

BOTSWANA TELECOMMUNICATIONS CORPORATION

INTEGRATED REPORT 2024

INNOVATION **FOR ALL,** PROGRESS FOR EVERYONE





we|come

Navigating this Report

[Previous page](#) <

[Home](#) 

[Next page](#) >

The company's reporting suite provides an opportunity to discuss its achievements for the year ended March 2024. It also includes various online publications and engagements, including the Investment Case Fact Sheet, Annual Financial Results, etc.

Please visit our website at <https://btc.bw/>

4

About this Report

Welcome to Our Reporting Suite

Our various tailored reports aim to provide the Company's stakeholders with the essential information to assess its performance and to make informed decisions.

Integrated Reporting Disclosures

Our integrated report is the primary communication with our stakeholders and contains several features and disclosures that will help them make informed decisions based on the data it provides. It shows the interconnectedness of how we create, erode, preserve, and enhance value through the various trade-offs in our input capitals.

 Financial

 Human

 Intellectual

 Social and Relationship

 Natural

 Manufactured

Sustainability Related Disclosures

Despite IFRS S1 and S2 reporting requirements only coming into effect after 1st January 2024, we nevertheless incorporated sustainability-related disclosures for the period under review. This report contains comprehensive details of the Company's social, environmental, and governance practices, demonstrating and affirming the Company's commitment to follow best practices and to provide information that caters to the diverse needs of our stakeholders.

Financial Disclosures

This section of the report contains detailed information about our financial position and performance, and provides a comprehensive view of the Company's operations, including its financial resources management practices.

- Board approval of AFS
- Independent Auditor's Report
- Annual Financial Statements (AFS).

Shareholder Information

We provide an analysis of our shareholders and avail important information and documents that enable them to participate in the Company's annual general meeting:

- Notice of AGM
- Proxy form
- Notes to form of proxy.

Audience

This report is intended to communicate with the following user groups, but this list is not exhaustive:

 Employees

 Suppliers and Strategic Partners

 Investors and Analysts

 Communities

 Customers

 Government and Regulators

 Media

 Organised Labour

 Investors

Scope and boundary

The content of this report is drawn from the regulatory framework that is listed below, as well as the information that our providers of capital require. The materiality assessment process is also explained in more detail on page 29. All growth rates quoted are year on year and refer to the year ended 31 March 2024 compared with 31 March 2023, unless stated otherwise.

Reporting principles and frameworks

The Executive Committee (EXCO) of the company is responsible for the development and implementation of the company's reporting process. The information and commitments are reviewed and approved by the Board of Directors. Exco asserts that the Integrated Report aligns with international standards and best practice. The report reflects key risks and opportunities facing the business and how these factors affect our strategy, performance, and the impact we have in Botswana. There are no instances of material non-compliance to disclose.

Regulation and reporting frameworks	Integrated Report	Financial Statements
International Integrated Reporting <IR> Framework (IIRC)	✓	
IFRS® Accounting Standards		✓
Botswana Companies Act of 2007, as amended (Cap 42:02) (Companies Act) through the Registrar of Companies	✓	✓
Financial Intelligence Act, 2022	✓	✓
Electronic Payments Services Regulation, 2019, Bank of Botswana	✓	
Counter Terrorism Act, 2014, enacted through the Botswana Counter-Terrorism Analysis and Fusion Agency	✓	✓
Botswana Accountancy and Oversight Authority	✓	✓
Non-Bank Financial Institutions Regulatory Authority	✓	✓
Botswana Stock Exchange Equity Listings Requirements version 3.2 effective 2019	✓	✓
Communications Regulatory Authority Act (No. 19 of 2012)	✓	
King III Report on Corporate Governance for South Africa, 2009 (Transitioning to King IV)	✓	✓
Global Reporting Initiatives (GRI) General Disclosures 2021	✓	✓
Environmental Assessment (EA) Act (Cap 65:07), :07)	✓	

About this Report [continued]

Forward-looking statements

This report contains forward-looking statements about the business' anticipated performance, operations, and results. While these statements represent our future expectations, they are based on assumptions and may be affected by unforeseen circumstances and risks over which we have no control. We cannot guarantee future performance, therefore undue reliance should not be placed on these forecasts. The financial information on which the forward-looking statements are based has not been audited or reported on by our independent external auditors, Deloitte & Touche.

Approval of the Integrated Report

This report was prepared by senior management under the supervision of the Board. It was subject to an external and internal review process. As a responsible corporate citizen, the Board has thoroughly assessed the contents of this report to ensure that it complies with the Integrated Reporting Framework. The Board is satisfied that the report provides a fair and balanced representation of our performance and our prospects. Additionally, the Board acknowledges that the report reflects a deliberate and incremental improvement approach towards sustainability reporting.

Approved on behalf of the members of the Board by:

Mokgethi F. Magapa
Board Chairperson

Boitumelo Paya
Managing Director - Acting

Feedback on our report

We remain committed to balanced disclosures and will continue to iterate the disclosures contained in this report to enhance our reporting. Please feel free to share your feedback and opinions regarding the report by emailing investor@btc.bw

Connect with us on



www.btc.bw

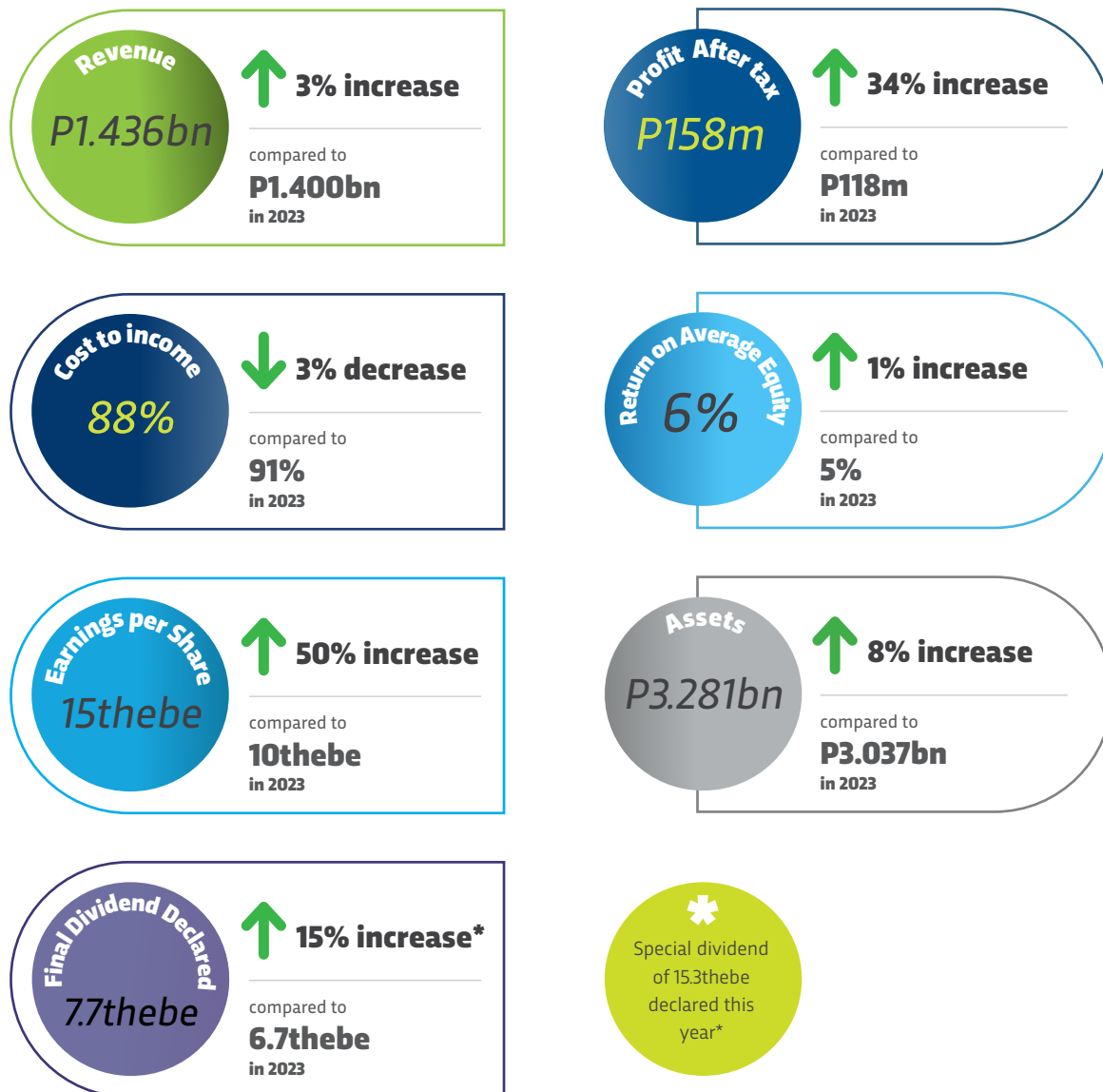


INTEGRATED REPORT 2024

1 ABOUT BTC

Performance overview	10
Our purpose, values and strategy	11
Solutions offering	12
Customer segments	13
Our investment case	14
Our network coverage	15
Our points of presence	16
History and milestones	17
Corporate information	18

Performance Overview



Our Purpose, Values and Strategy

BTC is a converged telecommunications operator offering a diverse portfolio of services including fixed (voice & data), mobile (voice & data), broadband services, fintech and cloud, and digital solutions. The services are delivered to consumers, enterprises, government, large corporates and other licensed operators through multiple access technologies such as FTTX, LTE and VSAT.

OUR PURPOSE:

We exist to provide superior digital solutions to our people to enable them to *live connected*

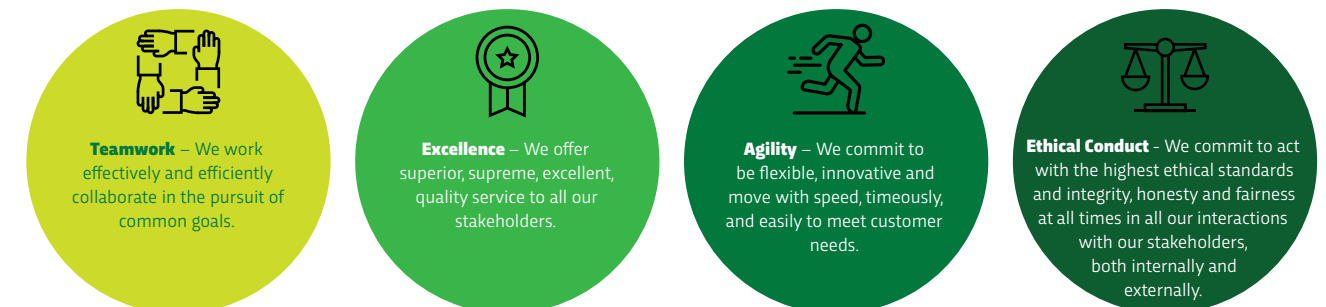
OUR VISION:

To be a leader in digital and communication services.

STRATEGIC INTENT:

BTC will provide exceptional customer-focused digital solutions that transform Botswana and selected Sub-Saharan markets.

OUR VALUES:



Our Strategy to 2025

This report reviews the second year of our three-year 2023 – 2025 strategy which was developed post COVID-19 to respond to the significant shifts in the commercial landscape that the pandemic presented. The strategy endeavours to provide customer-driven digital solutions while creating stakeholder value.

Strategic focus: Delivering exceptional customer-driven digital solutions to the market and creating value for our shareholders.

Our strategy is underpinned by 4 key pillars:

- Digital Transformation**
Transforming our operations and services to support the digital customer experience.
- Customer-driven culture**
Product development and operations that are guided by the needs of the customer. We will build our people and ensure they have suitable knowledge and skills to propel BTC into the digital future.
- ICT Leadership**
Leveraging our existing network capabilities and our deep expertise to establish strong value propositions.
- Growth**
Pursue new opportunities that will grow our revenues while continuing to serve our stakeholders.

Solutions Offering

- 

Fixed Voice
Our fixed-line services deliver robust and dependable voice and data solutions, offering crystal-clear call quality and high-capacity internet options for residential and commercial customers. This service facilitates national and international voice calling. BTC has also digitised its voice services through voice over internet protocol which enables multichannel communications and support for different communication devices.
- 

Fixed Data
We offer broadband solutions with various packages to suit different usage patterns, ensuring fast, stable, and unlimited internet access for homes and businesses. BTC's fixed data services include corporate internet bandwidth, metro ethernet, software defined network, etc. These technologies offer high speed data connectivity to support internet services, virtual private network, data center connectivity and leased line services.
- 

Mobile
Our mobile services provide reliable, high-speed connectivity with custom made plans to meet the diverse needs of individuals and businesses, ensuring seamless communication and internet access on the go. Our offerings include voice, data, messaging, and value-added services designed to enhance your mobile experience and support your digital lifestyle.
- 

Directory Services
BTC offers directory services which encompass traditional printed directories, catering to the diverse needs of users seeking contact information for individuals, private businesses, government and parastatals across the country.
- 

Mobile Financial Services
Our Mobile Financial Services leverage on mobile networks and technologies providing convenient and accessible financial solutions to a spectrum of customers with focus on the under served and bulk payment services for large corporates, government and small businesses. We offer a secure and easy way to conduct financial transactions, international remittances, merchant payments, access to micro insurance and loans.
- 

Cloud and Digital
Our Cloud and Digital services encompass a range of advanced solutions to local and international small, micro & medium enterprises, corporates, government and parastatals. Business application availability can be guaranteed through our Uptime certified Tier II Data Centre. These include Platform, Infrastructure, Security and Software as a Service, IoT, digital entertainment and e-services. These solutions are designed to enhance everyday life and streamline business operations.
- 

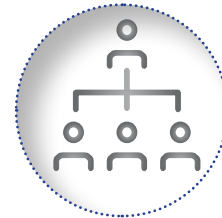
VSAT
We offer satellite internet broadband solutions with various packages that suit enterprise and consumer target markets. These high-speed internet packages are robust with unlimited internet connectivity and access anywhere in the country. Other features include virtual private network, Wi-Fi, and voice services.

Customer Segments

BTC exists to empower Batswana to live connected by providing exceptional customer-driven solutions within the following Segments:

Businesses and Enterprises

BTC serves small to medium businesses and large corporations operating in various sectors of the economy. Business customers rely on BTC for fixed-line telephony services for office communication, mobile services for their employees on the go and broadband connectivity for conducting business operations, communication, and accessing online services.



Individual Consumers

BTC provides essential Telecommunications services to individual consumers. This includes Fixed-Line Telephony Services, Mobile Services, Mobile Financial Services, and Broadband. These services cater to the communication and connectivity needs of residents, enabling them to stay connected with family and friends, access information, and conduct personal and professional transactions online.



Government and Parastatals

BTC also serves government agencies, educational institutions, healthcare facilities, and other public sector organisations in Botswana. These customers utilise BTC's telecommunications and ICT services to support their administrative functions, communication needs, and service delivery to citizens.



Our Investment Case



BTC is the first state-owned enterprise to be privatised and is the only public-listed telecommunications company on the Botswana Stock Exchange. The Government of Botswana currently owns **54.16%** of the issued shares at BTC.



BTC offers the Broadest network and fastest 4G and 4.5G offering in the market.

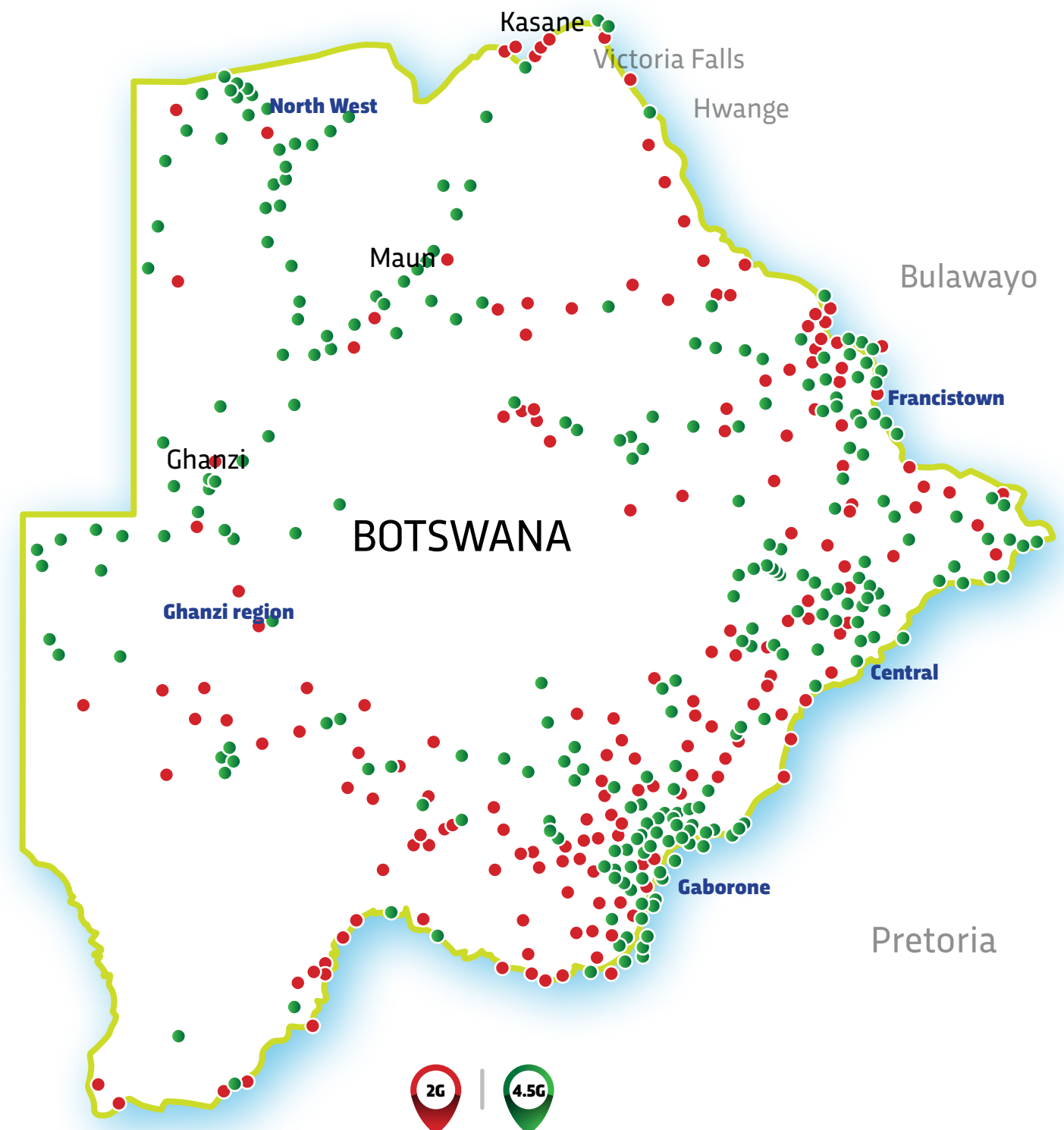


BTC has interconnections and relationships with multiple service providers, making it a trusted partner both for provisioning of services to neighbouring countries and as a partner for transit products and services.



BTC has the highest citizen share ownership on the BSE with over **40,000** Batswana retail shareholders.

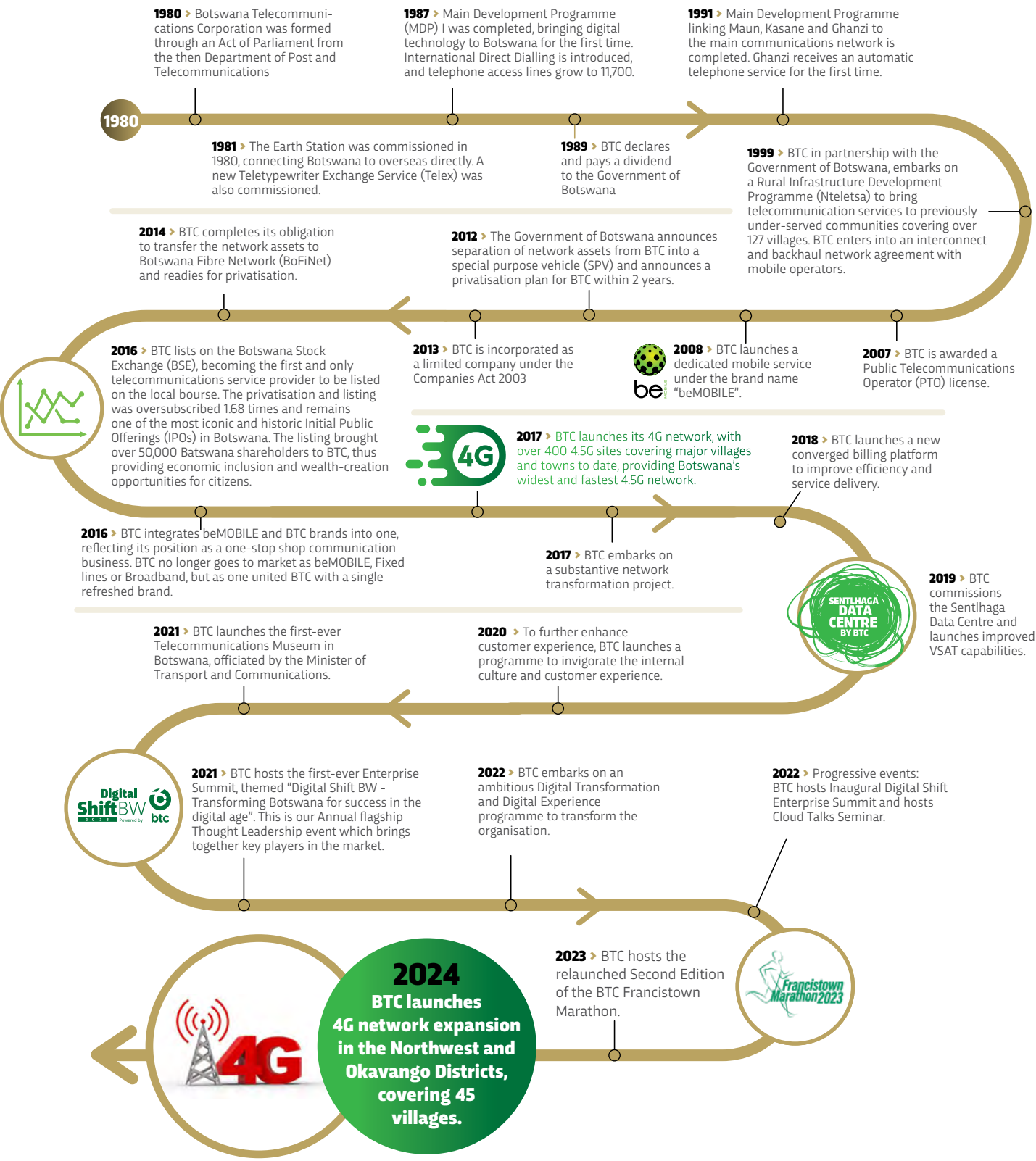
Our Network Coverage



Our Points of Presence

LOCATION	CONTACT
Airport Junction	3907460
Maun	6860234 / 6800131
Francistown	2412106
Gamecity	3990708
Gantsi	6597010 / 6596785
Hukuntsi	6510010
Jwaneng	5880970 / 5880050
Kanye	5442021 / 5442188
Kasane	6250250 / 6251490
Letlhakane	3990720
Lobatse	5332625 / 5334331
Mahalapye	4720000 / 4710347 / 4710571 / 4711101
Megaleng	3958283 / 395837 / 3958295 / 3164498
Mochudi	5749500
Mogoditshane	3933169 / 3933166
Molepolole	3636592 / 3636594 / 3636593
Orapa	2970662 / 2971455
Palapye	4920684 / 4920685 / 4900202
Railpark	3990711 / 3990713 / 3990716
Riverwalk	3165280 / 3990112
SelibePhikwe	2620100 / 2615958
Serowe	4634878 / 4631785
Shakawe	6875192
Tsabong	6540927 / 6540827

History and Milestones



Corporate Information

Botswana Telecommunications Corporation Limited (BTC)

Incorporated in the Republic of Botswana
Company Registration number: BW00000748937

Registered Office

Megaleng House, Plot 50350, Khama Crescent
P O Box 700, Gaborone, Botswana

Transfer Secretaries

Central Securities Depository Company of Botswana (CSDB)
Postal address: Private Bag 00417, Gaborone, Botswana
Physical address: Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400/11/12
Contact: Nonofo Phalatse or Ambrosia Khope

Auditors

Deloitte and Touche
Deloitte House, Plot 64518, Fairgrounds Office Park,
P O Box 778, Gaborone, Botswana

Company Secretary

Sidney Mganga

Bankers

- Access Banking Botswana Limited
- ABSA Bank Botswana Limited
- First National Bank Botswana Limited
- Stanbic Bank Botswana Limited
- Standard Chartered Bank Botswana Limited
- Bank Gaborone
- First Capital Bank
- Botswana Building Society Bank
- Botswana Savings Bank



INTEGRATED REPORT 2024

2 OUR STRATEGIC CONTEXT

Operating structure	20
Organisational structure	21
Our value creation model	22
Our stakeholder relationships	24
Material matters	29

Our Operating Structure



- Marketing
- Consumer Sales
- Enterprise Sales
- Mobile Financial Services
- Service Quality

The Commercial unit comprises Marketing, Consumer Sales, Enterprise Sales, Mobile Financial Services and Service Quality. The unit's mandate is to deliver revenue growth and ensure service excellence across the business. The Marketing division is responsible for ensuring we develop and provide the right solutions to our customers. The Sales function focuses on all our customer segments, covering retail, SME segments, corporate and government as well as resellers.



- Information Systems
- Technology (Telecommunications Management)
- Security Services
- Transformation

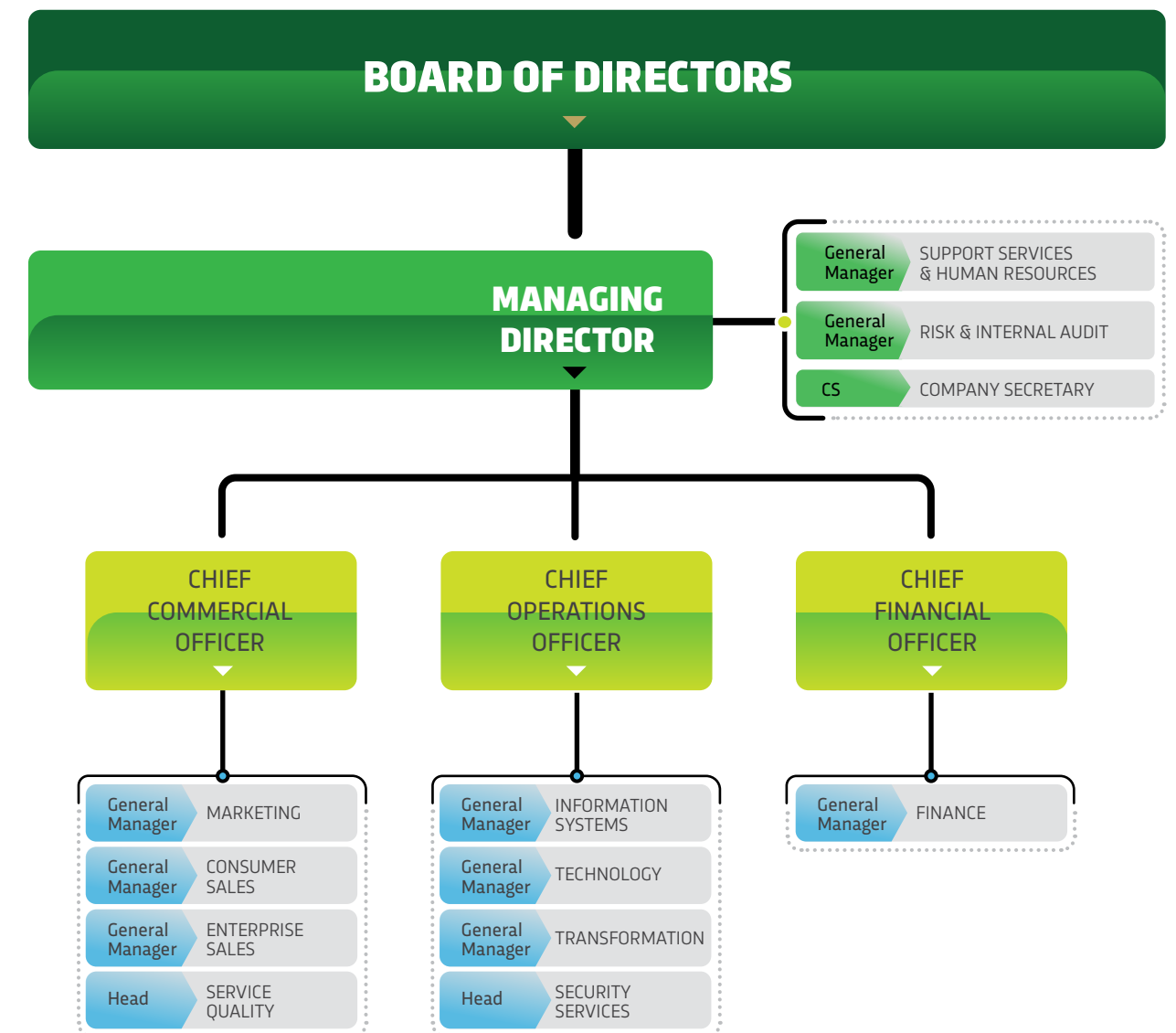
The Technology Unit comprises Telecommunications Management, Information Systems, Security Services and the Transformation Office. The unit is responsible for network planning, network build, and operations. In addition, the Technology Unit further oversees the IT environment, corporate security services, and the delivery of the Corporate Strategy and Transformation Agenda.



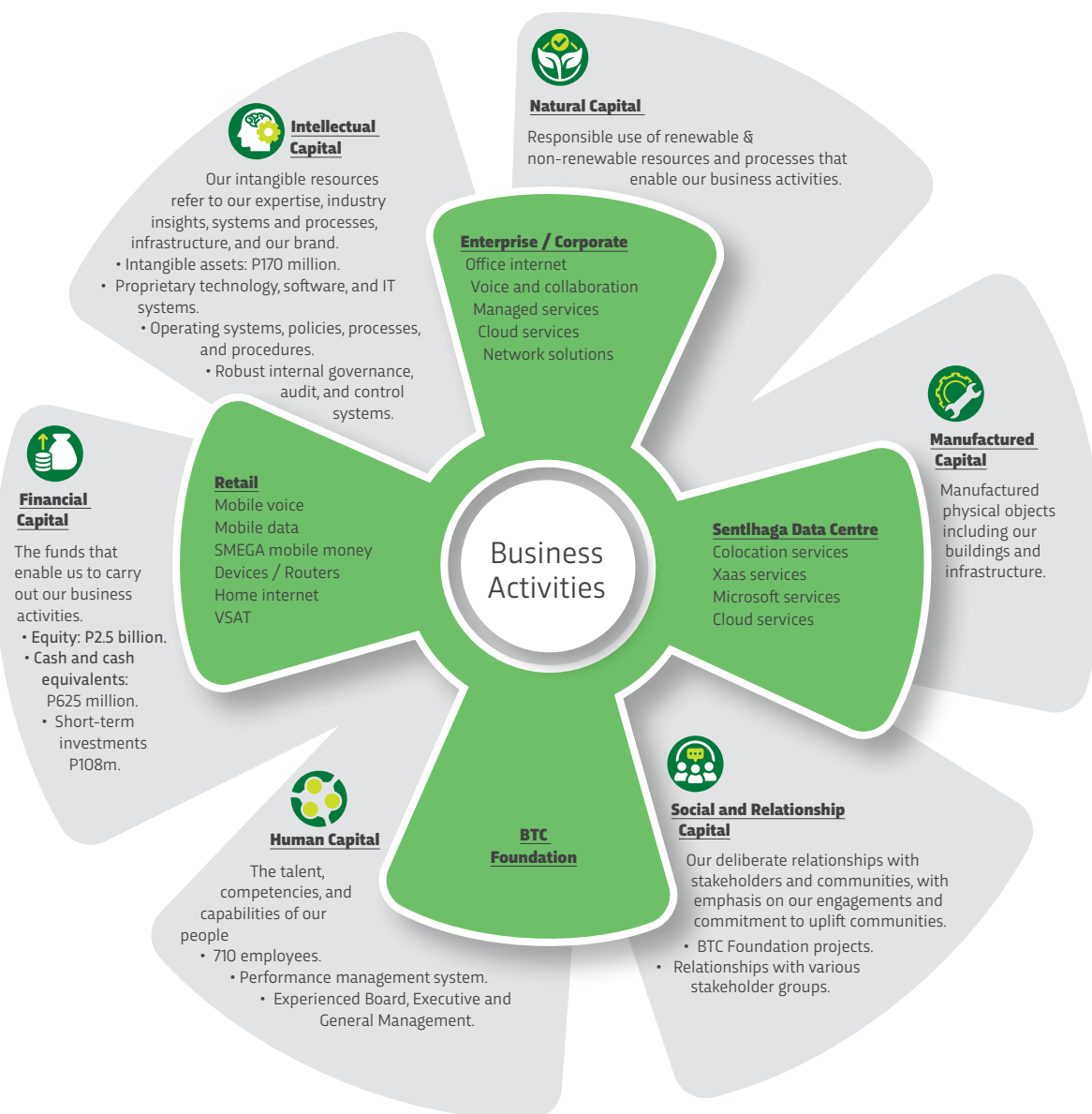
- Human Resources
- Shared Services
- Risk Management
- Internal Audit
- Finance
- Company Secretary

The Support functions consist of Human Resources, Shared Services, Risk Management, Internal Audit, Finance, and the Company Secretary, providing support to the core functions of the business.

Our Organisational Structure



Our Value Creation Model

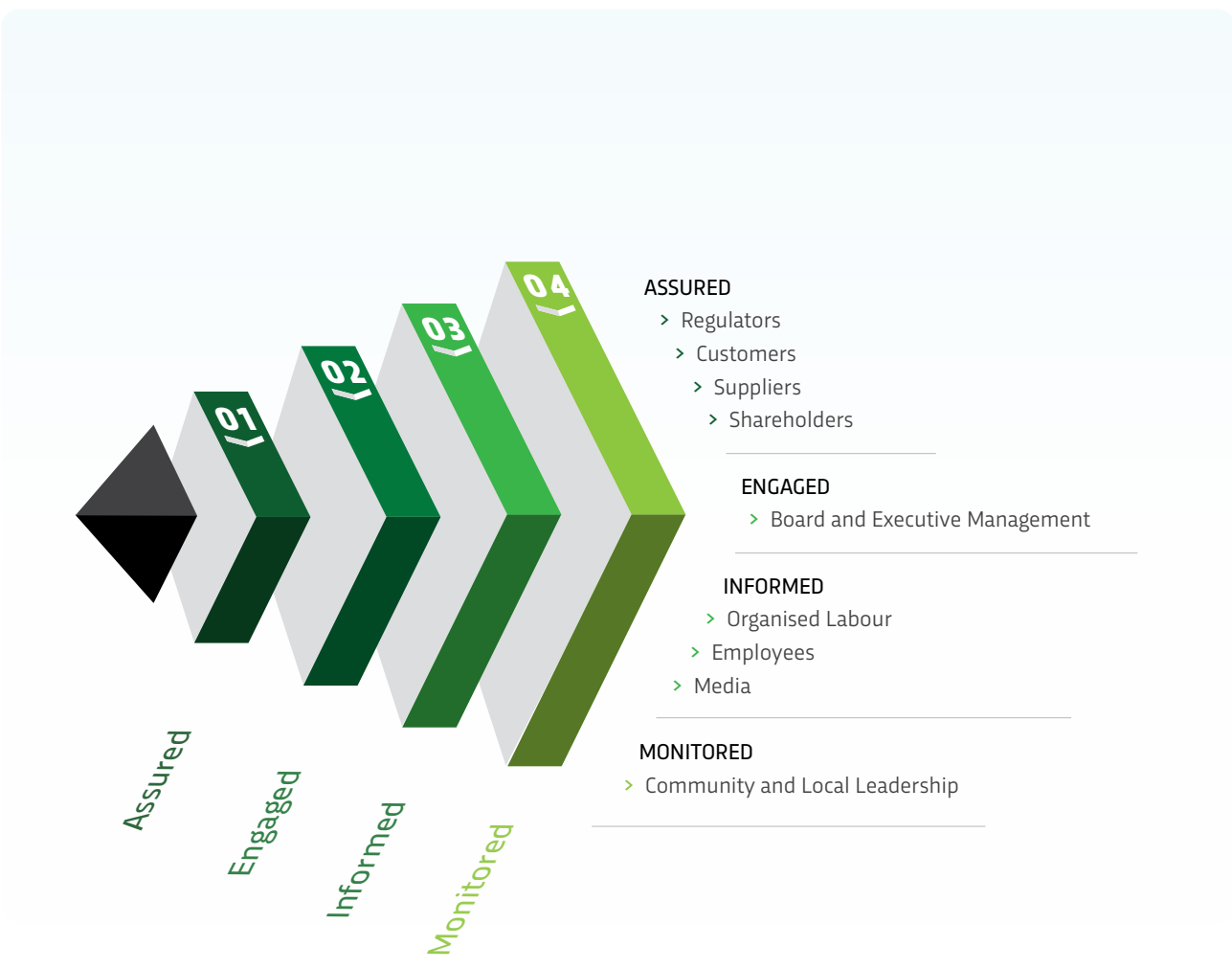


OPERATING OUTPUTS	STAKEHOLDERS IMPACTED	DESIRED OUTCOMES
FINANCIAL CAPITAL Revenue: P1.45 billion (2023: P1.4 billion) Profit after tax: P157.5 million (2023: P117.8 million) Dividend paid: P92 million (2023: P52.9 million) Tax expense: P42.5 million (2023: P30.7 million)	- Shareholders - Customers - Government and Regulators - Employees - Suppliers and strategic partners - Communities	- Sustainable revenue growth supported by a strong balance sheet and adequate working capital to fund operations. - Prudent management of investors' capital investment.
INTELLECTUAL CAPITAL - Suite of products and services covering retail, SME, enterprise, corporate and government - Digital transformation project rollout and culture transformation - Aggressive commercial marketing and brand awareness campaigns - Full legal and regulatory compliance - Robust risk management framework	- Government - Regulators - Suppliers and strategic partners - Employees	Profitable products and services that meet customer demands and capacity requirements
HUMAN CAPITAL P3.1 million training spend (2023: P2.4 million) - Commitment to creating an environment of continuous learning as we transform to a digital organisation	Employees	Capable and competent workforce that is well capacitated to execute the digital transformation strategy
SOCIAL RELATIONSHIP CAPITAL Donations and sponsorships in the Education sector – school prize giving ceremonies, career fair, UB Foundation fundraising sponsorship, participation in national Telecommunications events	- Communities - Government and Regulators - Suppliers and strategic partners	- An efficiently administered Foundation that realises measurable impact on communities. - Long term efficiency through collaboration with strategic partners.
MANUFACTURED CAPITAL Property, Plant and Equipment: P1.51 billion (2023: P1.49 billion)	- Customers - Suppliers and strategic partners	Functional and cost-efficient infrastructure.
NATURAL CAPITAL Water and electricity usage P33.1 million (2023: P34.5 million)	Communities	Sustainable use of energy resources and reduced environmental impact

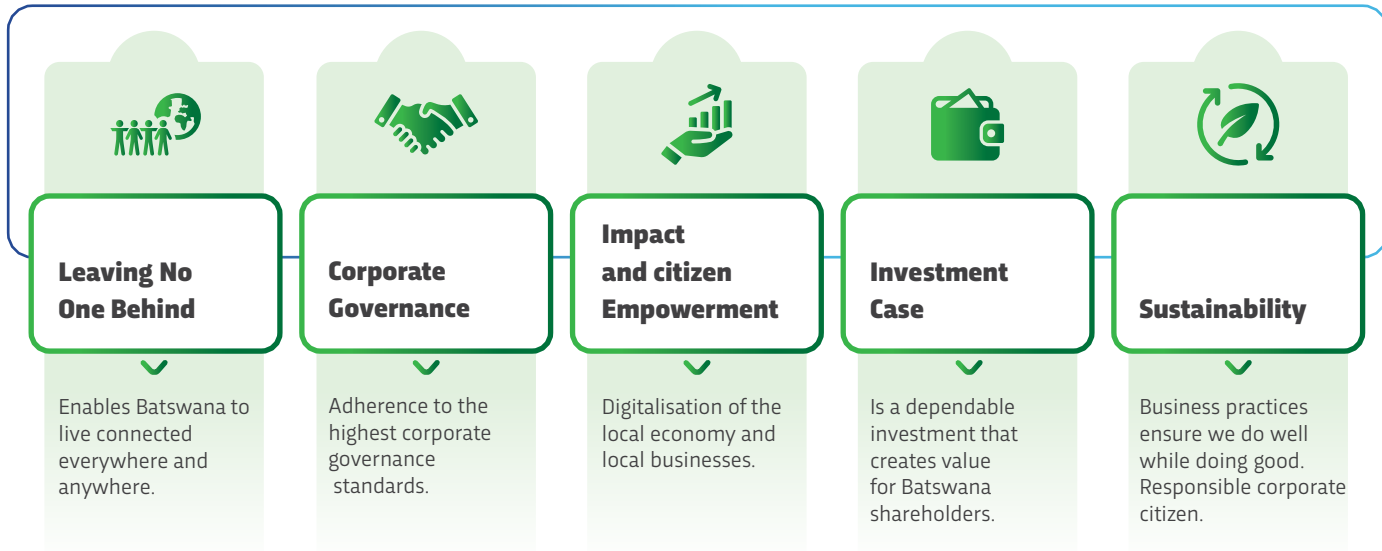
Our Stakeholder Relationships

BTC has undertaken a deliberate exercise to invest in and manage its relationships with key stakeholders. We have methodically mapped our stakeholders, enabling us to tailor bespoke and effective techniques to engage with them. This is a critical driver towards building a commercially sustainable company that creates value for all its stakeholders.

Our Stakeholders



The messages that are shared include but are not limited to the following:



BTC hopes to also enhance transparency and access to information on company operations and performance to:

- > Increase support of the company strategy, its management, and board of directors
- > Build and maintain relationships with existing and potential investors
- > Receive important feedback and early warning of potential issues
- > Increase brand affinity and loyalty
- > Enhance digitisation and development of Botswana

Engagement Platforms

The Company has developed and implemented a stakeholder engagement strategy, leveraging various platforms towards building a sustainable company that is intrinsically linked to the communities within which it operates.

