First-time Adopter - Amendment to reduce inconsistency in wording of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures

Annual Improvements to IFRS Accounting Standards - Volume 11 - Gain or loss on derecognition - Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 Fair Value Measurement, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Notes to the Consolidated and Separate Financial Statements

44. New Standards and Interpretations *(continued)*

Amendments to IFRS 9 Financial Instruments

Annual Improvements to IFRS Accounting Standards - Volume II - Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 9 Financial Instruments

Annual Improvements to IFRS Accounting Standards - Volume II - Transaction price. The amendment clarifies that trade receivables must be measured initially, in accordance with IFRS 9, at the amount determined by applying IFRS 15 Revenue from Contracts with Customers.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 10 Consolidated Financial Statements

Annual Improvements to IFRS Accounting Standards - Volume II - Determination of a 'de facto agent'. The amendment is to clarify whether a party acts as a de facto agent in assessing control of an investee.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 10 Statement of Cash flows

Annual Improvements to IFRS Accounting Standards - Volume II - Cost method - Amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method from IFRS Accounting Standards.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The group expects to adopt the amendment for the first time in the 2027 consolidated and separate financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

45. Funds under management

As part of mitigating the effects of the COVID-19 pandemic on the economy, the Government of Botswana (the "Government") came up with a medium to long term Economic Recovery and Transformation Plan ("ERTP") to support in the revival of the economy. The Government consequently created a dedicated Industry Support Facility (the "ISF") under the COVID-19 Pandemic Relief Fund, under which businesses will be assisted with operating costs and working capital loans to sustain their existence during and post the COVID-19 Pandemic. Due to the magnitude and diverse nature of the eligible businesses under different sectors, the Government engaged different institutions to administer the Facility on its behalf.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024

45. Funds under management (continued)

BDC was mandated to administer a P300 million Facility on behalf of the Government for large businesses, which administration shall include, inter alia, receipt of the application for the loan from eligible businesses, assessing the loan application, disbursing the funds and monitoring the loan performance post disbursements.

Conditions for receipt of the funds included that BDC open a separate bank account to house the funds. The account is restricted for the use of operation of the Fund only. Conditions for subsequent disbursement included key reporting on funds disbursed including details of projects, and quarterly performance of the companies. Records and accounts are also subject to audit by the Auditor General to ensure no mix with BDC's funds/activities.

Per agreement with the Government, all collections from loans issued are to be treated as equity for the company.

As at 30 June 2025, the Company had P200 million (2024: P 200 million) of the funds allocated by Government of which P172 million (2024: P 172 million) had been disbursed to eligible entities.

ISF Balance due to Government

ISF funds allocated	200,000	200,000	200,000	200,000
Interest earned on fixed deposits	3,222	2,859	3,222	2,859
Loan repayment transferred to equity	(147,478)	(138,613)	(147,478)	(138,613)
Interest payable from loans disbursed	30,332	23,060	30,332	23,060
Impairment on ISF loans	(55)	(5,497)	(20,499)	(5,497)
	86,021	81,809	65,577	81,809

Movement in ISF funds under management

Opening balance	200,000	200,000	200,000	200,000
Interest earned on fixed deposits	3,222	2,859	3,222	2,859
Subtotal	203,222	202,859	203,222	202,859
Loan repayment transferred to equity	(147,478)	(138,613)	(147,478)	(138,613)
Interest payable from loans disbursed	30,332	23,060	30,332	23,060
Impairment on ISF loans	(55)	(5,497)	(20,499)	(5,497)
	86,021	81,809	65,577	81,809

Notes to the Consolidated and Separate Financial Statements

46. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2025

Figure in Pula thousand (P'000)	Opening Balance	Interests Accrued	Foreign Exchange Movements	ISF Loan Provision	Total non-cash movements	Cash flows	Closing Balance
Borrowings	2,083,633	157,157	(6,929)	(15,001)	135,227	(470,013)	1,748,847
Bonds outstanding	454,635	996	-	-	996	-	455,631
Lease liabilities	15	-	-	-	-	(15)	-
	2,538,283	158,153	(6,929)	(15,001)	136,223	(470,028)	2,204,478
Total liabilities from financing activities	2,538,283	158,153	(6,929)	(15,001)	136,223	(470,028)	2,204,478

