



Botswana Telecommunications Corporation Limited

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The Board and Management of Botswana Telecommunications Corporation Limited ('BTC') are pleased to present to shareholders the Audited Financial performance of the Company for the year ended 31 March 2026.

Revenue	EBITDA	Profit before tax	Earnings per Share (EPS)
▼ -1.6% to P1.47 billion	▼ -24% to P343 million	▼ -45% to P146 million	▼ -45.2% to 10.79 thebe

COMMENTARY

Financial Highlights for the year ended 31 March 2026

- Revenue: decreased by 1.6% to P1.470 billion (FY2025: P1.493 billion)
- EBITDA: Decreased by 24% to P343 million (FY 2025: P449 million restated)
- Profit Before Tax: declined by 45.0% to P146 million (FY2025: P267 million restated)
- Earnings Per Share (EPS): decreased by 45.2% to 10.79 thebe (FY2025: 19.69 thebe restated)

REVIEW OF RESULTS

The Audited Financial Statements of the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 23 June 2026.

Performance Overview

BTC delivered revenues of P1.470 billion representing a 1.6% decline compared to prior year. Whilst revenues reduced slightly, Profit Before Tax (PBT) of P146 million represented a 45% year-on-year decline. The prevailing economic environment in Botswana continued to influence consumer spending patterns and business activity, affecting demand across traditional telecommunications services. The business experienced declines in fixed and mobile voice services which was only marginally offset by growth in mobile money and digital services revenue streams. Profitability was further impacted by a combination of higher operating costs and sustained pricing pressure in the enterprise market.

In line with the Company's strategy to accelerate investment in digital services and enhance network performance, cost of services and goods sold increased by 13%, mainly due to additional spectrum costs and increased expenses associated with the growth of mobile financial services. These investments are critical in ensuring that BTC offers a competitive product geared towards an improved customer experience and a customer value proposition consistent with our market share acquisition ambitions.

Domestic Economy

Botswana's economy remained challenging during the 2025/26 financial year, with GDP contracting by 0.7%, although this was an improvement from the 2.8% decline in 2024. The continued weakness in the global diamond market remained the primary driver of the slowdown, with the diamond sector contracting by 14.1%, negatively impacting export earnings, government revenues and economic activity.

The effects of the slowdown extended beyond mining, with the non - diamond private sector growing by only 2.0% down from 4.4% in 2024, reflecting weaker business activity and consumer demand. Many businesses including BTC have reported increasingly challenging economic conditions, with limited growth and rising costs.

Looking ahead, whilst economic growth is expected to recover gradually, with GDP projected to grow between 3% and 5%, significant uncertainty remains due to global trade relations, supply chain disruptions, geopolitical tensions and policy uncertainty. Local recovery is expected to be supported by improving conditions in the diamond sector and continued diversification of the economy.

Outlook

In the short term, BTC still expects the consumer to be constrained with potential recovery only to be seen in the latter part of the year. BTC will therefore complete operationalisation of investments in networks and digital services to grow market share and participate more deeply in the further digitisation of Botswana's economy. BTC will increasingly position itself for the consumer recovery as an innovative market player to lead the digital transformation drive. Key strategic highlights to be realised as a product of this investment include:

- The relaunch of our mobile brand through compelling brand promises including unrivalled unlimited data propositions as well as a much larger and faster data network across the country including 5G technologies
- The digitisation of our customer journeys allowing Botswana to subscribe from their home and select their mobile number of choice
- The launch of prepaid fiber broadband offers to cater for more flexibility in consumer spend
- The introduction of voice calling in HD quality through Voice over LTE without incremental charges

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026	Mar 2026 P '000	Restated* Mar 2025 P '000
Revenue from contracts with customers	1,469,605	1,492,760
Cost of services and goods sold*	(673,665)	(595,429)
Gross profit	795,940	897,331
Interest income	70,030	60,422
Interest expense	(13,777)	(14,938)
Other income	43,106	38,708
Selling and distribution costs	(31,451)	(23,489)
Administrative expenses	(395,532)	(387,825)
Impairment loss on financial assets and contract assets	(17,547)	(24,973)
Other expenses	(304,598)	(278,631)
Profit before tax	146,171	266,605
Income tax expense	(32,830)	(59,886)
Profit for the year	113,341	206,719
Other comprehensive income	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	113,341	206,719
Basic and diluted earnings per share (Thebe):	10.79	19.69

STATEMENT OF FINANCIAL POSITION

As at 31 March 2026	Mar 2026 P '000	Restated* Mar 2025 P '000	Restated* Mar 2024 P '000
ASSETS			
Non-current assets			
Property, plant and equipment*	1,476,112	1,152,065	1,005,529
Intangible assets	234,703	151,934	170,006
Right of use assets	129,631	136,938	140,412
Performance bond	16,650	16,650	-
IRU asset	267,469	305,678	343,887
Contract assets	44,847	49,212	45,830
	2,169,412	1,812,477	1,705,664
Current assets			
Inventories	51,668	50,128	58,390
Trade and other receivables	381,387	380,766	230,830
Contract assets	51,828	43,920	37,851
Income tax receivable	15,138	-	897
Short term investments	28,293	56,411	107,803
Cash and cash equivalents	243,912	442,360	625,344
	772,226	973,585	1,061,115
Assets held for sale*	4,929	9,428	12,664
Total assets	2,946,567	2,795,490	2,779,443
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	478,892	478,892	478,892
Accumulated profits*	1,487,021	1,541,470	1,618,251
	1,965,913	2,020,362	2,097,143
Non-current liabilities			
Development grants	35,021	26,910	27,108
Lease liabilities	134,201	146,084	148,391
IRU liability	32,518	47,278	61,112
Contract liabilities	2,021	2,897	5,461
Deferred tax liability*	115,065	91,328	31,970
Employee related provisions	2,336	3,776	5,307
	321,162	318,273	279,349
Current liabilities			
Trade and other payables	600,964	383,007	324,665
Contract liabilities	2,010	2,879	8,718
Lease liabilities	21,851	15,898	15,810
IRU liability	14,760	13,834	12,965
Current portion of development grants	2,557	7,567	1,471
Current portion of employee related provisions	17,350	33,670	39,322
	659,492	456,855	402,951
Total liabilities	980,654	775,128	682,300
Total equity and liabilities	2,946,567	2,795,490	2,779,443