Measurement Platforms

To measure the successes of our engagements, we use the following indices;

- Customer Satisfaction Index (CSI)
- Net Promoter Score (NPS)
- Stakeholder Satisfaction Index
- Employee Engagement Index
- Culture Index

Our Stakeholder Relationships [continued]

STAKEHOLDER	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Employees 	Our people are integral to our operations and achievement of strategic objectives. We recognise the need to treat employees well to enable them to take care of customers.	- Employee Engagement Survey - Internal Customer Satisfaction Survey - MD's Staff Addresses, Leadership Roadshows - Divisional/ Departmental meetings - Intranet – Mowana, Yammer, SharePoint - Internal company newsletter - Internal communications email	- Company strategy and performance - Safe and conducive work environment - Conditions of service - Career development opportunities - Training, skills development, and talent management - Remuneration and rewards - General information dissemination	- Ongoing culture change project, introducing new norms along with rewards and recognition - Implementation of a Talent Management Programme and online training opportunities - Company-wide strategy cascade - Weekly Safety, Health & Environment (SHE) awareness communications - Revamped internal communications platforms
Customers 	Our purpose is to serve our customers and enable them to live connected.	- Customer Satisfaction Surveys - Call centre - Retail shops - Social Media - Interviews with focus groups - Bulk SMS - Product launches and marketing campaigns - Competitions and loyalty Programmes	- Quality of service - Improved product value offerings - Faster data networks and wider coverage - Efficient services – improved turnaround times - Converged and bundled solutions for business customers	- Significant investments in network modernisation & expansion to improve network quality and enhance customer experience. - Consolidation of a new Converged Billing Platform - Transform into a digital organisation - Continuous website functionality improvements
Suppliers and strategic partners 	These parties support our operations and enable us to deliver on our core business.	- Training on our Procurement practices - Ongoing site visit audits	- Adherence to contractual obligations and payment terms - Debriefing post bid submissions - Improving health and safety standards - Relationship management for mutual benefit	- Introduced strategic sourcing to better manage our suppliers. - Timely processing of supplier invoices - Promote SHE standards

STAKEHOLDER	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Government and Regulators 	Government is our main shareholder and a key partner in our mandate. Regulators govern our operations and stipulate compliance requirements	- Active participation in policy forums - Formal periodic briefings - Ad hoc engagement on regulatory matters - Engagement through industry consultative bodies	- Licensing and compliance - Quality of service and network performance - Wider access to broadband communication services - Tariff reduction - Adherence to regulatory requirements - Complete and timely disclosure	- Compliance with regulatory and disclosure requirements - Ongoing stakeholder engagements - Improved service delivery turnaround times - Continuously reviewing tariffs for the benefit of our stakeholders
Investors and Analysts 	Our investors share a stake in the business and provide the capital that funds our operations.	- Annual General Meeting - Print, digital, and broadcast media updates - Formal one-on-one meetings (Institutional Investors) - Annual and interim financial results briefings - Social media - Radio interviews - One-on-one interactions with retail shareholders	- Return on Investment (share price appreciation and dividend payments) - BTC's business strategy and risk management - Good corporate governance - Business sustainability - Administrative information - Multi-lingual communication (English, Setswana, and other relevant local languages) - Financial literacy	- Increased investments on future growth areas of the business - Continuous monitoring of compliance with corporate governance standards - Monetisation of the network - Timely dissemination of investor information - Increased use of social media platforms to disseminate information to retail shareholders
Media 	Media are key communication partners between us and the public. Their reporting has significant impact on our reputation.	- One-on-one interviews with the Executive - Media briefings - Radio interviews - Media releases - Product launches - Marketing campaigns	- Access to quality and accurate information - Quality of service - Company performance - Products and services - Coverage of events and activities	Developed and implemented a media engagement strategy & plan

Our Stakeholder Relationships [continued]

STAKEHOLDER	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Communities 	We strive to be a good corporate citizen, active and invested in the development of the communities we affect.	- Corporate Social Investment (CSI) Programmes - Print, digital, and broadcast media - Events and product launches - Formal meetings - Courtesy calls	- Access to services - Quality of service - Sponsorships and donations - Impact of our operations on the communities	- Increased customer service points - Network expansion & modernisation. - Implement CSI agenda through the BTC Foundation - Giving back to the community guided by focus areas: - Entrepreneurship & Innovation - Wellness & Sports - Arts and Culture - Employee Engagement
Organised Labour 	We value our interactions with unions and are committed to following labour laws. As a responsible organisation, we also encourage open communication with them about business process changes and other issues affecting our employees.		- Transparent and open communication - Protection of members' rights	- Fair labour practices - Providing an ideal work environment - Adherence to Employment Act

Material Matters

BTC's material matters represent relevant internal and external events or issues that have the potential to significantly impact our ability to create or preserve sustainable value for our stakeholders, over the short, medium and long term. As part of our planning process, management conducts a rigorous analysis of the business to identify the positive and negative material factors. Management assesses the impact on our business and prioritises

the issues that have been determined as material to ensure alignment with the interests of our stakeholders. Through our strategy, management develops plans to respond appropriately, ensuring we adopt a stakeholder-centric approach to all that we do. The process outlined below is part of our risk management approach approved by the Audit and Risk Committee and the Board.

Material Matters



1. Identify material matters

Comprehensive research was conducted, scanning the local, regional and international environments to identify issues including key risks that affect our business. A review of our legislative environment was also undertaken. Through the annual strategy planning and review sessions, management discussions were held to debate the matters raised. Our material issues were also considered within the context of our risk management framework.



2. Assess

an impact assessment was performed to determine the importance and impact of each factor on our ability to create value. Management conducted workshops to discuss identified issues and form a holistic view of our business.



3. Prioritise

Management prioritised the matters by importance and determined to disclose the following 8 matters.



4. Review

We review the material matters annually and conduct a benchmarking exercise to ascertain if they are still relevant.

Material Matters [continued]

Highly competitive market and threat of new disruptive competition

Capitals impacted   

Pg 23

Digital ShiftBW
2023

Why is it important

Intensified competition from a variety of existing technology solution providers and new market entrants are eroding our market share.

Our Response

We regularly evaluate our solutions offering to enhance customer value proposition. We stay abreast of the competitive landscape and have improved our research and insights capabilities to ensure we remain relevant in the market.

Opportunities

Partnerships with stakeholders to leverage on their infrastructure where BTC has no service presence.

Copper cable theft

Capitals impacted   

Pg 23

Why is it important

Copper cable theft continues to be a serious threat to our business operations. Cable theft affects our service provision and results in loss of revenue from the service downtime as well as replacement costs.

Our Response

Continued infrastructure upgrade to roll out fibre and wireless broadband technologies to provide reliable and high-speed connectivity and improve customer experience. BTC deploys security monitoring tools across the infrastructure including enhancing security in vulnerable sites and the acceleration of the de-coppering project. We are part of the Critical Infrastructure Forum, made up of key players in the market who also face challenges with copper cable theft. The aim of the forum is to address the security issues that impede the delivery of critical services to the nation.

Opportunities

Leverage on new technologies such as fibre to increase both network efficiency and customer experience.

Customer-centric culture

Capitals impacted   

Pg 23

Why is it important

BTC's ongoing Digital Transformation journey requires the alignment of human capital to our new reality of a customer-centric and digital organisation.

Our Response

Training & Development is a continuous process in our organisation and our key focus for 2024 is training our teams on digital skills. BTC has implemented a customer-centric organisational structure which defines the digital competency framework for all employees. Rolled out a Financial Inclusion programme to onboard rural communities through Smega.

Opportunities

BTC will transform its people and make sure that they have the knowledge and skills to realise a digital future characterised by cloud hosting, social media, mobile devices and data analytics. BTC will innovate to meet the ever-evolving expectations of the customer.





INTEGRATED REPORT 2024

OUR STRATEGIC PERFORMANCE REVIEW

Chairperson's Statement	35
Managing Director's Statement	39
Review of Financial Performance	42
Strategic Performance Review	53
Technology Transformation journey	56
Refined Commercial Focus	60



Chairperson's Statement

Dear Stakeholders,

On behalf of the Board of Directors of Botswana Telecommunications Corporation (BTC), it is my pleasure to present the integrated report for the financial year ended March 2024. This year has seen some notable achievements especially strategic advances. We have continued to demonstrate an unwavering dedication to excellence and innovation. It is our firm believe that the continued incremental improvements will lead us to achieving our strategic goals in the medium term.

3%

GROWTH IN
REVENUE

Chairperson's Statement [continued]

Operating Environment

During the 2023/2024 fiscal year, Botswana encountered a blend of significant challenges and promising opportunities within its economic landscape. The local economy experienced a slowdown with real GDP growth dropping from 5.5% in 2022 to 1.9% in 2023, due to a decline in global diamond demand, a vital sector for our country. On a positive note, inflation eased significantly, averaging 5.2% in 2023. This improvement was driven by stringent monetary policies and lower fuel prices. The central bank's proactive measures, including a monetary policy rate reduction of 25 basis points to 2.4% in December 2023, aimed to stimulate economic activity and address the persistent output gap.

While the past year presented notable economic challenges, there were positive signs for recovery and growth. Strategic government spending and efforts to diversify the economy are expected to play a crucial role in enhancing Botswana's economic resilience and future prosperity. These initiatives were essential in driving sustainable growth and creating a more robust economic framework for the years to come.

The Transitional National Development Plan (TNDP) saw the largest development budget in Botswana's history, with Innovation and the Digital Transition identified as a pre-requisite for realising real incomes. Key initiatives herein include the completion of the national high-capacity broadband network and that it can reliably support both public sector and private sector needs. The primary aim being to move education and health services online, an area that BTC is aggressively pursuing through its e-Service suite highlighted on page 61 of this report.

Regulatory Environment

Operating in a regulated environments (multiple) means that we continuously have to ensure a balance our compliance capability and capacity with our profitability given the cost of achieving such. We however are alive to the fact that our commitment to providing unparalleled customer service levels is non-negotiable in our operating environment. BTC has proactively engaged with the Botswana Communications Regulatory Authority (BOCRA) and Bank of Botswana (BOB) to ensure compliance and to advocate for a conducive operating environment. We remain committed to upholding world-class standards and the highest level of integrity.

To curb fraudulent activities and bolster regulatory compliance, BTC has enhanced its KYC practices to protect consumers and maintain the integrity of the

telecommunications sector. BTC is proud to announce that by the end of the financial year efforts had intensified to verify and meet BOCRA's KYC standards in respect of our customers to meet the June 2024 cut-off period. This milestone underscores our commitment to regulatory compliance and the security of our customers' information.

Operating Performance Overview

Despite the economic challenges, BTC has demonstrated an improved operational performance this year. Our revenue increased by a moderate 3%, driven by an increased demand for our mobile data and broadband services. Profit after tax grew by 34% to P158 million, reflecting our commitment to efficient management of our operations and prudent spending. The benefit of our prior year staff rationalization and other cost efficiency improvement projects were the major drivers in improving our earnings.

Key operational highlights include:

- **Customer Experience:** Our focus on enhancing customer experience yielded significant results, achieving an impressive 84% customer satisfaction rate, marking an 11% increase compared to the previous year. This metrics highlight our commitment to delivering exceptional service and maintaining strong customer loyalty. We have created an outage communication tab on our website, giving our customers the capability to check if there are any service outages across the country. Moreover, we have built-in a "pay now" button on our emailed invoices, linking customers to a secure online payment platform for convenient bill settlement.
- **Digital Transformation:** Our transformation objective is supported by our upgraded and flexible network infrastructure and technology which has assisted us to have intelligent workflows and innovate to become a leading digital services provider. The roll out of our Cloud Business solutions (e-services suites) and Customer Relationship Management (CRM) platform are aimed at enhancing our customer experience both internally and externally.
- **Network Optimisation:** We achieved significant growth in our 2G and 4G sites, expanding our network footprint around Botswana to ensure better connectivity and service coverage.

These accomplishments highlight our resilience and adaptability in a challenging economic environment, underscoring our dedication to delivering value to our customers and stakeholders.

Strategy Overview

We have completed the second year of our 3-year strategic plan and as we are on the last stretch, there is quite a lot that has been achieved, with more still to be done. As the board of Directors, we believe that the foundation has been laid and we are in a good position and the medium-term outlook is quite positive.

A customer-driven approach anchors BTC's strategic direction and our decisions are centred on providing customers with the best possible solutions to ensure they live connected. Our key strategic initiatives this year included:

- **Digital Transformation:** Our primary focus is to transform the organisation from a telco to a digital services company. We are pleased to announce the launch of our eSIM solution, allowing customers to have a digital SIM card without the need for a physical one. This marks a significant step in our digital evolution. We have launched the Innovation lab, allowing BTC to harness creativity and innovation in our market. It also targets our content creators and opens a gateway for innovation collaborators with both internal and external stakeholders.
- **ICT Leadership:** As part of our growth strategy, we continue to invest in the latest technologies and infrastructure to better serve our customers while ensuring we defend our market position in our core business. This investment supports our commitment to maintaining leadership in the ICT sector.
- **New Growth Areas:** As customer needs evolve, we innovate to meet these demands with new solutions and products. This year, we focused on transforming our Smega business, launching two new products: our funeral insurance policy and micro-loans service offerings. Though their growth is from a low base, these partnerships are poised to drive significant transformation in our service offerings in the medium to long term.
- **Customer-Driven Culture:** To empower our staff, we introduced LinkedIn Learning, a new platform for personal growth and development. With thousands of

courses available, our staff are better equipped to enhance their expertise and explore new fields, fostering a culture of continuous learning while improving their service delivery capability.

Some of the strategic initiatives highlighted above among others, reflect our commitment to innovation, customer satisfaction, and strive to becoming the market leader in the industry.

Corporate Social Investment

As a responsible corporate citizen, BTC is committed to supporting the development of sustainable business practices and ensuring that it thrives through respecting and advancing the resilience and development of the communities in which we operate and the ecosystems on which we depend. We are proud to highlight two key initiatives:

- **BTC Marathon:** Our annual marathon embodies our commitment to corporate social responsibility. This year marks our third successful event, during which we donated to various communities across Botswana. These funds supported local initiatives and projects that foster community well-being and social development.
- **Financial Inclusion Programme:** Our team recently led the Financial Inclusion Initiative, aimed at ensuring equitable access to financial services for every individual. The initiative was launched across six districts: Central, Tutume, Ghanzi, Kgalagadi, Kweneng, and Okavango, covering 32 villages across Botswana. Our objective was to empower these communities economically by providing tailored financial solutions and products that meet their diverse needs.

These initiatives underscore our ongoing commitment to making a positive impact and contributing to the sustainable growth of Botswana.

Governance and Board Composition

The Board acknowledges the critical importance of robust corporate governance structures, risk management practices, and internal controls as the foundation of our business operations. We are confident that the frameworks we have implemented in these areas are aligned with best practices. These frameworks are essential pillars that support our transformation and growth aspirations under our new strategy.

Chairperson's Statement [continued]

Our Board consists of one executive director and eight non-executives (and independent directors), ensuring a clear balance of responsibilities between executive and non-executive roles. This year, four new members, Mcedisi R. Solomon, Itemogeng B. Pheto, Amantle Kgosiemang and I, were welcomed to the Board. We also had one Board Resignation, from Mr Thari Pheko, and the Board is working through the governance structures to fill that vacancy taking into consideration the existing skill set and experience.

Our board members bring extensive experience from their respective fields and remain professionally active, continuously seeking to broaden their knowledge and expertise. This diverse and dynamic composition enables us to maintain strong governance and strategic oversight, ensuring that we are well-positioned to achieve our strategic goals.

Future Outlook

Looking ahead, BTC is well-positioned to sustain its growth momentum into the medium term. Our strategic choice in transitioning to a digital services company will enable us to remain innovative and response to market challenges and opportunities.

In the short to medium term, the following shall be the key Our strategic priorities are:

- **Launching 5G:** rolling out our 5G network to enhance connectivity and empower individuals to stay seamlessly connected.
- **Developing a Digital Ecosystem:** We are focused on building a comprehensive digital ecosystem that integrates smart services, IoT solutions, and cloud technologies to drive innovation and elevate user experience.
- **Enhancing Sustainability:** We are committed to strengthening sustainability initiatives, reducing our carbon footprint, and promoting environmental stewardship to ensure long-term value creation for all stakeholders.

These strategic priorities accentuate our commitment to innovation, connectivity, and sustainability, positioning BTC as a leader in the digital age and a responsible corporate citizen.

People and Appreciation

Our achievements this year stand as a testament to the unwavering dedication and hard work of our employees. Their commitment to excellence and innovation is the driving force propelling BTC forward. Recognising that our people are our greatest asset, we have prioritised their professional development and well-being. The people agenda, which will ensure that we create a unique, inclusive, and nurturing culture, is top of mind for the Board and we will continue to support the Management team in creating the best environment possible for our people.

To our employees, I extend my deepest gratitude for your steadfast dedication. Your tireless efforts have been instrumental to our success.

I also wish to express my heartfelt thanks to our shareholders for their enduring support and confidence in BTC's vision. Your partnership is invaluable to us.

To our cherished customers, your loyalty and trust serve as constant inspiration as we strive for excellence each day. Together, we will continue to forge a connected and prosperous future for Botswana.

I would like to end by indicating that we have agreed for a mutual separation with the erstwhile Managing Director, Mr Anthony Masunga and he left the business in August 2024. He had been at the helm of the business for over 7 years, having been with the organisation for 16 years. On behalf of the Board of Directors, Shareholders, and staff, I extend our heartfelt gratitude to his immense contribution to BTCL's growth over the years. We thank him for his dedication, effort, and commitment to ensuring that the strategic objectives of the organisation are met and, in the process, creating shareholder value. We would like to wish him well. The Board of Directors has appointed Ms Boitumelo Paya as the Acting Managing Director and have commenced the process to fill the vacancy.

Sincerely,



Mokgethi F. Magapa
Board Chairperson

The Board of Directors has therefore declared a final dividend of 7.7 thebe per share for the year ended March 2024 and a special dividend of 15.3 thebe per share, underscoring BTC's commitment to delivering value to its shareholders. Thank you for your ongoing support and confidence in our company..

Managing Director's Statement

Introduction

As we conclude the financial year ending March 31, 2024, I am pleased to share that Botswana Telecommunications Corporation (BTC) has shown resilience and steadfast commitment on its journey of transforming from a traditional telco into a digital business. We remain resolute in harnessing smart investments and delivering long-term shareholder value. The agility of our leadership team allowed for us to quickly adapt our business model to respond to emergent risks and opportunities.

34%
GROWTH IN
PROFIT AFTER
TAX

Operating environment

Market Development

Our mobile money business, Smega, recorded growth during the year ended March 2024, as illustrated in note 1-revenue of our financial statements. This trend highlights the growth opportunities within the mobile financial services sector. Our ability to provide high-quality, fit-for-purpose solutions for customers is a crucial part of the success and has allowed us to build a sustainable customer base in this product line.

Strategy 2023 - 2024

The achievements over this reporting period give us confidence that our strategic direction is sound. Fundamental to our approach is fostering a corporate culture centred on customer satisfaction, supported by our cutting-edge fibre and 4.5G mobile networks delivering innovative and reliable digital services. This commitment ensures that our success is linked to our societal impact.

change and seizing opportunities in an increasingly digital landscape. We are well-positioned to achieve sustained growth and deliver significant value to our stakeholders through our technological prowess and unwavering commitment to customer-centricity.

Financial Performance

Our revenue grew by 3% year-on-year. This increase was driven by the monetisation of our ever-increasing national footprint through our significant investments in fixed and mobile broadband infrastructure, supporting high-speed internet services for homes and offices in almost every location in Botswana. The uptake of our data products grew steadily, with improving service quality leading to increased revenues, even as voice revenues declined.

We recorded a 7% increase in our cost of sales on the back of pressure exerted by the continual increase in costs, which in turn significantly impacts our bottom line and has motivated us to become more creative in diversifying our topline. We have therefore intensified our ongoing efforts to achieve optimal operational efficiencies and prudent resource management. Administrative costs decreased significantly by 18%, mainly attributed to a prior year restructuring process. We will continue to optimise our structure to keep the costs in line with our growth trajectory.

Our 35% year-on-year growth in profit before tax reflects our robust financial health and effective management practices. This was achieved despite a 38% year-on-year increase in income tax, due to prior-year restatements. These relate to the deferred tax on Land and Buildings carried at fair value and have been unpacked in note 31.2 of our financial statements.

Operational Efficiency and Returns

- **EBITDA Margin:** Our EBITDA Margin closed the year at 33%, up 468 basis points on the reported margin in the prior year. We remain focused on maintaining healthy margins through revenue diversification, implementing efficiencies through our digital transformation initiatives, defending our core business lines, and introducing bespoke, innovative, and client-centric solutions.

- **Return on Capital Employed (ROCE):** Our ROCE improved by 1% to close the year at 6% and we are still committed to improving it year on year to deliver value to our shareholders..

We are committed to pursuing growth opportunities that align with our long-term vision. We believe these efforts will continue to drive revenue growth and enhance customer satisfaction.

BTC has delivered robust financial performance this year. We remain dedicated to driving sustainable growth, improving operational efficiencies, and enhancing shareholder value.

Cultural Transformation

BTC's mission to build a high-performance organisation is rooted in a comprehensive talent management strategy. We are dedicated to recruiting, hiring, retaining, and developing the most skilled and exceptional individuals in the job market. Recognising that our employees are our greatest asset, we strive to create an environment that supports their growth and success.

Talent Management and Development

Our approach to talent management is focused on attracting top talent and providing them with the tools and opportunities to excel. We invest in ongoing learning and development programmes to enhance the skills and capabilities of our workforce. This year, we invested in the LinkedIn Learning Platform, with the goal of ensuring that our employees have the flexibility to learn at their own pace.

Creating a High-Performance Culture

Our cultural transformation extends beyond compensation. We are committed to fostering a workplace culture that values collaboration, innovation, and excellence. Open communication and feedback are encouraged, creating an environment where employees feel valued and empowered to contribute to our collective success. Our leadership team plays a pivotal role in promoting these values and driving cultural change throughout the organisation.

Our efforts in cultural transformation are crucial to BTC's success. Our employees are central to our achievements, and we remain dedicated to creating an environment where they can reach their full potential.

Outlook

Considering the current macro-economic conditions, our objective of becoming the top digital services provider in Botswana remains steadfast for the financial year 2025. Our strategy aims to boost revenue by offering high quality services at affordable prices, targeting specific customer groups across different areas, and leveraging cost savings to enhance profitability.

Central to our data strategy is the integration of AI and machine learning into our operations. These technologies will enable us to enhance predictive analytics for network management, optimise resource allocation, and personalise customer interactions. By harnessing the power of AI, we aim to not only improve efficiency but also deliver more tailored and responsive services that meet the diverse needs of our customers. From personalised service recommendations to seamless problem resolution, AI will play a pivotal role in shaping a more intuitive and initiative-taking customer journey.

Our dedication to innovation and customer-centricity remains unwavering. The future holds immense promise for BTC.

Appreciation

I extend my heartfelt gratitude to the Board, the Executive team, and all our staff for their unwavering support and dedication. Together, we have embraced and passionately implemented our new strategy, achieving performance against our targets despite facing challenging circumstances. This success is a testament to your hard work, dedication, and steadfast commitment to BTC.

To our shareholders and stakeholders, I sincerely thank you for your continued support. We remain resolute in our commitment to consistently create value for you, ensuring that BTC continues to thrive and deliver on its promises, allowing our people to live connected.



Anthony Masunga
Managing Director

Review of Financial Performance

Throughout the commentary, references to “We”, “Our”, “Company”, “BTCL” and “BTC” all refer to Botswana Telecommunications Corporation Limited. BTCL is a converged telecommunications operator offering fixed, mobile, and broadband (fixed data) services to individuals, enterprises, and other licensed service providers.

This section reviews BTC’s operational performance and financial position for the financial year ending March 2024. The commentary is intended to help the reader understand the results and is provided as a supplement to be read in conjunction with the Company’s audited annual financial statements for the year just ended compared with the year ended March 2023. The audited Annual Financial Statements (AFS) and the accompanying notes are prepared per IFRS Accounting Standards and reported in Botswana Pula (BWP).

The analysis is designed to assist management and other readers to have a meaningful appreciation of BTC’s operating results and financial performance.

Basis of financial analysis and other measures

Unless expressly stated or indicated otherwise, figures in the review have been extracted from the AFS and are compliant with IFRS Accounting Standards. One such departure is the 5-year trend which, for purposes of computing measures such as EBITDA, has had the order of account lines re-aligned, some of the balances re-classified and some of the numbers summarised. Reconciliations or explanations have been included in areas where there are departures or differences to the audited accounts.

It should be noted that BTC also presents other financial performance and position measures including the various margins (Gross profit, EBITDA, EBIT and Net profit) and various returns measures such as ROA, ROE, ROCE, etc. These measures do not have a standardised meaning under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, as other entities may define these terms in different ways.

The Company includes the following measures because it believes certain investors use these measures as a means of assessing the financial performance and position of the Company.

- Gross profit is calculated as revenue from contracts with customers less costs of services and goods sold with the gross profit margin being the gross profit divided by revenue from contracts with customers.
- Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) is calculated as gross profit plus other income less all costs but excluding depreciation, amortisation, interest, and taxation. The EBITDA margin is EBITDA divided by revenue from contracts with customers.
- Earnings before interest and Taxes (EBIT) or Operating income, is calculated as net earnings before finance costs (net of finance income) and income taxes. Operating margin is therefore EBIT divided by revenue from contracts with customers.
- Return on Average Capital Employed (ROCE) is computed as EBIT over the average (sum of opening and closing balances divided by two) capital employed i.e. total assets minus current liabilities.
- Return on average shareholders’ Equity (ROE) is computed as Profit After Tax (PAT) for the year over average shareholders’ equity.
- Return on average Assets (ROA) is computed as profit for the year over average total assets.
- Solvency ratio is calculated as profit for the year plus depreciation and amortisation charge for the year over both long-term and short-term liabilities.

Five Year Review

The commentary is accompanied by a 5-year reproduction of the Company’s footprint which highlights the transformation journey the Company has undergone which includes the following highlights:

- BTC has continued to be self-financing and a debt-free enterprise. This is on the face of a defined programme over the period of continued investments in infrastructure through a number of projects aimed at modernising the infrastructure and expanding network capacity where needed. There has been steady migration to next-generation service provider networks to support the converged service offerings and requirements of our customers.
- Our innate ability to initiate and build successful partnerships and forge highly valued relationships with a multitude of associates is the cornerstone of our transformation journey. The sustainability of these relationships has played a pivotal role in our quest to provide world-class service.
- The current 3-year strategy which focuses on strengthening the core business, optimisation of efficiencies and return on assets in addition to the pursuit of growth opportunities was a natural progression from the 2018-20 strategy direction which was geared towards technological, commercial, and cultural transformations.
- The Company has embarked on a focused digital transformation programme to create more value for its customers through superior services and innovative solutions. We remain committed to harnessing our smart investments by delivering high-quality, fit-for-purpose solutions to our customers.
- In the prior year, the Company underwent a restructuring exercise aimed at creating a fit-for-purpose organisation that supports the strategic repositioning of the business into the future. The exercise ensured that the Company has the right human capital in the right roles to contribute towards its future viability and long-term financial sustainability. The total separation costs from the exercise amounted to P55.5 million.
- BTC has not been spared from the ongoing copper cable theft and network equipment vandalism plaguing the country. Consequently, the Company is intensifying its efforts and increasing its capital budget towards accelerated de-coppering and providing service through high-speed mobile, radio and fibre networks. The total impact of copper cable theft amounted to P56 million in the 2023 financial year.
- The Company continues to migrate its customers to fibre and wireless broadband technologies to mitigate copper theft and help BTC strengthen its position in providing high-quality services to the market. The total impact of copper cable theft (replacement and labour) amounted to P305,000.
- Against this background, the Company delivered a strong set of results, crossing the P200 million post-pandemic mark with an EBITDA margin of 32.5%, and declared an exceptional dividend of twenty-three thebe per share, constituting a special dividend of 15.3 thebe and a final dividend of 7.7 thebe per share. Consequently, after several years, the share price exceeded the P1 or 23% gain from the pre-results / dividend publication level.

Review of financial performance [continued]

5 Year Financial Review

Performance Statements (P 000's)	Restated 2020	Restated 2021	2022	Restated 2023	2024
Revenue from contracts with customers	1,416,977	1,426,409	1,392,257	1,400,027	1,436,050
Cost of services and goods sold (excluding depreciation and amortisation)	(388,307)	(316,016)	(327,969)	(337,028)	(334,046)
Gross Profit	1,028,670	1,110,393	1,064,288	1,062,999	1,102,004
Other income	2,105	6,639	18,683	3,923	-
Selling and distribution costs	(25,385)	(20,016)	(18,242)	(23,120)	(18,225)
Administrative expenses (excluding depreciation)	(395,972)	(397,358)	(385,302)	(424,406)	(348,132)
Impairment losses and gains on financial assets and contract assets	(18,803)	(12,865)	3,191	24,316	(12,151)
Other expenses	(221,572)	(239,894)	(222,436)	(254,088)	(256,629)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	369,043	446,899	460,182	389,624	466,867
Depreciation and amortisation (of intangibles, IRU and leased assets)	(236,150)	(288,436)	(295,053)	(271,936)	(316,559)
Amortisation of grants	29,862	30,990	21,235	1,206	1,551
Earnings before interest and taxation (EBIT)	162,755	189,453	186,364	118,894	151,859
Interest income	7,303	6,360	18,796	48,247	62,813
Interest expense	(31,015)	(26,972)	(22,767)	(18,632)	(14,664)
Profit before taxation (PBT)	139,043	168,841	182,393	148,509	200,008
Income tax expense	(22,249)	(30,923)	(41,608)	(30,728)	(42,474)
Profit for the year (PAT)	116,794	137,918	140,785	117,781	157,534
Position Statements (P 000's)					
Property, plant, equipment and Intangible assets	1,782,293	1,776,391	1,633,398	1,651,389	1,676,789
Right of use assets	144,629	129,325	115,337	109,170	140,412
IRU asset	496,723	458,514	420,305	382,096	343,887
Other non-current assets	18,434	-	-	28,766	45,830
Other current assets	312,376	263,956	301,112	294,396	340,632
Short term investments	-	-	348,856	427,625	107,803
Cash and cash equivalents	118,089	363,273	171,586	143,358	625,344
Total Assets	2,872,544	2,991,459	2,990,594	3,036,800	3,280,697
Capital employed	2,116,563	2,241,254	2,286,399	2,351,260	2,487,350
Non-current liabilities	420,570	338,684	303,816	301,309	390,396
Current liabilities	335,411	411,521	400,379	384,231	402,951
Total Equity and Liabilities	2,872,544	2,991,459	2,990,594	3,036,800	3,280,697
Capital Expenditure	229,968	217,092	133,953	230,091	205,869

Ratios	Restated 2020	Restated 2021	2022	Restated 2023	2024
Revenue growth	0%	1%	(2%)	1%	3%
Earning per share (Thebe) (1,050,000,000 shares)	11.12	13.14	13.41	11.22	15.00
EBIDTA margin	29%	31%	33%	28%	33%
Current ratio	1.3	1.5	2.1	2.3	2.7
Capex to revenue ratio	16%	15%	10%	16%	14%
Capex to depreciation charge	0.8	0.8	0.5	0.8	0.7
Turnover ratio (Turnover/ Closing assets)	50%	48%	47%	46%	44%
Return on average equity	6%	6%	6%	5%	7%
Return on average capital employed	5%	5%	5%	4%	6%
Return on average operating assets	4%	5%	5%	4%	5%
Other Operational Data					
Staff strength	914	886	864	819	710
Economic data					
Inflation (consumer price inflation)	3.30	3.30	10.00	9.90	2.90
Value of Pula (1 Pula equals to US \$)	0.0810	0.0865	0.0845	0.0758	0.073

Review of financial performance [continued]

Current Year Performance Review

Review of the results based on the statement of profit or loss as published.

Ratios	Change 2024 vs 2023						
	Restated 2020	Restated 2021	2022	Restated 2023	2024	P'000	%
Revenue from contracts with customers	1,416,977	1,426,409	1,392,257	1,400,027	1,436,050	36,023	3%
Cost of services and goods sold	(611,695)	(592,515)	(604,751)	(594,196)	(637,346)	(43,150)	7%
Gross Profit	805,282	831,963	787,506	805,831	798,704	(7,127)	(1%)
Other income	31,967	37,269	39,918	5,129	1,551	(3,578)	(70%)
Selling and distribution costs	(25,385)	(20,016)	(18,242)	(23,120)	(18,225)	4,895	(21%)
Administrative expenses	(408,734)	(409,295)	(403,573)	(439,174)	(361,391)	77,783	(18%)
Impairment losses and gains on financial assets and contract assets	(18,803)	(12,865)	3,191	24,316	(12,151)	(36,467)	(150%)
Other expenses	(221,572)	(238,894)	(222,436)	(254,088)	(256,629)	(2,541)	1%
Earnings before interest and taxation (EBIT)	164,686	168,841	186,364	118,894	151,859	32,965	28%
Interest Income	7,303	6,360	18,796	48,247	62,813	14,566	30%
Interest expense	(31,015)	(26,972)	(22,767)	(18,632)	(14,664)	3,968	(21%)
Profit before taxation (PBT)	139,043	168,841	182,393	148,509	200,008	51,499	35%
Income tax expense	(22,249)	(30,923)	(41,608)	(30,728)	(42,474)	(11,746)	38%
Profit for the year (PAT)	116,794	137,918	140,785	117,781	157,534	39,753	34%
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	369,043	446,899	460,182	389,624	466,867	77,243	20%
Earning per share (Thebe) (1,050,000,000 shares)	11.12	13.14	13.41	11.22	15.00	3.78	34%
Profitability ratios (%)							
	2020	2021	2022	2023	2024		
Revenue growth	(4%)	1%	-2%	1%	3%		2%
Gross profit margin	57%	58%	57%	58%	56%		(2%)
EBIDTA margin	33%	32%	33%	28%	33%		5%
Operating margin	11%	13.1%	13.4%	8.5%	10.6%		2.1%
Net Profit margin	8%	9%	10%	8%	11%		3%

As we continue our transformational journey into being a digital business, we have delivered a strong set of results for the year ended March 2024 with an increase in the revenue from contracts with customers of P36 million to P1.436 billion, representing a growth of 3% in relation to the previous year. This was however offset by a 7% (P43 million) increase in the cost of goods sold from P594 million reported last year. This saw the gross profit reduce year-on-year by P7 million, translating to a 2% decline in the overall gross profit margin for the Company.

The decline above was rectified in the EBIT section primarily due to savings achieved in the administrative expenses cost line which went down from P439 million to P361 million (an 18% decline compared to last year) which was countered by an increase in the Impairment losses and gains on financial assets and contract assets charge which increased by P36 million. The other operating cost lines remained largely flat which saw the entire operating section ending the year at P647 million, P40 million better than last year. This therefore reduced the gap from the gross profit mentioned above to a positive P33 million, thereby leading to an improvement

of 2.1% in operating margin (10.6% compared to 8.5% at the end of March 2023). Total EBIT therefore for the year was P152 million, against P119 million registered last year.

Net interest income earned ended the year at P48 million compared to P30 million in the prior year, an increase of P18.5 million. The rise in interest income of P14.6 million was achieved primarily on account of the strategic decision by the Company (since 2020) to cut down on capital expenditure and sweat the existing assets, hence preserving cash balances. On the other hand, the reduction in the interest expense of P4 million came primarily from the incidental interest payable on the Indefeasible right of use liability (IRU) on account of the reduced principal repayments (P70 million in 2023 compared to P53 million in the current year). The net increase therefore led to an increase in the profit before tax of P200 million compared to P149 million in the previous year.

With an effective tax of 21% in both financial years under review, the current year's income tax expense amounted to P42.5 million, compared to P30.7 million last year. The Company therefore ended the year with a profit after tax of P157.5 million, P39.75 million higher than the 2023 financial year.

Revenue analysis by business streams

All figures in P'millions	Restated 2020	Restated 2021	Restated 2022	Restated 2023	2024	Restated 2020	Restated 2021	Restated 2022	Restated 2023	2024
Current year amount						Revenue Contribution				
Fixed Voice	471	408	405	417	427	(2.5%)	33%	29%	29%	30%
Mobile	425	452	438	432	472	2.6%	30%	32%	31%	33%
Fixed data	473	506	486	487	471	(0.1%)	33%	35%	35%	33%
Other revenues	48	60	63	64	66	7.6%	4%	4%	5%	4%
Total revenues	1,417	1,426	1,392	1,400	1,436	0.3%	100%	100%	100%	100%
Change in revenue (in P millions)						Change in revenue (in percentage)				
Fixed Voice		(64)	(3)	12	10		(13.5%)	(0.6%)	3.0%	2.4%
Mobile		28	(14)	(6)	40		7%	(3.2%)	(1.4%)	9.3%
Fixed data		33	(20)	1	(16)		7%	(4.0%)	0.2%	(3.3%)
Other revenues		12	3	1	2		25%	4.5%	1.6%	3.1%
Total revenue		9	(34)	8	36		0.7%	(2.4%)	0.6%	2.6%
							0.7%	(2.4%)	0.6%	2.6%

Review of financial performance

[continued]

Revenue analysis by business streams

[continued]

The Company's revenue from contracts with customers is derived from three major business streams – fixed voice revenue, mobile revenues, fixed data (broadband) and other revenues namely directory services, property rentals, third-party collection services, value-added services, digital services and mobile money services (Smega).

For the second consecutive year, the fixed voice stream garnered an increase of P10 million from the prior year's reported figure of P417 million, resulting from increases in tariffs. New corporate or enterprise contracts for Customer Premises Equipment (CPE), such as PABX equipment, also contributed significantly to the increase in the fixed-voice revenue stream. However, due to shifting customer preferences from voice-centric to data-centric services over the years, coupled with increasing competition and telecommunication industry regulation, the overall Compound Annual Growth Rate (CAGR) has declined by 2.5% between 2020 and 2024 – an improvement over last year which was at 3.6%. The fixed voice segment is still expected to remain a significant contributor to BTC despite the gradual decline over the years as long as the bulk of institutional and business communication requires it. The contribution of this stream remains unchanged at 30% of total revenue.

The mobile category on the other hand gained a 2% increase with reference to the total stream contribution increasing to

33% in relation to the data category. The segment ended the year P40 million better than last year with half of the increase coming from the voice component which was commendable as there had been a P53 million decline last year from 2022. Additionally, the increase was due to new contracts won, attributable to the increase in CPE, which went up by P13.4 million compared to the same period from the previous year. Data continues to grow year-on-year and the Company ended this year at P246.8 million, an increase of P13 million over 2023.

The decline in the fixed data revenue stream over the reporting period was the biggest negative contributor to total Company revenue. The category managed to garner P471.1 million compared to P487.5 million achieved in 2023, registering a decline of P16.4 million year-on-year. The bulk of the decline came from the usage segment which dropped by P15.4 million to finish the year at P248.2 million. Despite the decline, the overall Compound Annual Growth Rate (CAGR) only declined marginally by 0.1% between the 2020 and 2024 periods.

Although relatively smaller than the three core revenue segments, other revenue streams contributed P66.3 million to the total, an increase of P2.3 million over last year. The biggest contributor in the current year came from mobile money services which accounted for a P2.1 million increase. For the third year in a row, the category registered the highest CAGR of 7.6%.

Total operating costs comprise the cost of services and goods sold, employee costs, selling and distribution and other operating and administrative costs. For purposes of this financial review analysis, depreciation charges and amortisation have been stripped away from the costs of services and goods sold and administrative costs categories and dealt with as a single item.

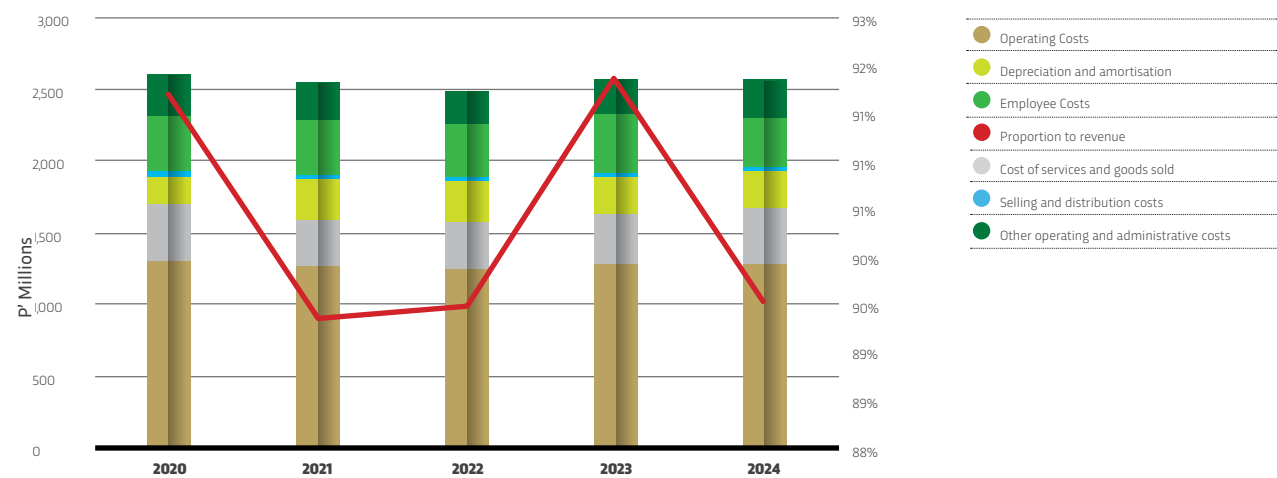
Cost optimisation in the face of a difficult trading environment has become a key strategic initiative resulting in the proportion of the costs to revenue remaining relatively level over the past 5 years. The 3-year 2021-2023 strategy had a primary focus of streamlining operations to gain cost efficiencies throughout the business. This has further been extended in the transformation journey seeking to transform BTC into a digital business which, other than delivering high-quality, fit-for-purpose solutions also speaks to our improving overall cost structure.