Reconciliation of liabilities arising from financing activities - Group - 2024

Figure in Pula thousand (P'000)	Opening Balance	Interests Accrued	Foreign Exchange Movements	Total non-cash movements	Cash flows	Closing Balance
Borrowings	2,200,940	169,408	9,308	178,716	(296,023)	2,083,633
Bonds outstanding	378,615	32,715	1,020	33,735	42,285	454,635
Lease liabilities	174	7	-	7	(166)	15
	2,579,729	202,130	10,328	212,458	(253,904)	2,538,283
Total liabilities from financing activities	2,579,729	202,130	10,328	212,458	(253,904)	2,538,283

Notes to the Consolidated and Separate Financial Statements

46. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Company - 2025

Figure in Pula thousand (P'000)	Opening Balance	Interests Accrued	Foreign Exchange Movements	ISF Loan Provision	Total non-cash movements	Cash flows	Closing Balance
Borrowings	2,044,832	155,016	(4,935)	(15,000)	135,081	(483,130)	1,696,783
Bonds outstanding	454,635	996	-	-	996	-	455,631
Lease liabilities	142,320	10,126	-	-	10,126	(26,284)	126,162
	2,641,787	166,138	(4,935)	(15,000)	146,203	(509,414)	2,278,576
Total liabilities from financing activities	2,641,787	166,138	(4,935)	(15,000)	146,203	(509,414)	2,278,576

Reconciliation of liabilities arising from financing activities - Company - 2024

Figure in Pula thousand (P'000)	Opening Balance	Interests Accrued	Foreign Exchange Movements	Total non-cash movements	Cash flows	Closing Balance
Borrowings	2,148,983	167,355	9,308	176,663	(280,814)	2,044,832
Bonds outstanding	378,615	32,580	1,020	33,600	42,420	454,635
Lease liabilities	156,124	11,086	-	11,086	(24,890)	142,320
	2,683,722	211,021	10,328	221,349	(263,284)	2,641,787
Total liabilities from financing activities	2,683,722	211,021	10,328	221,349	(263,284)	2,641,787

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Group		Company	
	2025	2024	2025	2024
47. Debt instrument at fair value through profit and loss				
Capital invested	300,000	300,000	300,000	300,000
Fair value movements - prior year	9,081	20,563	9,081	20,563
Fair value movements - current year	14,529	(11,482)	14,529	(11,482)
Interest income	124,274	94,274	124,274	94,274
Cumulative distributions	(39,742)	(39,742)	(39,742)	(39,742)
Settlement discount	(8,142)	-	(8,142)	-
Impairment	(11,786)	-	(11,786)	-
Carrying value as at 30 June 2025	388,214	363,613	388,214	363,613

Fair value gains have been determined based on the 30 June 2025 closing spot price for Rhodes Food Group Holdings Limited of ZAR-(2024:15.78) per share . The loan agreement caters for the use of the 30-day Volume Weighted Average Price which was ZAR- at June 2025 (2024:13.82)

The settlement discount and impairment loss arose from negotiations for early settlement of the investment.

48. Directors' emoluments

P1,388,000 (2024: P 553,000) directors fees were paid to the non-executive directors or any individuals holding a prescribed office during the year.

Figure in Pula thousand (P'000)			
2025	Directors emoluments	Directors Fees	Total
Executive*	4,387	-	4,387
M Mothibatsela	-	54	54
B G Mphethe	-	115	115
C Mamelodi-Onyadile	-	129	129
L Pillar	-	129	129
J S Ntshole	-	183	183
O Otlaadisa-Diloro	-	169	169
N M Setaelo	-	166	166
M Ramaeba	-	90	90
G Mmolawa	-	168	168
B Mufahothe	-	185	185
	4,387	1,388	5,775
2024	Directors emoluments	Directors Fees	Total
Executive	2,267	-	2,267
M Mothibatsela	-	91	91
B G Mphethe	-	75	75
M A Ralebala	-	36	36
J S Ntshole	-	89	89
O Otlaadisa-Diloro	-	59	59
N M Setaelo	-	66	66
M Ramaeba	-	94	94
L Pillar	-	26	26
G Mmolawa	-	17	17
	2,267	553	2,820

*Includes termination benefits amounting to P2.623 million (2024: P Nil)