STATEMENT OF CASH FLOWS

For the year ended 31 March 2026	Mar 2026 P '000	Mar 2025 P '000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating cash flow before working capital changes	328,039	437,018
Working capital adjustments:		
(Increase)/decrease in inventories	(5,847)	5,471
Increase in trade and other receivables, contract assets and prepayments	(25,731)	(184,671)
Decrease in employee related provisions	(17,760)	-
Increase in trade and other payables and contract liabilities	79,291	32,259
Cash generated from operations	357,992	290,077
Ordinary dividend paid to shareholders	(172,505)	(269,787)
Income tax (paid) received	(24,231)	1,169
Net cash from operating activities	161,256	21,459
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Investment to expand operations:		
Purchase of property, plant and equipment	(337,571)	(277,765)
Purchase of intangible assets	(118,475)	(17,830)
Proceeds from disposal of property, plant and equipment and assets held for sale	37,654	37,663
Interest income received	73,444	60,821
Purchase of investments	(569,218)	(306,262)
Disposal of investments	597,336	357,654
Purchase of performance bond	-	(16,650)
Net cash generated used in investing activities	(316,830)	(162,369)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Grants received	4,884	7,591
Interest paid on lease liabilities and IRU liability	(13,885)	(15,030)
Principal payment of lease liabilities	(23,194)	(21,044)
Principal payment of IRU liability	(13,834)	(12,965)
Net cash from financing activities	(46,029)	(41,448)
Decrease in cash and cash equivalents	(201,603)	(182,358)
Net foreign exchange difference on cash and cash equivalents	3,155	(626)
Cash and cash equivalents at beginning of the year	442,360	625,344
Cash and cash equivalents at end of the period	243,912	442,360

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026	Stated Capital P '000	Revaluation Reserve P '000	Accumulated Profits P '000	Total P '000
Balance at 1 April 2024	478,892	393,713	1,614,745	2,487,350
Impact of change in accounting policy*	-	(393,713)	3,506	(390,207)
Restated balance at 1 April 2024	478,892	-	1,618,251	2,097,143
Profit for the year	-	-	206,719	206,719
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	206,719	206,719
Ordinary dividend declared	-	-	(283,500)	(283,500)
Balance at 31 March 2025	478,892	-	1,541,470	2,020,362
Profit for the year	-	-	113,341	113,342
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	113,341	113,342
Ordinary dividend declared	-	-	(167,790)	(167,790)
Balance at 31 March 2026	478,892	-	1,487,021	1,965,913

*Restatement of prior year results

Previously the Company carried land and buildings at a revalued amount which is the revalued amount on the date of the revaluation less any subsequent accumulated depreciation less any subsequent accumulated impairment losses. In the current financial year, the Board resolved to change this policy such that all land and buildings will be stated at historical cost less accumulated depreciation and subsequent impairment loss, where applicable.

The cost model provides a more stable and predictable measure of asset value aligning better with long term usage. Moving to the cost model stabilises the accounting treatment, avoids accounting mismatches, and enhances the accuracy with which all non-financial assets are assessed for impairment as one cash generating unit per IAS 36.

Outlook (Continued)

- The launch of travel eSIMs allowing customers to use their SIM cards across the globe on preferential roaming rates.

BTC remains committed to keeping Botswana connected while driving value for shareholders and delivering essential digital infrastructure for the future.

Presentation of Financial Statements

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

Basis of Preparation and Accounting Policies

The audited financial statements have been prepared on a historical cost basis. The accounting policies adopted for the period comply in all material respects with IFRS @ Accounting Standards as issued by the International Accounting Standard Board (IASB), IFRIC@ interpretations issued by the International Financial Reporting Standards Interpretations Committee and in the manner required by the Companies Act of Botswana (CAP 42:01). These policies are consistent with those applied for the year ended 31 March 2025, except for the change in the accounting policy for land and buildings from revaluation to cost model.

Dividends Declaration

The BTC Board has declared a final dividend of 1.12 thebe per share for the year ended 31 March 2026. In accordance with the Botswana Income Tax Act (Cap 52:01) as amended, withholding tax at the rate of 10% or any other currently enacted tax rate will be deducted from the gross dividend.

Important dates pertaining to this dividend are:

Declaration date – 23 June 2026
Ex-dividend date – 22 July 2026
Last date to register – 24 July 2026
Dividend payment date – 5 August 2026

Auditor's report

The auditor, Deloitte & Touche, has issued its unmodified opinion on the Company's annual financial statements for the year ended 31 March 2026. These are available for inspection at the registered office of Botswana Telecommunications Corporation. This publication has been extracted from those financial statements. This abridged financial information and any reference to future financial performance has however not been audited by the auditors. The auditor's unmodified opinion on the annual financial statements was issued on 25 June 2026.

By Order of the Board

Thato Kewakae

Chairperson (Interim)

Jürgen Peschel

Chief Executive Officer

Board of Directors

Itemogeng B. Pheto, Mcedisi R. Solomon, Kgotsa Bannalotho

Company Secretary

Sidney Mganga

Company Number

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