Cost of Services and Goods Sold

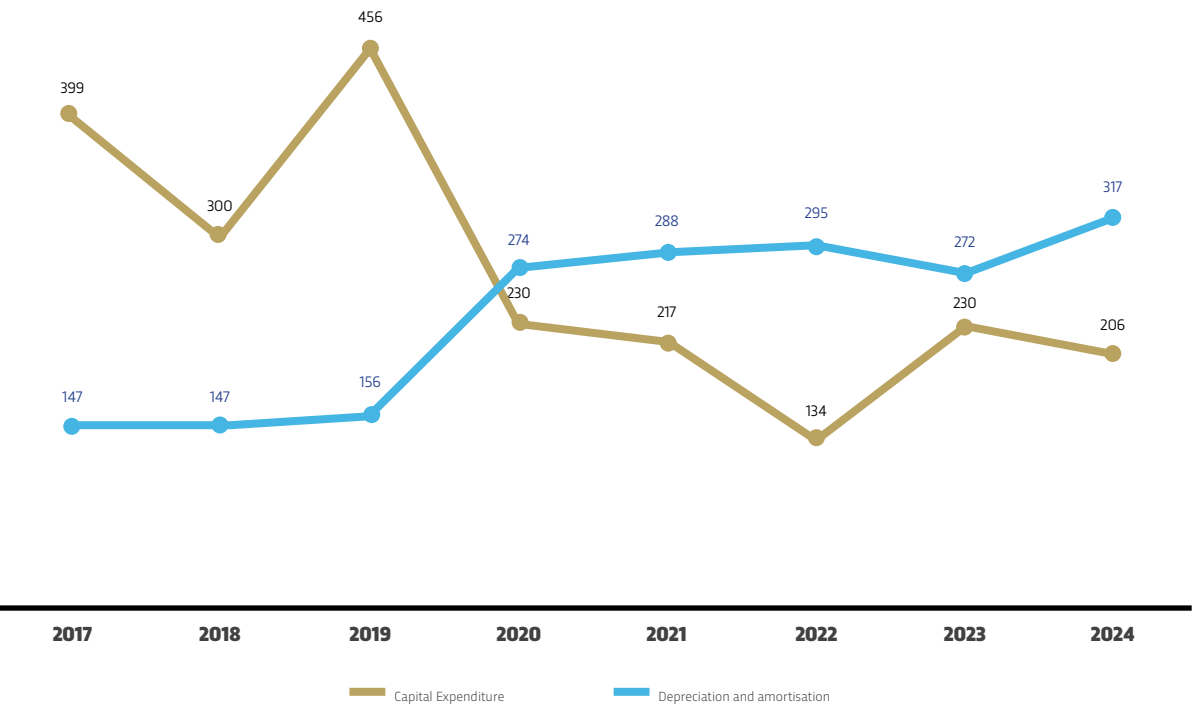
Cost of services and goods sold (excluding depreciation and amortisation), which are directly related to revenue and traffic, such as call-based costs, equipment and material costs, space segment costs, etc., have remained generally in line with revenue averaging about 25% of total revenue (against an average of 26% over the past 5 years). This category ended the year at P385.0 million, P48.3 million higher than the corresponding period last year. The increase was primarily driven by new corporate contracts in the mobile space which saw the cost of phones increasing by P14 million to P43.5 million and the continued impact of copper theft and vandalism of network infrastructure which has led the Company to actively migrate customers to alternative technologies which invariably meant the decommissioning of remaining copper. The total loss emanating from the decommissioning amounted to P28.6 million.

Total Operating Costs

Total operating costs (Trend, proportion to Costs to revenue)



Depreciation and Capital Expenditure



Review of financial performance
 [continued]

Depreciation and Capital Expenditure
 [continued]

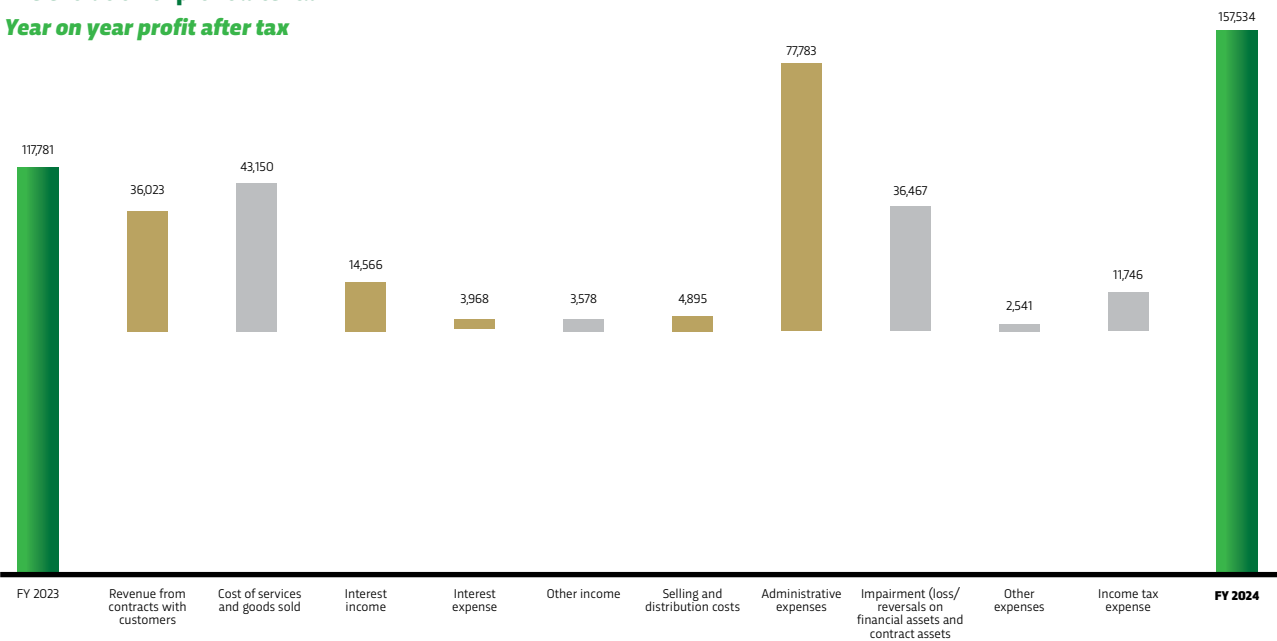
Against the backdrop of BTC’s technological transformation programme up to 2020, whose main target was transforming and modernising its network by consistently investing in the latest generation network technology, the Company’s long-term goal has since changed to that of ensuring that further investments in networks are backed up by strong monetisation or commercialisation programmes. Put differently, the aim going forward is to continue growing the value of the Company on a stable net assets base. Consequently, with the reining in of capital expenditure, the depreciation and amortisation charges are expected to remain above capital expenditure, and this will continue for the foreseeable future. The decrease in this category was P6.7 million when compared to the same period last year, ending the year at P265 million.

Selling and Distribution Costs

Selling and distribution costs were P18.2 million, a decrease of P4.9 million in relation to the prior year. This is one of the cost lines that are actively managed as part of the cost containment exercise and accordingly ended the year lower despite the expectation that it would move in line with the growth in revenues.

The evolution of profit after tax

Year on year profit after tax



In summary, we ended the year P39.8 million better off than in 2023, driven primarily by growth in fixed voice and strong demand for mobile data services. Although these were offset by rising spectrum fees and high maintenance costs, this was mitigated by the reduction in employee costs resulting from the restructuring exercise, further augmented by net interest earned for the year amounting to P18.5 million. Total profit for the year was P157.5 million, compared to P117.8 million realised last year.

Employee Costs

BTC benefitted from reduced employee costs, attributable to the prior year’s organisational restructuring process which saw a reduction in its workforce. Consequently, the current year saw employee costs of P342 million, P75 million lower than the same period in 2023. The Company intends to continue optimising its structure in line with its envisioned growth trajectory.

Other Operating and Administrative Costs

Other operating and administrative costs contributed P275 million in the current year representing a P38 million increase from last year’s amount. This category is made up primarily of dealer commissions, billing costs, BOCRA licensing fees, utilities and the impairment of and/or reversals on financial assets and contract assets. The increase came primarily from rising spectrum costs (radio licenses) which went up by P14 million when compared to last year. The other cost lines that increased relative to last year were license costs which increased by P13.5 million and impairment losses on financial assets which increased by P36 million (against the impairment reversal last year of P24 million).

Short term investments, cash -flows (collectively cash position) and liquidity ratios

Cash-flows, cash positions, short term investments and liquidity ratios

All figures in P’ millions	Restated 2020	Restated 2021	2022	Restated 2023	2024
Profit before Tax	141.0	168.8	182.4	148.5	200.0
Net increase/ (decrease) in cash and cash equivalents	(187.3)	245.2	(191.7)	(28.2)	482.0
Cash-flows from operating activities	153.1	529.2	365.5	273.6	355.3
Cash-flows utilised for investing activities	(216.9)	(193.0)	(463.6)	(218.7)	200.4
Cash-flows from / (used in) financing activities	(121.8)	(95.9)	(92.7)	(82.2)	(74.5)
Net foreign exchange on cash & cash equivalents	(1.7)	5.0	(0.8)	(0.9)	0.8
Cash and cash equivalents at beginning of the year	305.5	118.1	363.3	171.6	143.4
Cash and cash equivalents at end of the year	118.1	363.3	171.6	143.4	625.4
Short term invetsments	-	-	348.9	427.6	107.8
Cash position	118.1	363.3	520.5	571.0	733.3
Interest Income received	7.3	6.4	18.8	48.2	62.8
Liquidity ratios					
Current ratio	1.3	1.5	2.0	2.3	2.7
Quick ratio	1.1	1.4	1.8	2.1	2.5
Solvency ratio	42.1%	56.8%	61.5%	46.5%	45.7%
Solvency ratio (excluding development grants)	45.6%	59.0%	62.3%	48.2%	47.4%

The Company continues to consistently deliver strong cash positions on the back of a conservative capital expenditure programme. The improvement in debt collection and a robust cost containment exercise over the past few years has seen continuing improvements on the liquidity ratios relative to the prior year.

With cash and short-term investments balances increasing from P571.0 million to P733.1 million, coupled with the unutilised borrowing capacity which increased by P10 million to P30 million relative to the prior year, management

still considers the balances adequate to meet the Company's future capital expenditure requirements and other obligations into the foreseeable future.

* Note that with effect from the 2022 financial year, the Company started reporting short-term investments separately from Cash and Cash equivalents in line with changes in IFRS reporting standards.

Review of Financial Performance [continued]

Capital structure and shareholders' return ratios.

All figures in P' millions	Restated 2020	Restated 2021	2022	Restated 2023	2024
Profit for the year (available for distribution)	116.8	137.9	140.8	108.3	157.5
Ordinary dividends declared	(97.7)	(32.9)	(94.3)	(52.9)	(92.0)
Final (relating to previous year)	(60.2)	-	(55.8)	(52.9)	(70.5)
Interim (relating to current year)	(37.5)	(32.9)	(38.5)	-	(21.5)
Balance to Accumulated Profits	29.2	105.0	46.5	55.4	65.5
Shareholders equity at end of year	2,085	2,241	2,282	2,351	2,487
Opening balance	2,095	2,085	2,241	2,282	2,351
Other comprehensive income / reserves	2	52	(6)	-	70.5
Profit for the year (incl. restatement)	117	136	140	118	157.5
Ordinary dividends paid	(98)	(33)	(94)	(53)	(92.0)
Analysis of total equity and liabilities	2,841	2,992	2,991	3,037	3,281
Shareholders equity	2,116	2,241	2,282	2,351	2,487
Development grants	58	27	9	24	29
Other liabilities	698	723	699	699	765
Capital ratios (%)					
Return on average capital employed (ROCE)	6.7%	6.6%	7.3%	4.5%	5.5%
Return on average shareholders equity (ROE)	5.7%	6.6%	6.4%	4.7%	6.5%
Return on average assets (ROA) - PBT approach	4.4%	4.8%	4.8%	3.6%	5.0%
Total assets turn-over	52.6%	49.1%	47.8%	46.5%	45.5%
Capex to revenue	16.2%	15.2%	9.6%	16.4%	14.3%
Weighted average cost of capital (WACC)	12.0%	13.6%	13.6%	13.6%	13.1%

At the end of the 2024 financial year, equity and total liabilities stood at P3.28 billion compared to P3.04 billion reported in the previous year. Shareholders' equity, accounting for the lion's share at P2.49 billion follows the achievement of PAT of P157.5 million and total dividends paid during the year of P92 million as compared to P52.9 million in the prior year, underpinning BTCL's goal of achieving comparable market-based returns through steady or increasing dividends whilst ensuring that it meets all its commitments and obligations.

BTC's financing strategy remains unchanged with no debt finance raised in the current year. The other components comprise development grants from the Universal Access and Service Funds (USAF) and internally generated funds. From that perspective, all the shareholders' ratios improved relative to those in the 2023 financial year.

Strategic Performance Review

In pursuit of our mission to address the needs of the new digital customer, our bold strategic ambition is to transform from a Telco to a Techno company. This transition will enable us to be the go-to partner for digital solutions. Our goal is to become a true digital organisation by creating innovative business models, adopting new technologies, providing customer-driven solutions and automating key processes.

As a leader in the ICT sector, we leverage on our extensive network infrastructure to build relevant technology capabilities and solutions. We continued with our LTE (4.5G) and Fibre-To-The-Home (FTTH) rollout, enabling mobile and fixed broadband internet connectivity for our customers.

This facilitated the provision of both residential and enterprise broadband solutions across the country. Through the widely adopted Fast Connect product suites, BTC has entrenched the LTE value proposition in the market, as well as ensuring the availability of affordable 4G devices to drive mobile broadband revenue growth.

Due to the fast-paced nature of the industry, BTC is under pressure to continuously look for ways to meet the evolving needs and expectations of the digitally savvy customer. The identified transformation pathway that will enable us to deliver value to all our stakeholders involves ensuring that we provide exceptional tailored customer-centric solutions.

Our Strategic focus:
Delivering exceptional customer-driven digital solutions to the market and creating value for our shareholders.



Strategic Performance Review [continued]

PERFORMANCE AGAINST OUR STRATEGY

• ICT LEADERSHIP

Maintain our market leadership in the ICT sector by continuously building relevant technology capabilities and solutions.

Modernisation of the service provider network

As part of our network modernisation strategy, BTC embarked on a significant investment to prepare the network for the exponential growth in internet and data traffic. The project was divided into four key portfolios: Internet Core, MPLS Core, Broadband Network Gateway, and Enterprise Network. The Internet and MPLS Core segments were successfully executed, and BTC is already experiencing improvements in network availability and efficiency.

Network Expansion

Our mission to ensure that our customers remain connected resonates throughout our business. Our commitment to network expansion is evident in the significant growth we achieved this year. We continued to increase our mobile broadband footprint to address coverage gaps. This progress underscores our dedication to providing continuous and improved connectivity for our customers.

Fibre Deployment and De-coppering Drive

In our relentless pursuit of delivering seamless high-speed internet services, we continued with the expansion of our fibre-to-the-home network across urban and semi-urban areas. This cutting-edge technology not only offers fast internet but also significantly reduces the risk of service disruptions due to vandalism. We've achieved a remarkable milestone by completing fibre installations in twenty-five key sites, ensuring 100% coverage in strategic locations including:

- Gaborone: Covering Block 3, Block 6, Block 7, Block 8, Block 8 Industrial, Block 9, Block 10, Kgale View, Phase 4, Tshimotharo, Maruapula Flats, Tsholofelo West & East, Phakalane, Setlhoa, BUAN.
- Tlokweng: Encompassing Metlhabeng, Masetlheng, and Sefhoke.
- Francistown: Specifically targeting Molapo.
- Mahalapye: Extending services to Flowertown.
- Jwaneng
- Orapa

• DIGITAL TRANSFORMATION

Our goal to transform BTC into a digital business remains our top priority. This year, we concentrated on several key areas, including our e-Service business and cloud services.

In our e-Service business, a significant milestone was the launch of our e-SIM service. This initiative is crucial in providing our customers with the flexibility and convenience of having dual SIM cards. With e-SIM technology, customers can easily switch between different mobile networks without needing to physically change SIM cards. This enhances user experience by offering seamless connectivity, especially for those who travel frequently or manage multiple phone numbers. The e-SIM service also supports our commitment to sustainability by reducing the need for physical SIM cards, thereby minimising waste.

Our cloud business continues to experience significant growth and expansion. This year, we saw a year-on-year revenue increase of 11%, accompanied by a notable growth in our subscriber base. This growth highlights the increasing demand for our cloud services as more businesses and individuals recognise the value of our offerings. Our cloud solutions provide scalable, secure, and efficient platforms for data storage, application hosting, and a range of other services critical to modern digital operations.

Looking forward, we aim to continue expanding our digital services, leveraging cutting-edge technology to meet the evolving needs of our customers and maintain BTC's position at the forefront of the telecommunications industry.

• NEW GROWTH AREAS

The pursuit of new growth opportunities remain core as we aim to expand our revenue mix and continue to serve our people and stakeholders.

Mobile Financial Services (Fintech)

Our Smega business continues to reach new heights, driven by our commitment to innovation and customer satisfaction. This year, we expanded our Smega business catalogue with the introduction of two new products that have been highly appreciated by our customers.

First, we launched Smega Loans in partnership with Letshego. This strategic collaboration enables us to offer affordable loan services, providing our customers with the financial support they need.

Additionally, we introduced a Funeral Policy, further broadening our service offerings. This product ensures that our customers can access essential coverage at an affordable rate during difficult times, thereby driving financial inclusion for all.

These strategic partnerships and product innovations demonstrate our dedication to serving every customer with comprehensive and affordable solutions, reinforcing our

position as a leading provider of revolutionary and cutting-edge fintech services in the market.

Financial Inclusion for the Unbanked

As part of the financial inclusion drive, an initiative supported by, and in partnership with, the Bank of Botswana, BTC is ensuring that all Batswana have access to basic financial services like crowdfunding, insurance, and micro-lending regardless of where they are in Botswana.

We launched the 1st insurance offer in partnership with Hollard Botswana to deliver the Karabo Funeral Plan to the low-income market or the unbanked. This solution is meant to ensure that every Motswana has an opportunity for a dignified funeral and related benefits in case of their passing or of their loved ones.

BTC, in partnership with Letshego Financial Services Botswana, delivered the Smega Loan. A micro loan offering that gives every Motswana access to micro-lending services at their convenience.

These initiatives are meant to include any previously financially excluded Batswana and put them on the path to prosperity. BTC Smega services ensure that every Motswana can consume basic financial services in their respective localities.

• CUSTOMER DRIVEN CULTURE

Empowering Employees Through Education

Recognising the pivotal role of lifelong learning in professional growth, we introduced LinkedIn Learning, a cutting-edge platform designed to empower our employees with on-demand access to a vast repository of educational resources. From honing technical competencies, to mastering soft skills essential for effective communication and collaboration, LinkedIn Learning has emerged as a cornerstone of our talent development strategy. By

encouraging uptake and utilisation of this platform, we aim to foster a culture of continuous professional development that propels both personal and organisational advancement. Prioritising Customer needs.

Our product development and operational strategies will revolve around a thorough understanding of our customers' evolving needs, preferences, and expectations. By prioritising customer-centricity, we ensure that every solution we offer is meticulously crafted to exceed their expectations.

Digital Operational Excellence

Digital Customer Experience

Our Enterprise Architecture & Digital Engagement

Data Centre, Cloud and Digital Services

1. Data Storage & Archiving,
2. Data Backup & Restore,
3. Application Disaster Recovery,
4. Data Centre Disaster Recovery,
5. Virtual Data Centre,
6. Virtual Machine as a Service,
7. Email as a Service,
8. Consulting Services, and
9. Container as a Service.

Network Modernisation

Other strategic network modernisation initiatives we embarked on include:

Service Provider Network

The Service Provider Network consisted of deploying Multiprotocol Label Switching (MPLS) Access, MPLS Core, Broadband Network Gateway and the Internet EDGE networks. The upgrade has delivered a 100Gbps backbone network and 10Gbps access rings. This has prepared BTC network to support future data explosions driven by growing demand for high- speed connectivity especially by our enterprise customers. The high-capacity backbone network is also central in providing backhaul connectivity for our FTTx Gigabit Passive Optical Nodes (GPON) that are serving households, as well as provide backhaul connectivity to our mobile broadband sites. The Service Provider network is the transport network for all the BTC services (Mobile Broadband, Fixed Broadband, Data Centre and VSAT services). We also modernised our enterprise network infrastructure with advanced Software Defined Network (SDWAN) technology to improve our internal enterprise systems connectivity and service quality.

Single Voice Core Network

The Single Voice Core Network for Mobile was also one of the projects that we pursued as part of our core network modernisation programme. The project addressed our obsolete Mobile Circuit Switch (MSC) which had inherent limitations to support advanced communication services such as Voice over LTE and Rich Communications Services. The modernisation facilitated BTC's transition towards a Single Voice core service provider delivery of Mobile Voice, Voice over LT/E, Voice over Broadband, and Fixed Voice thus re-enforcing our market leadership in delivering Fixed Mobile Converged services and solutions to our customers.

Fibre-to-the-Home (FTTH)

quest to curb the copper cable theft that causes service disruption for businesses and residential customers. To date, 71% of our ADSL customer base has migrated to FTTH and Wireless broadband Technologies, resulting in reduced service disruptions, improved service quality and lower network repair and maintenance costs. The FTTH network delivers speeds of up to 100 Mbps to households, enabling a multiplicity of future digital services to be delivered to homes or offices. The accelerated modernisation of the fixed network has seen FTTH extended to new areas. By the end of the financial year, Orapa and Jwaneng had realised 100% fibre coverage, while Gaborone and Tlokweng were at 81% and 45% respectively. Ongoing fibre rollout projects in Gaborone, Francistown, Tlokweng, and other parts of the country will continue into the next financial year in line with our strategic objectives.

Point to Multi-Point (PtMP)

The rapid rollout of fixed wireless PtMP technology in 28 towns and villages around the country and various localities around greater Gaborone addressed service gaps where there had been delayed fibre rollout. This enabled customers around the country to have access to broadband connectivity using any of our available access technologies.

VSAT

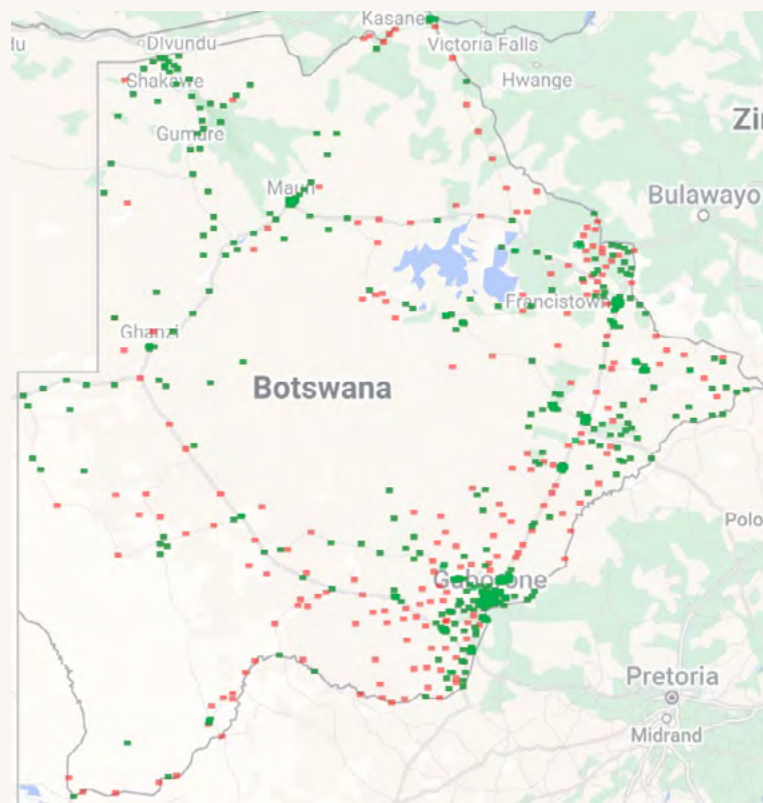
During the year under review, BTC further optimised its VSAT offering by quadrupling its throughput services to customers, leading to enhanced VSAT connection quality and a significantly improved service experience.

Mobile Network Development

BTC has over 772 Mobile Network sites that are distributed across the country which provide a combination of 2G/3G and 4G technologies. We continue to upgrade the capacity of some sites that had high utilisation, leveraging our allocated frequency spectrum. New LTE sites were commissioned while others were upgraded.

Our Technology Transformation Journey [continued]

Below is our current 4G/LTE and 2G coverage map.



BTC Sites in the Map

- 2G Site
- 2G & 4G/LTE site

Mobile Spectrum & Licenses

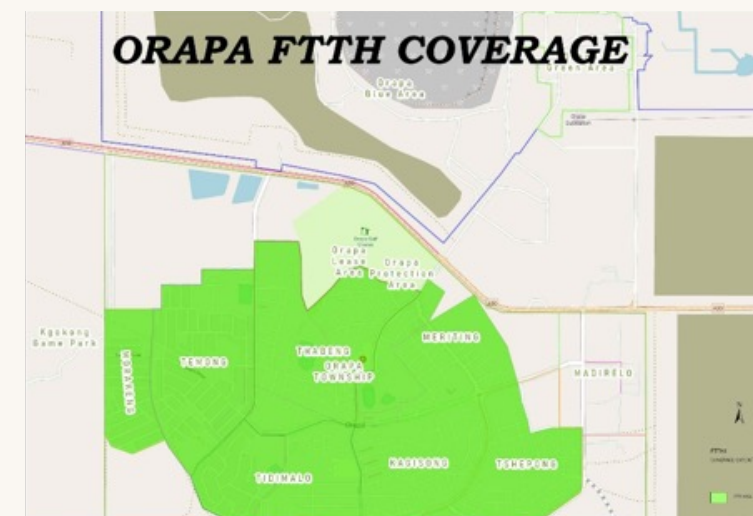
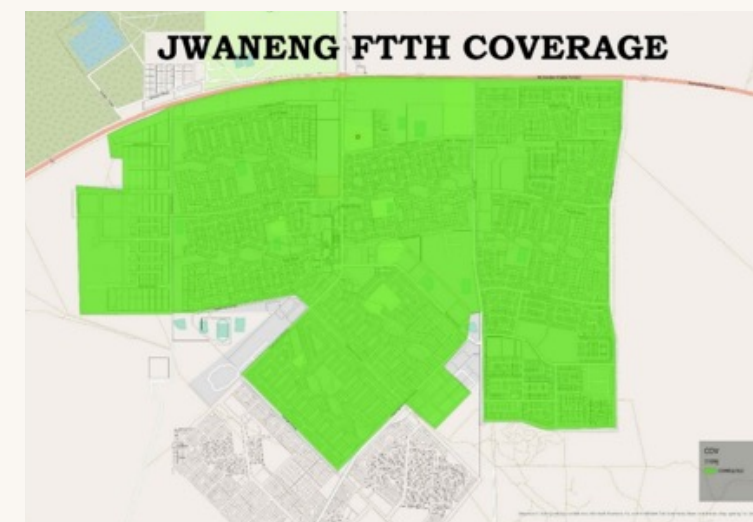
BTC has the following spectrum resources in its portfolio as assigned by the Botswana Communications Regulatory Authority (BOCRA):

- GSM900 – 6Mhz
- GSM1800Mhz - 12Mhz
- UMTS2100 - 10Mhz
- LTE1800 – 10Mhz
- LTE 2100 – 10Mhz
- LTE 2600 – 20Mhz
- TDD LTE2300Mhz – 40Mhz
- PtMP 3500Mhz – 30Mhz

These spectrum resources continue to enable BTC to provide high-speed fixed wireless & mobile broadband and voice communication services for customers across the country.

FTTx Network Footprint

In accordance with a prioritised deployment approach, our FTTx network continues to be expanded to additional towns, villages and localities across the country. The FTTx network is complemented by other access technologies such as Wireless broadband/LTE and VSAT, giving BTC the widest broadband footprint in the country. Below are some of the areas with FTTx coverage:



Securing Critical Infrastructure

We have been working with partners and law enforcement agencies to protect our critical infrastructure. Our security posture has been fortified using state-of-the-art technologies to address physical and cyber threats. Through the use of technology and collaboration with stakeholders, BTC continued to make significant strides in the arrest of culprits that vandalise or steal our critical assets. We will continue to focus on this area as it has become a global risk posing existential risk and threat to business continuity.

Refined Commercial Focus

Leveraging DX to Enhance CX: Optimising for Efficiencies

Digital transformation and customer service experience are at the core of the revamped commercial strategy. We have accelerated our efforts to support our customers as they develop and implement their digital strategies to adapt to an ever-evolving technological landscape. This has led to the active pursuit of specialist knowledge to enhance the development and provision of fit-for-purpose ICT services, relevant to our enterprise customers and their businesses.

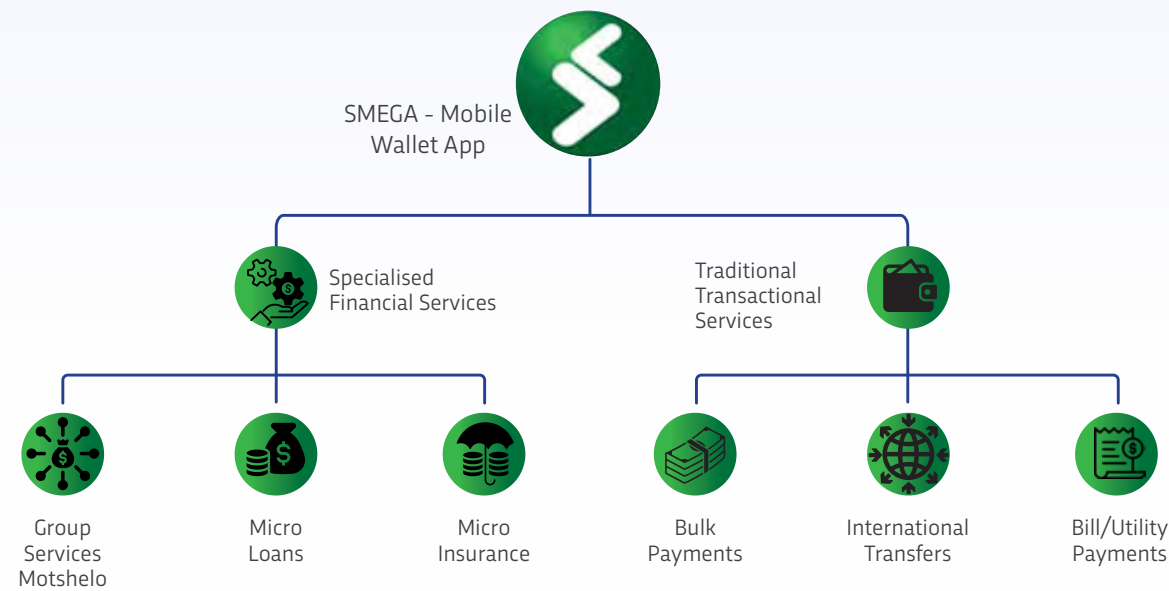
Customers are substituting traditional telecommunication services for more advanced technology-driven solutions that improve efficiencies and reduce costs. We diversify our services and revenue lines through collaboration with

citizen-owned ICT companies. Strategic partnerships have been pivotal in facilitating the development and launch of more innovative digital solutions, including cloud and cyber security.

Extending Digital and Financial Inclusion: Leaving No One Behind

Our Mobile Financial Services efforts were centred on expanding the distribution network, accelerating integration points, and advocating for an increase in the Smega limit. BTC successfully deployed all Smega services on the integration layer, simplifying the process of onboarding partners.

BTC Integration Hub Enabled Ecosystem



Specialised Financial Services

BTC fostered strategic partnerships with market leaders in insurance and micro-lending. Through the partnership with Letshego, BTC launched a micro-loan service that offers customers the convenience of short-term borrowing for up to 30 days. Additionally, in collaboration with Hollard, we introduced the Karabo Funeral Plan. This plan allows customers to self-register for funeral coverage of up to P25,000, with a choice to include an unlimited number of dependents. Customers are able to open and manage their club savings account with members from anywhere in the country.

Traditional Transactional Services

Through its platform, Smega has minimised cash payments, opening the door to more digital transactions. This has facilitated the payment of utility bills through Point-of-Sale devices, online and on any mobile device through our USSD short code *173#. The bulk payments feature of the Smega platform enables businesses to pay their employees' salaries and benefits. This feature is designed to provide a secure and convenient way for companies to manage their cash. This risk management and payments solution can be tailored to facilitate any periodic bulk payment remotely.

e-Service Suite

As part of the new strategic direction, the Corporation is looking into innovative ways for supporting service provision through cutting edge information and communication technologies. The e-Service suite is envisaged to be the specialised product centre that offers secure and integrated solutions that address customer needs by improving the way business processes work. BTC will handle the creation, implementation, and maintenance of big data solutions for different market sectors through the utilisation of adaptable microservice architectures.



e-Learning

This solution allows schools to provide their pupils with an interactive digital learning experience. It works seamlessly across different devices and platforms by integrating academic and teaching content through the BTC Classmate platform. Apart from equipping the school, this solution also enables parents and teachers to help improve the students' academic performance by providing them with an accessible and inclusive environment. The solution enables educational institutions to offer their content to remote students through an APN without incurring data expenses. This was made possible through a collaboration with local innovators and affirms our commitment to partnering to deliver impact for Batswana.



e-Health

BTC has embarked on a new strategic direction to leverage its technological and digital capabilities to support healthcare provision through innovative e-Health solutions. The primary goal is to reduce fragmentation and standardise delivery of healthcare to support Universal Health Coverage (UHC). BTC will therefore leverage its technological and digital capabilities in support of this initiative in an effort to transform healthcare provision in Botswana, regionally and globally. Consequently, Business and Operational models for e-Health will be developed.

Outlook

BTC is assessing the market for implementable solutions that will create high impact in solving social challenges profitably. Further expansion of the e-Service suite can be expected in the short to medium term. The input capitals required for this have matured and we expect to improve our mean time-to-market.

Refined Commercial Focus [continued]

Customer Service Channels: Enhanced Sales Channels and Sales Force Upskilling

This year BTC worked on enhancing the customer experience by digitising its touch points and engaging its customers through different channels.

Channel	Description
Digital Store and Ground Force	Through our digital store, customers can place orders and receive information about our products and services. We have a telemarketing department that focuses on referrals, upgrades, and retention. The ground force can run door-to-door campaigns and activations.
Strategically Placed Retail Stores	We have 25 retail shops around the country which are channels for consumer customers to execute payments, make enquiries and lodge service applications. The Riverwalk store underwent a refurbishment during the current year to cater to the footprint and volumes in that locale. We are looking to expand this network and revamp further stores to enhance the customer experience at our retail outlets in the next year.
Digital Partnerships	As more people move into the digital space, BTC continues to support its customers by engaging with its strategic partners to enable customers to make airtime and data purchases through their mobile applications, the Smega App and the USSD function.
Proactive Indirect Sales Partners	The dealer network is a vital part of our business as it enables us to provide our customers with effective and convenient ways to make transactions. It also supports local communities through Programmes and initiatives linked with the sale and management of prepaid airtime. We ensure that our mobile money agents comply with the regulatory requirements.
Relationship Managers and Pre-Sales Engineers	This team is mandated with growing the SME business through sales, area activations, customer onboarding and retention. The team is supported by a Sales Engineer resource that assists in putting together customised solutions tailored to meet each customer's needs. The Account Support team ensures that all that has been sold to customers is delivered on time and billed correctly.
Interactive Contact Centre	To ensure that our customers are always able to access our services, we have a 24-hour contact centre. We have introduced various digital facilities that allow people to easily log their complaints and inquiries.
Corporate Solutions and Relationship Management	BTC's corporate segment is a significant contributor to the Company's revenues. It provides various ICT services to businesses. The Relationship Managers ensure that clients are provided with bespoke solutions. These include cyber security and cloud services.





INTEGRATED REPORT 2024

SUSTAINABILITY CONSIDERATIONS

Statement of commitment	65
Environmental considerations	66
Social considerations	68

Statement of Commitment

As a responsible corporate citizen, BTC is committed to supporting the development of sustainable business practices, and ensuring that it thrives through respecting and advancing the resilience and development of the communities in which we operate and the ecosystems on which we depend.

We are also making a commitment to be deeply involved in the management of ESG issues, and this is evidenced by our continuous efforts to integrate ESG considerations enterprise wide. We aim to mitigate risks, capitalise on opportunities, and take accountability for our impacts related to ESG, all while fostering sustainable communities that are powered by the latest digital technology and solutions.

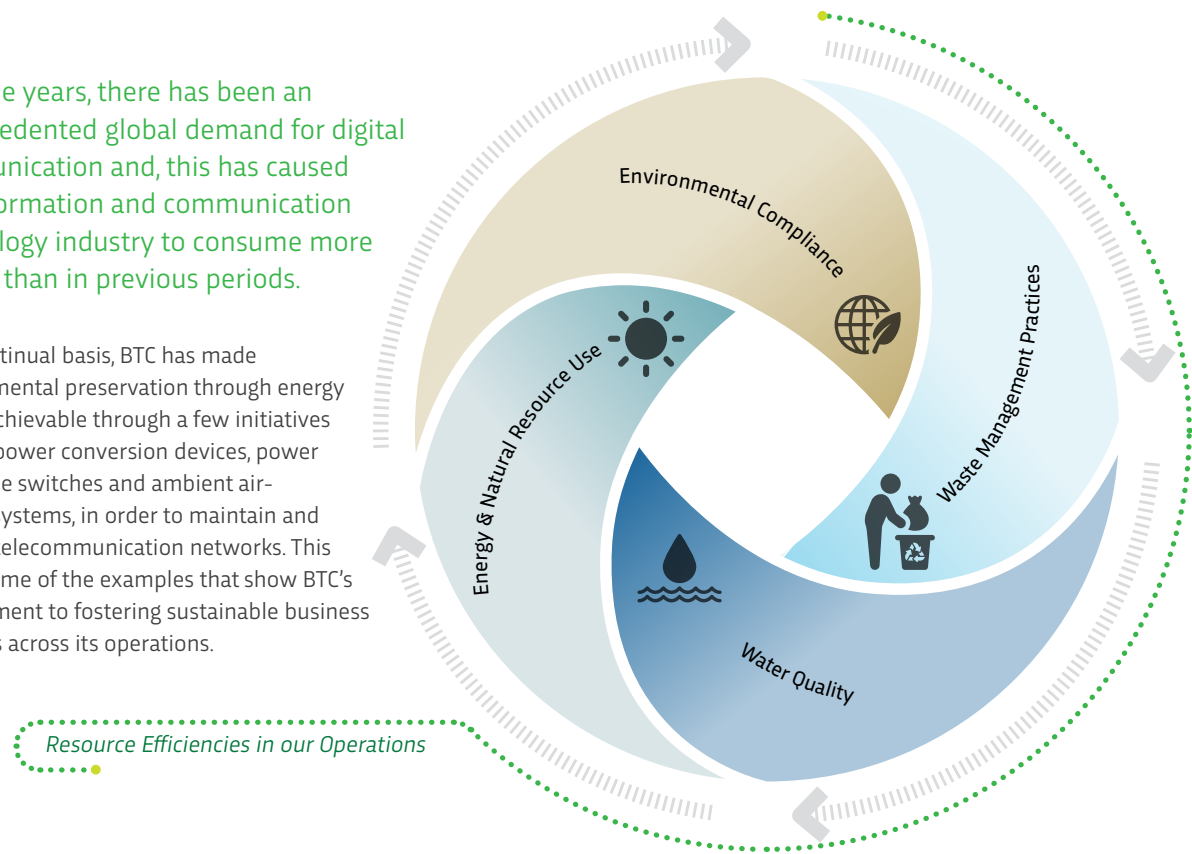
The Board would like to highlight BTC's commitment to transparency by providing comprehensive details of our ESG approach. This is evidenced by how we design and construct new projects, interact with stakeholders, and run our operations to safeguard the future. The Board will develop a Corporate Sustainability Framework in the next financial year to ensure that ESG considerations are integrated across the entire value chain



Environmental Considerations

Over the years, there has been an unprecedented global demand for digital communication and, this has caused the information and communication technology industry to consume more energy than in previous periods.

On a continual basis, BTC has made environmental preservation through energy saving achievable through a few initiatives such as power conversion devices, power adaptable switches and ambient air-cooling systems, in order to maintain and upkeep telecommunication networks. This is just some of the examples that show BTC's commitment to fostering sustainable business practices across its operations.



E-Waste Management			
Responsible for waste management and habitat preservation.			
Waste Type	Weight (Tons)	Amount in Pula Repurposed	
Underground cable	395	24,603,771	
Aerial cable	571.48	7,166.559	

Environmental Impact Assessment: Integration into Project Management

Understanding and integrating the Environmental Impact Assessment (EIA) process in our project management process is a critical component in monitoring the impact our operations are likely to have in the communities within which we deliver our services. In the past year BTC conducted EIAs in the following villages and fully complied with Section 6 (5) (a) of the Environmental Assessment (EA) Act (Cap 65:07), :07):

- Jao
- Kajaja
- Legotlhwane
- Mokgacha
- Shaikarawe
- Rwee
- Tobera
- Xhauga

Each project is required to appraise itself and ensure compliance with the following requirements over a period of 5 years:

Prevention of water, air and soil pollution

Appropriate disposal of waste and by-products from project activities

Environmental awareness training and adherence by all project teams

Conservation of water and electricity throughout the project lifecycle

Adherence to public safety and occupational health and safety regulation

Provision of appropriate PPE

FUEL SPEND
Decreased by 8% ↓

WATER AND ELECTRICITY SPEND
Decreased by 2% ↓

Moreover, we use low carbon energy in our off-site batteries. We assess material data safety sheets to evaluate the impact our input materials have on people and the planet.

Water Quality

We conduct regular checks and tests for water potability at all our sites.

of Waste Management and Pollution Control (DWMPC) and Gaborone City Council.

workplace that is safe, healthy, and environmentally responsible, demonstrating a commitment to the well-being of all stakeholders. This is integral to fostering a culture of safety and sustainability within the organisation.

Environmental Compliance

Annual compliance with standards and regulations from the Department

BTC's proactive approach and adherence to regulations underscore its dedication to creating a

Outlook

The Board and Management of BTC have made a conscious effort to prioritize sustainability related considerations identified as material in optimising their networks to drive

service excellence and quality to their customers. The following areas have been identified as thematic:

- Reduction of Carbon Emissions
- Renewable Energy and Running Green Networks

- AI and Machine Learning Tools
- Migration from 2G & 3G Networks
- Prioritise Device Longevity

In the long run, BTC is looking into the possibility of improving the device lifecycle management.

Social Considerations

Our People: Innovators that Drive Value Creation

Our employees are the most vital asset we have and a crucial input capital to our value creation model. They apply their skills, ideas, and experience to drive our strategy. We aim to be inclusive and diverse, as it is our philosophy that diverse teams deliver better outcomes by understanding and reflecting the varied needs and perspectives of our wide customer base. Each employee is assured of their dignity, privacy and personal rights. We are committed to keeping our workplace respectful and inclusive across the business.



A Culture-Creating Environment Where Our Employees Can Thrive

Our employees are **Innovators and Leaders** who drive us forward in **Digital and Communications Services**. Our last survey reflects the following scores and insights:



This demonstrates BTC’s ability to create a conducive work environment where employees can thrive and feel engaged, while efficiently managing human capital spend.