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2025

Figure in Pula thousand (P'000)	Note(s)	Fair value through profit or loss - debt instruments	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value approximate
Trade and other receivables	21	-	-	-	82,247	82,247	82,247
Cash and cash equivalents	23	-	-	-	167,630	167,630	167,630
Other investments	17	388,214	366,010	152,887	1,563,718	2,470,829	2,470,829
Other assets	22	-	-	-	7,509	7,509	7,509
		388,214	366,010	152,887	1,821,104	2,728,215	2,728,215

Group - 2024

Figure in Pula thousand (P'000)	Note(s)	Fair value through profit or loss - debt instruments	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value approximate
Trade and other receivables	21	-	-	-	77,487	77,487	77,487
Cash and cash equivalents	23	-	-	-	303,077	303,077	303,077
Other investments	17	363,613	377,237	234,406	1,540,915	2,516,171	2,516,171
Other assets	22	-	-	-	2,591	2,591	2,591
		363,613	377,237	234,406	1,924,070	2,899,326	2,899,326

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Company - 2025

Figure in Pula thousand (P'000)	Note(s)	Fair value through profit or loss - debt instruments	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value approximate
Trade and other receivables	21	-	-	-	59,020	59,020	59,020
Other investments	17	388,214	366,010	152,887	2,015,862	2,922,973	2,922,973
Cash and cash equivalents	23	-	-	-	52,704	52,704	52,704
		388,214	366,010	152,887	2,127,586	3,034,697	3,034,697

Company - 2024

Figure in Pula thousand (P'000)	Note(s)	Fair value through profit or loss - debt instruments	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Mandatory	Amortised cost	Total	Fair value approximate
Trade and other receivables	21	-	-	-	19,251	19,251	19,251
Other investments	17	363,613	377,237	234,406	1,988,274	2,963,530	1,879,560
Cash and cash equivalents	23	-	-	-	203,487	203,487	203,487
		363,613	377,237	234,406	2,211,012	3,186,268	2,102,298

The fair value of financial instruments approximates their respective carrying amounts due to the short- term nature of financial instruments classified as current in the statement of financial position. Non-current financial instruments bear interest at rates that are comparable to market which makes their carrying amounts approximates their fair values.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2025 Figure in Pula thousand (P'000)	Note(s)	Amortised cost	Total	Fair value approximate
Trade and other payables	31	255,384	255,384	255,384
Borrowings	29	1,748,847	1,748,847	1,748,847
Bonds outstanding	32	455,631	455,631	455,631
Bank overdraft	23	90,593	90,593	90,593
		2,550,455	2,550,455	2,550,455

Group - 2024 Figure in Pula thousand (P'000)	Note(s)	Amortised cost	Leases	Total	Fair value approximate
Trade and other payables	31	145,933	-	145,933	145,933
Borrowings	29	2,065,635	-	2,065,635	2,065,635
Lease liabilities	13	-	15	15	15
Bonds outstanding	32	454,635	-	454,635	454,635
Bank overdraft	23	108,205	-	108,205	108,205
Total		2,792,406	15	2,792,421	2,792,421

Company - 2025 Figure in Pula thousand (P'000)	Note(s)	Amortised cost	Leases	Total	Fair value approximate
Trade and other payables	31	90,627	-	90,627	90,627
Borrowings	29	1,696,783	-	1,696,783	1,696,783
Lease liabilities	13	-	126,162	126,162	126,162
Bonds outstanding	32	455,631	-	455,631	455,631
Bank overdraft	23	74,586	-	74,586	74,586
		2,317,627	126,162	2,443,789	2,443,789

Company - 2024 Figure in Pula thousand (P'000)	Note(s)	Amortised cost	Leases	Total	Fair value approximate
Trade and other payables	31	96,438	-	96,438	96,438
Borrowings	29	2,044,832	-	2,044,832	2,044,832
Lease liabilities	13	-	142,320	142,320	142,320
Bonds outstanding	32	454,635	-	454,635	454,635
Bank overdraft	23	101,797	-	101,797	101,797
		2,697,702	142,320	2,840,022	2,840,022

The fair value of financial instruments approximates their respective carrying amounts due to the short-term nature of financial instruments classified as current in the statement of financial position. Non-current financial instruments bear interest at rates that are comparable to market which makes their carrying amounts approximates their fair values.