Our Human Capital Philosophies and Principles

Focus Area	Description	Input Capital and Stakeholders Impacted
Recruitment and Talent Acquisition	Our recruitment approach is aligned with the business strategy and digital transformation requirements due to evolving and present demand for future-fit skills and capabilities. As the world is propelled into the digital space, our new entrants provide the digital skills and capabilities needed to enable us to achieve our purpose and vision.	Human Capital Employee stakeholder
Talent Management	We pride ourselves with the diverse talent that drives our competitiveness, our ability to innovate and our attractiveness. Our talent management process allows our employees to be a source of innovative solutions as well as new opportunities for the business. We continue to facilitate conversations that differentiate talent according to actual performance and potential, and then develop plans to grow the individuals during the year.	Intellectual Capital Employee stakeholder
Performance Management	BTC’s Performance Management System (PMS) model reflects a partnership in which managers share responsibility for developing their teams to enable employees to contribute to the business. It is a clearly defined process for managing people that will result in success for both the individual and the business. Our PMS is linked to our remuneration and rewards practices.	Human Capital Employee stakeholder
Succession Planning	BTC’s Succession Plan is reviewed on an annual basis to ensure that it is relevant and fit for purpose and that there is adequate cover. This not only contributes towards ensuring that there is minimal exposure, but it also ensures business continuity in case of staff movement. The succession plan guarantees that there is a pool of employees who are developed and prepared for potential growth opportunities (managerial and leadership positions) where practically possible.	Human Capital Employee stakeholder

Social Considerations [continued]

Learning and Development: Creating a Future-Fit Workforce

Our employees are embracing the digital transformation journey by using technology as a source of continuous, customer-focused innovation to solve critical challenges. This digital transformation learning has led to increased productivity, customer satisfaction and employee engagement and has assisted in driving revenue. The total annual spend on training is P 3.1 million and is comprised of the following:

Development Training

Our people were trained on the following courses during the year:

Qualification	Number trained
Senior Management Development Programme	1
Management Development Programme	2
Risk-Based Auditing	5
Hughes Technical Training	16
Business Process Framework	3

Information Technology (IT) Certifications

We continue to invest in IT certifications for our specialised professionals; to build fluency and technical knowledge of current and emerging digital technologies

Qualification	Number trained
MS 365 Azure Associate	10
Cambium Networks Technical Certification	60
Certified Data Centre Professional	5
Certified Optic Fibre Network Associate	8
Oracle 19c Structured Query Language	1
Working at Heights - Rigging	6
Huawei Mobile Management	17
Mitel MiVoice Installation and Maintenance	8
Mitel Mivoice Business, Clustering and Resiliency	8
Power and Aircon Maintenance	15

Self-Learning Culture

The Company encourages self-learning through the use of an adopted portal that has been made available to employees. This will enable employees to understand the broader digital ecosystem across the business to bolster creativity and enable design thinking and other capabilities. BTC achieved a 100% activation rate and 80% satisfaction rate from the workforce that was surveyed. At the end of the 2023-24 financial year 85% of the BTC workforce was trained through the portal.

- > First Aid and Fire Management
- > Multimedia Point of Sale (MM-POS)
- > Syspro Client

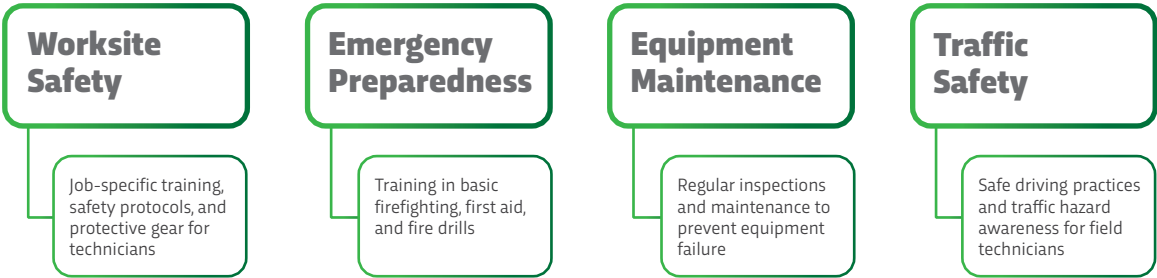
Safeguarding Employee Safety and Health in the Workplace

BTC's SHE management system reflects a strong commitment to the safety, health, and wellbeing of our employees. The system includes a range of programmes and initiatives aimed at ensuring the well-being of employees, contractors, customers, and the community. Below is an updated summary of BTC's key programmes:

Soft Skills Training

BTC provided soft skills training on the following topics for the benefit of employees:

Safety Programmes

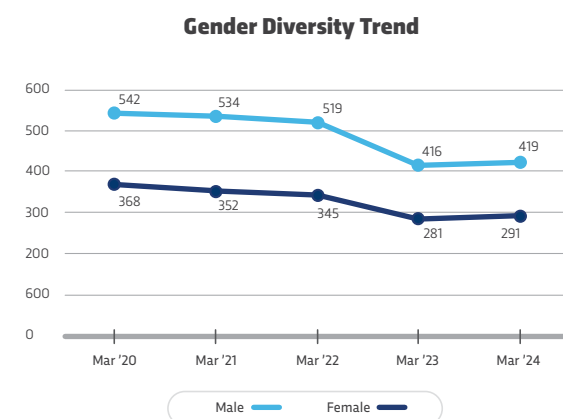


Health Initiatives



Item Description	2023	2024
Spend on health and safety training (P)	12,300	10,000
Work-related injuries as a proportion of total staff complement	2.43%	2.28%

Social Considerations [continued]

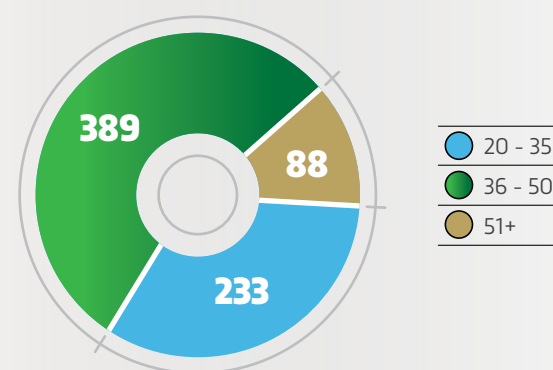


****breakdown based on permanent employees only**

The number of male employees surpasses that of females purely due to the nature of the industry within which we operate. We continue to promote women in ICT and the Telecommunications sector by attracting more women in BTC at all levels and in all disciplines.

The Company has committed to drive gender equality, and empowerment of women & girls in Science, Technology, Engineering and Mathematics (STEM). This initiative is geared towards improving gender parity in STEM in a world where a basic understanding of math and science is critical for most roles.

Age



Graduate Development: Reaffirming Our Support for the Employment of Youth

BTC continues to provide an environment for graduates to put their knowledge and skills into practice through internship programmes and attachments. Opportunities are availed for both graduates and undergraduates. BTC partners with the Botswana Government to support graduates through providing opportunities for them to do their internship within BTC and partners with local tertiary institutions to support their students by hosting them for attachments on an annual basis. These attachments are a pre-requisite for the students to fulfil their degree programmes at their institutions of learning, while the internship prepares the graduates for possible employment within the Botswana economy.

For the financial year 2023/24 BTC had:

- 58 graduates on its Internship Programme
- 25 students on attachment.

Graduate Trainee Programme

BTC has a special programme where we attract top students in various disciplines of business to join the BTC workforce. The Graduate Trainee programme serves to empower high performing graduates, to develop them, and to give them a conducive environment to acquire skills over a two-year period, with the opportunity of absorbing them into the organisational structure substantively. BTC desires to have a talent pipeline that has undergone an academic curriculum that is aligned to the current market demands from these cohorts. This programme benefits both BTC and graduates as it provides continuity for the future.

For the 2023-24 financial year BTC had:

- 26 Graduate Trainees absorbed into the business on permanent positions.
- 41 Graduate Trainees onboarded into the business.

Providing Opportunities for People Living with Disabilities

We have 2 employees that are living with disabilities. The blind staff members use a software called JAWS to help them fulfil their duties. BTC offers them flexible working arrangements such as the benefit of working from home where they are more comfortable. We also ensure that we provide any psychosocial, welfare and wellness support on a continual basis.

Our Corporate Social Investment

Our Corporate Social Investment (CSI) is driven by our firm belief that while growth and profitability are essential, corporations must pursue societal goals related to sustainable development that ensure that we deliver impact for both people and the planet.

The BTC Foundation is a vehicle through which BTC delivers its CSI activities and projects. We take a long-term view with respect to our initiatives, ensuring we maximise the use of our resources to produce sustainable impact. The Foundation invests in socially, economically, and environmentally impactful community projects and initiatives. This is done through partnerships with non-profit organisations, sponsorship of CSI projects, and direct donations to support causes in line with our values and focus areas. The BTC Foundation projects and activities are important stakeholder engagement platforms and ensure that the communities in which we operate, partake in the value we create as a company. The vision, mission, and values of the Foundation are:

Vision: "To excel in changing the lives of our people"

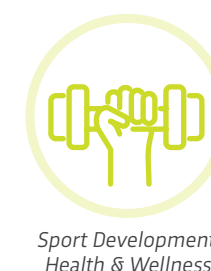
Mission: "We create social value for communities through partnerships"

Values:

- 1. Giving back to the community** – We are committed to ensuring the well-being of communities.
- 2. Positive impact** – We pride ourselves on the impact we have on our people.
- 3. Integrity** – We are committed to creating trust for mutual benefit.
- 4. Excellence** – We uphold high levels of excellence in everything we do.

BTC FOUNDATION FOCUS AREAS

Through its focus areas, BTC will streamline its social investment efforts for maximum benefit to the intended beneficiaries and the Corporation. This will enable BTC to maintain a profitable business environment while simultaneously enhancing its reputation, furthering the commitments of the shareholder.



Social Considerations [continued]

BTC FOUNDATION PROJECTS

BTC Commemorates World Telecommunications and Information Society Day in Ramotswa

BTC and other ICT stakeholders commemorated Girls in ICT Day, on Thursday 11th May 2023 at Emmanuel Hall in Ramotswa. The Girls in ICT commemorations are held annually under the World Telecommunication and Information Society Day (WTISD), whose purpose is to help raise awareness of the possibilities that the use of the internet and other ICTs can bring to societies and economies. The Girls in ICT Day was commemorated under the theme "Digital skills for Life". This is a special day set aside to celebrate the role of girls in ICT and the digital economy. It encourages young women to enter the STEM field. The day also provides an opportunity for female tech leaders and professionals to share their experiences and inspire girls and young women. ICT has helped youth to mobilise, collaborate, socialise, and have a voice in this space. The WTISD was held at Ramotswa Showgrounds under the theme "Empowering the least developed countries through information and communication technologies" on Wednesday 17th May 2023. BTC, through its foundation, donated two desktop computers and a heavy-duty photocopier to Ramotswa main kgotla, a computer to Ramotswa audiology clinic and an e-Learning solution to Baitlotli Junior Secondary School.



BTC Empowers Communities in Okavango and North-West Region with an e-Learning Suite – Youth and Education

Through its corporate social investment arm, BTC presented Ngambao Junior Secondary School in Seronga village and Matsaudi Primary School in Matsaudi village with an e-Learning suite valued at a total cost of P181,412 ensuring that the schools are equipped with cutting-edge teaching and learning technology to enhance the education of their students.

BTC's network expansion and philanthropic efforts underscore their dedication to empowering communities through technology and connectivity. With a vision for a more connected future, BTC remains steadfast in its mission to bridge the digital divide and uplift the lives of the people it serves. Furthermore, BTC's commitment to the Government's initiatives of accelerating the digital agenda is demonstrated through their donation of a full computer set valued at P9,000 to Matsaudi kgotla.

As part of our efforts to support local communities, BTC in collaboration with our technical partner, Huawei Technologies donated soccer kits and equipment worth P149,000 to eight football teams in the Okavango and Northwest regions. The beneficiaries in the Northwest region included Maun Terrors, Ships of the Desert, The Lords of Sporting Football Club, and Wild Dogs Football Club. Okavango region teams are Etsha Morning Stars FC, Etsha Greens Stars FC, Headwater FC and Mbunda FC. Each team received a cash prize of P5,000.



Social Considerations [continued]

BTC FOUNDATION PROJECTS [continued]

BTC Hosts the 2nd Francistown Marathon and Hands Over Proceeds to Beneficiaries

BTC hosted the 2nd Francistown Marathon at Obed Itani Chilume stadium on the 23rd of April 2023. The BTC Francistown Marathon is an annual event that is targeted at local and international athletes, with a special 5-kilometre Peace Run category for children and differently-abled-bodied people within our communities. The distance categories comprised 42.2km, 21.1km, 10km and 5km and each category carried a wide array of prizes for top performing athletes. BTC collaborated with the Francistown Athletics Club (FAC) and the local leadership and business communities for the successful implementation of the project. The BTC Francistown marathon has been endorsed by World Athletics and Botswana Athletics Association (BAA) and it is also a qualifying event for the Olympics Games and Comrades Marathon. On the 8th December 2023, BTC announced the beneficiaries who received donations from proceeds made from the second BTC Francistown Marathon that was held on April 23rd 2023. The beneficiaries were Monarch Primary School, Tati Town Primary School, Mahube Primary School, Gulubane Primary School, Ditladi Clinic, Boikhutso Clinic and Francistown Athletics Club. The total value of the donations was P298,210.

The BTC Francistown Marathon aligns seamlessly with BTC's corporate social investment programme, administered through the BTC Foundation. This programme is a testament to BTC's dedication to community development, focusing on key areas such as health and wellness promotion. The marathon, now in its third year, not only promotes a healthy lifestyle but also channels all proceeds to carefully chosen charities as part of BTC's commitment to impactful and sustainable projects.



BTC Sponsors and Participates at the 16th Annual University of Botswana Foundation Golf Day

On the 6th of June 2023, BTC contributed to the 16th annual University of Botswana (UB) Fundraising Golf Day for the second and final year as a platinum sponsor at a cumulative value of P300,000. The sponsorship started in 2022 as UB commemorated its 40th anniversary. The UB Foundation Golf Day event is used to raise funds towards the Graduate Scholarship Endowment Fund through which the Foundation provides scholarships to deserving students. The UB Foundation has been able to award scholarships to more than 318 students since its inception in 2003. BTC strongly believes in the notion that Botswana can only be transformed by empowering Batswana through education.



BTC concludes its Financial Inclusion Drive

The Corporation launched its financial inclusion programme in Hatsalatadi village. The financial literacy campaign, which was delivered in partnership with Bank of Botswana and Hollard was designed to give financially excluded Batswana access to financial services through literacy and opening of a transactional account. BTC partnered with Hollard to develop the Karabo Funeral plan which is an inclusive and affordable product. As part of the delivery of this programme, BTC partnered with 42 Village Development Committees (VDCs) to transform them into BTC service centres. 32 villages countrywide were covered as the Corporation continues to engage the leadership and residents on mobile financial service solutions.

The following activities were implemented as part of the BTC financial inclusion drive:

- Financial literacy training for community leaders and members of the public in selected villages across Botswana
- Training of residents on the importance of insurance (funeral cover) for low-income earners and the unemployed
- The promotion of financial literacy to residents through artistic expression such as drama, music, poetry etc., through partnerships with artists from the selected villages.



BTC supports the Government of Botswana's inclusion initiative which aims at ensuring that Batswana, regardless of their geographical position and financial status, have access to a transaction account. A transaction account serves as a gateway to other financial services such as insurance and medical aid.

BTC hosted the 3rd Digital Shift BW Summit: Transforming Businesses in Botswana through Inclusive Digital Innovation

The Corporation hosted the BTC Digital Shift BW Summit—an exclusive event designed to cater to the digital transformation needs of businesses in Botswana. The initiative marks BTC's commitment to bridging the gap between digital aspirations and practical solutions, bringing together a diverse audience of IT specialists, managers, engineers, and decision-makers from government, parastatal, and private entities.

The theme for the year's Summit engagement was "Innovation for All, Progress for Everyone: BTC's Vision of Inclusive Digital Transformation." This theme underlines

the Corporation's dedication as an enabler towards digital transformation in Botswana and to share our insights and demonstrate our capabilities with various industries across the country.

"Innovation for All, Progress for Everyone" is not just a concept – it is BTC's collective call to shape a world where innovation knows no bounds. The BTC Digital Shift BW facilitated meaningful conversations between innovators, solution providers, and BTC Enterprise, fostering collaborations and partnerships that drive digital evolution. The concept aims to inspire and set the dialogue that supports organisations to stay relevant in the technology and innovation market, while playing an important role in economic growth.

Social Considerations [continued]

BTC FOUNDATION PROJECTS [continued]



The Corporation remains steadfast in its commitment to being an active partner in supporting the Government of Botswana's agenda of becoming a knowledge-based economy. By hosting BTC Digital Shift BW, we intend to contribute significantly to the digital journey of businesses in the region. The event features panel discussions from key industry leaders whose insights and experiences add a valuable dimension to the conversations surrounding digital transformation in Botswana.



Our Impact on Society

Over and above the dedicated social investment initiatives, BTC aims to solve social problems in a profitable manner by inculcating a culture of giving back in its core business activities and leveraging its various social, economic, environmental and intellectual capitals for the benefit of all its stakeholders. This contributes positively to the overall improvement of society. The total financial impact made by BTC through its social investment arm since the date of listing is in excess of P 6 million. This affirms BTC's strong commitment to deliver sustainable impact to the communities within which it operates.

The Foundation seeks to be responsive to the second Transitional National Development Plan (TNDP) and the United Nations Sustainable Development Goals by contributing to the following objectives:





INTEGRATED REPORT 2024

5 OUR GOVERNANCE

Board of directors	81
Executive committee	86
Corporate governance statement	93
Board governance and structure	94
Board sub-committees	97
Compliance with the corporate governance code	106
Risk and opportunity consideration	115

Board of Directors



Board Profiles



Mr. Mokgethi Frederick Magapa

*Board Chairperson
Independent Non-Executive Director*

Chairperson: Directors Affairs and Governance Committee

Date of Appointment: November 2023

Nationality: Motswana

Mokgethi has over 25 years corporate experience in strong executive leadership, business transformation and creating a high-performance culture.

Mr. Mokgethi Frederick Magapa is an accomplished executive with a great track record in startups, turnarounds, and general transformation of companies. He is now involved in private business spanning healthcare, property development and retail. Mokgethi has over 25 years corporate experience in strong executive leadership, business transformation and creating a high-performance culture having successfully led multinational companies in their quest for turn-around. He has worked in different industries such as telecommunications, manufacturing, retail, logistics & international trade, security, and risk management. Mokgethi's experience in telecommunications includes the setting up (and leading) of beMOBILE (mobile arm of Botswana Telecommunications Corporation). He brings proven experience and knowledge in strategy formulation & execution, business leadership, corporate governance and building effective and high performing teams.

His most recent corporate role was with G4S - Botswana (A BSE Listed company) as its Managing Director. Mokgethi has also worked for DHL Express, Samsung Electronics as CEO of both companies. He is a former past Chairman of the Local Enterprise Authority (LEA) with his term ending in November 2020. He is the Chairperson of Agile Private Hospital - Selebi Phikwe (previously BCL Mine Hospital) and is currently leading the team that is working on commercialising the hospital.

He graduated from the University of Botswana with a Bachelor of Science and holds a Post-Graduate Certificate in Telecommunications Policy & Regulatory Management from the University of Witwatersrand (RSA). He has also successfully completed a Management Development Programme at the University of Stellenbosch (RSA) and an Executive Leadership Training with NKD/DHL.



Mr. Andrew Johnson
Independent Non-Executive Director

Chairperson: Technology and Investment Committee

Member: Audit and Risk Committee

Date of Appointment: May 2017

Nationality: South African

Mr. Johnson is a telecommunications expert whose career in the industry spans over 37 years, with a special focus on mobile telecommunications and fibre infrastructure development. His career experience includes such roles as Chief Technical Officer for the MTN Group, Chief Executive Officer for MTN Rwanda, and Chief Technical Officer for MTN Uganda, as well as other positions within MTN Group. Prior to that, he worked as a Telecommunications Engineer for Eskom.

Mr. Johnson has extensive business and technology management consulting experience within Sub-Saharan Africa and the Pacific region in 18 different countries for the African Development Bank, World Bank and other entities and operators. He has worked as Principal Consultant at Tubitayeho Telecomms Consulting in South Africa for the past 15 years to date.

He has also previously served as a Director for MTN subsidiaries in Cameroon, Cote d'Ivoire, Nigeria, Rwanda and Uganda, whilst working for MTN Group and MTN International.

Mr. Johnson holds a BSc (Eng) Electrical - Light Current, from the University of the Witwatersrand in South Africa, with a specialisation in Telecommunications and Alternative Energies.



Mr. Ranjith Priyalal De Silva
Independent Non-Executive Director

Chairperson: Audit and Risk Committee

Member: Directors Affairs and Governance Committee

Date of Appointment: May 2017

Nationality: Sri Lankan

Mr. De Silva is a Chartered Accountant whose expertise covers Auditing, Accounting, Tax Planning, Financial Investigations and Fiscal Management.

Now retired, he has over 36 years of experience in the profession primarily spent at PriceWaterhouseCoopers (PwC) Botswana, where he was a Partner for 19 years and Chief Operating Officer for 9 years. While with PwC Botswana, he served a large portfolio of Audit/Tax Clients and provided Business Advisory Services to many large privately-owned corporates in Botswana.

Mr. De Silva is an Independent Non-Executive Director for three Old Mutual subsidiaries in Botswana and of Debt Participation Capital Funding Limited. He is a member of numerous professional bodies including being an Associate Member of the Chartered Institute of Management Accountants (CIMA) of the UK, and a Fellow Member of the Botswana Institute of Chartered Accountants (BICA) and the Institute of Chartered Accountants of Sri Lanka.



Mr. Bafana Molomo
Independent Non-Executive Director

Member: Audit and Risk Committee, Technology and Investment Committee

Date of Appointment: September 2018

Nationality: Motswana

Mr. Molomo is Co-founder and Managing Partner at Aleyo Capital, a Botswana-based private equity fund manager. He was previously the Chief Investment Officer at Botswana Development Corporation (BDC), having joined from Vantage Capital, a leading mezzanine fund manager based in Johannesburg and operating across Sub-Saharan Africa.

At Vantage, Mr. Molomo was a Senior Associate originating and structuring deals in South Africa, Botswana, Namibia and Mozambique. Prior to that, he was with Venture Partners Botswana (VPB) in Botswana and Namibia as a Senior Investment professional in the private equity team, and as an Investment Analyst with Fleming Asset Management. He brings extensive experience in private equity, corporate finance, strategy and project finance.

Mr. Molomo holds a Bachelor of Commerce (Economics and Finance) degree and a Master's in Business Administration degree from the University of Cape Town. He also holds a Postgraduate Diploma in Business from the University of Pretoria's Gordon Institute of Business Science (GIBS). He has also held several Board roles in hospitality, healthcare, ICT, property, FMCG and beverage companies.

Board Profiles [continued]



Ms. Itemogeng Basadi Pheto
Independent Non-Executive Director

Date of Appointment: January 2024
Nationality: Motswana

Ms Itemogeng Basadi Pheto is a multi-disciplinary Human Resources professional with over 20 years work experience from a spectrum of industries including Mining, Construction in a parastatal and the Hospitality Industry. Basadi has over 10 years working at an Executive level operating as a Human Resources Manager. She possesses a Business Administration with Honours from the University of the Western Cape and a Bachelor of Arts from University of Port Elizabeth. Her experience ranges from core HR functions such as resourcing, performance management, Learning and Development, employee wellness, payroll, HR systems, with a strong focus on employee relations. She has also had experience of leading corporate and social responsibility projects.

Basadi has worked in unionised environments where she has had the opportunity to facilitate Union and Management relations. She has been involved in the review of Policies and Procedures including the drawing up of collective agreements. Pheto is passionate about, employee engagement, employee capacity building and employee welfare issues. She is currently the Manager Human Resources for Komatsu Botswana.



Ms. Amantle Kgosiemang
Independent Non-Executive Director

Date of Appointment: January 2024
Nationality: Motswana

Ms Amantle Kgosiemang is a distinguished Fellow Chartered Accountant of both the Association of Certified Chartered Accountants (ACCA, UK) and the Botswana Institute of Chartered Accountants (BICA) with a rich professional history spanning over 14 years in audit and finance, including more than 9 years dedicated to the banking sector. Additionally, she has participated in an Investment in Excellence training programme with Strathmore University. Her role primarily revolves around providing financial leadership and contributing significantly to the strategic objectives of the organisations she served.

Noteworthy milestones in her career include successfully implementing a Funds Transfer Process (FTP) in Rwanda, playing a pivotal role in auditing, and aiding in capital optimisation in Mozambique, and taking the lead in Basel II implementation at one of the institutions she worked at. Prior to her current role as Financial Controller at ABSA Bank Botswana, Amantle served in the same position at BancABC (now ACCESS Bank) where she led a division handling financial and regulatory reporting, business planning and performance, tax management, and general administration. Over the years, she has held various Finance Management roles in Botswana's financial services sector.



Rodger M. Solomon
Independent Non-Executive Director

Date of Appointment: January 2024
Nationality: Motswana

Mr Mcedisi Roger Solomon is a seasoned leader with a wealth of experience and skill in the financial services sector, health management sector, Administration and Management. He believes in a balance of both character and skill. As a qualified teacher and business practitioner, Mr. Solomon holds a Masters in Business Administration from Herriot Watt University in Edinburgh, Diploma in Education from University of Botswana, Masters of Arts in Political Leadership and Government from School Of Government MIT University in Pune India. Mr. Solomon is certified in AML, Corporate Governance, Enterprise Risk Management, Insurance, and leadership development programmes.

As a Trade Union leader, Mr Solomon has served in the National Executive of Botswana Teachers Union for six years. He completed a successful term Union as the Union's National Treasurer. Mr. Solomon served in different boards and management positions from 2008 to date. He served as a member of the Botswana Public Officers' Medical Aid Scheme Management Committee, National Economic Diversification Council, Getbucks, More Power Investments, Chartered Insurance Brokers, and Pecuniary Services. He was the founding Managing Director for More Power Investments, Chartered Insurance Brokers, and Percuniary Services. He is currently the Group Managing Director of More Power Investments - a company wholly owned by Botswana Teachers Union.



Mr. Thato Kewakae
Independent Non-Executive Director

Member: Human Resources Committee, Technology and Investment Committee
Date of Appointment: September 2021
Nationality: Motswana

Mr. Kewakae is a well-rounded business professional and executive with a business and ICT background that is supplemented by working experience from across various industries. He is experienced in leading growth in private sector business, in consultancy and providing support services for both the public and the private sectors.

Mr. Kewakae has served as Managing Director at Cabling for Africa Botswana for six years. He previously worked as Information Systems Manager at the Botswana Institute for Development Policy Analysis (BIDPA) and as Manager: Special Projects and Chief Information Officer of Botswana Post and left the company as their Chief Operations Officer. Mr. Kewakae used to serve as a non-Executive member of the BHC Board and was a member of their FARC and HRC Committees. Presently he is responsible for leading a team that is driving digital transformation projects at one of our local diamond mining companies.

He holds a Master of Business Administration degree from the University of Botswana and a Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India. He has also successfully completed the Executive Development Programme at the University of Stellenbosch in Cape Town and a Project Management Course at Wits University.



Mr. Anthony Masunga
Executive Director / Managing Director

Date of Appointment: January 2017
Nationality: Motswana

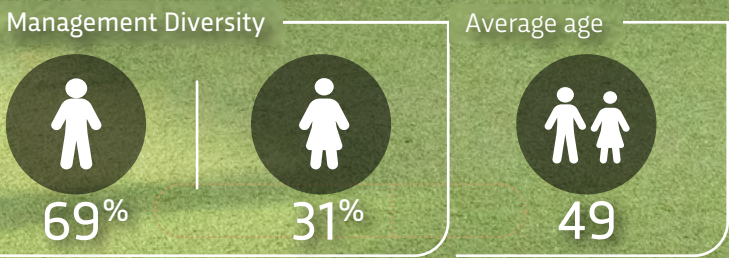
As Managing Director, Anthony is tasked with leading the transformation of BTC post the listing on the Botswana Stock Exchange with the overarching objective of delivering sustainable stakeholder value. He provides overall strategic leadership to the business, including ensuring adherence to the highest corporate governance standards, management of financial performance, building a customer-centric organisation, building fit-for-purpose technology solutions and processes, brand repositioning human capital management and stakeholder relations.

His leadership experience spans over a number of years through serving in different portfolios such as BTC's Chief Operating Officer, Acting Group General Manager - Commercial, Privatisation Programme Manager, and Chief Technical Officer in one of the mobile operators in Botswana. He was the founding General Manager of beMOBILE (now BTC Mobile) where he successfully established Botswana's third Mobile Network Operator entrant.

Anthony has over 23 years experience in the field of Telecommunications and Information Technology. He holds a BSc Computer Science degree from McGill University, Canada, and a Master of Business Administration degree from De Montfort University in the UK. He is also an Alumnus of the University of Stellenbosch Business School, having completed the Executive Development Programme and Africa Directors' Programme. He has board experience drawn from IT, Telecommunications, and healthcare industries.



Executive Management Committee



Executive Committee Profiles



Anthony Masunga

Managing Director

Date of Appointment: January 2017

Anthony has over 23 years' experience in the field of Telecommunications and Information Technology.

As Managing Director, Anthony is tasked with leading the transformation of BTC post the listing on the Botswana Stock Exchange with the overarching objective of delivering sustainable stakeholder value. He provides overall strategic leadership to the business, including ensuring adherence to the highest corporate governance standards, management of financial performance, building a customer-centric organisation, building fit-for-purpose technology solutions and processes, brand repositioning human capital management and stakeholder relations.

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Boitumelo Paya

Chief Financial Officer

Date of Appointment: April 2020

Boitumelo is responsible for providing leadership direction and management of the finances and of the accounting team. Additionally, she is tasked with managing the processes for financial forecasting and budgets, overseeing preparation of all financial reporting, advisory on long-term business and financial planning for the business, internal and external financial reporting, stewardship of a company assets, and ownership of cash management processes. Boitumelo also plays a crucial role in forward-looking and expanding to incorporate strategy and business partnership.

She has over 21 years' work experience in executive financial management, including finance integration, business transformation, financial planning & analysis, audit and assurance, strategic decision support, investor relations and Mergers & Acquisitions support. She has held various senior positions in the past, including Finance Director at Kgalagadi Breweries and Malawi Beverages respectively, and Finance Executive at SABMiller plc in the UK.

She is a Fellow Member of the Chartered Certified Accountants (FCCA) as well as a Fellow Member of Botswana Institute of Chartered Accountants (BICA). She also holds a Master of Business Administration degree from the University of Derby. She has previously undertaken the Management Development Programme through the University of Pretoria's Gordon Institute of Business Science (GIBS).



Aldrin Sivako

Chief Operations Officer

Date of Appointment: October 2017

Aldrin is responsible for the technical arm of the business, overseeing the information systems, technology, and transformation divisions. He is also responsible for BTC's corporate security services, which covers physical and cybersecurity. He provides leadership in implementing the company's technology and digital strategy, leading the delivery of corporate Programmes portfolio and identifying and forging relationships with strategic partners.

Aldrin is an astute telecommunications engineering executive with over 23 years experience in the telecommunications industry. He has led telecommunication engineering transformation initiatives covering technology strategy formulation and execution, new business development/product development and management. He was the founding Technical Executive of Botswana Fibre Networks (BoFiNet) from inception and previously served as the Chief Technical Officer of Liquid Telecom Botswana.

Aldrin holds a Master of Business Administration degree from the Management College of South Africa (MANCOSA), and a Bachelor of Engineering (Hons) degree in Telecommunication Systems from Coventry University in the UK. He is an Alumnus of the University of Stellenbosch Business School Executive Development Programme, and the Africa Directors Programme.



Boitumelo Bambino Masoko

Chief Commercial Officer

Date of Appointment: January 2024

Ms Boitumelo is an energetic and experienced sales and commercial professional with over 14 years at executive level and a total of 27 years in the ICT industry driving Mobile, Fixed, Broadband, Mobile Money, and Digital Services. Her in-depth experience and knowledge in telco and ICT covers strategic planning, financial Planning, commercial and sales management, distribution, change management, customer experience and operational delivery.

She is very strong on people management and leadership and has developed high-performing teams, producing strong positive results and increased productivity. She possesses great capabilities in stakeholder management with good interpersonal skills and influential communication across all levels of an organisation.

Boitumelo holds a Bachelor of Arts in Social Sciences from the University of Botswana, as well as a Master's Degree in Science in Strategic Management from the University of Derby. She completed her Executive Development Programme at UNISA Graduate School of Business Leadership (SBL) and thereafter undertook the Executive Development Programme at University of Stellenbosch and various other professional courses including Investment in Excellence by the Pacific Institute of South Africa.

Executive Committee Profiles [continued]



Sidney Mganga
Company Secretary

Date of Appointment: May 2018

Sidney is tasked with advising the Board and Company on governance matters and providing secretarial services to the Board. He also oversees the Legal and Regulatory functions of the Company to ensure compliance with statutory and regulatory requirements.

He has over 20 years' cumulative private sector experience in legal, compliance and regulation and corporate governance.

Sidney holds a Bachelor of Laws (LLB) degree from the University of Botswana and is also an Associate Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators of Southern Africa (ICSA). Sidney completed a Postgraduate Certificate in Advanced Tax & Audit from Botswana Accountancy College (BAC). He has also undergone Senior Management Development Programme (SMDP) training with the University of Stellenbosch Business School.



Abel Bogatsu
General Manager - Finance

Date of Appointment: November 2010

Abel oversees the operation and management of all financial systems and processes within the business. This includes treasury, budgeting, credit and financial control, working to ensure compliance with regulatory and financial reporting standards. He also provides professional finance input into the creation and maintenance of the BTC Business Strategy to deliver sustainable shareholder value.

Abel has more than 28 years' experience in both the private and public sectors. He holds a Bachelor of Commerce degree in Accounting from the University of Botswana and is a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Accountants (BICA). He is an Alumnus of the University of Stellenbosch Business School Executive Development Programme.



Same Read Kgosiemang
General Manager - Internal Audit and Risk Management

Date of Appointment: January 2017

Same oversees the Risk and Internal Audit Division and is tasked with ensuring that BTC has and maintains a robust Risk and Internal Audit Strategy. This includes working to provide BTC Board and Management with an independent and objective assurance on risk management, internal controls and governance processes. He ensures business continuity, sustainability and compliance with best practice corporate governance and reporting standards. Additionally, Same is responsible for the functions of Revenue Assurance and Fraud Management which are a requisite in telco operations as they are prone to revenue leakages and network fraud.

Same has over 27 years' experience in Internal Audit and Risk Management. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and a Fellow Member of the Botswana Institute of Chartered Accountants (BICA). He is also a Member of the Institute of Internal Auditors (IIA) USA and the Institute of Risk Management (IRM) in the UK. He is an Alumnus of the University of Stellenbosch Business School Executive Development Programme.



Mmamotse M Monageng
General Manager - Support Services & Human Resources

Date of Appointment: January 2017

Mmamotse has more than 21 years of experience in the Human Capital profession, 10 of which have been in the telecommunications industry. She provides oversight over the People function within a strategic framework to deliver high employee satisfaction and inculcate a high-performance culture. Mmamotse is responsible for leading the development of key strategies such as talent acquisition and talent management, and ensuring that BTC's human capital is apt for the corporate strategy. She is also tasked with providing strategic guidance in ensuring the delivery of high standards of safety, health and environmental services.

She holds a Bachelor of Commerce degree from Curtin University of Technology in Western Australia, majoring in Human Resource Management and Industrial Relations, as well as a Postgraduate Diploma in Strategic Management from the University of Derby.



Peter Olyn
General Manager - Technology

Date of Appointment: January 2018

Peter is mandated with planning, building and managing the operational functions of the vast BTC telecommunications network. He also works to develop strategic plans to transform and deploy the BTC network to achieve business targets.

Peter has over 24 years' experience in the telecommunications industry. He holds a Bachelor of Engineering degree in Electronics and Electrical Engineering from the University of Botswana. He is also an Alumnus of the Stellenbosch Business School, having undertaken the Executive Management Development Training Programme.



Nelson Disang
General Manager - Information Systems

Date of Appointment: September 2018

Nelson directs BTC's overall Information Systems (IS) Strategy to ensure that the Company's IS-Enabled investments are aligned to the strategic business initiatives and are future ready to seamlessly integrate digital transformation capabilities. He provides leadership in Digital Transformation capacity building.

Nelson has been in the IT industry for 20 years and has in-depth knowledge and expertise in IT management, risk optimization, resource optimization and benefit realization. His experience cut across the telecommunications and power industries having worked for Huawei Technologies, Mascom Wireless and Botswana Power Corporation (BPC) prior to joining BTC.

Nelson has a Bachelor of Science Computer Engineering degree from Clarkson University, New York, and is a certified Balanced Scorecard practitioner with the Balanced Scorecard Institute and a certified IT Governance practitioner. He is a professional member of the Information Systems Audit and Control Association (ISACA). He has undergone Leadership training with the University of Stellenbosch as follows; Management Development Programme, Senior Management Development Programme and Executive Development Programme.

Executive Committee Profiles [continued]



Malebogo Mosinyi
General Manager - Marketing

Date of Appointment: April 2019

Malebogo is responsible for developing and delivering on the Marketing Strategy of the business. This includes a focus on positioning BTC to compete effectively in a highly competitive and mature telecommunications market through Fixed and Mobile products and services.

Malebogo has 18 years' experience in Research and Marketing. She oversees product conceptualisation and insights, consumer and enterprise product development, MFS and brand marketing. She has worked in various organisations prior to joining BTC in 2016, including the Botswana Institute for Development Policy Analysis (BIDPA), Bank Gaborone, and Kgalagadi Breweries.

She holds a Master of Commerce degree in Management Practice from the University of Cape Town, a Master's Degree in Economics and a Bachelor's degree in Social Sciences from the University of Botswana. She has also completed her Senior Management Development Programme (SMDP) through the University of Stellenbosch.



Lebudi Kgetse
General Manager - Enterprise Sales

Date of Appointment: November 2019

Lebudi is tasked with maintaining a comprehensive Sales Strategy for the Enterprise Market segment, working to drive sales and revenue growth and thus contributing towards the delivery of Shareholder value for BTC. He is responsible for positioning BTC to compete effectively in a highly competitive and mature telecommunications market for Fixed, Mobile and Digital products and services.

He has over 23 years' experience in the Telecommunications industry, having spent most of his career at BTC and growing within the business. He has experience in customer relationship management and strategy development, amongst other areas.

Lebudi holds a Master of Business Administration degree from North West University in South Africa and a Bachelor of Commerce degree from the University of Botswana. He also holds a Diploma in Telecommunications Management, Associate Diploma in Banking, Postgraduate Certificate in Enterprise Risk Management and Prince 2 Foundation Certificate in Project Management. He successfully completed the Senior Management Development Programme (SMDP) through the University of Stellenbosch.



Charles Modisenyane
General Manager - Consumer Sales [Acting]

Date of Appointment: May 2023

Charles oversees the development and implementation of the Consumer Sales Strategy. This segment comprises of small and medium enterprises, indirect sales channels which covers broad areas of dealer and agent management. He is also responsible for BTC stores operations and Mobile Financial Services (Smega). He is specifically charged with driving sales and growing market share, contributing towards the delivery of shareholder value.

Charles is an experienced and result-oriented professional with over 28 years' experience in the telecommunications industry. He has a strong background in strategic planning, sales, technology and customer care management and operational delivery.

Charles holds a Master of Science in Strategic Management from the University of Derby and has completed the Senior Management Development Programme from the University of Stellenbosch Business School.

Corporate Governance Statement of Commitment

BTC is dedicated to the implementation of effective structures, policies and practices that enhance corporate governance and create sustainable value for our shareholders and stakeholders. The Board believes that excellent corporate governance is fundamental in ensuring a sustainable and successful business, and as such remains committed to ensuring that the Company is managed responsibly with integrity, fairness, transparency and accountability.

As a listed entity, BTC strives to achieve and uphold the highest principles of business ethics, corporate governance, and reporting. In complying with the guidelines of the BSE Code of Corporate Governance, BTC has complied with the principles of King III and is aligning itself to ensure compliance with the King IV Code of Corporate Governance by the end of the 2025 financial year. BTC's corporate governance practices are continually being reviewed and improved by benchmarking against accepted international best practices.

Corporate Governance

The Board is the custodian of corporate governance and is responsible for ensuring that the business of BTC is conducted according to sound corporate governance principles. This is done through approving key policies and ensuring that the Company meets its obligations to all stakeholders.

The Board directs BTC's strategic planning, risk assessment, internal controls, along with financial and operational management to ensure that BTC's obligations to its stakeholders are understood and observed. BTC also acknowledges its corporate social responsibility and provides assistance and developmental support to the communities in which it operates, and to deserving institutions at large.

Adherence to sound principles of corporate governance by BTC is critical to earning and maintaining the trust of key stakeholders and, ultimately achieving its performance goals while acknowledging that the methods it employs to achieve these goals are as important as the goals themselves.

The BTC Board is committed to the practice of good corporate governance and subscribes to the following:

- The King Code III of Good Governance, and now transitioning to King Code IV corporate governance
- The Companies Act
- The BSE Equity Listings Requirements
- IFRS Accounting Standards
- The Global Reporting Initiative's (GRI) Sustainability Reporting - guidelines on Economic, Environmental and Social performance.

Compliance with King III

In addition to complying with the BSE Code of Corporate Governance, the Company has adhered to the principles of King III and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2025 financial year.

BTC believes that compliance with recognised best practices will provide superior levels of performance in terms of sustainable returns to all stakeholders. We take into consideration not only the interests of the Company and its shareholders but the wider environment including suppliers, employees, and the community as a whole. A representative of our stakeholders is included on pages 24-28 of this report.

This report is prepared in compliance with the principles of King III. Where the Directors have deemed it impractical to apply certain recommended practices, the rationale is explained under the relevant section.

Board Governance and Structure

The governing body of BTC is the Board of Directors which consists of the Chairperson, the Managing Director and seven other independent members appointed by the shareholders in line with the Companies Act. BTC has a unitary Board structure with the majority of members being Non-Executive Directors. The preponderance of Independent Non-Executive Directors is strongly encouraged on the Board.

The roles of the Chairperson and the Managing Director are separate, and the composition of the Board ensures a balance of authority precluding any one Director from exercising unfettered decision-making powers.

The Board retains full control over BTC and monitors executive management in the implementation and execution of strategies and policies. The Board is assisted in fulfilling its responsibilities by the following sub-committees:

- Audit and Risk Committee
- Human Resources Committee
- Technology and Investment Committee
- Directors' Affairs and Governance Committee

The responsibility for the implementation and monitoring of corporate governance in BTC rests with the Board, which is assisted by the above-mentioned sub-committees. The delegation of authority to Committees does not absolve nor transfer any of the responsibilities of the Board to the respective Committees, and the Board remains ultimately accountable to the shareholders of the Company.

The Board is led by a Non-Executive Chairperson. During the fiscal year under review, the Board was chaired by Ms Lorato Boakgomo-Ntakhwana who retired from the Board on the 26th September 2023. On the 22nd January 2024, Mr Mokgethi F. Magapa who is Non-Executive Director assumed the role of Chairperson of the Board.

The Chairperson has no executive function but meets regularly with Senior Executive Management to monitor progress and discuss relevant business issues and is available to respond to stakeholder queries or other issues relating to BTC. Non-Executive Directors have the opportunity to meet separately without the BTC Managing Director as and when circumstances warrant.

Definition of independence

For purposes of this Report, Directors are classified as follows:

- **Executive Directors** are involved in the day-to-day management of BTC and are in its full-time employ.
- **Non-Executive Directors** include Directors who may be nominees or representatives of a shareholder.
- **Independent Non-Executive Directors** are Directors who are neither involved in the day-to-day management of BTC, nor are nominees or representatives of a shareholder.

Board Charter

The Board operates in terms of a formal Charter, the purpose of which is to regulate the conduct of its business in accordance with sound corporate governance principles.

The objectives of the Charter are to ensure that all Directors acting on behalf of BTC are aware of their duties and responsibilities and the legislation and regulations affecting their conduct. Furthermore, it seeks to ensure that sound corporate governance principles are applied in all dealings by the Directors. The Charter sets out the responsibilities to be discharged by Directors collectively and individually.

Appointment of Directors

In making Board appointments, the broad principles that are followed are to maintain an independent and vibrant board that constructively challenges Management's strategies and evaluates performance against agreed benchmarks and applicable codes of conduct. A balance is maintained among Non-Executive Directors which ensures that the majority of these are independent Directors. The BTC Board regularly reviews its required mix of skills, experience, and other qualities such as its demographics and diversity to assess the effectiveness of the Board. This review is by means of a self-evaluation of the Board as a whole, its committees and the contribution of each Director.

The Directors are chosen for their business acumen and their wide range of skills and experience.

The Board gives strategic direction to BTC, appoints the Managing Director, and ensures that succession planning is in place. In appointing Directors, emphasis is placed on achieving the necessary balance of skills, experience, professional and industry knowledge to meet BTC's strategic objectives. The selection and appointment of Directors is a formal and transparent process, is a matter for the whole Board assisted by the Directors' Affairs and Governance Committee and is subject to approval by the shareholders at the Annual General Meeting (AGM) of the company. Succession planning is also reviewed regularly.

Shareholders are ultimately responsible for the composition of the Board, and it is in their interests to ensure that the Board is properly constituted.

Appointments and Retirements

During the fiscal year under review, Ms Lorato Boakgomo-Ntakhwana and Mr Maclean Letshwiti retired from the Board on the 26th September 2023. In addition, Mr Thari Pheko resigned from the Board on the 31st December 2023. The following Directors were appointed to the Board during the year under review: Mr Mokgethi F. Magapa, Ms Amantle Kgosiemang, Mr Mcedisi Rodger Solomon and Ms Itemogeng B. Pheto.

For the year under review the BTC Board was constituted by the following directors:

Member	Position	Date and period of Appointment	Qualifications
Mr Mokgethi F. Magapa	Director and Chairperson	Appointed November 2023 and assumed Chairmanship on 22 nd January 2024	Bachelor of Science from the University of Botswana, Post-Graduate Certificate Telco Policy & Regulatory Management from University of the Witwatersrand (RSA), Management Development Programme from University of Stellenbosch (RSA)
Ms Lorato Boakgomo-Ntakhwana (Retired)	Independent Member	Appointed in October 2016	BA Commerce (UB) MBA (Loyola College, USA)
Mr McLean Letshwiti (Retired)	Director	Appointed in October 2016	BA Administration (BOLESWA)
Mr Anthony Masunga	Managing Director	Appointed in October 2016	BSc (Computer Science), MBA (McGill University, Canada), MBA (De Montfort University, UK)
Mr Andrew Johnson	Director	Appointed in May 2017	BSc (Eng) Electrical [Telecommunications and Alternative Energies] (University of the Witwatersrand, RSA)
Mr Ranjith Priyalal De Silva	Director	Appointed in May 2017	Fellow Member of the Botswana Institute of Chartered Accountants (FCA), Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA), Associate of the Chartered Institute of Management Accountants of UK (ACMA)
Mr Thari Pheko (Resigned on the 31 st December 2023)	Independent Member	Appointed 27 September 2018	BSc (Hons) in Business Finance and Management, M.Sc. in Management Information Systems (University of East Anglia, UK)
Mr Bafana Molomo	Director	Appointed 27 September 2018	BCom (Economics and Finance), MBA (University of Cape Town), Post-graduate Diploma in Business (University of Pretoria's Gordon Institute of Business Science)
Mr Thato Kewakae	Director	Appointed 28 September 2021	Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India, Master of Business Administration (University of Botswana), Executive Development Programme at the University of Stellenbosch in Cape Town, Project Management Course (Wits University).
Ms Amantle Kgosiemag	Director	Appointed 1 st January 2024	Fellow Member of Chartered Accountants of both the Association of Certified Chartered Accountants (ACCA, UK) and the Botswana Institute of Chartered Accountants (BICA).
Mr Mcedisi R. Solomon	Director	Appointed 1 st January 2024	Diploma in Education from the University of Botswana, an MBA from Herriot Watt University in Edinburgh, and a Master of Arts in Political Leadership and Government from the School of Government MIT University in Pune India.
Ms Itemogeng B. Pheto	Director	Appointed 1 st January 2024	BA in Industrial & Organisational Psychology (University of Port Elizabeth), Admin (HONS) Industrial Psychology (University of Western Cape), Certificate in Industrial Relations (Wits Business School).

The Managing Director is engaged on a fixed term contract of employment with agreed and set targets which are appraised by the Board from time to time. The contract may be renewed if the Board is satisfied with his/her performance.

Board’s Governance and Structure [continued]

Responsibilities of the Board and the Executive Management

BTC is led by a Board that brings leadership, commitment, and rigour to the business of the organisation, as well as its good governance in pursuit of its statutory mandate, ensuring proper and effective control of the Company’s business and carrying out periodic evaluations of corporate performance.

The Board is also responsible for guiding corporate governance by establishing committees and structures within the organisation to assist it in the effective fulfilment of its responsibilities.

The Board delegates certain functions to well-structured sub-committees without abdicating its responsibility.

The Board, directly or through its sub-committees:

- Approves corporate strategies, annual budgets and business plans
- Approves significant capital expenditure projects, selection of suppliers and major financial proposals
- Assesses the comprehensive system of reporting on financial and non-financial matters, strategy, and other operational matters
- Ensures compliance with applicable laws and regulations
- Approves acquisitions and divestments
- Assesses key business risks and monitors the management of those risks
- Ensures the effectiveness of internal control systems
- Appoints senior management, evaluates and monitors their performance.

Management is required to implement approved plans and strategies and to support the Board. The Board monitors management’s performance on an ongoing basis.

Division of Responsibilities between the Board and Executive Management

There is a clear division of responsibilities between the Executive Management and the Board. The Executive Management is responsible for the business’ daily operations and the execution of BTC’s strategy, subject to the policies and positions adopted by the Board.

Ethical Standards

Members of the Board and all employees are required to conduct themselves according to the highest ethical standards. BTC strives to always make relevant disclosures of information to stakeholders transparently.

A Code of Ethics and Conduct establishes the principles and guidelines of behaviours that individuals are subject to. The purpose of the Code is to ensure moral leadership and ethical interactions with internal and external stakeholders. The Directors’ Affairs and Governance Committee reviews compliance with BTC’s Code of Ethics and Conduct.

Board’s Sub-Committees

In the course and scope of discharging their mandate, the Directors are empowered to delegate part of their duties to various Board Sub-Committees.

Certain functions of the Board are facilitated through the main Sub-Committees including the Audit and Risk Committee, the Human Resources Committee, the Directors’ Affairs and Governance Committee and the Technology and Investment Committee; each constituted in accordance with section 20.3.2 of the Company Constitution.

These Sub-Committees have formal charters and report to the Board at regular intervals. The Committees are fully mandated by the BTC Board as to their membership, scope of authority, responsibilities and duties. These committees are chaired by independent Non-Executive Directors and are comprised of a majority of Independent Non-Executive Directors.

The Board is supported by specialist Committees as follows:

Audit and Risk Committee

- Members
- Mr Ranjith Priyalal De Silva (Chairperson)
- Mr Bafana Molomo
- Mr Andrew Johnson
- Ms Amantle Kgosiemang

Overview

The Committee operates within defined terms of reference as set out in its Charter and the authority granted to it by the Board and meets at least quarterly with more meetings being held when necessary. The internal and external auditors attend these meetings at least once quarterly and have unrestricted access to the Chairperson.

The Company’s Audit and Risk Committee is composed of at least four Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. There are no relationship overlaps that could interfere with the Audit and Risk Committee members’ independence from Management.

The main responsibility of the Audit and Risk Committee is to assist the Board in discharging its responsibilities under the Companies Act and ensuring compliance with other applicable legislation and requirements of regulatory authorities. In particular, it monitors financial controls, accounting systems and reporting, compliance with legal and statutory requirements, evaluation and management of risk and internal control systems, and the effectiveness of the internal and external auditors. The Committee also evaluates BTC’s exposure and response to significant risks, including risks to its sustainability.

The activities of the Audit and Risk Committee are set out in the Audit and Risk Committee Report on page 101.

Technology and Investment Committee

- Members
- Mr Andrew Johnson (Chairperson)
- Mr Bafana Molomo
- Mr Thato Kewakae

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least quarterly with more meetings being held when necessary. BTC’s Technology and Investment Committee is composed of no fewer than three Non-Executive Board Members. The role of the Committee is to assist the Board to ensure that it fulfils its corporate governance and oversight responsibilities for BTC’s strategy in relation to Technology and Investment opportunities.

The duties of the Committee include the following:

Board's Sub-Committees [continued]

Technology and Investment Committee [continued]

On Technology, to:

Review BTC's technology planning and strategy, including the financial, tactical and strategic benefits of proposed significant technology-related projects and initiatives:

- Receive reports on existing and future trends in technology that may affect BTC's strategic plans, including monitoring overall industry trends.
- Provide oversight over new innovative technology developments for future deployment within BTC.
- Increase awareness of key technology changes and innovations within BTC and in the marketplace.
- Review and endorse technology investments and projects including monitoring and reviewing post-implementation results of all such key technology projects.
- Consider the negative impact that technology could have on the environment and provide sustainable solutions for Management's action.
- Ensure that there are appropriate systems in place for the management of information assets and the performance of data functions.
- Ensure that there are systems in place for confidential information (such as intellectual property, investment decisions and tendering processes) to be treated by BTC as an important business asset and that all personal information that is processed by BTC is identified.
- Ensure that an Information Security Management System (ISMS) is developed and incorporates the following high-level information security principles:
 - Confidentiality of information
 - Integrity of information
 - Availability of information and information systems in a timely manner.

On Investment activities, to:

- Review the performance of BTC investments linked to BTC's overall investment strategy
- Consider capital projects, acquisitions and disposal of assets in line with BTC's overall strategy.
- Consider changes in the scope of projects that exceed limits, as may be determined by the Board from time to time, in approving the tender regulations, whether once-off or collectively, of the approved project estimate.

- Approve and advise the Board on any other investment.
- Consider the viability of the capital projects and/or acquisitions and/or disposals and the effect they may have on BTC's cash flow, as well as whether they comply with the overall strategy.
- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets.
- Oversee the proper value delivery of technology and ensure that the expected return on investment from significant technology investments and projects is delivered and that the information and intellectual property contained in the information systems are protected.

On Mergers and Acquisitions activities, to:

- Evaluate and review mergers and acquisitions approval policies for investment, acquisition, enterprise services, joint venture, and divestiture transactions, and consider requests from Management to approve such proposed transactions.
- Evaluate the execution, financial results and integration of completed investment, acquisition, enterprise services, joint venture and divestiture transactions.
- Report to the Board, and make recommendations to the Board, as to the scope, direction, quality, investment levels and execution of investment, acquisition, enterprise services, joint venture, and divestiture transactions.
- Oversee and recommend strategic alliances.
- Oversee loans and loan guarantees of third-party debt and obligations.
- Oversee investor relations activities.

On material tender decisions, to:

- Review quarterly reports on the decisions of the Management Tender Committee.
- Award tenders in line with the approved procurement policy and tender regulations
- Review significant technology expenditures, including the associated budget for BTC and its business segments.
- Receive reports from management, as and when appropriate, concerning the implementation of BTC's technology initiatives, including the cost compared to budget, the expected benefits and the timelines of implementation.

Human Resources Committee

Members

Mr Thato Kewakae (*Chairperson*)
Ms Itemogeng B. Pheto
Mr Mcedisi R. Solomon

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least quarterly with more meetings being held when necessary. BTC's Human Resources Committee is composed of at least three Non-Executive Board Members.

The Committee's mandate includes:

- Reviewing and monitoring BTC's strategic human resource initiatives and their compliance with BTC's human resource policies.
- Ensuring alignment of the remuneration strategy and policy with BTC's business strategy.
- Determining remuneration packages needed to attract, retain and motivate high-performing staff.
- Ensuring that remuneration relative to other comparable companies is pitched at the desired level taking relative performance into account.

Directors' Affairs and Governance Committee

Members

Mr Mokgethi F. Magapa (*Chairperson*)
Mr Ranjith Priyalal De Silva
Mr Thato Kewakae

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year, with more meetings being held when necessary.

The Committee's mandate includes:

- Ensuring the establishment of a formal process for the appointment of Directors and making recommendations for consideration by the Board pertaining to the appointment and removal of Directors including the Managing Director.

- Maintaining objectivity and neutrality in determining the remuneration and benefits of Directors.
- Ensuring that a succession plan is in place for the Directors including the Managing Director.
- Overseeing the performance and evaluation of the Board.
- Ensuring that a process of nominating, electing and appointing Directors is in place.
- Reviewing compliance with the Code of Ethics and Conduct by Executive and Non-Executive Directors.

Ad-hoc Committees

Ad-hoc Committees are appointed by the Board, as and when necessary, to consider specific issues before submission to the Board for a final decision. The Board, as it finds necessary, determines the terms of reference of such committees.

Board and Committee Meetings

A minimum of four (4) Board meetings are scheduled each financial year to consider strategic and key issues, financial matters, operational performance and any specific proposal for capital expenditure and investment, where applicable. Additional meetings are convened on an ad-hoc basis to consider extraordinary items of importance which may require urgent attention.

Board meetings are convened by a formal notice incorporating a detailed agenda together with relevant written proposals and reports. Information is distributed in a timely manner prior to Board meetings to facilitate adequate preparation for thorough discussion. A number of decisions may be taken between Board meetings by written resolution in accordance with BTC's founding documents.

Attendance and Meetings of the Board and Board Committees

The Board is expected to meet at least quarterly and retains full control over BTC. The Board monitors Management, ensuring that material matters are subject to Board approval, and reserves to itself a range of key decisions to ensure that it retains proper direction and control of the Company.

Board’s Sub-Committees [continued]

Meeting attendance

A summary of meetings held and attended is presented below:

Name	Main Board		Technology & Investment Committee		Audit and Risk Committee		Human Resources Committee		Directors Affairs and Governance Committee	
	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Mr Mokgethi F. Magapa	✓	3/4							✓	
Ms Lorato Boakgomo-Ntakhwana (Retired 26 th September)	✓	4/4					✓	2/2	✓	2/2
Mr Maclean Letshwiti (Retired 26 th September)	✓	4/4	✓	3/3						1/2
Mr Andrew Johnson	✓	9/9	✓	5/5	✓	5/5				
Mr Priyalal De Silva	✓	9/9			✓	5/5			✓	3/3
Mr Thari Pheko (Resigned 31 st December 2023)	✓	7/7			✓	4/4	✓	3/3	✓	1/1
Mr Bafana Molomo	✓	9/9	✓	5/5	✓	5/5				
Mr Thato Kewakae	✓	9/9	✓	5/5			✓	4/4		
Ms Amantle Kgosiemang	✓	2/2	✓	1/1	✓	1/1				
Mr Mcedisi R. Solomon	✓	2/2					1/1	1/1	✓	1/1
Ms Itemogeng B. Pheto	✓	2/2					✓	1/1		
Mr Anthony Masunga	✓	9/9	✓	5/5	✓	5/5	✓	4/4	✓	3/3

Audit and Risk Committee Report

The Committee is pleased to present its report for the financial year ended 31 March 2024.

The report is presented in accordance with the recommendations contained in the King III Report on Corporate Governance. The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board.

The Audit and Risk Committee ensures that there is appropriate independence relating to non-audit services provided by the external auditors.

During the period under review the following activities, amongst others, were carried out:

- Reviewed and commented on the Annual Financial Statements and the accounting policies and ensured that the Annual Financial Statements of the Company comply with all statutory requirements.
- Monitored compliance with accounting standards and legal requirements.
- Reviewed the quality and effectiveness of the external audit process, the External Auditor’s Report to the Committee and Management’s responses.
- Reviewed interim reports, results announcements and other releases of price-sensitive information.
- Reviewed significant judgements and/or unadjusted differences resulting from the audit, as well as any reporting decisions made.
- Recommended the appointment of Deloitte & Touche as the registered Independent Auditors.
- Set the terms of Deloitte & Touche ’s engagement.
- Determined the fees to be paid to Deloitte & Touche and ensured that the fees are fair and equitable.
- Adopted an approach that safeguards auditor independence by defining the nature and extent of any non-audit services that Deloitte and Touche may provide to the company.
- Ensured that the BTC’s existing combined assurance model addresses the significant risks facing the business.
- Formed an integral component of the risk management process and, amongst others, monitored:

- Financial reporting risks
- Internal financial controls
- Fraud risks as they relate to financial reporting
- Information technology (ICT) risks in so far as they relate to financial reporting
- Played an oversight role in respect of the internal audit function to ensure its effectiveness.
- Approved the Internal Annual Audit Plan.
- Monitored closure of reported audit findings.
- Reviewed developments in corporate governance and best practices and considered their impact and implications on BTC and in particular ensuring that the principles of King III are embedded throughout the business.
- Satisfied itself that the Chief Financial Officer is appropriately qualified and experienced to fulfil her role and that the Finance function is suitably resourced and skilled to carry out its obligations.
- Reviewed the text of various reports, including the Going Concern Statement, Corporate Governance Report and Directors’ report for inclusion in the Integrated Annual Report for the year ended 31st March 2024.

Annual financial statements

The Audit and Risk Committee has evaluated the annual financial statements for the year ended 31st March 2024 and ensured that they comply, in all material aspects, with the requirements of the Companies Act and appropriate IFRS Reporting Standards. The Committee has therefore recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Conclusion on fulfilment of duties and obligations

Given the above, the Committee is of the opinion that it has appropriately addressed its key responsibilities in respect of:

- Internal control
- Financial accounting control
- Risk management
- Selected stakeholder reporting that relates to the Audit and Risk Committee
- Statutory and regulatory requirements.

REPORT OF THE HUMAN RESOURCES COMMITTEE

The Committee is pleased to present its report for the financial year ended 31st March 2024. This report sets out the Company's remuneration philosophy.

Remuneration principles

- The remuneration principles apply to all BTC's operations. It is the BTC's philosophy to:
- Appropriately compensate employees for the services they provide the business.
 - Reward and recognise employees for the attainment of specific performance targets as well as the attainment of individual performance goals through variable remuneration.
 - Inculcate a positive culture through proper recognition structures.
 - Attract and retain talented, skilled, and high-performing employees to effectively manage the operations and growth of the business.
 - Motivate employees to perform in the best interests of BTC and its stakeholders.
 - Assist its employees on career advancement through training and development.

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, individuals' personal performance and BTC's business model. Remuneration comprises elements of fixed remuneration and performance-based variable remuneration.

Remuneration structure

The various elements of the remuneration structure are discussed below.

Remuneration

The basic element of remuneration is a base salary that is required to attract and retain a given set of skills, competencies, and experience.

Employee benefits and retirement funding

Other components of reward are given to employees. These are subject to local competitive practice and legislation. BTC provides, where appropriate, through third parties, additional elements of compensation:

- Pension or Retirement savings, comprising full or partially matched (with employee) contributions towards retirement savings, subject to local competitive practice and legislation
- Gratuity;

- Group Life Assurance
- Medical Aid
- Allowances

Short term incentives (STI)

Employees have an element of STI-based remuneration, comprising one of the following:

- A pool-based Performance Incentive Bonus which award is at the Board's discretion
- A bonus triggered by the achievement of the budgeted Profit Before Tax (PBT) as determined by the Board at the beginning of the financial year under review
- An individual award based on performance.

Non-Executive Directors' Remuneration

The remuneration for the Non-Executive Directors for the year ended 31st March 2024 was approved by the shareholders at BTC's Annual General Meeting on 26th September 2023. .

Directors; Remuneration and Shareholding

Except for the Managing Director, members of the Board are not entitled to monthly or annual salaries. Members of the Board and Sub-committees are paid a sitting allowance.

The aggregate number of Botswana Telecommunications Corporation Limited shares held directly by Directors as at 31st March 2024 is 857,488. Details of the shareholding and remuneration for the year under review are as per the table below:

Member	Position	Directors remuneration (amount in Pula)	Directors shareholding (number of shares)
Mr Mokgethi F. Magapa	Chairperson	137,500	NIL
Ms Lorato Boakgomo-Ntakhwana (Retired on the 26 th September) 2023)	Former Chairperson	189,000	NIL
Mr Anthony Masunga	Managing Director	3,447,124	250,000
Mr McLean Letshwiti (Retired on the 26 th September 2023)	Former Director	78,000	243,000
Mr Andrew Reginald Johnson	Director	289,500	NIL
Mr Ranjith Priyalal De Silva	Director	291,500	NIL
Mr Bafana Molomo	Director	279,500	NIL
Mr Thari Pheko (Resigned on the 31 st December 2023)	Former Director	214,500	110,000
Mr Thato Kewakae	Director	281,500	NIL
Ms Amantle Kgosiemang	Director	65,000	NIL
Mr Mcedisi R. Solomon	Director	52,000	NIL
Ms Itemogeng B. Pheto	Director	52,000	NIL

INTERNAL AUDIT

BTC has an Internal Audit function that reports directly to the Audit and Risk Committee to provide assurance on the adequacy and effectiveness of controls to mitigate risks to its strategic, operational, financial and compliance objectives. Internal controls however can only provide reasonable and not absolute assurance against material misstatements or loss. The key elements of the system of internal control are delegation, operations, planning and empowerment, competence, monitoring and reporting, and Internal Audit.

The systems are designed to provide reasonable assurances of the integrity and reliability of the financial statements and other operational information. Such systems of internal controls are designed to manage rather than eliminate the risks of failure to meet business objectives, providing a reasonable but not an absolute assurance against material loss or misstatement.

Based on the information received from management, the Audit and Risk Committee and the Internal Audit Division, the Board believes that the systems of internal controls can be reasonably relied upon and that there was no material threat to the effectiveness of the system of internal control during the year under review.

Internal Audit Function

According to the King III Code of Corporate Governance, the key responsibility of Internal Audit is to the Board and/or its committees in discharging its governance responsibilities. It is for this reason that BTC has an independent Internal Audit function which administratively reports directly to the Managing Director, with a dual reporting responsibility to the Audit and Risk Committee.

The Internal Audit process provides assurance that significant risks are subject to periodic review, that control processes are in place, and weaknesses are identified and mitigated. The Internal Audit is also expected to advise the Board whether BTC's framework of risk management, internal control and governance processes, as designed by the management, is adequate and functioning. The Internal Audit Department has an Internal Audit Charter setting out the independence of the function, which has been adopted by the Audit and Risk Committee and signed by the Chairperson of that Committee.

BTC's Internal Audit function is designed to add value and enhance the Company's operations. It helps the Company to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In performing its duties, Internal Audit is principally guided by the Institute of Internal Auditors' professional practice framework, King III, and other relevant standards in undertaking internal audit responsibilities.

- The Internal Audit Charter places considerable emphasis on:
- Independence of the internal audit function
 - Integrity and professionalism within internal audit
 - Risk-Based Internal Auditing.

The Internal Audit function reports administratively to the Managing Director and functionally to the Board via the Audit and Risk Committee. Internal Audit also advises the Board on BTC's risk management framework, control effectiveness and compliance with laws and regulatory requirements.

The Internal Audit follows a risk-based methodology to develop the annual audit plan, which is reviewed and approved by the Audit and Risk Committee. The Chairperson of the Audit and Risk Committee appraises the Board on the duties of the Internal Audit function on a quarterly basis. All the work is conducted by appropriately qualified and experienced team members and follows the Institute of Internal Audit Standards.

A summary of audit results, progress against delivery of the audit plan and progress in closing both Internal and External Audit findings items are presented bi-weekly to the Executive Management and quarterly to the Audit and Risk Committee. The Committee actively reviews the Internal Audit submissions and appraises the Board accordingly.

Through the anonymous tip-off line managed by Deloitte & Touche, Internal Audit investigates all reported cases and conveys its findings and recommendations to the Managing Director and the Directors' Affairs and Governance Committee.

Internal Audit [continued]

Monitoring Results and Management Reporting

Effective internal controls should prioritise the timing of information required as per the applicable laws and needs of management. All reporting of financial and other results is carried out as an effective monitoring mechanism. Actual results are compared against the annual plans and against the historical trends of the previous years.

Risk Management

Effective risk management is integral to BTC's objectives of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures are in place to manage operating risk exposure involving segregation of duties, transaction supervision, monitoring, financial and managerial reporting. In addition to the above, the Board has endeavoured to ensure that control systems, designed to safeguard BTC's assets and maintain proper accounting records that facilitate the production and availability of reliable information, are in place and are functioning as planned.

The programme ensures that a wider range of risks arising as a result of BTC's diverse operations are effectively managed in support of the uninterrupted communications services to Botswana and the creation and preservation of shareholder wealth. Significant financial, operational and compliance risks to the Company which could undermine the achievement of BTC's business objectives are identified, mitigation is established, and risk owners are appointed. Business risks are reviewed on a semi-annual basis.

A Risk Management Report is included on pages 115 to 118.

Going Concern

The Board has considered and recorded all relevant facts and assumptions and has concluded that BTC has adequate resources to continue in operational existence for the near future. Their statement in this regard is also contained in the statement of the Director's responsibility for the Annual Financial Statements.

Approval of Annual Financial Statements

The financial statements have been reviewed by the Audit and Risk Committee, approved by the Board, and can be signed off by any two Directors. In practice, however, they are usually signed on behalf of the Company by the BTC Chairperson and the Managing Director.

External Auditors

The external auditors provide an independent assessment of BTC's systems of internal financial control and express an independent opinion on the Annual Financial Statements. The external audit function provides reasonable assurance of the accuracy of financial disclosures within the approved thresholds of materiality. The external auditors' plan is reviewed by the Audit and Risk Committee to ensure all significant areas of concern are covered, without infringing on the external auditor's independence and right to the audit. Close cooperation between the internal and external auditors ensures that there is adequate coverage of all material areas within BTC. In terms of the Companies Act, the shareholders at the Annual General Meeting appointed Deloitte & Touche, a firm of Certified Auditors, as the auditors for the year under review.

Compliance with Laws and other Legal Requirements

BTC considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. BTC's Company Secretary function facilitates the management of compliance through analysing statutory and regulatory requirements, drafting compliance management plans and subsequently implementing those plans throughout the Company and monitoring the implementation of suggested controls to ensure compliance with applicable statutory and regulatory requirements.

The Compliance Checklist and Legal Register rolled out to the business covers dissemination of new legislation, handling of regulatory visits, development and review of risk universes, and various regulatory reporting procedures.

Several pieces of legislation including the Companies Act, the Communications and Regulatory Act, the Competition Act, the Financial Intelligence Act (FIA) and the Bank of Botswana Act (Electronic Payments Regulations) were analysed for purposes of developing and reviewing the risk universes of the business. The Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board, through the Company Secretary's office, strives to ensure that the businesses of BTC comply with the laws and regulations of Botswana.

Company Secretary and Professional Advice

The Company Secretary is Mr S. Mganga. All Directors have unlimited access to the advice and services of the Company Secretary, who is accountable to the Board for ensuring that all prescribed procedures are complied with, and that sound corporate governance and ethical principles are adhered to. Any Director is entitled to seek independent professional advice concerning the discharge of his or her responsibilities at BTC's expense, though the encouraged practice is to arrange this through the Company Secretary.

Relationship with Employee Representatives

As part of maintaining harmonious relations and a conducive employee relations climate within the Company, the Botswana Telecommunications Employee Union (BOTEU) and Management continue to engage each other through the established communication, consultation and negotiation forums.

Employee Share Ownership Plan (ESOP)

As part of the BTC Initial Public Offer (IPO), the Government of the Republic of Botswana ("the Government" or "Majority Shareholder") reserved 5% of the issued share capital of BTC (52,500,000 shares) for the benefit of citizen BTC employees. Initially, the shares were to be deposited into an Employee Share Trust and dividends accrued were to be shared equally amongst employees. The Government through a Presidential Directive (CAB 10(A)/2016) amended the terms of the Employee Share Scheme to allow for employees to directly purchase the reserved shares. This amendment was approved at the 2016 Annual General Meeting.

820 out of 950 eligible BTC Employees purchased 19,269,200 of the reserved shares at 85thebe per share, a 15% discount to the IPO price of P1.00. A total of 33,230,800 shares (3.16% of the issued share capital of BTC) remain in the hands of the Government.

The Company and Majority Shareholder are still in discussion about how both the Company and BTC employees can benefit from the remaining shares which are still in the hands of the Government.

Environment, Health, Safety, And Sustainability

BTC strives to conform to and exceed, environmental, health and safety laws in its operations and seeks to add value to the quality of life of its employees through preventative health programmes.

Compliance with the Corporate Governance Code

To improve the corporate governance principles and to enhance the Board’s accountability, BTC voluntarily decided to subject itself to the world-class code of Corporate Governance, the King III Code on Corporate Governance (www.kingiii.co.za). The statement below, which is based on the code published by the King Committee, measures the degree of its compliance with the respective codes. BTC has complied with the Codes of Best Practice throughout the financial year ended 31st March 2024, other than with the exceptions stated below:

COMPLIANCE WITH KING III PRINCIPLES

Principle	Description of Principle	Compliance	Compliance status and additional comments
1. Ethical Leadership and Corporate Citizenship			
P 1.1	The Board should provide effective leadership based on an ethical foundation.	√	In accordance with the Board Charter, the Board is the curator of the values and ethics of BTC. The Company recognises that good governance emanates from effective, responsible leadership, which is characterised by ethical values. The Company has in place a Code of Ethics and Conduct to ensure moral leadership and ethical interactions with both internal and external BTC stakeholders.
P 1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	BTC Corporate Social Responsibility reports adequately reflect the Company’s commitment to good corporate citizenship.
P 1.3	The Board should ensure that the Company’s ethics are managed effectively.	√	BTC has a Code of Ethics and Conduct integral to the Company’s employment conditions, which promotes, amongst other things the ethical values of responsibility, accountability, fairness, and transparency.
2. Board and Directors			
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	√	In accordance with the Charter, the Board is committed to the highest standards of corporate governance.
2.2	The Board should appreciate that strategy, risk, performance, and sustainability are inseparable.	√	The Board, In accordance with the Charter, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. BTC’s risk management process considers the full range of risks including strategic and operational risks covering all areas of performance.
2.3	The Board should provide effective leadership based on an ethical foundation.	√	See 1.1 above
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	See 1.2 above
2.5	The Board should ensure that the Company’s ethics are managed effectively.	√	See 1.1 above

Principle	Description of Principle	Compliance	Compliance status and additional comments
2.6	The Board should ensure that the Company has an effective and independent Audit and Risk Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by an independent Non-Executive Director.
2.7	The Board should be responsible for the governance of risk.	√	The Board oversees the management of risks company-wide through its Audit and Risk Committee.
2.8	The Board should be responsible for information technology (IT) governance.	√	The Board is responsible for this area through the Technology and Investment Committee and the Audit and Risk Committee.
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	A compliance framework is monitored by the BTC legal team. The Board is confident that BTC complies with all laws and regulations (see also 6.1).
2.10	The Board should ensure that there is an effective risk-based internal audit.	√	The Internal Audit function handles this function prudently with the help of the external auditors.
2.11	The Board should appreciate that stakeholder’s perceptions affect the Company’s reputation.	√	As part of the risk assessment process, the Board, through its Audit and Risk Committee, evaluates all risks relating to reputational issues arising from customers, employees, shareholders, government agencies, local communities, etc.
2.12	The Board should ensure the integrity of the Company’s Integrated Report.	√	Annual financial statements are reviewed by the Audit and Risk Committee and the Board. The significant components of the Annual Report are reviewed by the Board before being officially released.
2.13	The Board should report on the effectiveness of the Company’s system of internal controls.	√	As part of the Internal Audit Charter, the Internal Auditors review the Company’s internal control systems and provide a report to the Audit and Risk Committee and to the Board. The Audit and Risk Committee confirms the adequacy of the internal controls in operation at the Company.
2.14	The Board and its Directors should act in the best interests of the Company.	√	The terms of appointment and the acceptance of appointment as Directors dictate that the Directors act in the best interest of the Company and that all conflicts of interest are declared and/or reported and adequately dealt with.

Compliance with the Corporate Governance Code
 [continued]

COMPLIANCE WITH KING III PRINCIPLES
 [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
2. Board and Directors [CONTINUED]			
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	√	The Company always ensures that it meets the solvency tests. The Company also prepares a three-year business plan incorporating financial forecasts for early detection of any financial distress situations.
2.16	The Board should elect a Chairman of the Board who is an Independent Non-Executive Director. The CEO of the company should not also fulfil the role of Chairman of the Board.	√	The Board Chairperson is an Independent Non-Executive Director chosen at the Annual General Meeting of the Company. The Managing Director, the equivalent of the CEO, is not the Chairperson of the Board.
2.17	The Board should appoint the chief Executive Officer and establish a framework for the delegation of authority.	√	The Managing Director (equivalent to the CEO) is appointed by the Board on a fixed-period contract basis. The Company has a well-defined organisational structure with strategies, targets, and authority to achieve them. A delegation of authority framework is also in place.
2.18	The Board should comprise a balance of power, with a majority of Non-Executive Directors. The majority of Non-Executive Directors should be independent.	√	Currently, all but one of the positions on the Board are filled by Independent Non-Executive Directors.
2.19	Directors should be appointed through a formal process.	√	A formal framework for the appointment of Directors is in place. Currently, Directors are selected by the Directors' Affairs and Governance Committee and approved by the Board before being recommended for approval by shareholders at the Annual General Meeting.
2.20	The induction, ongoing training and development of Directors should be conducted through formal processes.	√	BTC Directors undergo a formal induction and there is ongoing training that is done throughout the year for the Development of Directors.
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	√	The Company Secretary is a legal professional and a chartered company secretary, suitably qualified to handle the company secretarial matters of BTC.

Principle	Description of Principle	Compliance	Compliance status and additional comments
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	√	The Company does carry out evaluations albeit not every year.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	√	The Board has appointed four sub-committees viz. the Audit and Risk Committee, the Technology and Investment Committee, the Human Resources Committee and the Directors' Affairs and Governance Committee.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	√	Each committee has terms of reference. All memberships to these committees are approved by the Board.
2.25	Companies should remunerate directors and executives fairly and responsibly.	√	All Directors except the Managing Director are currently remunerated for time spent at meetings, in line with the fees approved by shareholders.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	√	The Annual Report adequately discloses all remuneration paid to Directors, their shareholdings and other relationships with the Company.
2.27	Shareholders should approve the Company's remuneration policy.	√	The Company's remuneration policies are approved only by the Board save for the remuneration philosophy which must be approved by shareholders.
3. Audit Committees			
3.1	The Board should ensure that the Company has an effective and independent Audit Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by an Independent Non-Executive Director.
3.2	Audit Committee members should be suitably skilled and experienced Independent Non-Executive Directors.	√	BTC has an effective and independent Audit and Risk Committee comprising qualified accounting professionals and chaired by an Independent Non-Executive Director.
3.3	The Audit Committee should be chaired by an Independent Non-Executive Director.	√	The Audit and Risk Committee is chaired by an Independent Non-Executive Director.

Compliance with the Corporate Governance Code [continued]

COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
3. Audit Committees [CONTINUED]			
3.4	The Audit Committee should oversee integrated reporting.	√	The Annual Financial Statements are evaluated and approved by the Audit and Risk Committee together with the integrated report.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	√	The Audit and Risk Committee ensures that the internal audit function provides the umbrella guarantee in collaboration with other assurance providers namely Risk Management, Regulatory Compliance, Revenue Assurance and Fraud Management. External auditors also review the work carried out by Internal Audit to determine the level of reliance to be placed on internal audit work.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	√	All members of the Audit and Risk Committee are adequately qualified, and they have reviewed and are satisfied that the resources at the BTC Finance function are suitably qualified.
3.7	The Audit Committee should be responsible for overseeing of internal audit.	√	The Internal Audit function's annual audit plans are approved by the Audit and Risk Committee. The Internal Audit function periodically reports to the Board and has unfettered access to the Committee.
3.8	The Audit Committee should be an integral component of the risk management process.	√	The Audit and Risk Committee periodically reviews the Company's risk profile and risk management approach. The Committee is of the view that the risks are being adequately addressed.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	√	The Audit and Risk Committee recommends the appointment of the external auditors to the Board and to the Annual General Meeting. They also oversee the external audit process.
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	√	The Audit and Risk Committee formally reports to the Board after each meeting. A report of the Committee is included in the Annual Report.

Principle	Description of Principle	Compliance	Compliance status and additional comments
4. The Governance of Risk			
4.1	The Board should be responsible for the governance of risk.	√	The Board is aware of this risk and has delegated this task to the Audit and Risk Committee.
4.2	The Board should determine the levels of risk tolerance.	√	The Board has established levels of risks, their impact and likelihood. The risk that can be tolerated and the risks that it is willing to take are continuously examined by the Audit and Risk Committee. A risk register is in place to address this.
4.3	The Risk and Audit Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	√	The Audit and Risk Committee assists the Board in its responsibility for the governance of risks.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	√	The Board has delegated to management the responsibility to design and implement risk management measures and to monitor the risks.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	√	The Audit and Risk Committee meets periodically to consider various matters including discussions of the risk assessments, risk framework and methodology.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	√	The Audit and Risk Committee looks at the risk frameworks and methodologies and ensures that unpredictable risks are professionally managed. This is an on-going process.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	√	The annual risk management report is submitted to the Audit and Risk Committee and to the Board containing the risk responses. These are periodically monitored.
4.8	The Board should ensure continual risk monitoring by management.	√	A risk register is in place for purposes of managing all risks and the Board reviews it quarterly.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	√	The Audit and Risk Committee provides the required level of comfort in the evaluation of the effectiveness of the risk management process.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	√	A risk management report containing all high-level and operational risks, their impact and the level of responses are included in the Annual Report.

Compliance with the Corporate Governance Code
 [continued]

COMPLIANCE WITH KING III PRINCIPLES
 [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
5. The Governance of Information Technology (IT)			
5.1	The Board should be responsible for IT governance.	√	The Board understands the importance of IT governance and associated risks. It has delegated the responsibility for IT governance issues through the Managing Director to the appropriate management personnel.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	√	IT is a significant component of BTC's operations, most of which are based on IT platforms, technologies and processes and are crucial to its performance and sustainability. As such, adequate attention is being given to IT Governance and sustainability.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	√	The responsibility for investing, implementing and managing the IT function is delegated to the management as well as other functions within the IT infrastructure.
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	√	Responsibility for managing the IT governance framework is delegated to management. The framework supports effective and efficient decision-making around the utilisation of IT resources to facilitate the achievement of the Company's objectives. The Technology and Investment Committee also oversees this process on behalf of the Board.
5.5	IT should form an integral part of the Company's risk management.	√	The management of IT-related risk is the duty of management. Risks relating to IT are part of the overall risk management function within BTC. IT management ensures good project management principles are applied.
5.6	The Board should ensure that information assets are managed effectively.	√	IT assets are an integral part of the overall asset structure of the Company and are, therefore, adequately managed.
5.7	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	√	IT risk management is part of the overall risk management profile of the Audit and Risk Committee.

Principle	Description of Principle	Compliance	Compliance status and additional comments
6. Compliance with Laws, Rules, Codes and Standards			
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	A compliance framework is monitored by the BTC legal team through the office of the Company Secretary. The Board is confident that BTC is compliant with all laws and regulations.
6.2	The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.	√	The induction process for new Board members attempts to sensitise the Directors to all laws and regulations affecting the company as well as their roles and responsibilities which include fiduciary duties.
6.3	Compliance risk should form an integral part of the Company's risk management process.	√	Compliance with laws and regulations is identified under different risk dimensions, such as market risks, regulatory risks, finance risks, etc., and are adequately considered.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	√	BTC has an adequate level of responsibility to ensure compliance with all applicable laws and regulations.
7. Internal Audit			
7.1	The Board should ensure that there is an effective risk-based internal audit.	√	The Company has a dedicated Internal Audit function responsible for this detail.
7.2	Internal audit should follow a risk-based approach to its plan.	√	See 7.1 above
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	√	The Internal Audit reports quarterly to the Audit and Risk Committee on audits carried out in order to assess the effectiveness of the internal controls.
7.4	The Audit Committee should be responsible for overseeing internal audits.	√	See 7.1 above
7.5	Internal audit should be strategically positioned to achieve its objectives.	√	See 7.1 above

Compliance with the Corporate Governance Code [continued]

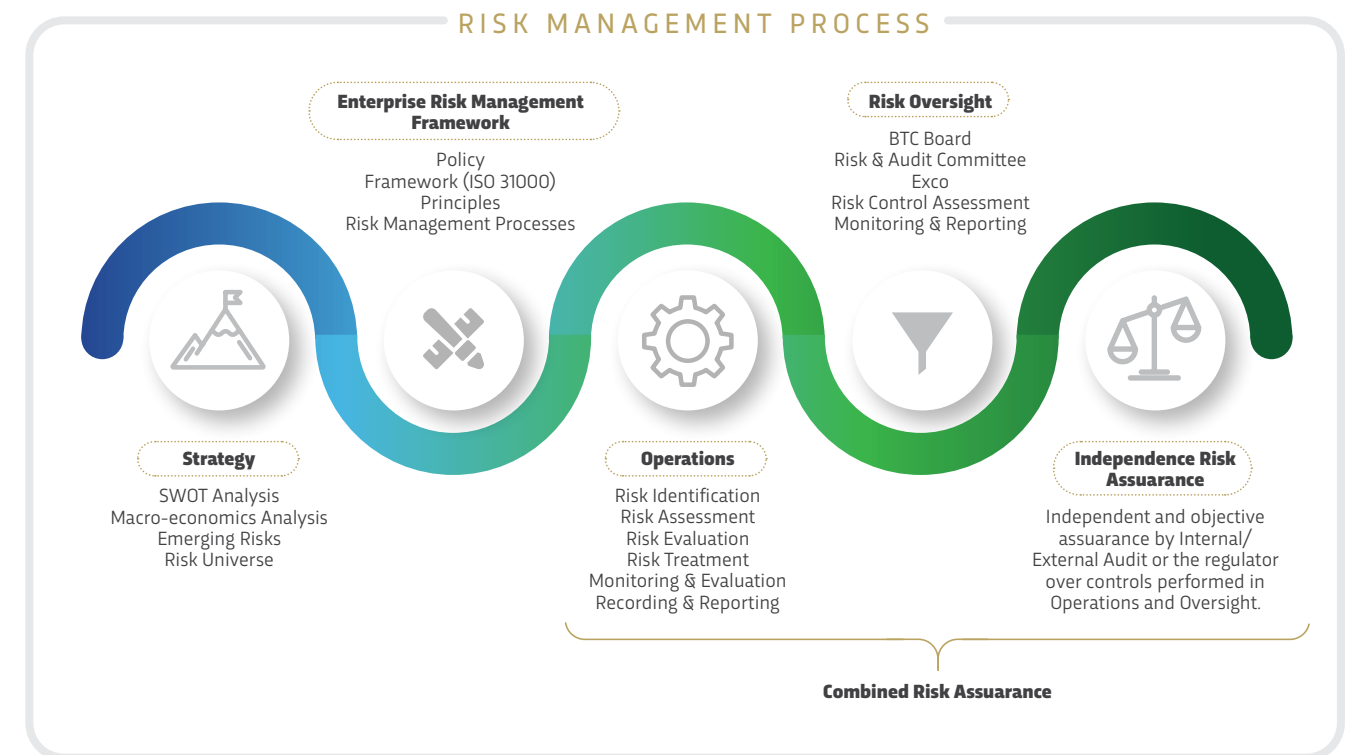
COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
8. Governing Stakeholder Relationships			
8.1	The Board should appreciate that stakeholder's perceptions affect a company's reputation.	✓	The Board is aware of reputational risk and its potential effect on the Company's operations, performance, and results. It takes reputational issues seriously and these are regularly discussed at Board meetings.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	✓	The BTC management structure and the organisational responsibility adequately deal with the issues relating to the various stakeholders.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	✓	The Board has delegated its responsibilities to address the relationship with stakeholders to various Board committees and, in some instances, to the management.
8.4	Companies should ensure the equitable treatment of shareholders.	✓	BTC is an equal-opportunity employer and carries out its activities within ethical guidelines and with the utmost impartiality. As such, all shareholders are treated equitably and receive information simultaneously.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	✓	BTC has adopted a responsible practice of communicating transparently and effectively with its various stakeholders.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently, and expeditiously as possible.	✓	BTC has dispute resolution mechanisms with various stakeholders, such as customers, employees, suppliers, community, shareholders, etc.
9. Integrated Reporting and Disclosure			
9.1	The Board should ensure the integrity of the Company's Integrated Report.	✓	The Board upholds globally recognised high standards of reporting and rigorously ensures the integrity of any data before disclosure for reporting purposes.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	✓	Sustainability reporting is included as part of the Annual Report.