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity. The group's targeted gearing ratio is 150%.

The capital structure and gearing ratio of the group at the reporting date was as follows:

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024
Bonds outstanding	32	455,631	454,635	455,631	454,635
Borrowings	29	1,748,847	2,083,633	1,696,783	2,044,832
Lease liabilities		-	15	126,162	142,320
Trade and other payables	31	282,266	164,306	102,665	103,761
Total borrowings		2,486,744	2,702,589	2,381,241	2,745,548
(Cash and cash equivalents)/bank overdraft	23	(77,037)	(194,872)	21,882	(101,690)
Net borrowings		2,409,707	2,507,717	2,403,123	2,643,858
Equity		3,107,980	2,783,594	2,226,420	2,102,960
Gearing ratio		78%	90%	108%	126%

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the board risk and compliance committee (BRCC), which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group risk and compliance committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the board risk and compliance committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk on loans receivable (at amortised cost), debt instruments at fair value through other comprehensive income, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents and loan commitments.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below in pula thousands:

Group		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Figure in Pula thousand (P'000)	Note(s)						
Other investments - non-current portion	17	361,671	(10,254)	351,417	385,485	(6,655)	378,830
Equity securities at fair value through profit or loss	17	152,887	-	152,887	234,406	-	234,406
Debt instruments at fair value through other comprehensive	17	388,214	-	388,214	363,613	-	363,613
Trade and other receivables	21	119,428	(37,181)	82,247	125,232	(18,218)	107,014
Other investments - current portion	17	1,707,665	(495,364)	1,212,301	1,490,394	(328,308)	1,162,086
Cash and cash equivalents	23	77,037	-	77,037	194,872	-	194,872
		2,783,520	(542,799)	2,264,103	2,794,002	(353,181)	2,440,821
Company		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Figure in Pula thousand (P'000)	Note(s)						
Other investments - non-current portion	17	1,433,070	(568,577)	864,493	1,955,662	(370,374)	1,585,288
Trade and other receivables	21	69,168	(10,148)	59,020	57,510	(38,259)	19,251
Other investments - current portion	17	1,489,903	-	1,489,903	1,007,868	(6,654)	1,001,214
Cash and cash equivalents	23	(21,882)	-	(21,882)	101,690	-	101,690
		2,940,325	(578,725)	2,391,534	3,122,730	(415,287)	2,707,443

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

The following table provides information about the exposure to credit risk and Expected Credit Losses (ECLs) for other investments as at 30 June. No ECL was recognised in relation to amounts due from group companies as this relates to group tax relief which is fully recoverable on utilisation of tax losses and tax liabilities in each year. Refer note 18 for further information. No ECL was recognised in relation to cash and cash equivalents and other assets as funds are placed with local institutions that are credit rated and regulated with the Bank of Botswana and ECL on these balances are deemed immaterial. Refer note 21 for trade and other receivables impacts. Refer to note 8 on the analysis of the charge recognised in profit or loss.

Refer to the notes specific to the exposures in the table above, for additional information concerning credit risk.

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49. Financial instruments and risk management (continued)

Group Figure in Pula thousand (P'000)	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
2025				
Credit rating B to AAA (Stage 1)	45.00 %	319,346	(1,153)	No
Credit grade C or lower (Stage 3)	35.00 %	1,749,990	(497,444)	Yes
		2,069,336	(498,597)	
Company Figure in Pula thousand (P'000)	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
2025				
Credit rating B to AAA (Stage 1)	45.00 %	369,230	(1,252)	No
Credit grade C or lower (Stage 3)	35.00 %	2,162,581	(560,303)	Yes
		2,531,811	(561,555)	
Group Figure in Pula thousand (P'000)	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
2024				
Credit rating B to AAA (Stage 1)	36.00 %	95,823	(6,397)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	583,815	(3,679)	No
Credit grade C or lower (Stage 3)	56.00 %	1,196,241	(317,866)	Yes
		1,875,879	(327,942)	
Company Figure in Pula thousand (P'000)	Weighted average loss rate %	Gross carrying amount	Impairment loss allowance	Credit impaired
2024				
Credit rating B to AAA (Stage 1)	36.00 %	311,098	(3,777)	No
Credit rating B- to CCC- (Stage 2)	45.00 %	632,900	(32,300)	No
Credit grade C or lower (Stage 3)	46.00 %	1,359,924	(333,928)	Yes
		2,303,922	(370,005)	

Credit Risk Sensitivity to Forward-Looking Information

The Corporation's impairment model incorporates forward-looking macroeconomic information that influences the probability of default of counterparties. Key macroeconomic variables used in the model include real GDP growth, inflation rate and prime interest rate forecasts obtained from credible external sources such as the Bank of Botswana and other economic research publications.