Risk and Opportunity Considerations

Board Responsibility for Risk Management

Governance and management of risk are facilitated through our layered and agile Enterprise Risk Management Framework (ERMF) which makes us adaptable to the changing business environment as we pursue our strategy. Our ERMF is aligned to ISO 31000 Risk Management Standard and King III. The BTC board is primarily responsible for risk governance oversight through the Audit and Risk Committee to ensure the effective implementation of our ERMF in alignment with our risk appetite. Management, through its delegated authority from the board, discharges its risk management responsibilities through the following process:



The framework follows **three lines of defence** to establish clear roles and accountabilities for managing risks effectively, ensuring a structured approach to risk governance and compliance:

1st Line – At the Operational Level, managers and heads of the business units and functions are directly responsible and accountable for managing risks on a day-to-day basis. These are referred to as risk owners and are responsible for containing any potential adverse impacts of operational risks towards the realisation of our strategy. The bottom-up

approach is adopted through regular operational meetings between departmental heads and line managers to help identify risks. These are subsequently cascaded upwards to impacted strategic objectives.

2nd Line – Risk Management and Compliance is tasked with establishing risk management policies, frameworks, and methodologies. The functions provide risk oversight, monitoring of key risk and control indicators, facilitation of ERMF implementation, risk training & awareness, and expertise in risk identification, assessment, and mitigation strategies.

Risk and Opportunity Considerations [continued]

3rd Line of Defence- Internal Audit Function

BTC has an independent Internal Audit function which reports directly to the Audit and Risk Committee and administratively to the Managing Director. Internal audit provides independent and objective assurance and advice on the adequacy and effectiveness of governance, risk management, information systems and operations. It helps the Company to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The system is designed to provide reasonable assurances of the integrity and reliability of the financial statements and other operational information.

The Internal Audit Charter sets out the independence of the Internal Audit Function and has been adopted by the Audit and Risk Committee. In performing its duties,

Internal Audit is principally guided by the Institute of Internal Auditors' Professional Practice Framework (IPPF), King IV and other relevant standards in undertaking Internal Audit responsibilities. Based on the information received from Management, the Audit & Risk Committee and the Risk & Internal Audit Division ensure that the systems of internal controls can be reasonably relied upon and that there was no material threat to their effectiveness during the period under review.

AI, Emerging technologies & Agile Auditing

The Internal Audit function follows a risk-based methodology to develop the annual audit plan, which is reviewed and approved by the Audit and Risk Committee.

AI, Agile Auditing and Emergent Technologies

Computer Aided Audit Tools (CAATs)

- Using CAATs Internal audit has introduced continuous auditing and will in future turn to continuous monitoring to establish continuous assurance through the automation controls and robots on ACL.
 - This allows for collaboration with management and is envisaged to lead to efficiency of the audit process.
- Through the anonymous tip-offline managed by Deloitte, Internal Audit investigates all reported cases and conveys findings and recommendations to the Managing Director and the Audit and Risk Committee.
- Increased appreciation among process owners of the value that the audit function brings to the organisation, leading to greater confidence and trust between the business and the audit function.
 - To improve agility and efficiency, the Internal Audit function has invested in the use of technology Computer Aided Audit Tools.
 - As the business shifts towards digital transformation, IA function has also implored ways of tapping into the digital world using ACL robotics.



Audit Findings and Reporting

- A summary of audit results, progress against delivery of the audit plan and progress in closing both Internal and External Audit findings items are presented bi-weekly to Executive Management and quarterly to the Audit and Risk Committee.
- The Committee actively reviews the Internal Audit submissions and appraises the Board accordingly.
- Internal Audit investigates all reported cases and conveys findings and recommendations to the Managing Director and the Audit and Risk Committee.
- increased appreciation among process owners of the value that the audit function brings to the organisation, leading to greater confidence and trust between the business and the audit function.
- Through the anonymous tip-off line managed by Deloitte, the Internal Audit investigates all reported cases and conveys findings and recommendations to the Managing Director and the Audit and Risk Committee.

TOP 10 RISKS

	Category	Risk Owner	Board Oversight Committee	Management Oversight Committee
1	Competition	Chief Commercial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee
2	Cable Theft/Fraud	Chief Operations Officer & Chief Financial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee
3	Regulatory Sim Registration & Licensing/Spectrum Fees	Chief Operations Officer & Company Secretary	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee
4	Decline of Mobile revenue	Chief Commercial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee
5	Cyber Security	Chief Operations Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee
6	Technology Risks	Chief Operations Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee
7	Culture Risk	General Manager Support Services and Human Resources	Audit and Risk Committee & Human Resources Committee	Executive Management Committee & Risk Management Committee
8	Revenue Recognition	Chief Financial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee
9	Strategic Projects Execution	Chief Commercial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee & Corporate Projects Steering Committee
10	Customer Service	Chief Commercial Officer	Audit and Risk Committee & Technology and Investment Committee	Executive Management Committee & Risk Management Committee & Information Technology Steering Committee

Risk and Opportunity Considerations [continued]

Specialised Risk Management Functions

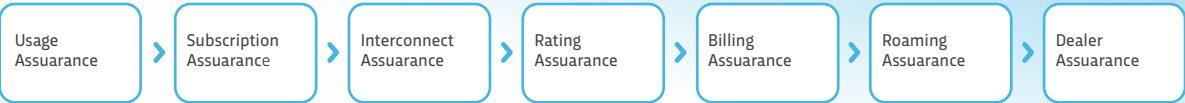
Revenue Assurance and Fraud Management

Revenue Assurance and Fraud Management are embedded functions within BTC, mandated by the Board in the value chain, to provide operational direction relating to controls, investigation and closure of leakages.

Revenue Assurance

Revenue Assurance as a function, ensures the integrity of our financial processes, safeguarding against revenue leakages and inaccuracies. The assurance activities contribute to profit, revenue, and cash inflow through data quality optimisation to improve revenue-generating processes such as usage, subscriptions, interconnection, rating, billing and roaming.

Assurance Areas

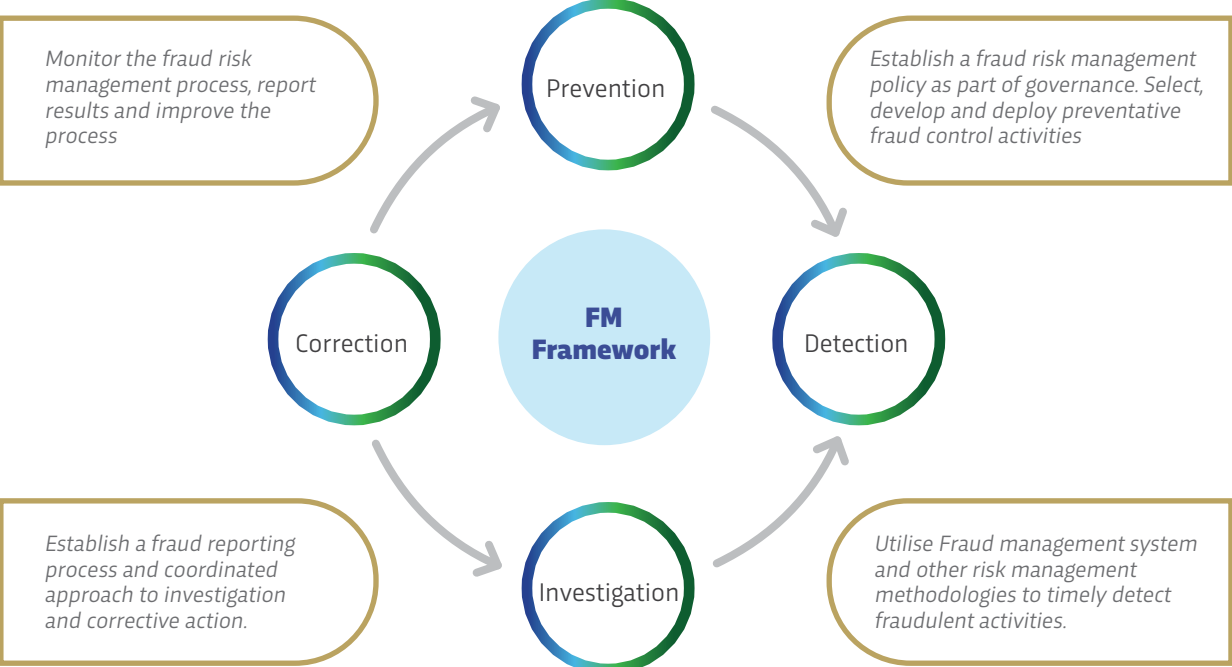


Fraud Management

BTC has developed strong governance structures that emphasise effective processes for fraud risk assessment to be followed by all BTC partners and stakeholders. Important aspects of this framework are fraud prevention, fraud detection, and fraud investigation and closure. Fraud risk assessment is considered within the larger context of enterprise risk management.

As a telecom service provider, BTC has deployed a modern technology Fraud Management System to combat criminal activities in the networks, offering early detection of fraudulent activities and prompt responses aimed at mitigating long-term loss, building customer trust, and ensuring a positive customer experience while protecting shareholder value.

Fraud Management Framework



INTEGRATED REPORT 2024

ANNUAL FINANCIAL STATEMENTS

Board approval of the AFS	120
General information	121
Director's report	122
Independent auditor's report	123
Audited financial statements	130

Board approval of the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

The Members of the Board are responsible for the annual financial statements of Botswana Telecommunications Corporation Limited ("BTC" or "Company"), prepared in accordance with IFRS @ Accounting Standards as issued by the 'International Accounting Standard Board (IASB)' and the Botswana Companies Act (CAP 42:01).

The Audit and Risk Committee, which consists of four members of the Board and the Managing Director, meets at least four times a year with more meetings being held when necessary with senior management and internal auditors, to evaluate matters concerning accounting, internal controls, auditing and financial reporting. The external auditors attend these meetings twice a year and have unrestricted access to the Chairperson. The members of the Board, supported by the Audit and Risk Committee, are satisfied that management introduced and maintained adequate internal controls to ensure that dependable records exist for

the preparation of the annual financial statements, to verify and maintain accountability of assets of the Company to prevent and detect mismanagement and loss of the assets of the Company. Nothing has been brought to the attention of the Board to reasonably indicate any breakdown in the functioning of these controls, procedures and systems during the period under review.

The financial statements have been prepared on a going concern basis, since the Members of the Board have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

Against this background, the Members of the Board accept responsibility for the annual financial statements and the information on pages 130 to 190 which were approved on 20 June 2024 and are signed on its behalf by:


MOKGETHI F. MAGAPA
CHAIRPERSON


ANTHONY MASUNGA
MANAGING DIRECTOR

General information

FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS	Mokgethi Frederick Magapa		(Appointed 01 November 2023)
		Chairperson	(Appointed 22 January 2024)
	Lorato Boakgomo-Ntakhwana	Chairperson	(Retired 26 September 2023)
	Anthony Masunga	Managing Director	
	Maclean Letshwiti		(Retired 26 September 2023)
	Andrew Johnson		
	Ranjith Priyalal De Silva		
	Thari Pheko	Chairperson	(Appointed 26 September 2023) (Resigned 31 December 2023)
	Bafana Molomo		
Thato Kewakae			
Mcedisi Roger Solomon		(Appointed 01 January 2024)	
Amantle Kgosiemang		(Appointed 01 January 2024)	
Itemogeng Basadi Pheto		(Appointed 01 January 2024)	

INCORPORATION OF BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED

Botswana Telecommunications Corporation Limited was registered as a Company under the Companies Act in the Republic of Botswana on 1 November 2012.

COUNTRY OF INCORPORATION AND DOMICILE	Botswana
REGISTERED OFFICE	Megaleng, Khama Crescent Plot 50350 P.O. Box 700 Gaborone, Botswana
COMPANY NUMBER	BW0000748937
NATURE OF BUSINESS AND PRINCIPAL ACTIVITES	The Company is engaged in the provision of telecommunication services in Botswana. The Company's services and products include fixed and mobile voice telephony, data services, directory services, mobile money services and digital services.
BANKERS	Access Banking Botswana Limited ABSA Bank Botswana Limited First National Bank Botswana Limited Stanbic Bank Botswana Limited Standard Chartered Bank Botswana Limited Bank Gaborone First Capital Bank Botswana Building Society Bank Botswana Savings Bank
AUDITOR	Deloitte & Touche P.O. Box 778 Gaborone, Botswana
FUNCTIONAL AND PRESENTATION CURRENCY	Botswana Pula

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Our Business

Botswana Telecommunications Corporation Limited ("BTC") is a converged telecommunications operator offering mobile money service, digital services, fixed (voice and data), mobile (voice and data) and broadband services to consumers, enterprises and other licensed service providers.

Basis of Preparation and Accounting Policies

The annual financial statements have been prepared on a historical cost basis, except as modified by the revaluation of certain assets, and on the going concern basis. The annual financial statements have been prepared in compliance with the IFRS Accounting Standards as issued by the IASB, IFRIC @ interpretations issued by the IFRS Interpretations Committee and in the manner required by the Companies Act (CAP 42:01).

Going Concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual financial statements.

Restatement due to Prior Period Errors

As disclosed in note 31, the Company has restated its annual financial statements to correct prior year errors.

Financial Results

The annual financial statements of the Company for the year ended 31 March 2024 were authorised for issue by the Board of Directors on 20 June 2024.

The results for year are disclosed in the statement of profit or loss and other comprehensive income on page 130. The Company's profitability was under pressure, reflecting a demanding operating and economic environment. The results are as follows:

- 2.6% increase in Revenue (2024:P1,436 billion 2023:P1,400 billion)
- 34.7% increase in Profit Before Tax (2024:P200 million, 2023: P149 million)
- 33.8% increase in Profit After Tax (2024:P158 million, 2023 P118 million)

Stated Capital

Stated capital is as per note 19. There were no changes to the stated capital during the year under review.

Directors

The details of the Company directors are outlined on the general information page.

Events after the reporting period Dividends Declaration

On 20 June 2024, the directors declared that a dividend of 23.0 thebe per share constituting a special dividend of 15.3 thebe and a final dividend of 7.7 thebe per share of be paid for the financial year ended 31 March 2024. The dividend shall be payable to all shareholders registered in the books of the Company at close of business on 02 August 2024. The ex-dividend date will be 30 July 2024. The dividends will be paid net of applicable withholding taxes under the Income Tax act on or before 14 August 2024.



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Botswana

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Independent Auditor's report

FOR THE YEAR ENDED 31 MARCH 2024

To the shareholders of Botswana Telecommunications Corporation Limited
Report on the audit of the financial statements

Opinion

We have audited the annual financial statements of Botswana Telecommunications Corporation Limited (the Company) set out on pages 130 to 190, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements give a true and fair view of the financial position of Botswana Telecommunications Corporation Limited as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 Annual Financial Statements section of our report. We are independent of the 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 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 annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters.



Partners: CV Ramatlapeng (Botswana) MJ Wotherspoon (South Africa)

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition The Company's revenue streams are characterised by small transactions and high data volumes. The billing processes are automated, and dependent on IT systems. Due to the complexity involved and materiality of the revenue balance, revenue recognition has been identified as a key audit matter which is subject to significant audit effort. Revenue recognition with respect to fixed voice, data and mobile revenue streams is complex because of the following: - During the current year and prior years, management processed manual revenue adjustments/reversals due to errors in billings previously made. Since these revenue adjustments/reversals are material, this poses a risk in relation to revenue recognition. Management assessed that, because these billing errors will take time to clean up and close process gaps, the Corporation developed an estimate of the future revenue adjustments/reversals to be processed relating to revenues already billed as at year end and build these into the revenue recognition process. Significant judgement is made in the processes of determination of future revenue adjustments affecting current year and prior years. - The deferral of prepaid revenue which is dependent on various automated systems and manual processes around unused airtime on scratch cards sold to the dealers. - The billing system does not have an end-to-end interface functionality with the general ledger system resulting in manual upload of data using a preformatted csv file. - The potential impact of small errors is significant due to the possibility of automated replication through the large volumes of transactions.	To address this risk, we performed various procedures, including the following: - Evaluated the design and implementation and operating effectiveness of relevant controls around revenue recognition focusing on the process used in the determination of deferred revenue for unused airtime, determination of provision for revenue adjustments and processing of manual revenue journals. - Discussed with management and evaluated the reasons for the revenue adjustments processed in the current year and prior years. - Discussed with the Revenue Assurance Team and obtained an understanding of the controls in place to ensure the completeness, accuracy, and occurrence of the recorded revenue. - Involved IT and Data Analytics specialists to test controls in the overall IT environment around the billing systems. - Tested the design and implementation of certain automated controls with respect to routing of billing data and calculation of invoices. In addition, we performed the following substantive procedures: - Performed detailed testing by selecting samples of the revenue adjustments processed in the current year and tracing them to supporting documentation to analyse and evaluate their validity, nature, cause and to assess historical trends. - Performed tests of detail on the revenue adjustments made after year end and evaluated their impact on the current financial year and evaluated whether their effect on the current year was accurately adjusted for.

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition [Continued]	
- Revenue is a significant balance on the financial statements and is a key performance indicator. Related disclosures in the financial statements: - Revenue recognition and presentation section of the significant accounting judgements and estimates. - Revenue Recognition accounting policy. - Note 1 – Revenue from contracts with customers. - Note 15 – Trade and other receivables – Provision for credit notes/revenue reversals.	- Performed analytical procedures and independently determined the estimate of the future revenue reversals affecting the current and prior financial years using the historical information. - Performed a retrospective review of the prior year revenue adjustments provisions and evaluated their adequacy. - Challenged management's assumptions made in the estimation of the revenue adjustments provision. - Performed test calls and compared these to the billing parameters to verify accuracy. - Tested reconciliations between the billing system reports and the general ledger. - Reviewed the revenue related journals processed and assess them for validity and accuracy. - Tested the reasonableness of assumptions and judgements used by management in the determination of unused airtime on scratch cards. - Tested the billing system parameters to assess that network activity is appropriately needed on the correct period - Tested the completeness and accuracy of the data used in the determination of deferred revenue. - Reviewed and considered the adequacy of the disclosures on the assumptions and judgements applied in relation to revenue recognition. In conclusion, we considered the amount recorded as revenue and the related financial statements disclosures to be appropriate.

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment and intangible assets	
Significant judgements are involved in the assessment and determination of impairment of the non-financial assets of the Company. The Company's shares trade at a discount to their book value. The market capitalisation was below the net asset value throughout the financial year. This, together with a current depressed economy are indicators of possible impairment of the entity's non- financial assets. IAS 36: Impairment of Assets (IAS 36) requires that an entity's assets should not be carried at a value more than their recoverable amount and therefore requires an assessment at the end of each reporting period if there are any indicators that non-financial assets may be impaired. The Directors carried out an impairment assessment and used the Discounted Cash Flows Model (DCF) to determine the recoverable amount of the assets. The value in use amount calculated using the DCF is particularly sensitive to changes in future cash flow assumptions, future growth rates, terminal growth rates and the Weighted Average Cost of Capital (WACC) discount rate. Property plant and equipment and intangible assets consist mainly of network equipment together with the related software infrastructure. The network equipment within the Company does not generate cash inflows that are independent of those from other assets. This resulted in property plant and equipment and intangible assets being assessed for impairment as part of the company cash generating unit. The recoverability of property plant and equipment and intangible assets is largely dependent on macro-economic factors, which include cash flows to be generated through the network assets, as well as internal assumptions and estimates related to income generation and operating costs. The impairment test included assessing the recoverable amount of property, plant and equipment and intangible assets, with reference to all cash flows and comparing this to the carrying amount of the property, plant and equipment and intangible assets.	In evaluating the impairment assessment of property, plant and equipment and intangible assets, we reviewed the accuracy of the value in use calculations and reasonableness of inputs used by management. We performed various procedures, including the following: • Discussed with management and obtained their understanding and justification of the financial and non-financial reasons why the Company's market value is significantly discounted compared to the book value. • Tested the design and implementation of management's controls around the impairment assessment process. In addition, we performed the following substantive procedures: • We tested the mathematical accuracy of the value in use model used by management. • Through involvement of our internal valuation specialists, assessed the appropriateness of the valuation model applied by management, and assumptions adopted for reasonableness with reference to market practice and the requirements of IAS 36. • Obtained and reviewed for reasonableness, the quantitative and qualitative factors included in the reconciliation of the market value to the book value. • Performed recalculations and tested the underlying data used in the assessment for accuracy and completeness. • Reviewed and compared the projected cash flows against the historical performance to test the reasonableness of management's projections.

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment and intangible assets [Continued]	
Due to the materiality of the non-financial assets' account balances, the complexity of the cash flow forecasts, significant judgements and estimation uncertainty involved in the determination of the value in use and impairment assessment, this is considered a key audit matter. Related disclosures in the annual financial statements: • Impairment of non-financial assets section of the significant accounting judgements and estimates. • Note 10 – Property, plant, and equipment. • Note 11 - Intangible assets. • Note 12 – Asset impairment.	• Using valuation specialist, we independently calculated a WACC discount rate using our independently sourced data. This was compared to the discount rate used by management. We found the discount rate used by management to be within an acceptable range of our independent calculations. • Tested the reasonableness of the key inputs used in the computations which included the future growth rates, and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and took into consideration the impact of current macroeconomic factors on future projections. • Compared the revenue growth rates and EBITDA margins used to calculate the cash flow forecasts to the latest board approved budgets, both of which cover a period of five years. We further benchmarked the revenue growth rate assumptions to industry data and historical trends to assess comparability. • Evaluated whether the assumptions used, such as working capital and capital expenditure, had been determined and applied consistently. We evaluated the appropriateness of capital expenditure by comparing to the approved budget and historical trends of maintenance capital expenditure. • Compared the terminal growth rates to forecast industry trends and to past growth rate trends. • Reviewed and assessed the impact of contradictory evidence as well as subsequent events which may have an impact on the recorded amounts. • Performed sensitivity analysis of the headroom using key inputs (discount rates, future growth rates and volatility in future cash flows). • Evaluated the computations and disclosures in the annual financial statements for compliance with IAS 36. In conclusion, the inputs used in the calculation of the value in use were appropriate. We considered the valuation of property, plant and equipment and intangible assets impairment disclosures to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the Board Approval of the Annual Financial Statements and the Directors’ Report, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the annual financial statements and our auditor’s report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 based on these annual 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 annual 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 Company’s internal control.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements [Continued]

- 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 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 annual 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2024)

28 June 2024
Gaborone

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	March 2024 P'000	Restated March 2023 P'000
Revenue from contracts with customers	1	1,436,050	1,400,027
Cost of services and goods sold	2	(637,346)	(594,196)
Gross profit		798,704	805,831
Interest income	3.1	62,813	48,247
Interest expense	3.2	(14,664)	(18,632)
Other income	4	1,551	5,129
Selling and distribution costs	5	(18,225)	(23,120)
Administrative expenses	6	(361,391)	(439,174)
Impairment (loss) /reversals on financial assets and contract assets	15	(12,151)	24,316
Other expenses	7	(256,629)	(254,088)
Profit before tax		200,008	148,509
Income tax expense*	8	(42,474)	(30,728)
Profit for the year		157,534	117,781
Other comprehensive income not to be reclassified to profit /loss in subsequent periods			
Gains on property revaluation		90,430	-
Income tax effect	24.2	(19,894)	-
Other comprehensive income for the year		70,536	-
Total comprehensive income for the year*		228,070	117,781
Basic and diluted earnings per share (Thebe):	9	15.00	11.22

*Details relating to the restatement of prior period errors have been disclosed in note 31.2.

Statement of financial position

AS AT 31 MARCH 2024

	Notes	March 2024 P'000	Restated March 2023 P'000	Restated March 2022 P'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	1,506,783	1,488,810	1,449,452
Intangible assets	11	170,006	162,579	183,946
Right of use assets	13.1	140,412	109,170	115,337
IRU asset	26.2	343,887	382,096	420,305
Contract assets	16.1	45,830	28,766	-
		2,206,918	2,171,421	2,169,040
Current assets				
Inventories	14	58,390	54,832	53,419
Trade and other receivables	15	230,830	215,605	179,580
Contract assets	16.1	37,851	23,130	35,081
Income tax receivable	24.1	897	829	810
Short term investments*	17.1	107,803	427,625	348,856
Cash and cash equivalents*	17.2	625,344	143,358	171,586
		1,061,115	865,379	789,332
Assets held for sale	18	12,664	-	32,222
Total assets		3,280,697	3,036,800	2,990,594
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	19	478,892	478,892	478,892
Revaluation reserve*	20	393,713	334,826	368,364
Accumulated profits*		1,614,745	1,537,542	1,439,143
		2,487,350	2,351,260	2,286,399
Non-current liabilities				
Development grants	21	27,108	23,220	8,543
Lease liabilities	13.2	148,391	112,259	115,753
IRU liability	26.1	61,112	74,077	120,590
Contract liabilities	16.2	5,461	5,142	-
Deferred tax liability*	24.2	143,017	80,649	50,936
Employee related provisions	23	5,307	5,962	7,994
		390,396	301,309	303,816
Current liabilities				
Trade and other payables	22	324,665	287,666	279,765
Contract liabilities	16.2	8,718	5,377	13,522
Lease liabilities	13.2	15,810	18,068	16,718
IRU liability	26.1	12,965	46,513	60,022
Current portion of development grants	21	1,471	860	860
Current portion of employee related provisions	23	39,322	25,747	29,492
		402,951	384,231	400,379
Total liabilities		793,347	685,540	704,195
Total equity and liabilities		3,280,697	3,036,800	2,990,594

*Details relating to the restatement of prior period errors have been disclosed in note 31.

Statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Stated Capital P'000	Revaluation Reserve P'000	Accumulated Profits P'000	Total P'000
Balance at 1 April 2022		478,892	361,375	1,441,428	2,281,695
Impact of correction of prior period errors*	31	-	6,989	(2,285)	4,704
Restated balance at 1 April 2022		478,892	368,364	1,439,143	2,286,399
Profit for the year (as previously stated)		-	-	108,321	108,321
Impact of correction of prior period errors*	31	-	-	9,460	9,460
Other comprehensive income for the year		-	-	-	-
Total Comprehensive Income		-	-	117,781	117,781
Ordinary dividend declared	19	-	-	(52,920)	(52,920)
Transfer to retained earnings upon disposal of residential properties	20	-	(21,889)	21,889	-
Depreciation transfer for land and buildings	20	-	(11,649)	11,649	-
Balance at 31 March 2023		478,892	334,826	1,537,542	2,351,260
Profit for the year		-	-	157,534	157,534
Other comprehensive income for the year		-	70,536	-	70,536
Total Comprehensive Income		-	70,536	157,534	228,070
Ordinary dividend declared	19	-	-	(91,980)	(91,980)
Depreciation transfer for land and buildings	20	-	(11,649)	11,649	-
Balance at 31 March 2024		478,892	393,713	1,614,745	2,487,350

*Details relating to the restatement of prior period errors have been disclosed in note 31.2.

Statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	March 2024 P'000	Restated March 2023 P'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash flow before working capital changes	17.3	468,450	352,721
Working capital adjustments:			
Decrease/ (increase) in inventories		347	(1,413)
Increase in trade and other receivables, contract assets and prepayments		(62,981)	(29,406)
Increase in trade and other payables and contract liabilities		38,704	4,880
Cash generated from operations		444,520	326,782
Ordinary dividend paid to shareholders		(89,184)	(52,187)
Income tax (paid)	24.1	(68)	(1,034)
Net cash from operating activities		355,268	273,561
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Investment to expand operations:			
Purchase of property, plant and equipment	10	(144,530)	(209,321)
Purchase of intangible assets	11	(62,509)	(16,221)
Proceeds from disposal of property, plant and equipment		23,016	2,421
Proceeds from assets held for sale		-	34,992
Interest income received		64,620	48,247
Purchase of investments*		(55,634)	(989,294)
Disposal of investments*		375,456	910,525
Net cash generated from/(used) in investing activities*		200,419	(218,651)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Grants received	21	6,050	15,883
Interest paid on lease liabilities and IRU liability		(14,744)	(18,984)
Principal payment of lease liabilities		(19,274)	(19,105)
Principal payment of IRU liability		(46,514)	(60,022)
Net cash from financing activities		(74,482)	(82,228)
Increase in cash and cash equivalents*		481,205	(27,318)
Net foreign exchange difference on cash and cash equivalents		781	(910)
Cash and cash equivalents at beginning of the year*		143,358	171,586
Cash and cash equivalents at end of the year*	17.2	625,344	143,358

*Details relating to the restatement of prior period errors have been disclosed in note 31.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements are presented in Botswana Pula which is the Company's functional currency. All financial information and values are rounded to the nearest thousand (P'000) except where otherwise indicated. The financial statements of the Company for the year ended 31 March 2024 were authorised for issue by the Members of the Board in accordance with a resolution on 20 June 2024.

CORPORATE INFORMATION

Botswana Telecommunications Corporation Limited ("BTC" or "the Company") is incorporated and domiciled in Botswana. The headquarters is situated at Megaleng, Khama Crescent, Gaborone, Botswana. BTC services and products include fixed and mobile voice telephony, national and international internet, directory services, data services, virtual private networks and customer premises equipment.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except as modified by the revaluation of certain assets as indicated in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these annual financial statements is determined on such a basis except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with IFRS Accounting Standards issued by the IASB and IFRIC interpretations issued by the Committee.

ADOPTION OF NEW ACCOUNTING POLICIES

BTC has adopted the following new accounting pronouncements as issued by the IASB, which were effective for the Company from 01 April 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosure of Accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

Replacement of the term 'significant' with 'material'

In the absence of a definition of the term 'significant' in IFRS Accounting Standards, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS Accounting Standards and is widely understood by the users of financial statements, according to the Board.

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature.

Examples of circumstances in which an entity is likely to consider accounting policy information to be material have also been added.

Disclosure of standardised information

Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.

The amendments to the practice statement also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS Accounting Standards may be considered material accounting policy information.

Disclosure of immaterial information

The amendments to IAS 1 require that if an entity decides to disclose accounting policy information that is not material, it needs to ensure that this immaterial information does not obscure material information.

The amendments became effective for annual reporting periods beginning on or after 1 January 2023. Its adoption has not had any material impact on the disclosures, or the amounts reported in these financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

Changes in accounting estimates

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

The amendment became effective for annual reporting periods beginning on or after 1 January 2023. Its adoption has not had any material impact on the disclosures, or the amounts reported in these financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12 Income Taxes, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Determining the tax base of assets and liabilities

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Changes to the initial recognition exception

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

ADOPTION OF NEW ACCOUNTING POLICIES [continued]

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 [continued]

Changes to the initial recognition exception [continued]

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

The amendment became effective for annual reporting periods beginning on or after 1 January 2023. Its adoption has not had any material impact on the disclosures, or the amounts reported in these financial statements.

STANDARDS ISSUED BUT NOT EFFECTIVE

The new and revised standards and interpretations that are issued and are applicable to the Company, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 enhances the structure of the statement of profit or loss and improves comparability of information about companies' financial performance—alongside introducing specific disclosure requirements for management-defined performance measures and specified expenses by nature. The proposed update intends to facilitate comparability and analysis of tagged information.

The proposed changes include:

- line-item modelling for conveying category information (such as, operating, investing, financing) for the statement of profit or loss; and
- dimensional modelling for tagging disclosures on management-defined performance measures (MPMs) and specified expenses by nature, as these link to information in the statement of profit or loss.

In addition, there are consequential amendments to other accounting standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. Management is currently assessing the impact the amendments will have on the Company.

Other standards

The following new and revised standards and interpretations that are issued, but not yet effective, and are not applicable to the Company up to the date of issuance of the Company's financial statements are disclosed below. The Company does not intend to adopt these standards when they become effective (unless there are changes in circumstances up to date of application) as per the below mentioned reasons.

- *Classification of Liabilities as Current or Non-current with Covenants - Amendments to IAS 1* – The Company currently does not have any loans hence not applicable.
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28* – The standard is not applicable to the Company as it is neither a subsidiary nor is it part of a Group.
- *Lease Liability in a sale and Leaseback – Estimates - Amendments to IFRS 16* – The amendment is not applicable to the Company as it does not undertake sale and lease back transactions therefore no impact is envisaged.
- *Lack of exchangeability – Amendments to IAS 21* – The standard is not applicable to the Company as it currently does not have any currencies which are not exchangeable with the local currency.
- *Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7* – The standard is not applicable to the Company as it does not undertake any supplier financing arrangement
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures* – The standard is not applicable to the Company as it is neither a subsidiary nor is it part of a Group.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgments

The preparation of financial statements in conformity with IFRS Reporting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. In the process of applying the Company's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities as they involve assessments or decisions that are particularly complex or subjective within the next year.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition and presentation

Revenue arrangements including more than one performance obligation:

This relates to fixed lines and mobile installations. In revenue arrangements including more than one performance obligation, the performance obligations are assigned to one or more revenue lines and the arrangement consideration is allocated to each of the performance obligation based on the stand-alone selling price which is applied to multiple elements post-paid mobile arrangements. Determining the value allocated to each performance obligation can require estimates due to the nature of the pricing model for goods and services provided. Standalone selling prices (SSP) for each item has been discussed under the IFRS 15 accounting policies.

Where the Company doesn't sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Company maximises the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Company, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, which is sometimes the case for services, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract.

The standalone price determined for obligations materially impacts the allocation of revenue between obligations and impacts the timing of revenue when obligations are provided to customers at different times – for example, the allocation of revenue between handsets, which are usually delivered up-front, and services which are typically delivered over the contract period. However, this is not considered to be a significant risk of material adjustment to the carrying value of contract related assets or liabilities in the 12 months after the balance sheet date if these estimates were revised.

The Company provides certain pieces of equipment as well as connection services as part of their package of fixed line services provided. This service is not sold separately as the equipment cannot be used independently from the service being provided by the entity.

Based on this assessment, the Company treats these contracts, which includes these pieces of equipment as well as the connection services as part of the single performance obligation relating to the underlying usage service.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES [continued]

Presentation: Gross versus Net

Determining whether the entity is acting as a principal, or an agent requires judgement and consideration of all relevant facts and circumstances. When deciding the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the entity and its independent service providers are reviewed to determine each party's respective role in the transaction. Distribution network for prepaid arrangements and sale of content are based on volume and value of transactions. Where the Company's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related administrative fees charged as an operating cost.

The Company utilises a network of dealers to sell pre-paid services, more specifically airtime. BTC accounts for airtime sales through the dealers as a principal as it fully liable to the holders of the airtime. Dealers purchase the airtime at a price net of their commission.

In terms of IFRS 15, BTC has identified the specified goods or services being provided to the customer – the airtime in this instance. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) that will be transferred to the customer. An entity is the principal in a transaction if it obtains control of the specified goods or services before they are transferred to the customer. An entity is an agent if it does not control the specified goods or services before they are transferred to the customer.

BTC has assessed it is a principal for the airtime obligation using the relevant indicators.

Related parties

Government, parastatals and key management personnel are considered as being related to the Company. The Government of Botswana is still a related party as the shareholding is 54.16% as at 31 March 2024. Significant management judgment is required to determine as to who qualifies for being a related party, based on the type of the relationship especially on entities also controlled by the Government.

Allowances for slow moving inventory

Based on prior management practice, inventory that has not moved for a 12-month period is considered to be impaired, with a staggered provision raised to ensure full provision after a 36-month period. Obsolete and discontinued products are considered to have no normal sale value. The provision is raised based on the full cost or net realisable value of the product.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the annual financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revaluation of land and buildings

Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The properties are valued on the basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. Fair value of the properties was determined using the comparable market valuation method. Management considers that valuations are performed frequently enough (after every three years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The independent valuer has made the following assumptions during the revaluation process and at arriving at the property values:

- That the properties are free from any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials.
- That the properties are not contaminated and that the sites have stable ground conditions.

The comparable market valuation method is used to value land, land improvements, buildings and building improvements in urban areas and land in rural areas. Valuation is done on basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. Rural land improvements were valued on the basis of the replacement cost of the land improvements.

The key assumptions used to determine the fair value of the properties are provided in Note 28.

Development grants

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Initial capitalisation of costs is based on management's judgement that the attached conditions will be complied with. Other income is recognised over the useful lives of the assets purchased using the grant. The current portion of development grant is estimated by amortising existing government grants received at reporting date and assuming that there will be no grants received and no additional capital expenditure in the current financial year.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 15.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Management expresses judgement and estimates on the impact of technological changes and expected nature of use of the respective assets in the generation of revenue in the near future.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Information about the estimates and assumptions on impairment of non-financial assets is disclosed in Note 12.

REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company principally generates revenue from providing telecommunication services, such as network services (comprising voice, data and SMS), interconnect and roaming services, as well as from the sale of mobile devices and Customer Premises Equipment (CPE) and other services (comprising of Directory Services, Value Added Services, property rentals, cost of works and third-party collection fees).

The Company provides voice and data communication services under post-paid and prepaid payment arrangements. Products and services maybe sold separately or in bundled packages. Revenues from voice, data and SMS include charges for telecommunications traffic originated in the local network or roaming network. The typical length of a customer contract is 12, 24 or 36 months. The various revenue categories are explained below:

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

REVENUE RECOGNITION [continued]

1) Fixed Voice

This is revenue generated from traffic for voice services carried over fixed line networks.

A) Voice Usage Revenue: Fixed line voice usage represents the only performance obligation in this separate contract with the customer and therefore revenue is recognised based on usage in line with amounts invoiced for that particular month.

B) Prepaid Products:

Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a separate performance obligation. As such, no revenue is separately recognised for the standard telephone instrument as it remains the property of the Company.

Installation: The installation fee would be charged to provide the customer with access to the line, and therefore would relate to the access performance obligation. The upfront installation fee is deferred when received and released to revenue as part of the access line performance obligation on a straight-line basis over the customer life.

Fixed Line Access Revenue: Access relates to the customers' ability to use the network to make and receive calls. Access charges are billed as fixed monthly charges. Access and usage represent two separate performance obligations. The total transaction price related to the contract is allocated to the access and usage based on their relative standard selling prices. Any amount invoiced for installation (once-off upfront) is allocated to the total transaction price under the contract.

C) Post-paid Products:

Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a separate performance obligation. As such, no revenue will be separately recognised for the standard telephone instrument.

Installation Revenue: The installation fee is to provide the customer with access to the line and relates to the access performance obligation. The upfront installation fee is deferred as a contract liability when received and released to revenue as part of the access line performance obligation and on a straight-line basis over the customer's life.

Fixed Line Access Revenue: Access to fixed line services represents a separate performance obligation. The total transaction price related to the contract is allocated to access to fixed line voice services and any other performance obligations identified in the contract based on their relative standalone selling prices ("SSP"). As the installation enables the customer to access to the line, the installation fee will be allocated to the access performance obligation and recognised over the life of the customer.

2) Mobile Revenue

Revenue for access charges, airtime usage, and messaging by contract customers is recognised as services are performed. Unbilled revenue resulting from services already provided are accrued at the end of each period and unearned revenue from services to be provided in future periods are deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

All network services relating to mobile revenues (i.e. Provision of mobile post-paid and prepaid services, including voice minutes, SMS, and data services) have been considered as a separate performance obligation for each ongoing service provided to the customer and are satisfied over the period that the services are provided.

A) Prepaid Products: Upon purchase of an airtime scratch and dial card or electronic vouchers the customer receives the right to make outgoing voice calls and data usage to the value of the airtime scratch and dial card. On initial recognition, the amount received is deferred as a contract liability and revenue is recognised as the customer utilises the airtime available. The revenue from the sale of prepaid products is recognised in the profit or loss as goods and services are provided based on the actual airtime or data usage at the agreed tariff.

BTC accounts for expected unexercised network services as revenue, in proportion to the pattern of rights exercised by the customer upon identifying expected breakages. Dealers are paid commissions which are expensed as part of operating costs when incurred.

B) Post-paid Products: Mobile post-paid services are voice and data communications solutions, whereby the customer pays for the services after usage as per the service agreement contract. Voice services communications solutions include both domestic and international telephone services and ISDN services. All post-paid products are sold by BTC and there are no dealers or agents involved. Revenue for post-paid network services based on total transaction price allocated to the network services is recognised based on usage over the contractual period by the subscriber.

For mobile post-paid bundled arrangements, the network services and handset are two separate performance obligations and the total transaction price is allocated to the network services and the handset device based on their relative stand-alone selling price ("SSP"). The total transaction price allocated to the handset is recognised upfront since control of the handset has passed to the subscriber.

Payments on handset sales deferred over a period greater than 12 months which has a significant financing component, a portion of the transaction price is allocated to the financing and recognised as "interest income" over the contractual period.

In instances where handset vouchers are bundled with the network services, the handset voucher value is accounted for as a financial receivable and the fair value of the receivable is calculated at inception of the contract. Transaction price allocated to the network services and any other performance obligations in the contract is the residual of the total consideration after deducting the fair value of the receivable. The transaction price allocated to network services is recognised as revenue over the contractual period based on usage.

C) Mobile Handset Revenue (Mobile CPE): For sales of mobile handset devices bundled with network services, the network services and handset are two separate performance obligations. The total transaction price needs to be allocated to the network services and the handset device based on their relative stand-alone selling price ("SSP"). The total transaction price allocated to the handset is recognised upfront since control of the handset has passed to the

subscriber and the total transaction price allocated to the network services are recognised based on usage over the contractual period. For mobile devices sold separately, revenue is recognised when the handset is delivered to the customer at the point of sale.

3) Data Revenue

This is revenue generated from traffic for data services carried over fixed line networks.

Data revenue includes services such as internet services, websites and domains, voice mail, caller identification, call forwarding and short message services. Access to an internet line and data usage represent two separate performance obligations as contained within a contract with a customer. The total transaction price receivable under the contract is allocated to access and data usage performance obligations based on their relative standard selling prices. As the customer is entitled to an unlimited amount of data, revenue is recognised when the internet access and data services are provided to the customer.

4) Interconnect Revenue (Fixed and Mobile)

Interconnection revenues are derived from calls and other traffic that originate in other operators' networks. The Company receives interconnection fees based on agreements entered into with other telecommunications or mobile operators both nationally and internationally. These revenues are recognised over-time as the services are performed and in the period in which the services were rendered. Interconnect charges include charges for collecting and delivering calls.

International roaming revenues are derived from calls and other traffic generated by foreign operators' customers in BTC's network. The Company receives international roaming fees based on agreements entered into with other telecommunications operators. These revenues are recognised in the profit or loss in the period in which the services were rendered.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

REVENUE RECOGNITION [continued]

5) Customer Premises Equipment (CPE): Fixed and Data

BTC typically sells Private Automatic Branch Exchange or PABX (switchboard) solutions as a bundled service offering which may include usage of PABX equipment, network services, installation and maintenance services. PABX connects customers telephone instruments separately to the public standard telephone network (PSTN).

Customers have the option to either purchase the PABX solution on a once off basis (and pay for the services over a predetermined contractual period) or pay a monthly charge for the PABX system as well as the service offering associated with it.

a) PABX Equipment and Outright Purchases - Revenue for the sale of all CPE equipment purchased outright and PABX equipment is recognised as control is passed on delivery. Accordingly, equipment supplied to the customer would be a separate performance obligation.

b) Not Outright Purchases (Rental) - Revenue for CPE not purchased outright represent a separate performance obligation contained in a contract with a customer. Network services, installation and maintenance are recognised as separate performance obligations. Because the installation services relate exclusively to the installation of equipment at customers premises, installation is accounted for as a separate performance obligation.

The Company recognises the costs that relate to satisfied performance obligations as expenses when incurred.

6) Other Services

Rental Income

Primarily, equipment that is rented out is network towers which are leased to other operators. Revenue is recognised on a straight-line basis over the lease term on ongoing leases and is classified under other services.

Directory Services:

Revenue is recognised when telephone directories are released for distribution, when control is generally passed.

Practical Expedients

BTC has elected to make use of the following practical expedients:

1. Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. For contracts with a duration of more than one year, the information has been disclosed.
2. Contract costs incurred related to contracts with an amortisation period of less than one year have been expensed as incurred.
3. Application of the portfolio approach to contracts with similar characteristics.

Capitalisation of Customer Acquisition Costs

The Company pays subscriber acquisition costs comprising union commissions, SIM activation fees, dealer commissions. These direct incremental costs of acquiring a contract are recognised as a contract acquisition cost asset. Costs are amortised in line with the recognition of the related revenue that is expected to be earned by the Company which is normally the contract period given the fact that new commissions become payable upon contract renewal.

COST OF SALES

Cost of sales are recognized as an expense when incurred. This includes costs related directly and wholly attributable to the creation of products or services, such as payments to other operators for network services and interconnection, depreciation of networks assets and related land and buildings, amortization of Intangible assets, support and maintenance contract costs for network systems, installations, and network repairs.

INTEREST INCOME AND EXPENSE

Interest income - is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable. Revenue is recognised as the interest accrues, using the effective interest rate (EIR).

Interest income is disclosed as investing activities in the statements of cash flows.

Interest expense - In calculating the present value of liabilities, the Company uses its incremental borrowing rate at the liability commencement date because the interest rate implicit is not readily determinable. After the commencement date, the amounts of liabilities are increased to reflect the accretion of interest and reduced for the payments made.

Interest expenses are disclosed as financing activities in the statements of cash flows.

EMPLOYEE BENEFITS

Post-employment benefits

The Company operates a defined contribution pension fund for its eligible citizen employees. The fund is registered under the Retirement Funds Act, 2014. The Corporation contributes to the fund 16% of the pensionable earnings of the members. Pension contributions on behalf of employees are charged to profit or loss in the year to which they relate to and as the related service is provided.

Short-term employment benefits

The cost of short-term employee benefits are recognised when the employee has rendered service to the Company during the annual reporting year. The short -term employee benefits of the Company include the following: salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (car, housing, medical aid and subsidised goods and services).

Termination benefits

The cost of termination benefits are recognised at the earlier of: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In terms of their conditions of employment, expatriate and contract employees receive gratuities at the end of their contract. The cost of employee benefits is recognised during the period the employee renders services, unless the entity uses the services of employee in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related item of property, plant and equipment item. Other than the regular contributions made, the Company does not have any further liability in respect of its employees' pension arrangements.

INVENTORIES

This comprise items of customer premises equipment used in the construction or maintenance of plant (including work-in-progress), and consumable stores and other inventories. Inventories are stated at the lower of cost, determined on the

weighted average basis, and estimated net realisable value after due consideration for slow moving and obsolete items.

Work-in-progress includes contracts carried out for customers and is stated at the lower of cost and estimated net realisable value after due consideration for provisions for any foreseeable losses. Advance payments in respect of such work-in-progress are included under trade and other payables.

DEFERRED TAX

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities which affect neither the tax profit nor the accounting profit at the time of the transaction.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

CURRENT INCOME TAX

Taxation is provided in the financial statements using the gross method of taxation. Current taxation is charged on the net income for the year after taking into account income and expenditure, which is not subject to taxation, and capital allowances on fixed assets. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where the Company operates and generates taxable income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, excluding land and buildings are stated at historical cost less accumulated depreciation and subsequent accumulated impairment loss, where applicable. Property, plant and equipment includes all direct expenditure and costs incurred subsequently, to add to, replace part of, or major inspection thereof if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a component, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Land and buildings are revalued independently by professional valuers using the open market value method, forced sale value, insurance replacement cost and the leasehold interest in the properties. Revaluations are conducted at intervals of three years. Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of the asset.

The revaluation reserve is amortised over the expected useful lives of land and buildings and an amount equal to the depreciation charge attributable to the revaluation portion of such land and buildings, is transferred from the revaluation reserve to accumulated profits. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred to accumulated profits.

Improvements to assets held under operating leases are capitalised and depreciated over the useful life of the asset. In the event that the respective lease terminates before the useful lives of the assets, the assets are either disposed or relocated.

Capital work-in-progress (plant and equipment in the course of construction) comprises costs incurred in constructing property, plant and equipment that are directly attributable to the construction of the asset. Assets remain in capital work in progress until they have been put into use or are commissioned, whichever is the earlier date. At that time, they are transferred to the appropriate class of property, plant and equipment. Further details are given in Note 10.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Depreciation

For depreciation purposes, each component with different useful lives are depreciated separately. Depreciation is not provided on freehold land as it is deemed to have an indefinite life and on plant and equipment in the course of construction as they are not yet available for use.

Depreciation is provided on other property, plant and equipment on a straight-line basis. This is from the time they are available for use, so as to write off their cost over the estimated useful lives taking into account any residual values. The residual value of an asset may be equal to or greater than the asset's carrying amount. If it is the case, the asset's depreciation charge is zero until its residual value subsequently decreases to an amount below the asset's carrying amount.

The estimated useful lives assigned to the Company's property, plant and equipment are:

Buildings	50 years
Leasehold land and buildings	unexpired portion of lease or 50 years, whichever is shorter.
Network assets	5 to 45 years
Other plant and equipment	5 to 20 years

Where the expected useful lives or residual values of property, plant and equipment have changed due to technological change or market conditions, the rate of depreciation is adjusted so as to write off their cost or valuation over the remaining estimated useful lives to the estimated residual values of such property, plant and equipment.

The useful lives, residual values and depreciation methods of property, plant and equipment are reviewed at each financial year end and adjusted in the current period if expectations differ from the previous estimates. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or asset held for distribution; or is included in a disposal Company that is classified as held for sale or held for distribution the date that the asset is derecognised.

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which it belongs.

An asset's recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Company's assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management's estimates of future cash flows are subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Company's assets. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash- generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings, in which case the impairment loss is treated as a decrease in the revaluation reserve to the extent of the value of this reserve relating to this particular asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have decreased. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in other comprehensive income (OCI) after reversing the portion previously recognised in profit or loss.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

INTANGIBLE ASSETS

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Amortisation of intangible assets with finite lives is over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation period and amortisation method are reviewed at least at the end of each reporting period for all intangible assets with a finite useful life. The amortisation expense on intangible asset with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Computer and billing software and network systems

The Company made upfront payments to purchase software and network systems (which includes software licenses) for Information technology and Network purposes. The software licences for the use of intellectual property are granted for periods ranging between 5 and 20 years depending on the specific licences and are amortised accordingly.

Derecognition of intangible asset

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Distinguishing assets that comprise both a tangible and intangible component

In instances where items are delivered by suppliers which comprise both tangible and intangible components, the different components are priced separately and accounted for separately as either tangible assets (as per IAS 16) or intangible assets (as per IAS 38).

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than Botswana Pula are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates of exchange approximating those ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Profit or loss arising on translation of foreign currencies attributable to the Company are dealt with in profit or loss in the year in which they arise.

The International Telecommunications Union uses SDR as the currency to settle international operator debts. The value of the SDR is determined by summing the values in US Dollars based on the market exchanged rates of basket of major currencies (the US Dollars, EUR, Japanese yen, sterling pound).

INDEFEASIBLE RIGHT OF USE (IRU)

The Company entered into a 10-year transmission capacity IRU agreement with Botswana Fibre Network (BoFiNet) to 2024. The transmission IRU is defined as network capacity in all national and local transmission networks belonging to BoFiNet in respect of which BTC is granted an indefeasible and irrevocable right of use.

A second 15-year agreement from 2019 was entered into with BoFiNet to 2033. A financial liability equivalent to the fair value of the discounted future payments to end of the agreement was recognised and will be written over the agreement with payments made as per agreed payment plan. Interest expense is to be recognised in the profit and loss over period.

An asset was recognised comprising the fair value of the liability recognised and the remaining un-amortised cost emanating from the first agreement since the second agreement was negotiated over the first agreement therefore inextricably interwoven. The asset recognised is amortised on a straight-line basis over the period during which the agreement is effective.

DEVELOPMENT GRANTS

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants received by the Company to specifically fund the acquisition or construction of property, plant and equipment are reflected as development grants and classified as non-current liabilities. Grants that are going to be used in the next financial year are classified as current liabilities. Where the grant relates to an asset, the fair value of the grant is credited to a deferred income account called development grants and is released to profit or loss on a systematic basis over the expected useful lives of such property, plant and equipment.

DEFERRED REVENUE

Deferred revenue is recognised on any un- utilised portion of airtime that has been sold as a contract liability.

STATED CAPITAL

Botswana Telecommunications Corporation Limited, a statutory body, was converted to a public Company limited by shares issued on the 1 November 2012. On 8 April 2016 the Company was listed on the Botswana Stock Exchange with 1,050,000,000 authorised shares. Out of the total number of shares listed, 250,000,000 shares were issued on the day of listing. As at 31 March 2024 the Company had 1,050,000,000 issued shares (March 2023: 1,050,000,000 shares). The Government of Botswana remains the majority shareholder with a 54.16% shareholding.

RELATED PARTY TRANSACTIONS

The Government of the Republic of Botswana and its various local authorities and Parastatals constitute a significant portion of the Company's revenues. Other related parties are the members of key management personnel and the Company's directors.

FINANCIAL INSTRUMENTS

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

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)

Note 27 Financial instruments and risk management presents the financial instruments held by the Company 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 marketplace.

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

Financial asset measured at amortised cost

Classification
Trade and other receivables (note 15) are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these receivables give rise, on specified dates to cash flows that are solely payments of principal outstanding, and the Company's business model is to collect the contractual cash flows on these receivables. The Company does not charge interest on its receivables.

FOR THE YEAR ENDED 31 MARCH 2024

Financial asset measured at amortised cost [continued]

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the loan. The receivables 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 related party receivables initially, minus principal repayments using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The Company recognises a loss allowance for expected credit losses on all 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 Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience over a period of twenty-four (24) months before the reporting date.

For trade receivables containing significant financing components, the Company applies the simplified approach explained above.

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Company 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 Company 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 counterparties 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.

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 Company has reasonable and supportable information that demonstrates otherwise. By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the receivable has not increased significantly since initial recognition. The Company 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.

For purposes of internal credit risk management purposes, the Company 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 Company 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.

Procedurally, past due receivables are first subjected to internal collection procedures before they are handed over to external debt collectors for collection. Once all avenues have been exhausted, these are handed back to the Company where the loans are now recommended for write off to the directors.

The Company 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. Any recoveries made subsequent to write-offs are recognised in profit or loss.

The Corporation considers investments with an original maturity of more than three months to twelve months at the time of purchase and money market funds to be short term investments held at amortized cost. These largely include deposits in short term money market deposits through asset managers. These investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits which are highly liquid, have original maturity of not more than three months and held for the purpose of meeting short-term cash commitments other than for investment or any other purpose. Cash on hand and cash equivalents are carried at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits, net of outstanding bank overdrafts.

Gains and losses are recognised in profit or loss when the receivable is derecognised or impaired as well as through the amortisation process.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables.

Liabilities for trade and other payables are subsequently measured at amortised cost using the effective interest rate method which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Gains and losses are recognised in profit or loss when the loan or payable is derecognised as well as through the amortisation process.

Equity instruments are recorded net of direct issue costs.

Financial assets and liabilities specifically in relation to interconnect charges are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Company derecognises a financial asset when the right to receive cash flow from the asset have expired and it has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either the Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. The asset is only recognised to the extent that the Company has a continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Board in consultations with Management determines the amount of dividends to be distributed to the shareholders. Dividends shall be declared in respect of each financial period based on the operating results of the period, financial position of the Company, investment strategy, future capital requirements and other factors. The liability to pay dividends is recognised when dividends are declared. The dividend will be paid net of applicable withholding taxes (10%) under the Botswana Income Tax Act.

Dividends paid are disclosed as operating activities in the statements of cash flows.

Accounting policies

FOR THE YEAR ENDED 31 MARCH 2024

PROVISIONS

General provisions are recognised when the Company has a present legal or constructive 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 amount of the obligation. A past event is deemed to give rise to a present obligation if, taking into account all of the available evidence, it is more likely than not that a present obligation exists at reporting date.

LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases including those for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 to 5 years
Telecommunications sites	3 to 15 years
Network assets	5 to 15 years
Other plant and equipment	3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies under impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

iii) Short-term leases and leases of low-value assets

The Company has opted not to apply both the short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value recognition exemption to its short-term leases and low value leases.

Company as lessor

Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Lease income is recognised as income in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as revenue in the period in which they are earned.

Site rentals are for network towers which are leased to other mobile operators.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P'000	2023 P'000
1 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Fixed Voice		
Voice	168,811	154,961
Access	100,434	111,932
Interconnect	10,144	13,563
Customer Premises Equipment (CPE)	147,343	136,231
	426,732	416,687
Mobile		
Voice	145,246	124,340
Interconnect	6,443	8,465
Data	245,828	232,728
Short Message Service and Value added services	26,087	31,424
Customer Premises Equipment (CPE)	48,378	34,938
	471,982	431,895
Fixed Data		
Usage	248,232	263,618
Access	210,688	209,769
Customer Premises Equipment (CPE)	12,150	14,101
	471,070	487,488
Other Revenue		
Directory services	5,970	5,844
Mobile Money Services	8,289	6,164
Value Added Services	10,775	12,632
Property rentals	28,686	28,487
Cost of works	2,697	1,891
Third party collection fees	124	170
Digital Services	9,725	8,769
	66,266	63,957
Total revenue from contracts with customers	1,436,050	1,400,027

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

1. REVENUE FROM CONTRACTS WITH CUSTOMERS [continued]

Disaggregation of revenue from contracts with customers:

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines. In the following table, revenue is disaggregated by major products / service lines and timing of revenue recognition.

31 March 2024	Fixed Voice			Mobile			Fixed Data			Other Revenue (P'000)	TOTAL REVENUE (P'000)
	Network Services (P'000)	Inter-connect (P'000)	CPE (P'000)	Network Services (P'000)	Inter-connect (P'000)	CPE (P'000)	Usage (P'000)	Access (P'000)	CPE (P'000)		
Major products / service lines:											
Revenue from external contracts with customers	269,245	10,144	147,343	417,161	6,443	48,378	248,232	210,688	12,150	-	1,369,784
Other revenue (directory services, value added services, rentals)	-	-	-	-	-	-	-	-	-	66,266	66,266
	269,245	10,144	147,343	417,161	6,443	48,378	248,232	210,688	12,150	66,266	1,436,050
Timing of revenue recognition:											
Products transferred at a point in time	-	-	147,343	-	-	48,378	-	-	12,150	-	207,871
Products and services transferred over time	269,245	10,144	-	417,161	6,443	-	248,232	210,688	-	66,266	1,228,179
	269,245	10,144	147,343	417,161	6,443	48,378	248,232	210,688	12,150	66,266	1,436,050
31 March 2023											
Major products / service lines:											
Revenue from external contracts with customers	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	-	1,336,070
Other revenue (directory services, value added services, rentals)	-	-	-	-	-	-	-	-	-	63,957	63,957
	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	63,957	1,400,027
Timing of revenue recognition:											
Products transferred at a point in time	-	-	136,231	-	-	34,938	-	-	14,101	-	185,270
Products and services transferred over time	266,893	13,563	-	388,492	8,465	-	263,618	209,769	-	63,957	1,214,757
	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	63,957	1,400,027

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P'000	2023 P'000
2 COST OF SERVICES AND GOODS SOLD		
Payment to International carriers and local operators (interconnection)	58,034	66,683
Amortisation of the Indefeasible right of use (IRU) asset	38,209	38,209
Depreciation		
Land and buildings	16,915	22,877
Network Assets	120,802	135,424
Amortisation of intangible assets	54,337	37,588
Right of Use Assets	21,723	23,070
Equipment and material costs	190,412	183,025
Installation of Customer Premises Equipment (CPE)	6,592	5,960
Write (up)/down of inventories	3,905	(4,404)
Cost of directory sales	1,325	1,289
Cost of prepaid cards	2,946	1,232
Cost of phones	43,548	29,576
Licence fee - BOCRA	26,316	33,177
Space segment rentals and other licence fees*	17,691	15,108
Mobile financial services costs	6,037	5,382
Loss on disposal of property, plant and equipment	28,554	-
Total cost of services and goods sold	637,346	594,196
*Space segment rentals relate to satellites which the entity rents. Licence fees relate to computer software.		
3.1 INTEREST INCOME		
Interest from short-term and call accounts deposits	43,958	36,620
Interest on revenue contracts with a significant financing component	18,855	11,627
	62,813	48,247
3.2 INTEREST EXPENSE		
Interest expense on lease liabilities	8,178	8,654
Interest expense on Indefeasible right of use liability	6,486	9,978
	14,664	18,632
4 OTHER INCOME		
Development grant recognised as income (note 21)	1,551	1,206
Profit on disposal of property, plant and equipment and assets held for sale	-	3,923
	1,551	5,129
5 SELLING AND DISTRIBUTION COSTS		
Product Marketing costs	17,357	23,120
Sponsorship expense	868	-
	18,225	23,120

	2024 P'000	2023 P'000
6 ADMINISTRATIVE EXPENSES		
Employee costs:		
Salaries and wages	288,073	304,816
Pension fund and group life contributions (defined contribution plans)	27,561	31,142
Training costs	3,107	2,429
Organisational restructuring costs	-	55,497
Medical costs	8,887	10,418
Other related employee costs *	13,991	12,422
Total employee costs charged to profit or loss	341,619	416,724
Depreciation - Other equipment	13,259	14,674
- Right-of Use Assets Motor Vehicles	-	94
Repairs and maintenance - non-telecommunications equipment	6,513	7,682
Total Administrative expenses	361,391	439,174
*Other related employee costs include medical aid expenses, staff welfare and staff uniforms.		
7 OTHER EXPENSES		
Audit Remuneration		
Audit fees	2,500	2,308
Other Services	135	314
Directors fees-sitting allowance	1,930	1,836
Directors fees-other expenses	301	515
Billing costs	24,699	47,974
Consultancy	23,686	34,297
Exchange loss	1,933	2,927
Financial charges*	21,500	13,160
Radio Licence fees - BOCRA	35,399	20,956
Variable lease payments	52	1,155
Stationery	1,873	2,422
Miscellaneous expenses**	16,588	9,117
Property upkeep	15,875	15,267
Travel and entertainment	11,952	8,639
Dealer commission	20,573	28,008
Vehicle running costs	11,145	12,005
Utilities -electricity and water	33,061	34,472
Licenses - system and software	32,185	18,716
Loss on disposal of property, plant and equipment - other equipment	1,242	-
Total Other expenses	256,629	254,088

*Financial charges

Financial charges include the following: Bank charges, Insurance premiums and miscellaneous write-offs.

**Miscellaneous expenses

Miscellaneous expenses include the following: outsourced call centre costs, customs and freight, newspapers and periodicals.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 P'000	Restated 2023 P'000
8 INCOME TAX EXPENSE			
The components of income tax expense for the year ended are:			
Statement of Profit or loss			
Taxation expense			
Current taxation		-	-
Deferred taxation	24.2	42,474	29,713
Charge for the year**		47,887	29,713
Prior period over provision		(5,413)	-
Capital gains taxation	18	-	1,015
Taxation expense		42,474	30,728
Capital gains tax relates to residential properties sold in the prior year as per note 18			
Corporate Tax rate reconciliation			
Profit before tax		200,008	148,509
Company tax at 22% (2023:22%)		44,002	32,672
Expenses not deductible for tax purposes or income not taxable*		3,885	(2,959)
Prior period over provision		(5,413)	-
Capital gains taxation		-	1,015
Taxation expense	24.2	42,474	30,728
*Expenses not deductible for tax purposes or income not taxable			
Cost of sales on (rental) PABX		5,135	3,071
Depreciation transfer for land and buildings		(3,285)	(3,285)
Transfer to retained earnings upon disposal of residential properties		-	(6,175)
Donations and gifts		1,045	200
Capital grants received		1,331	3,495
Amortisation of grants		(341)	(265)
		3,885	(2,959)

As elaborated on Note 24.2, the Company is currently in a tax loss position since the 2020 financial year therefore nil current taxation (March 2023; Nil).

**Details relating to the restatement of prior period errors have been disclosed in note 31.2.

	2024 P'000	Restated 2023 P'000
9 EARNINGS PER SHARE		
Profit attributable to ordinary shareholder for basic and diluted earnings per share*	157,534	117,781
Stated capital - number of shares (note 19)	1,050,000,000	1,050,000,000
Earnings per share (Thebe)	15.00	11.22

The Company has stated capital of 1,050,000,000 shares as at period end (March 2023: 1,050,000,000 shares). The Government of Botswana is still the majority shareholder with a 54.16% shareholding (Mar: 2023 54.16%).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

There are no dilutive potential ordinary shares for purposes of computing diluted earnings per share.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

10 PROPERTY, PLANT AND EQUIPMENT

31 March 2024		Land & Buildings**	Network Assets	Plant & Other Equipment	Capital Work in Progress	
Measured at	Notes	Cost /Fair value P'000	Cost P'000	Cost P'000	Cost P'000	Total P'000
COST OR VALUATION						
At beginning of the year		567,432	3,458,299	282,664	179,206	4,487,601
Additions and net transfers*		3,607	226,365	3,194	(89,806)	143,360
Additions		-	-	-	143,360	143,360
Capitalisation from WIP (Transfers)		3,607	226,365	3,194	(233,166)	-
Retired		-	(325,199)	(4,164)	-	(329,363)
Transferred to assets held for sale	18	-	(627,654)	-	-	(627,654)
Revaluation		28,727	-	-	-	28,727
At end of the year		599,766	2,731,811	281,694	89,400	3,702,671
DEPRECIATION AND IMPAIRMENT						
At beginning of the year		45,111	2,724,372	229,308	-	2,998,791
Depreciation charge for the year		16,917	120,802	13,259	-	150,978
Impairment of copper		-	51,314	-	-	51,314
Transferred to assets held for sale	18	-	(614,990)	-	-	(614,990)
Retired		-	(324,646)	(3,856)	-	(328,502)
Revaluation		(61,703)	-	-	-	(61,703)
At end of the year		325	1,956,852	238,711	-	2,195,888
NET BOOK VALUE						
At beginning of the year		522,321	733,927	53,356	179,206	1,488,810
At end of the year		599,441	774,959	42,983	89,400	1,506,783

* Included in the additions above are accruals amounting to P3 567 893 (2023; P4 549 000) hence cash payments made in the current year amounted to P144 530 000 (2023: P209 321 000).

**Included in land and buildings are leasehold improvements on rented properties which were not revalued. The following are the details:

	P'000
Cost	3,089
Accumulated depreciation	(325)
Net book value	2,764

31 March 2023		Land & Buildings	Network Assets	Plant & Other Equipment	Capital Work in Progress	
Measured at	Notes	Fair value P'000	Cost P'000	Cost P'000	Cost P'000	Total P'000
COST OR VALUATION						
At beginning of the year		561,244	3,358,401	273,386	83,942	4,276,973
Additions and net transfers*		7,724	100,041	10,841	95,264	213,870
Additions		-	-	-	213,870	213,870
Capitalisation from WIP (Transfers)		7,724	100,041	10,841	(118,606)	-
Retired		(1,536)	(143)	(1,563)	-	(3,242)
At end of the year		567,432	3,458,299	282,664	179,206	4,487,601
DEPRECIATION AND IMPAIRMENT						
At beginning of the year		22,300	2,589,092	216,129	-	2,827,521
Depreciation charge for the year		22,877	135,423	14,674	-	172,974
Retired		(66)	(143)	(1,495)	-	(1,704)
At end of the year		45,111	2,724,372	229,308	-	2,998,791
NET BOOK VALUE						
At beginning of the year		538,944	769,309	57,257	83,942	1,449,452
At end of the year		522,321	733,927	53,356	179,206	1,488,810

* Included in the additions above are accruals amounting to P4 549 000 hence cash payments made during the year amounted to P209 321 000.

Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The revaluation of land and buildings was performed on 31 March 2024 by Minnacle Properties. The verification and valuation, where possible, of the asset components in Botswana, and appropriate depreciation classes were standardised and residual values applied. For fair value disclosures, refer to Note 28.

The next revaluation of land and buildings is due by end of 31 March 2027.

If land and buildings were measured using the cost model, the carrying amount would be as follows:

	2024 P'000	2023 P'000
Cost	176,748	173,242
Depreciation	(78,561)	(72,586)
Carrying amount	98,187	100,656

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

10 PROPERTY, PLANT AND EQUIPMENT [continued]

Review of useful lives and residual values

In line with its accounting policy, the Corporation conducted a comprehensive review of useful lives and residual values on all its assets and below is the summary of the changes;

	Old	Revised
Network assets	5-20 years	5 -45 years
The actual network assets affected were as below;		
Fibre	5-15 years	20 -25 years
Tower Infrastructure	20 years	45 years
IT hardware and software	3-10 years	5 -20 years

The total change in depreciation from the review was P59 million.

The useful lives were changed prospectively from the 1st of April 2023 within the financial year.

All other assets useful lives and residual values remain unchanged.

11 INTANGIBLE ASSETS

	Computer and Billing Software P'000	Network Systems P'000	Total P'000
31 March 2024			
COST			
At beginning of the year	549,819	45,136	594,955
Additions	62,468	41	62,509
Retired	(11,333)	(10,272)	(21,605)
At end of the year	600,954	34,905	635,859
AMORTISATION			
At beginning of the year	402,915	29,461	432,376
Charge for the year	48,409	5,928	54,337
Retired	(10,961)	(9,899)	(20,860)
At end of the year	440,363	25,490	465,853
NET BOOK VALUE			
At beginning of the year	146,904	15,675	162,579
At end of the year	160,591	9,415	170,006
31 March 2023			
COST			
At beginning of the year	533,598	45,136	578,734
Additions	16,221	-	16,221
At end of the year	549,819	45,136	594,955
AMORTISATION			
At beginning of the year	366,868	27,920	394,788
Charge for the year	36,047	1,541	37,588
At end of the year	402,915	29,461	432,376
NET BOOK VALUE			
At beginning of the year	166,730	17,216	183,946
At end of the year	146,904	15,675	162,579

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

12 ASSET IMPAIRMENT

As at 31 March 2024, the Company assessed its property, plant and equipment and finite life intangible assets at the reporting date for any indication of impairment. This was done by comparing the carrying amount of the Company's net assets with the recoverable amount of the assets. The recoverable amount was based on the business' value in use, which in turn, was calculated by forecasting the Company's future enterprise free cash flows for a period of five years, including the terminal value into perpetuity and then determining the value by discounting these free cash flows using a discount rate equal to the weighted average cost of capital (WACC) of 13.13% (15.93% pre-tax) (March 2023: 13.60% (17.83% pre-tax). The entire business was regarded as one cash generating unit (CGU) since common network elements are responsible for the production of all services.

Based on the value-in-use calculation, the estimated value in use of BTC exceeded its carrying amount. As the value-inuse range exceeds the carrying amount of the CGU, there is no impairment loss to be recognised.

Valuation key assumptions

The recoverable amount was determined based on value in use. The calculations used cash flow projections over a period of five (5) years based on financial forecasts.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use took into consideration the following assumptions:

- Gross margins
- Discount rate
- Market share during the forecast period
- Growth rates used to extrapolate the cash flows beyond the forecast period

Assumptions

Discount rate (WACC) 2024: 13.13% (March 2023: 13.60%). The pre-tax WACC rate 15.93% (March 2023: 17.83%)
Management determined this rate based on past experience as well as external sources of information.
Terminal growth rate into perpetuity: 2%

Sensitivity to changes in assumptions

The value-in-use exceeds net assets by P139 million.
Given the low headroom, a sensitivity analysis with changes in WACC, the terminal growth rate and EBITDA was performed. The below are the movements;

	Change	Increase/(decrease) in head room P'000
Changes in WACC		
With terminal growth Rate @ 2% and EBITDA Margin @ 34.8%		
	+0.50%	(97,321)
	-0.50%	107,009
Changes in the terminal growth rate		
With WACC @ 13.13% and EBITDA Margin @ 34.8%		
	+0.50%	71,535
	-0.50%	(65,384)
Changes in the EBITDA Margin		
With WACC @ 13.13% and terminal growth rate @ 2%		
	+0.50%	81,779
	-0.50%	(100,748)

13 LEASES

The Company has lease contracts for various buildings, rental of telecommunication sites, network assets and motor vehicles used in its operations. Leases of buildings generally have lease terms between 3 and 5 years, telecommunication sites between 3 and 15 years, network assets between 5 and 15 years while motor vehicles generally have lease term of between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company's leases are mainly non-cancellable and include options of extension on terms to be agreed upon by both parties. There are no lease contracts that include variable lease payments.

The Company opted not to utilise the exemption on short-term leases and the leasing of low-value assets.

13.1 Right-of-use assets

	Buildings P'000	Telecom munication Sites P'000	Network Assets P'000	Motor Vehicles P'000	Other P'000	Total P'000
31 March 2024						
COST						
At beginning of the year	21,406	140,885	17,148	-	1,631	181,070
Additions	928	51,694	-	-	343	52,965
Lease expiry / termination	(4,809)	(25,775)	-	-	-	(30,584)
At end of the year	17,525	166,804	17,148	-	1,974	203,451
DEPRECIATION						
At beginning of the year	10,858	55,182	4,500	-	1,360	71,900
Depreciation charge for the year	5,033	14,999	1,125	-	566	21,723
Lease expiry / termination	(4,809)	(25,775)	-	-	-	(30,584)
At end of the year	11,082	44,406	5,625	-	1,926	63,039
NET BOOK VALUE						
At beginning of the year	10,548	85,703	12,648	-	271	109,170
At end of the year	6,443	122,398	11,523	-	48	140,412
31 March 2023						
COST						
At beginning of the year	19,195	132,924	17,148	518	1,631	171,416
Additions	8,445	9,035	-	-	-	17,480
Lease expiry / termination	(6,234)	(1,074)	-	(518)	-	(7,826)
At end of the year	21,406	140,885	17,148	-	1,631	181,070
DEPRECIATION						
At beginning of the year	10,790	40,675	3,375	423	816	56,079
Depreciation charge for the year	5,820	15,581	1,125	94	544	23,164
Lease expiry / termination	(5,752)	(1,074)	-	(517)	-	(7,343)
At end of the year	10,858	55,182	4,500	-	1,360	71,900
NET BOOK VALUE						
At beginning of the year	8,405	92,249	13,773	95	815	115,337
At end of the year	10,548	85,703	12,648	-	271	109,170

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

13 LEASES [continued]

13.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Buildings P'000	Telecom munication Sites P'000	Network Assets P'000	Motor Vehicles P'000	Other P'000	Total P'000
31 March 2024						
COST						
At beginning of the year	11,271	104,483	14,279	-	294	130,327
Additions	928	51,694	-	-	343	52,965
Accretion of interest	620	6,643	902	-	13	8,178
Payments	(5,731)	(19,145)	(1,793)	-	(600)	(27,269)
As at end of the year	7,088	143,675	13,388	-	50	164,201
31 March 2023						
At beginning of the year	9,467	106,930	15,114	105	855	132,471
Additions	8,445	9,035	-	-	-	17,480
Lease terminations	(497)	-	-	-	-	(497)
Accretion of interest	676	6,978	958	3	39	8,654
Payments	(6,820)	(18,460)	(1,793)	(108)	(600)	(27,781)
At end of the year	11,271	104,483	14,279	-	294	130,327
Comprising:					2024 P'000	2023 P'000
Non-current liabilities					148,391	112,259
Current liabilities					15,810	18,068
					164,201	130,327
The maturity analysis of undiscounted lease liabilities are disclosed in Note 27.8.						
The following are the amounts recognised in profit or loss:						
Depreciation expense on right-of-use assets	- Cost of Sales				21,723	23,070
	- Administrative expenses				-	94
Interest expense on lease liabilities					8,178	8,654
Total amount recognised in profit or loss					29,901	31,818

There were no leases not yet commenced to which the Company as lessee is committed.

14 INVENTORIES

	2024 P'000	2023 P'000
Consumable stores	56,600	52,645
Customer premises equipment	1,790	2,187
Total inventories at the lower of cost and net realisable value	58,390	54,832

The above inventory is disclosed at the lower of cost and estimated net realisable value.

The cost of inventories recognised as an expense included P131 952 654 (2023; P89 983 110) included as part of equipment and material costs in note 2.

The cost of inventories recognised as an expense included P3 904 715 in respect of write downs of inventory to net realisable value (2023; write back of P4 404 236).

15 TRADE AND OTHER RECEIVABLES

Trade receivables	117,671	93,535
Trade receivables from related parties	110,106	116,520
Trade receivables from interconnect balances	12,419	11,524
Staff advances	7,857	8,125
Other receivables	22,234	22,169
Gross trade and other reciaivables	270,287	251,873
Provision for credit Notes - revenue reversals	(19,841)	(28,443)
Debtors impairment	(51,139)	(50,092)
Net trade and other receivables	199,307	173,338
Prepayments	31,523	42,267
Total trade and other receivables	230,830	215,605
Categorisation into:		
Financial assets at amortised cost	199,307	173,338
Non-financial	31,523	42,267
	230,830	215,605

The Company's trade and other receivables are non-interest bearing. For terms and conditions relating to related party receivables, refer to Note 26. Trade receivables from interconnect balances and other receivables are generally 30 to 90 day terms, interest free, unsecured and settlement occurs in cash.

Staff advances are repaid up to twelve months and are non-interest bearing. Staff advances and other receivables are carried at amortised cost which approximates their carrying value.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

15 TRADE AND OTHER RECEIVABLES [continued]

Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The expected loss rates are based on the payment profiles of post paid customers over a period of 24 months before 31 March 2024 and the corresponding historical credit losses experienced within this period. The credit period on trade and other receivables is 30 days (2023: 30 days). No interest is charged on outstanding trade and other receivables .

A loss allowance is recognised for all trade and other receivables, in accordance with IFRS 9 and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. As per the Company credit policy, past due receivables are first subjected to the internal collection process until all available avenues are exhausted. They are then handed over to external debt collectors for collections. Any balances uncollected are returned back to the Company at which point an assessment is made for write off.

In accordance with the simplified approach adopted, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix is a probability-weighted model which applies an expected loss percentage, based on the net write-off history experienced on receivables, to each ageing category of receivables at the end of each month in order to calculate the total provision to be raised on the receivable balances. It also incorporates information and general economic conditions of the industry as at the reporting date.

Due to the intricate relationship between contract assets and trade recievables, the lifetime expected credit loss ratios determined for the trade recievables are applied on the contract assets.

The changes in percentage movements in the default rates within the credit ratings were analysed at reporting date at a customer profile level and these changes were then applied to existing ECL ratios.

	Expected credit loss rate (average)		2024 P'000	2024 P'000	2023 P'000	2023 P'000
	2024	2023	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Bucketing (Days past due)						
Current	3%	5%	136,423	4,325	112,802	6,142
31-60 days past due	8%	11%	50,071	3,886	39,620	4,532
61-90 days past due	18%	18%	13,436	2,369	17,834	3,246
91-120 days past due	33%	34%	7,109	2,376	13,595	4,629
121-150 days past due	36%	51%	5,572	1,995	5,596	2,835
More than 150 days past due	63%	46%	57,676	36,187	62,427	28,709
Total			270,287	51,138	251,874	50,093

The decrease in the average rates for all buckets except more than 150 days were on account of improved collections during the year.

Reconciliation of loss allowance

The following table shows the movement in the loss allowance (expected credit losses) for trade and other receivables.

	2024 P'000	2023 P'000
Opening balance	61,153	122,707
Net provision raised/ (reversed) during the year	12,151	(24,316)
Balances written off during the year	(5,118)	(51,666)
Provision for credit notes for reciavables already provided for	515	14,428
Balance at the end of the year	68,702	61,153
Comprising:	Notes	
Trade and other reciavables	15	50,092
Contract assets	16	11,061
	68,702	61,153
Reconciliation of the Provision for Credit Notes *		
Opening balance	28,443	46,258
Revenue reversals during the year	(7,536)	(11,861)
Net provision reversed during the year	(1,066)	(5,954)
Balance at the end of the year	19,841	28,443

*The Company assesses all revenue reversals made during the year to determine the period to which the respective revenues were recognised and further makes an estimate of revenue reversals that might occur in the ensuing year based on historic events or trends. The revenue reversals are then recognised in the appropriate period with the relevant reduction of the impairment by amount already provided for.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 P'000	2023 P'000
16 CONTRACTS ASSETS AND LIABILITIES			
16.1 Contract assets			
Gross balance		101,245	62,957
Provision for expected credit losses	15	(17,564)	(11,061)
Net contract assets		83,681	51,896
Comprising:			
Non-current assets		45,830	28,766
Current assets		37,851	23,130
		83,681	51,896

BTC recognises contract assets for goods and services for which control has transferred to the customer before consideration is due. These assets mainly relate to mobile handsets or vouchers and PABX delivered to the customer upfront but paid for over the course of the period of the contract and primarily relate to BTC’s right to consideration for goods and services rendered but not billed at the reporting date for customer contracts for network services and mobile devices. Contract assets are reclassified to trade and other receivables when the right to payment becomes unconditional and BTC has billed the customer.

UNSATISFIED PERFORMANCE OBLIGATIONS IN LONG TERM CONTRACTS

The following table shows unsatisfied performance obligations resulting from long term customer contracts:

Aggregate amount of the transaction price allocated to long term customer contracts	89,969	51,649
---	--------	--------

The table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

No consideration from contracts with customers is excluded from the amounts presented above.

Exposure to credit risk

The average expected credit rate for the contract assets was 19.5% (2023 : 21%).

16.2 Contract liabilities

Balance at end of the year	14,179	10,519
Comprising:		
Non-current liabilities	5,461	5,142
Current liabilities	8,718	5,377
	14,179	10,519

Contract liabilities are recognised when BTC has received advance payment for goods and services that have not been transferred to the customer. The contract liabilities primarily relate to the advance consideration received from customers for customer contracts on goods and services which are not distinct performance obligations.

	2024 P'000	Restated 2023 P'000
17 SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS		
17.1 Short term investments		
Money market funds	107,803	92,625
Fixed deposits	-	335,000
Balance at end of the year	107,803	427,625

The short term investments consist of funds placed in money markets financial institutions. The funds are redeemable within 48 hours and there are no underlying equity instruments. Short-term investments have maturities of less than one year from the financial reporting date. These short-term investments have an average interest rate of 6.5% (2023: 7.73%) as of the reporting date. Due to the short-term nature of the investments (current), their carrying amount is considered to be the same as their fair value.

The short term investments for March 2023 were restated as per note 31.1.

17.2 Cash and cash equivalents at end of the year

Cash at bank and on hand	169,481	139,657
Short term deposits	450,000	-
Restricted balances held for the mobile financial services (MFS)	5,863	3,701
Net cash and cash equivalents at end of the year	625,344	143,358

The short term deposits had effective interest rates of between 0.25% and 2% (March 2023: 0.25% and 4%).

Included in the cash and cash equivalents is an amount of USD 60 000 (2023: USD 60 000) which BTC received from a counterparty as security for the potential future bad debts. The liability to the counterparty is disclosed under accruals and other payables (Note 22).

As per the Electronic Payments Services regulations, every Mobile Money Financial Services provider is required to hold greater of P2 000 000 or 2% of outstanding electronic money liabilities. At the same time, each provider is expected to have dedicated accounts which should not at any time be less than the value of the outstanding electronic money liabilities.