Sensitivity analysis has been performed to illustrate the potential impact of reasonably possible changes in forward-looking assumptions on the Corporation's Expected Credit Loss (ECL) for Stage 1 and Stage 2 exposures, which are the portfolios most sensitive to macroeconomic variables. The analysis considers changes of $\pm 5\%$ in inflation relative to the baseline forecasts, assuming other factors remain constant.

A 5% increase in inflation would increase total ECL for Stage 1 and 2 exposures by approximately P200K million (10%)

Variable change		Impact on total Stage 1 & 2 ECL	Percentage change in total ECL
Inflation rate	5%	3,822,590	10%
Inflation rate	(5)%	(3,822,590)	(10)%

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

These sensitivities are based on the Corporation's internal impairment model and are intended to illustrate the directional impact of macroeconomic changes rather than precise forecasts of future credit losses.

Stage 3 exposures (credit-impaired assets) are assessed individually based on expected recoverable cashflows from collateral, guarantees and other recovery sources. Consequently, their ECL is primarily influenced by specific factors such as the valuation of pledged collateral or the outcome of legal recovery processes, rather than by forward-looking macroeconomic variables. As such, these estimates are not materially sensitive to forward-looking macroeconomic assumptions, and have therefore been excluded from the macroeconomic sensitivity analysis

Management continually monitors the sensitivity of impairment estimates to changing economic conditions as part of the Corporation's credit risk management process.

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2025 Figure in Pula thousand (P'000)	Note(s)	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Amount
Non-current liabilities						
Borrowings	29	-	1,215,019	275,679	1,490,698	1,304,996
Bonds outstanding	32	-	446,076	55,065	501,141	455,631
Current liabilities						
Trade and other payables	31	255,384	-	-	255,384	255,384
Borrowings	29	466,422	-	-	466,422	443,851
Bonds outstanding	32	32,491	-	-	32,491	-
Bank overdraft	23	90,593	-	-	90,593	90,593
		844,890	1,661,095	330,744	2,836,729	2,550,455

Group - 2024 Figure in Pula thousand (P'000)	Note(s)	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Amount
Non-current liabilities						
Borrowings	29	-	1,345,866	563,047	1,908,913	1,759,550
Bonds outstanding	32	-	454,930	197,474	652,404	454,635
Current liabilities						
Trade and other payables	31	145,933	-	-	145,933	145,933
Borrowings	29	420,022	-	-	420,022	324,083
Bonds outstanding	32	32,299	-	-	32,299	-
Lease liabilities		15	-	-	15	15
Bank overdraft	23	108,205	-	-	108,205	108,205
		706,474	1,800,796	760,521	3,267,791	2,792,421

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Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Company - 2025 Figure in Pula thousand (P'000)	Note(s)	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Amount
Non-current liabilities						
Borrowings	29	-	1,188,791	275,679	1,464,470	1,282,546
Bonds outstanding	32	-	446,076	55,065	501,141	455,631
Lease liabilities		-	-	-	-	103,256
Current liabilities						
Trade and other payables		90,627	-	-	90,627	90,627
Borrowings	29	457,252	-	-	457,252	414,237
Bonds outstanding	32	32,491	-	-	32,491	-
Lease liabilities		22,906	-	-	22,906	22,906
Bank overdraft	23	74,586	-	-	74,586	74,586
		677,862	1,634,867	330,744	2,643,473	2,443,789

Company - 2024 Figure in Pula thousand (P'000)	Note(s)	Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying Amount
Non-current liabilities						
Borrowings	29	-	1,320,413	563,047	1,883,460	1,734,098
Bonds outstanding	32	-	454,930	197,474	652,404	454,635
Lease liabilities		-	152,690	19,125	171,815	125,365
Current liabilities						
Trade and other payables	31	96,438	-	-	96,438	96,438
Borrowings	29	406,672	-	-	406,672	310,734
Bonds outstanding	32	32,299	-	-	32,299	-
Lease liabilities		36,605	-	-	36,605	16,955
Bank overdraft	23	101,797	-	-	101,797	101,797
		673,811	1,928,033	779,646	3,381,490	2,840,022

Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024

49. Financial instruments and risk management *(continued)*

Financing facilities

Unsecured bank overdraft facility, reviewed annually and payable on call:

Used	90,593	108,205	74,586	101,797
Unused	9,407	16,795	15,414	23,203
	100,000	125,000	90,000	125,000

Secured bank loan facilities with various maturity dates:

Unused	6,500	6,500	-	-
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Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars.

The group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar Exposure

Non-current assets:

Loans receivable	1,060,196	919,668	1,060,196	919,668
Equity instrument at fair value through other comprehensive income	21,046	68,561	21,046	68,561

Current assets:

Cash and cash equivalents	477	19,474	477	19,474
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Non-current liabilities:

Borrowings	(866,737)	(1,098,566)	(866,737)	(1,098,566)
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Net US Dollar exposure

	214,982	(90,863)	214,982	(90,863)
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Euro exposure:

Non-current liabilities:

Borrowings	201,418	189,626	201,418	189,626
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Net Euro exposure

	201,418	189,626	201,418	189,626
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Net exposure to foreign currency in Pula

	416,400	98,763	416,400	98,763
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Notes to the Consolidated and Separate Financial Statements

Figure in Pula thousand (P'000)	Note(s)	Group		Company	
		2025	2024	2025	2024

49. Financial instruments and risk management *(continued)*

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

US Dollar Exposure

Non-current assets:

Loans receivable	79,714	67,227	79,714	67,227
Equity instrument at fair value through other comprehensive income	1,582	5,012	1,582	5,012

Current assets:

Cash and cash equivalents	36	1,424	36	1,424
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Non-current liabilities:

Borrowings	(65,168)	(80,305)	(65,168)	(80,305)
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Net US Dollar exposure

	16,164	(6,642)	16,164	(6,642)
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Euro exposure:

Non-current liabilities:

Borrowings	(12,911)	(12,914)	(12,911)	(12,914)
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Net Euro exposure

	(12,911)	(12,914)	(12,911)	(12,914)
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Exchange rates

Pula per unit of foreign currency:

US Dollar	13.300	13.680	13.300	13.680
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Euro	15.600	14.684	15.600	14.684
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Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company	2025		2024	
	Increase	Decrease	Increase	Decrease
Impact on profit or loss: *				
US Dollar 7% (2024: 7%)	13,576	(13,576)	(11,160)	11,160
Euro 13% (2024: 13%)	(26,184)	26,184	(24,651)	24,651
	(12,608)	12,608	(35,811)	35,811
Impact on equity: *				
US Dollar 7% (2024: 7%)	15,049	(15,049)	(6,360)	6,360
Euro 13% (2024: 13%)	(26,184)	26,184	(24,651)	24,651
	(11,135)	11,135	(31,011)	31,011

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group Figure in Pula thousand (P'000)	Note(s)	Average effective interest rate		Carrying Amount	
		2025	2024	2025	2024
Variable rate instruments:					
Assets					
Other investments		11.16%	9.45%	234,691	524,019
Cash and cash equivalents		6.79%	7.89%	167,630	303,077
Short term investments		6.79%	7.24%	7,509	2,591
				409,830	829,687
Liabilities					
Borrowings		6.00%	7.00%	26,621	1,960,733
Bonds outstanding		8.00%	9.00%	224,560	221,955
Bank overdraft		10.00%	6.00%	90,593	108,205
				341,774	2,290,893
Fixed rate instruments:					
Assets					
Other investments		12.56%	11.69%	821,085	1,351,861
Liabilities					
Borrowings		5.20%	5.20%	71,832	122,900
Bonds outstanding		8.00%	8.00%	237,140	232,680
				308,972	355,580

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49. Financial instruments and risk management *(continued)*

Company Figure in Pula thousand (P'000)	Note(s)	Average effective interest rate		Carrying Amount	
		2025	2024	2025	2024
Variable rate instruments:					
Assets					
Other investments		11.16%	9.38%	584,817	655,802
Cash and cash equivalents		6.79%	7.89%	52,704	203,487
				637,521	859,289
Liabilities					
Borrowings		6.20%	8.00%	1,561,739	1,921,931
Bonds outstanding		8.00%	8.30%	224,560	221,955
Bank overdraft		9.50%	5.60%	74,586	101,797
				1,860,885	2,245,683
Fixed rate instruments:					
Assets					
Other investments		11.14%	11.30%	2,340,032	1,648,120
Liabilities					
Borrowings		5.20%	5.20%	71,832	122,900
Bonds outstanding		8.00%	8.00%	237,140	232,680
				308,972	355,580

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

The Group and Company measures the sensitivity of its assets price to changes in interest rate using the duration analysis methodology.

Group	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Bonds and other borrowings 2% (2024:2 %)	(5,024)	5,024	(50,765)	50,765
Bank overdraft 2% (2024:2 %)	(1,812)	1,812	(2,164)	2,164
Other cash and cash equivalents 2% (2024:2 %)	3,353	(3,353)	6,062	(6,062)
Short term investments 2% (2024:2 %)	150	(150)	52	(52)
Other investments 2% (2024:2 %)	4,491	(4,491)	27,037	(27,037)
	1,158	(1,158)	(19,778)	19,778

Company	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Bonds and other borrowings 2% (2024:2 %)	(35,726)	35,726	(49,989)	49,989
Bank overdrafts 2% (2024:2 %)	(1,492)	1,492	(2,036)	2,036
Cash and cash equivalents 2% (2024:2 %)	1,054	(1,054)	4,070	(4,070)
Other investments 2% (2024:2 %)	11,696	(11,696)	32,962	(32,962)
	(24,468)	24,468	(14,993)	14,993

Price risk

The group is exposed to price risk because of its investments in equity instruments which are measured at fair value. The exposure to price risk on equity investments is managed through a diversified portfolio.

There have been no significant changes in the price risk management policies and processes since the prior reporting period. Refer to note 17 for details on exposure to price risk.

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Notes to the Consolidated and Separate Financial Statements

49. Financial instruments and risk management *(continued)*

Price risk sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when price risk internally to key management personnel and represents management's assessment of the reasonably possible change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company	2025	2025	2024	2024
	Increase	Decrease	Increase	Decrease
Impact on equity:				
Sechaba Brewery Holdings Limited shares 5% (2024: 5%)	42,090	(42,090)	38,155	(38,155)
Cresta Marakanelo Limited shares 15% (2024: 15%)	9,654	(9,654)	8,146	(8,146)
Grit Real Estate Income Group 15% (2024: 15%)	3,157	(3,157)	10,284	(10,284)
	54,901	(54,901)	56,585	(56,585)
Impact on profit or loss:				
RFG Botswana 15% (2024: 15%)	58,232	(58,232)	54,542	(54,542)
	58,232	(58,232)	54,542	(54,542)
Total impact on profit or loss and equity	113,133	(113,133)	111,127	(111,127)

50. Going concern

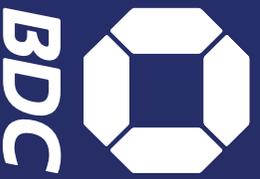
The group incurred a total comprehensive income for the year ended 30 June 2025 of P116 million (2024: total comprehensive loss of P54 million) and as of that date its total assets exceeded its total liabilities by P3.11 billion (2024 P2.78 billion).

The company incurred a total comprehensive loss for the year ended 30 June 2025 of P85 million (2024 total comprehensive income of P185 million) and as of that date its total assets exceeded its total liabilities by P2.23 billion (2024 P2.10 billion).

The Board of Directors has assessed based on profitability and cash flow projections that both the group and company have sufficient cash resources available to settle the obligations up to 12 months from the date of the approval of these financial statements.

The group and company have also implemented strategies to return to profitability and these are monitored regularly by the Board of Directors. Furthermore, the group and company keeps track of the Botswana government initiatives to protect the economy and will participate as appropriate.

The consolidated and separate financial statements have thus been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



Contacts

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