The cash and cash equivalents for March 2023 were restated as per note 31.1.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

17 SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS [continued]

17.3 STATEMENT OF CASH FLOWS - Operating profit before working capital changes:

	Notes	2024 P'000	2023 P'000
Profit before tax		200,008	148,509
Adjustment for non-cash movements:			
Exchange gain	7	1,933	(2,886)
Interest income	3.1	(62,813)	(48,247)
Interest expense	3.2	14,664	18,632
(Loss) /profit on disposal on disposal of property, plant and equipment	4/7	1,242	(3,923)
Loss on decommissioning of copper	2	28,554	-
Depreciation of property, plant and equipment	10	150,978	172,974
Amortisation of intangible assets	11	54,337	37,588
Depreciation on right of use assets	13.1	21,723	23,164
Impairment losses and gains on financial assets and contract assets	15	12,151	(24,316)
Write (up)/down of inventories	2	(3,905)	-
Development grant recognised as income	21	(1,551)	(1,206)
Movement in employee related provisions	23	12,920	(5,777)
Amortisation of IRU	26.2	38,209	38,209
Operating cash flows before working capital changes		468,450	352,721

17.4 Banking Facilities

The Company has facilities with its bankers amounting to P30 million (March 2023: P20 million) in respect of Letters of credit and guarantes (P10 million), Bank overdraft (P10 million) and performance bond (P10 million).

The banking facilities are unsecured.

The unutilised portion of the banking facilities amounted to P30 million (March 2023 :P4.6 million) in respect of letter of credit.

18 ASSETS HELD FOR SALE

18.1 Residential properties

In the 2022 financial year, the Company held residential properties which the company had decided to immediately dispose in their present condition. The assets were classified as “non-current assets held for sale” on 01 July 2021 as the company intended to recover their carrying amounts principally through a sale transaction. As at end of the previous financial year, the assets had already been put through a public auction process and the sales were expected to be completed within one year.All the properties were sold in the prior year year.

	2024 P'000	2023 P'000
Balance beginning of the year	-	32,222
Properties sold	-	(32,222)
Balance at end of the year	-	-

Capital gains of P4.614 million were realised on disposal of the residential properties and the respective Capital gains tax from the disposal amounted to P1.015 million.

18.2 Network assets (Copper)

During the 2024 financial year, the Company, as part of its strategic network deployment plan decided to migrate its copper fixed line customers to a combination of fibre and mobile solutions. This process is ongoing and expected to be completed in the 2025 financial year. New technological solutions have recently been implemented to speed up customer migration. The impact is that the Company will realise the value of copper not yet recovered from the operational environment, principally through contracted sales transactions. The sales transactions will dispose of the copper in the condition received from the decommissioning of the copper network. These assets were classified as “non-current assets held for sale” on 31 March 2024.

Fixed line copper remains in use in the Company's operations until the customers are migrated to fibre, whereupon the fixed line copper is retrieved and sold.

The copper assets were remeasured to the lower of their carrying amount or fair value less cost to sell. Fair value less cost of sales was determined as the best estimate by management as to the quantity/tonnage of copper expected to be recovered and realised, per the sales contracts, in the coming year less expected costs to sell (e.g. for recovery, transport, shrinkage etc.).

	2024 P'000	2023 P'000
Cost at 1 April 2023	627,654	-
Accumulated depreciation at 1 April 2023	(614,990)	-
Carrying amount at beginning of the year	12,664	-
Additions	4,762	-
Carrying amount before write down	17,426	-
Net depreciation and impairment	(4,762)	-
Balance at end of the year	12,664	-

19 STATED CAPITAL

Balance	478,892	478,892
Authorised and issued capital		
Authorised shares		
1,050,000,000 (March 2023: 1,050,000,000) ordinary shares of no par value	478,892	478,892
Ordinary shares issued and fully paid		
1,050,000,000 (March 2023: 1,050,000,000) ordinary shares of no par value	478,892	478,892
The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholder meetings of the Company.		
Cash dividends on ordinary shares paid:		
Final dividend for 2023: 6.71 thebe per share : (2022: 5.04 thebe per share)	70,455	52,920
Interim dividend for 2024: 2.05 thebe (2023 : Nil)	21,525	-
	91,980	52,920

The dividend is paid net of 10% withholding tax as per the Botswana Income Tax Act.

FOR THE YEAR ENDED 31 MARCH 2024

BTC shares are only available to the following:

- ## 20 REVALUATION RESERVE (Restated)

*Details relating to the restatement of prior period errors have been disclosed in note 31.2.

21 DEVELOPMENT GRANTS

Balance at the beginning of the year	24,080	9,403
Additional grants for the year	6,050	15,883
Recognised as income during the year (note 4)	(1,551)	(1,206)
Balance at the end of the year	28,579	24,080
Relating to		
Universal access and service fund grants	28,579	24,080
	28,579	24,080
Comprising:		
Non-current liabilities	27,108	23,220
Current liabilities	1,471	860
	28,579	24,080

Universal Access and Service Fund

In the prior financial year, another agreement with the UASF was reached for the provision of Broadband and voice networks to villages and Broadband internet connectivity to government schools in the North East district.

	2024 P'000	2023 P'000
Trade payables	97,404	103,870
Deferred revenue	26,259	29,467
Interconnection balances	5,966	4,576
Mobile money balances	70,833	32,164
Accruals and other payables	124,203	117,589
	324,665	287,666
Categorisation into:		
Financial liabilities measured at amortised cost	286,627	253,087
Non-financial	38,038	34,579
	324,665	287,666

Interconnection balances relate to terminating charges owing on BTC outgoing calls to international operators and for other local mobile networks. These are settled on a 30-90 day term and are not secured.

23 EMPLOYEE RELATED PROVISIONS

	Leave Pay P'000	Gratuity P'000	Other* P'000	Total P'000
Balance at 1 April 2022	22,049	7,994	7,443	37,486
Charged to employee expenses	4,602	3,272	16,180	24,054
Utilised	(8,594)	(5,304)	(15,933)	(29,831)
Balance at 31 March 2023	18,057	5,962	7,690	31,709
Charged to employee expenses	2,778	3,292	20,133	26,203
Utilised	(2,456)	(3,137)	(7,690)	(13,283)
Balance at 31 March 2024	18,379	6,117	20,133	44,629

	2024 P'000	2023 P'000
Comprising:		
Current liabilities	39,322	25,747
Non-current liabilities	5,307	5,962
	44,629	31,709

Employee related provisions comprise of leave pay, gratuity and other. In terms of BTC policy, employees are entitled to accumulate vested leave benefits. Of the leave days earned in respect of any period of twelve (12) months, not less than eight (8) days shall be taken no later than six months immediately after the period in respect of which leave is earned. This leave shall be forfeited if not taken. Gratuities are normally paid at the end of an employee's contract which in the case of BTC is between 1 to 5 years.

*Other relates to performance incentives, overtime payments and other payroll related accruals.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

24 TAXATION

24.1 Income tax

	Notes	2024 P'000	2023 P'000
Opening balance		829	810
Charge for the period	8	-	-
Capital gains on residential properties		-	(1,015)
Closing balance		(897)	(829)
Net cash paid		(68)	(1,034)

24.2 Deferred Taxation

	Net balance as at 01 April 2023 P'000	Recognised in profit or loss P'000	Recognised in equity P'000	Closing balance as at Period end P'000
31 March 2024				
Deductible temporary differences				
Accrued Income	(7,906)	853	-	(7,053)
Contract liabilities	(2,387)	(805)	-	(3,192)
Expected credit losses (ECL)	(19,711)	231	-	(19,480)
Leases	(4,655)	(579)	-	(5,234)
Unutilised tax losses	(113,569)	46,449	-	(67,120)
Unrealised foreign exchange loss / (gain)	(844)	591	-	(253)
Taxable temporary differences				
Property, plant and equipment	65,975	(436)	-	65,539
Indefeasible right of use (IRU)	57,531	1,827	-	59,358
Contract assets	2,478	(8)	-	2,470
Prepayments	9,299	(2,364)	-	6,935
Revaluation surplus	94,438	(3,285)	19,894	111,047
	80,649	42,474	19,894	143,017

Restated

31 March 2023

Deductible temporary differences

	Net balance as at 01 April 2022			
Accrued Income	(4,306)	(3,600)	-	(7,906)
Contract liabilities	(2,975)	588	-	(2,387)
Expected credit losses (ECL)	(32,193)	12,482	-	(19,711)
Leases	(3,769)	(886)	-	(4,655)
Unutilised tax losses	(90,673)	(22,896)	-	(113,569)
Unrealised foreign exchange loss / (gain)	-	(844)	-	(844)

Taxable temporary differences

Property, plant and equipment	16,674	49,301	-	65,975
Indefeasible right of use (IRU)	52,732	4,799	-	57,531
Contract assets	2,833	(355)	-	2,478
Prepayments	4,791	4,508	-	9,299
Revaluation surplus *	103,898	(9,460)	-	94,438
Surplus upon disposal of residential properties	6,174	(6,174)	-	-
Surplus on the remaining assets	97,724	(3,286)	-	94,438
Unrealised foreign exchange loss / (gain)	3,924	(3,924)	-	-
	50,936	29,713	-	80,649

24.2 Deferred Taxation [continued]

The Company has tax losses amounting to P305 million (March 2023; P516 million), emanating from normal business operations and the losses have been fully recognised for deferred tax purposes based on the recoverability assessment performed. The tax losses can be carried forward for the next 5 years.

There are no un-recognised deferred tax assets and liabilities as at current or previous reporting date.

*Details relating to the restatement of prior period errors have been disclosed in note 31.2.

Below is the analysis of the tax losses

	2020	2021	2022	2023	2024
Loss brought forward	-	161,957	306,961	412,148	516,223
Loss for the year	161,957	145,004	105,187	104,075	-
Cumulative loss brought forward from prior yers	161,957	306,961	412,148	516,223	516,223
Loss brought forward	-	-	95,827	201,014	305,089
Loss for the year	161,957	145,004	105,187	104,075	-
Utilised in current year	(161,957)	(49,177)	-	-	-
Time expired	-	-	-	-	-
Loss carried forward	-	95,827	201,014	305,089	305,089

The 2021,2022 and 2023 losses are set to expire in 2026,2027 and 2028 respectively unless utilised before expiry date. Recoverability assesments have been done indicating that the amounts will be fully utlised before the respective expiry dates.

	2024 P'000	2023 P'000
25 CAPITAL COMMITMENTS		
Contracted but not paid	38,072	52,107
Authorised but not contracted	171,928	187,733
Total capital commitments	210,000	239,840

These commitments will be financed by development grants and internally generated funds.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

26 RELATED PARTY TRANSACTIONS

Relationships

Shareholder with 54.16% ownership	Government of Botswana
Members of the Board of Directors	Refer to General information Page 121
Members of Key Management	Anthony Masunga
	Boitumelo Paya
	Aldrin Sivako
	Abel Bogatsu
	Peter Olyn
	Lebudi Kgetse
	Same Kgosiemang
	Boitumelo Masoko
	Mmamotse Monageng
	Sidney Mganga
	Malebogo Mosinyi
	Nelson Disang
	Kutlo Mokgosana
	(Contract ended 30 September 2023)

Directors, Management and employees shareholdings

The Company has employees who hold shares that were purchased on the open market. 250 000 shares (March 2023: 857 488) were held by certain members of the Board of Directors and 508 700 (March 2023: 508 700) shares were held by certain members of key management.

Trading transactions

The following related party transactions were based on agreed prices as per signed contracts:

	Billing		Balance due	
	2024 P'000	2023 P'000	2024 P'000	2023 P'000
Sales and outstanding balances due from related parties				
The Government of the Republic of Botswana	525,991	498,985	92,576	101,478
Parastatals	112,912	113,685	17,530	15,041
	638,903	612,670	110,106	116,519
Purchases and outstanding balances due to related parties				
Parastatals	223,217	388,224	16,224	51,931

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are the rendering or receiving of services between a party related to the Company. In general BTC uses a cost plus a variable margin in the pricing model applied. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 March 2024, the Company recognised provision for expected credit losses of P5 394 700 relating to amounts owed by related parties (2023: P3 230 447).

Individually significant transactions

BoFiNet (Botswana Fibre Network)

BoFiNet is a wholesale provider of national and international telecommunication infrastructure and has offered BTC an IRU worth P340 million for 10 years up to 2024. The P340 million has been fully paid.

In the 2019 financial year, BTC entered into a second 15 year IRU agreement with BoFiNet for P555 million. A discount of P98 million was obtained and payment terms agreed for the P457 million up to 2029. Unlike the first IRU, this particular agreement gives BTC unlimited capacity up to an aggregate of 300Gbps.

26.1 IRU liability

A financial liability equivalent to the fair value of the discounted future payments to 2029 was recognised under the second agreement and will be written off over the term of the agreement with payments made as per agreed payment plan. Interest expense is to be recognised in the profit and loss over period.

As the first agreement was fully paid for, no liability was recognised.

	2024 P'000	2023 P'000
At beginning of the year	120,590	180,612
Repayments during the period	(53,000)	(70,000)
Accretion of interest	6,487	9,978
As at end of the period	74,077	120,590
Comprising:		
Current liabilities	12,965	46,513
Non-current liabilities	61,112	74,077
	74,077	120,590

26.2 IRU asset

The second agreement was negotiated over the first agreement therefore inextricably interwoven. The Company evaluated that the second IRU replaced the first agreement and accordingly a single asset was recognised comprising the fair value of the liability recognised and the remaining un-amortised cost emanating from the first agreement.

The asset recognised is amortised on a straight-line basis over the 15-year period during which the agreement is effective.

At beginning of the year	382,096	420,305
Amortisation during the year	(38,209)	(38,209)
At end of the year	343,887	382,096

BoFiNet services licensed telco operators both Nationally and Internationally. Botswana Government has acquired stakes in the EASSy and WACS submarine cables, which are managed by BoFiNet.

Compensation of key management personnel

Compensation	23,241	22,262
	23,241	22,262

The remuneration for key management staff is determined by the Human Resource Remuneration and Nominations Committee.

The non-executive members of the Board do not receive pension entitlement from the Company.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

26 RELATED PARTY TRANSACTIONS [continued]

Directors' Interests
Emoluments per director (in Pula) (2024)

Director	Fees	Remuneration	Bonus/ Ex-gratia	Fringe and other benefits	Total
Anthony Masunga (Managing Director)	-	2,906,071	500,000	41,053	3,447,124
Lorato Boakgomo-Ntakhwana	189,000	-	-	-	189,000
Mokgethi Frederick Magapa	137,500	-	-	-	137,500
Maclean Letshwiti	78,000	-	-	-	78,000
Andrew Reginald Johnson	289,500	-	-	-	289,500
Ranjith Priyalal De Silva	291,500	-	-	-	291,500
Bafana Molomo	279,500	-	-	-	279,500
Thari Pheko	214,500	-	-	-	214,500
Thato Kewakae	281,500	-	-	-	281,500
Mcedisi Roger Solomon	52,000	-	-	-	52,000
Amantle Kgosiemang	65,000	-	-	-	65,000
Itemogeng Basadi Pheto	52,000	-	-	-	52,000
Total emoluments paid	1,930,000	2,906,071	500,000	41,053	5,377,124

Directors' Interests
Emoluments per director (in Pula) (2023)

Anthony Masunga (Managing Director)	-	2,737,803	500,000	30,776	3,268,579
Lorato Boakgomo-Ntakhwana	295,500	-	-	-	295,500
Maclean Letshwiti	167,500	-	-	-	167,500
Andrew Reginald Johnson	250,500	-	-	-	250,500
Ranjith Priyalal De Silva	255,500	-	-	-	255,500
Bafana Molomo	312,500	-	-	-	312,500
Thari Pheko	318,500	-	-	-	318,500
Gaone Macholo	36,500	-	-	-	36,500
Thato Kewakae	199,500	-	-	-	199,500
Total emoluments paid	1,836,000	2,737,803	500,000	30,776	5,104,579

27 FINANCIAL RISK MANAGEMENT

27.1 Financial risk management objectives and policies

The Company's principal financial liabilities are trade payables, IRU liability and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Exposure to currency, liquidity, interest rate and credit risk arises in the normal course of the Company's business.

27.2 Currency risk

The Company undertakes certain transactions denominated in foreign currencies with international operators and other foreign suppliers. Hence, exposure to exchange rate fluctuations arise. The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows (the analysis below gives a combined impact of assets and liabilities):

2024	AUD P'000	EUR P'000	USD P'000	ZAR P'000	Total P'000
Closing exchange rate	0.1075	0.0671	0.0728	1.3848	-
Payables	-	18,137	20,522	3,338	41,997
Interconnection balances	-	290	2,274	-	2,564
Accruals and other payables	-	423	5,140	-	5,563
Total Liabilities	-	18,850	-	27,936	-
Interconnect balances	-	60	1,418	-	1,478
Cash and cash equivalents	-	2,015	16,359	1,309	19,683
Total assets	-	2,075	17,777	1,309	21,161
Net liability/ (asset)	-	16,775	10,159	2,029	28,963

Restated
2023

Closing exchange rate	0.1070	0.0707	0.0758	1.3650	-
Trade Payables	19	13,627	39,525	8,385	61,556
Interconnection balances	-	148	1,504	-	1,652
Accruals and other payables	-	2,105	8,273	855	11,233
Total Liabilities	19	15,880	49,302	9,240	74,441
Interconnect balances	-	10	1,362	-	1,372
Cash and cash equivalents*	-	35	237	2,625	2,897
Total assets	-	45	1,599	2,625	4,269
Net liability/ (asset)	19	15,835	47,703	6,615	70,172

The Company's currency risk exposure emanates from liabilities that were yet to be settled as at year end and mainly cash holdings denominated in foreign currencies.

*Details relating to the restatement of prior period errors have been disclosed in note 31.1.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

27 FINANCIAL RISK MANAGEMENT [continued]

27.3 Foreign Currency sensitivity analysis

The Company is mainly exposed to the currencies of South Africa (Rand), the United States (US Dollar) and the European Union (Euro).

The following table details the Company’s sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate 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 monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit.

The analysis below gives a combined impact of assets and liabilities.

Pre Tax Profit/(Loss)

	2024 P'000	2023 P'000
10% decrease		
Euro	(1,678)	(1,584)
United States Dollar	(1,016)	(4,770)
Rand	(203)	(662)
Other	-	(2)
Net Effect	(2,897)	(7,018)
10% increase		
Euro	1,678	1,584
United States Dollar	1,016	4,770
Rand	203	662
Other	-	2
Net Effect	2,897	7,018

27.4 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivables and contract assets

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables and contract assets as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables and contract assets have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due.

In determining the level of likely credit losses on write-off of trade receivables and contract assets, the Company has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators may have on future collection and default rates.

At 31 March 2024, the ECL provision for trade receivables was P51 139 000 (Mar 2023: P50 092 000) - Note 15.

Trade receivables are considered irrecoverable where;

- no alternative payment arrangements have been made, or if made, are not being adhered to by the customer;
- alternative collection efforts (mainly through external debt collection agencies) have failed and;
- the amounts in question are disputed.

ECL provision on contract assets was P17 564 000 (March 2023: P11 061 000) - Note 16.

Cash & cash equivalents and short term investments

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury department in accordance with the Company’s policy. The credit risk on liquid funds is low because the counterparties are commercial banks and fund managers with high credit ratings assigned by international credit-rating agencies.

There is no history of default on banks and financial institutions therefore no expected credit loss. (Mar 2023: Nil).

Significant concentrations of credit risk

The Company has identified the below significant credit risk exposure as single counterparties or groups of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities and this includes sectors such as Corporate clients, Government clients, etc. The credit risk related to these counterparties or groups of counterparties is however limited since the counterparties are Government agencies or businesses possessing an implied high credit rating.

Below is the significant concentration of credit risk per counterparty:

Government agencies: P110 106 000 (2023: P116 520 000)

*Short term deposits with financial institutions: P451 846 000 (2023:Nil - restated)

*Short term investments: P105 957 (2023: P427 625 000 - restated)

The carrying amount of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Company’s maximum exposure to credit risk. The Company holds no collateral with which to secure its financial assets.

Financial assets and other credit exposures (Not rated)

	2024 P'000	2023 P'000
Trade debtors including those from related parties	270,287	251,873
Contract assets	83,681	51,896
Short term investments*	107,803	427,625
Short term deposits*	450,000	-
Cash and bank*	175,344	93,358
	1,087,115	824,752

* Details relating to the restatement of prior period errors have been disclosed in note 31.1.

27.5 Financial instruments designated at fair value through profit and loss

At the reporting date the Company held no financial instruments designated at fair value through profit and loss (FVTPL).

27.6 Financial assets held or pledged as collateral

At the reporting date the Company held \$60,000 (March 2003: \$60 000) received from a counterparty as security for potential bad debts. The Company had not pledged any of its financial assets as collateral.

27.7 Interest income by financial instrument category

	Financial assets at amortised cost P'000
MARCH 2024	
Interest income	62,813
Interest income	62,813
MARCH 2023	
Interest income	48,247
Interest income	48,247

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

27 FINANCIAL RISK MANAGEMENT [continued]

27.8 Liquidity and interest risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity of its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Financial Liabilities	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	1 - 5 years P'000	+ 5 years P'000	Total P'000	Carrying amount P'000
2024							
Trade and other payables	-	286,627	-	-	-	286,627	286,627
IRU liability	-	4,350	13,050	69,600	-	87,000	74,077
Lease liabilities	2,226	6,531	17,027	92,550	94,306	212,640	164,201
	2,226	297,508	30,077	162,150	94,306	586,267	524,905
2023							
Trade and other payables	-	253,087	-	-	-	253,087	253,087
IRU liability	-	13,250	39,750	69,600	17,400	140,000	120,590
Lease liabilities	2,318	6,988	16,614	67,671	77,344	170,935	130,327
	2,318	273,325	56,364	137,271	94,744	564,022	504,004

The Company maintains an overdraft facility with Standard Chartered Bank Botswana Limited. At 31 March 2024, the Company had cash and cash equivalents of P625 million (2023: P143 million- restated).

* Details relating to the restatement of prior period errors have been disclosed in note 31.1.

27.9 Interest rate sensitivity analysis

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relate to the fixed deposits and call deposits with financial institutions.

To manage interest rate risk, the Company enters into fixed deposits with financial institutions, in which the Company accrues interest at specified intervals.

The table below has been determined based on the exposure of financial instruments to interest rates at the reporting date. For variable rate assets, the analysis is prepared assuming the amount of the assets held at the reporting date was outstanding for the whole year. A 1% increase or decrease 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.

If the market interest rates had been 1% higher/lower and all other variables were held constant, the change in the Company's profit and equity reserves would be as shown in the table below:

Increase/
(decrease) in pre tax
profit/(loss)
for the year
P'000

2024

Interest rate risk

Change in interest rate	+1%	4,500
	-1%	(4,500)

2023

Interest rate risk

Change in interest rate	+1%	4,776
	-1%	(4,776)

27.10 Fair values

Set out below is a comparison, by class, of the carrying amount and fair values of the Company's financial instruments:

	Carrying Amount P'000	Fair value P'000
2024		
Financial assets		
Trade and other receivables	199,307	199,307
Short term investments	107,803	107,803
Cash and cash equivalents	625,344	625,344
	932,454	932,454
Financial liabilities		
Trade and other payables	286,627	286,627
IRU liability	74,077	74,077
Lease liabilities	164,201	164,201
	524,905	524,905
2023 (Restated)		
Financial assets		
Trade and other receivables	173,338	173,338
Short term investments*	427,625	427,625
Cash and cash equivalents*	143,358	143,358
	744,321	744,321
Financial liabilities		
Trade and other payables	253,087	253,087
IRU liability	120,590	120,590
Lease liabilities	130,327	130,327
	504,004	504,004

Management assessed that the fair value of cash and cash equivalents and short term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

* Details relating to the restatement of prior period errors have been disclosed in note 31.1.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

27 FINANCIAL RISK MANAGEMENT [continued]

27.11 Categories of Financial Assets and Laibilities

The table below summarises categories of financial assets and financial liabilities held by the Company.

Financial assets	Financial assets at amortised cost P'000	Financial liabilities measured at amortised cost P'000	Total P'000
2024			
Trade and other receivables	199,307	-	199,307
Short term investments	107,803	-	107,803
Cash and cash equivalents	625,344	-	625,344
Total financial assets	932,454	-	932,454
Financial liabilities			
Trade and other payables	-	286,627	286,627
IRU liability	-	74,077	74,077
Lease liabilities	-	164,201	164,201
Total financial liabilities	-	524,905	524,905
2023 (Restated)			
Trade and other receivables	173,338	-	173,338
Short term investments*	427,625	-	427,625
Cash and cash equivalents*	143,358	-	143,358
Total financial assets	744,321	-	744,321
Financial liabilities			
Trade and other payables	-	253,087	253,087
IRU liability	-	120,590	120,590
Lease liabilities	-	130,327	130,327
Total financial liabilities	-	504,004	504,004

* Details relating to the restatement of prior period errors have been disclosed in note 31.1.

28 FAIR VALUE HIERACHY

The revalued land and buildings consist of:

- 1. Commercial properties (including certain urban network sites), light industrial and residential properties in the major urban areas in Botswana, and
- 2. Network sites located outside of the major urban areas in Botswana.

During the year under review the Directors revalued the Company's Land and Buildings. The 2024 revaluation of land and buildings was conducted in accordance with BTC's accounting policies as at 31 March 2024 by Minnacle Properties, a real estate research and consulting firm registered with the Real Estates Institute of Botswana and Real Estates Advisory Council.

Scope of works required that BTC Properties be valued on the basis of open market value as at the valuation date. The valuation covered both remote and physical inspections.

In terms of the Company policy land and buildings are revalued every 3 years. The valuation covers the four existing categories of land and buildings namely land, land improvements, buildings and building improvements. Valuation is performed separately for each category.

Management determined that these constitute one class of assets under IFRS 13, based on the nature, location (urban vs rural) and conditions of the specific property. Fair value of the properties was determined using the comparable market sales analysis and, replacement cost of land and building improvements. As at the date of revaluation on 31 March 2024, the properties fair values were based on valuations performed by Minnacle Properties, a real estate research and consulting firm with experience in valuing similar properties in Botswana.

The 2024 revaluation of land and buildings was conducted in accordance with BTC's accounting policies as at 31 March 2024 by Minnacle Properties. Minnacle Properties is a registered valuer with the Real Estate Institute of Botswana.

Scope of works required that BTC Properties be valued in compliance with the requirements of International Accounting Standard 16 (Property, Plant and Equipment) and International Financial Reporting Standard 13 (Fair Value Measurements) as at the valuation date. The valuation covered both remote and physical inspections. In terms of the company policy land and buildings are revalued every 3 years. The valuation covers the four existing categories of land and buildings namely land, land improvements, buildings and building improvements. Valuation is performed separately for each category.

Assets measured at Fair Value		Significant unobservable inputs (level 3)	
		2024 P'000	2023 P'000
Land & Buildings		596,677	522,321
The significant unobservable valuation inputs were:			
		Price range per square meter	Average value per square meter
		From	To
Land			
Urban areas	Pula	40	2,500
Rural areas	Pula	40	450

Significant increases/(decreases) in estimated price per square meter in isolation would result in a significantly higher/(lower) fair value.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

28 FAIR VALUE HIERACHY [continued]

Changes in estimated price per square meter in isolation would result in changes in fair value as shown below;

		Increase/(decrease) in fair value	
		2024 P'000	2023 P'000
Change in; Urban areas	+5%	26,687	24,545
	-5%	(26,687)	(24,545)
Rural areas	+5%	3,146	3,666
	-5%	(3,146)	(3,666)

Significant unobservable inputs for the management/director assessment done on 31 March 2024 have been disclosed above.

Valuation techniques used to derive level 3 fair values

The comparable market valuation method was used to value land, land improvements, buildings and building improvements in urban areas and land in rural areas. Valuation inputs as disclosed above are for the comparable market valuation method. Rural land improvements were valued on the basis of the replacement cost of the land improvements.

29 CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure continuity as a going concern for the Company while at the same time maximising the shareholders' return through the optimisation of the debt and equity balances. The Company has access to financing facilities, the total unused portion amounting to P30 million (2023: P4.6 million) at the reporting date. The Company expects to meet its other obligations from operating cash flows and the proceeds of maturing financial assets.

The capital structure of the Company consists of net debt and equity. Net debt comprises of trade and other payables, contract liabilities, lease liabilities and IRU liability after deducting cash and cash equivalents. Equity comprise of share capital, reserves and retained earnings.

	Notes	2024 P'000	Restated 2023 P'000
Debt			
Trade and other payables	22	324,665	287,666
Employee related provisions	23	44,629	31,709
Lease liabilities	13	164,201	130,327
IRU liability	26.1	74,077	120,590
Total debt		607,572	570,292
Short term investments*	17.1	107,803	427,625
Cash and cash equivalents*	17.2	625,344	143,358
Net (assets) / liabilities		(125,575)	(691)
Equity			
Stated Capital	19	478,892	478,892
Revaluation reserve	20	393,713	334,826
Accumulated profits		1,614,745	1,537,542
Total equity		2,487,350	2,351,260
Total Capital		2,361,775	2,350,569
Gearing ratio		-5%	0%

Total capital is derived by adding total equity and net debt.

* Details relating to the restatement of prior period errors have been disclosed in note 31.1

30 SEGMENT REPORTING

In 2016, BTC refreshed its fixed, mobile and fixed mobile convergence strategy in order to bring synergy in its business operations. Both identifiable fixed and mobile business units were brought together to share resources including human capital. Therefore operating expenses, assets, liabilities are reported on an overall basis for the Company given the integrated nature of the Company's business. Management tracks revenue streams on the basis as outlined in note 1.

All operations take place in Botswana. There are therefore no identifiable geographical segments.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

31 CORRECTION OF PRIOR PERIOD ERRORS

31.1 Reclassification of incorrectly classified investment in fixed deposits and money market funds from opening cash and cash equivalents.

The Company incorrectly classified investments in fixed deposits with original maturities of more than 90 days and money markets funds as cash and cash equivalents in prior years. The error is being corrected by restating the respective prior year periods and reclassifying the balances from cash and cash equivalents to short term investments.

The impact of such restatement is set out below; were valued on the basis of the replacement cost of the land improvements.

As at 31 March 2023	As previously reported	Cumulative movements to March 2023			Restated
	P'000	Opening	Current year	Total	P'000
Short term investments	-	348,856	78,769	427,625	427,625
Cash and cash equivalents	570,983	(348,856)	(78,769)	(427,625)	143,358
As at 31 March 2022	As previously reported	Adjustments			Restated
	P'000		P'000		P'000
Short term investments	-		348,856		348,856
Cash and cash equivalents	520,442		(348,856)		171,586

There was no impact on the statements of profit or loss and other comprehensive income and statement of changes in equity for the year ended 31 March 2023.

Extract from the statements of cash flows for the year ended 31 March 2023

	As previously reported	Adjustments	Restated
	P'000	P'000	P'000
Purchase of investments	-	(989,294)	(989,294)
Disposal of investments	-	910,525	910,525
Net cash generated from/(used) in investing activities	(139,882)	(78,769)	(218,651)
Increase in cash and cash equivalents	51,451	(78,769)	(27,318)
Cash and cash equivalents at beginning of the year	520,442	(348,856)	171,586
Cash and cash equivalents at end of the year	570,983	(427,625)	143,358

31.2 Deferred taxation restatement

BTCL Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The Corporation's accounting policy is to transfer the annual depreciation on the revalued portion of the land and buildings from revaluation surplus to retained earnings. During the prior year, the Corporation made the transfer from revaluation surplus to retained earnings, however the transfer was made gross of the deferred tax and not on a net basis. In accordance with IAS 12.61A, while the original deferred tax arising on the revaluation is recognised in other comprehensive income, the subsequent release of that deferred tax liability due to the depreciation of the increased carrying amount is not recognised in other comprehensive income, but in profit or loss, along with the depreciation expense. The transfer of the gross revaluation surplus including the deferred tax therefore resulted in an error in the statement of changes in equity and an overstatement of the income tax expense in the income statement.

In addition, during the year ended 31 March 2023, it was noted that the depreciation for the prior years was being transferred gross without reversing the deferred tax liability component. The adjustment to this was processed prospectively in the 2023 financial year but the prospective adjustment was incorrectly posted to retained earnings without adjusting the year ended 31 March 2022 income statement. Since all numbers are being restated in the current year, a full retrospective restatement has been processed affecting the deferred tax liability for 2022.

The error is being corrected by restating the respective prior year periods and the impact of such restatement is set out below;

Extract from the statements of financial position.

	As previously reported	Cumulative movements to March 2023			Restated
	P'000	Opening	Current year	Total	P'000
As at 31 March 2023					
Deferred tax liability	80,649	(4,704)	4,704	-	80,649
Revaluation reserve	334,826	6,989	(6,989)	-	334,826
Accumulated profits	1,537,542	(2,285)	2,285	-	1,537,542
As at 31 March 2022					
	As previously reported		Adjustments		Restated
	P'000		P'000		P'000
Deferred tax liability	55,640		(4,704)		50,936
Revaluation reserve	361,375		6,989		368,364
Accumulated profits	1,441,428		(2,285)		1,439,143

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2023

	As previously reported	Adjustments	Restated
	P'000	P'000	P'000
Income tax expense	40,188	(9,460)	30,728
Profit for the year	108,321	9,460	117,781
Total comprehensive income for the year	108,321	9,460	117,781
Basic and diluted earnings per share (Thebe):	10.32	0.90	11.22

There was no impact on the statements of cash flows for the year ended 31 March 2023.

Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2024

32 CONTINGENT LIABILITIES

BTC had contingent liabilities at 31 March 2024 of P7 190 359 (March 2023: P3 071 756) in respect of several cases mostly relating to unlawful dismissal cases. BTC has disclaimed liability and is defending all actions. It is impractical to estimate the potential financial effect of these claims but legal advice indicates that it is not probable that a significant liability will arise. All matters are currently before the courts of law and BTC considers it probable that judgments in some of the matters would be in its favour.

The Company is also subject to telecommunications regulations and has complied with all regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

33 EVENTS AFTER THE REPORTING PERIOD

Dividends

On 20 June 2024, the Directors declared that a dividend of 23.0 thebe constituting a special dividend of 15.3 thebe and a final dividend of 7.7 thebe per share be paid for the financial year ended 31 March 2024.

There have been no other events, facts or circumstances of a material nature that have occurred subsequent to the reporting date which necessitate an adjustment to the disclosure in these annual financial statements or the notes thereto.



INTEGRATED REPORT 2024

7 SHAREHOLDER INFORMATION

Shareholder Analysis
Notice of AGM
Proxy Form

192
193
195

Shareholding Analysis

FOR THE YEAR ENDED 31 MARCH 2024

SHARE ANALYSIS - ORDINARY SHAREHOLDERS

ORDINARY SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE TO ISSUED SHARES
1-2000	24,701	30,370,203	2.89
2001-5000	8,592	35,743,529	3.40
5001-10000	3,772	34,563,158	3.29
10000-50000	2,736	67,796,329	6.46
50001-100000	428	35,029,514	3.34
100001-500000	325	78,506,656	7.48
500001-1000000	46	36,066,569	3.43
1000001-100000000	36	196,424,042	18.71
OVER 100000000	1	535,500,000	51.00
TOTAL	40,637.00	1,050,000,000	100

TOP 25 SHAREHOLDERS

NAME	HOLDINGS	%
1. BOTSWANA PRIVATISATION ASSET HOLDINGS	535,500,000	51.00
2. FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	49,119,815	4.68
3. MINISTRY OF TRANSPORT & COMMUNICATIONS	33,230,800	3.16
4. BOTSWANA PUBLIC PENSION FUND VUNANI	13,701,228	1.30
5. FAROUK ISMAIL	13,180,064	1.26
6. NINETY-ONE-DEBSWANA PENSION FUND (DOMESTIC EQUITIES)	9,377,469	0.89
7. BOTSWANA PUBLIC OFFICERS PENSION FUND	6,167,350	0.59
8. NICHOLAS WEST ERIC	6,163,422	0.59
9. BOTSWANA POLICE SAVINGS AND LOANS GUARANTEE SCHEME	5,884,495	0.56
10. BANK OF BOTSWANA DEFFERED CONTRIBUTION STAFF PENSI	5,830,865	0.56
11. DITIRO CLEMENT LENTSWE	5,077,814	0.48
12. BOTSWANA PRIVATISATION ASSET HOLDING COMPANY	4,502,790	0.43
13. MOTOR VEHICLE FUND	4,232,400	0.40
14. KGORI CAPITAL	3,554,672	0.34
15. MBIGANYI CHARLES TIBONE	3,426,051	0.33
16. STANBIC NOMINEES BOTSWANA RE BIFM MLF	3,313,614	0.32
17. SCBN (PTY) LTD RE: BIFM 028914400011	2,313,092	0.22
18. JOSEPH KGOTLAETSILE MOLEMI	2,258,199	0.22
19. SIMON HIRSCHFELD	2,051,934	0.20
20. STANBIC NOMINEES BOTSWANA RE MORULA RE DPF	1,898,038	0.18
21. FNBB NOMINEES (PTY) LTD RE: IAM BBBSPF	1,782,229	0.17
22. SCBN (PTY) LTD RE: NINETY ONE 3292505	1,644,731	0.16
23. SETHUNYIWE TACHIMBELE OITSILE	1,507,125	0.14
24. FAIZEL ISMAIL	1,421,227	0.14
25. BAITSENG DIRENG	1,330,842	0.13
OTHERS	331,529,734	31.57
	1,050,000,000	100.00

SHAREHOLDING CATEGORIES

	Number of Shareholders	Shares held	Percentage to issued shares
CORPORATE	327	32,842,507	3.13
NOMINEES	46	117,383,987	11.18
PRIVATE INDIVIDUALS	40,258	326,299,916	31.08
TRUSTS	3	240,000	0.02
NON PUBLIC SHAREHOLDERS	3	573,233,590	54.59
TOTAL	40,637	1,050,000,000.	100.00

Notice of the 2024 Annual General Meeting

Notice is hereby given that the 2024 Annual General Meeting of BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED (“BTC”) will be held at Travel Lodge in Gaborone, Botswana on Tuesday, 24th September 2024 at 09:00hrs, to transact the following business:

Agenda:

ORDINARY BUSINESS

1 To read the notice convening the meeting.

2 **Ordinary Resolution No.1**
Presentation of Annual Financial Statements and Auditors Report

To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2024, together with the Report of the Auditors and Report of the Audit Committee as contained in the integrated report.

3 **Ordinary Resolution No.2**
Dividends

To approve a full and final dividend of 23.0 thebe per share constituting a special dividend of 15.3 thebe per share and a final dividend of 7.7 thebe per share that was declared by the Directors and paid by the Company.

4. **Ordinary Resolution No.3**
Appointment of Directors

To confirm the appointment by way of separate vote the following Directors in accordance with Clause 17.4 the Constitution:

3.1 Mr. Mokgethi F. Magapa

3.2 Mr. Mcedisi R. Solomon

3.3 Ms. Amantle Kgosiemang

3.4 Ms. Itemogeng B. Pheto

Brief CVs in respect of each director offering themselves for appointment are contained in the integrated report. The Board recommends the appointment of these directors.

5. **Ordinary Resolution No.4**

Re- election of directors of the Company
To re-elect by way of separate vote the following Directors of the company, who retire by rotation in terms of Clause 17.4.1 of the Constitution and, being eligible, offer themselves for re-election.

4.1 Mr. Ranjith Priyalal De Silva

4.2 Mr. Thato Kewakae

Brief CVs in respect of each director offering themselves for re-election are contained in the integrated report. The Board recommends the re-election of these directors.

6. **Ordinary Resolution No.5**

Retirement of Directors

To note the retirement of the following directors from the Board:

5.1 Ms. Lorato Boakgomo-Ntakhwana

5.2 Mr. Maclean Letshwiti

5.3 Mr. Andrew Johnson

7. **Ordinary Resolution No.6**

Resignation of Directors

To note the resignation of the following director from the Board:

7.1 Mr. Thari Pheko

8. **Ordinary Resolution No.7**

To consider and approve the remuneration paid to Non-Executive Directors of the Company for the year ended 31st March 2024 as reflected on page 102 of the integrated report.

9. **Ordinary Resolution No.8**

Appointment of External Auditors

To appoint Deloitte & Touché, upon recommendation of the Audit and Risk Committee on page 101, as the independent registered auditors of the company for the ensuing year.

10. **Ordinary Resolution No.9**

Remuneration of external auditors

To approve the remuneration paid to the external auditors, Deloitte & Touché for the year ended 31st March 2024 as reflected on page 155 of the integrated report.

11. **Ordinary Resolution No.10**

Re-election of the members of the Audit and Risk Committee

To appoint or re-elect by way of separate vote, the following nonexecutive directors as members of the Audit and Risk Committee:

10.1 Mr. Ranjith Priyalal De Silva

10.2 Mr. Bafana Molomo

10.3 Ms. Amantle Kgosiemang

Notice of the 2024 Annual General Meeting

The members’ appointment or re-election shall be effective from the conclusion of the annual general meeting at which this resolution is passed until the conclusion of the next annual general meeting of the Company.

Brief CVs in respect of each director offering themselves for appointment or re-election are contained in the integrated report.

The Board recommends the appointment and re-election of these directors to the Audit and Risk Committee.

12. Any Other Business

To answer any questions put by shareholders in respect of the affairs and the business of the company.

13. To close the meeting

Voting and Proxies

A member entitled to attend, and vote may appoint a proxy (who need not be a member of the company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the Transfer Secretaries at the below stated address not less than 48 hours before the meeting. Central Securities Depository Botswana are authorized to receive and count postal votes.

By Order of the Board
Company Secretary

Transfer Secretaries

Central Securities Depository Botswana
Private Bag 00417, Gaborone
Physical address: Plot 70667, 4th Floor,
Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400 /11/12

Proxy form

Only for use and completion by holders of Ordinary shares of BTC in certificated or dematerialized “own name registered” form. Other dematerialized shareholders must inform the CSDB or broker of their intention to attend the annual general meeting to be held at Travelodge, Block 3, Gaborone, Botswana on Tuesday, 24th September 2024 at 09:00hrs, in order that the CSDB or broker may issue them with the necessary Letters of Representation to attend, or provide the CSDB or broker with their voting instructions should they wish not to attend the annual general meeting in person. Please read the notes overleaf before completing this form.

I/We
(Name in block letters)

of (Address)

Telephone(work)

being a shareholder of BTC and a holder of number of ordinary shares, hereby appoint

1. or failing him/her

2. or failing him/her

3. The Chairperson of annual general meeting as my /our proxy to act for me/us at the Annual General Meeting of the Company to be held by means of audio or audio and visual communication in Gaborone, Botswana on Tuesday, 24th September 2024 at 09:00hrs, and at any adjournment thereof for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions and/or abstain from voting as indicated in the resolution to be considered at the said meeting.

		For	Against	Abstain
Ordinary resolution 1	Agenda item No 2			
Ordinary resolution 2	Agenda item No 3			
Ordinary resolution 3	Agenda item No 4			
	3.1 Mr. Mokgethi F. Magapa			
	3.2 Mr. Mcedisi R. Solomon			
	3.3 Ms. Amantle Kgosiemang			
	3.4 Ms. Itemogeng B. Pheto			
Ordinary resolution 4	Agenda item No 5			
	4.1 Mr. Ranjith Priyalal De Silva			
	4.2 Mr. Thato Kewakae			
Ordinary resolution 5	Agenda item No 6			
	5.1 Ms. Lorato Boakgomo-Ntakhwana			
	5.2 Mr. Maclean Letshwiti			
	5.3 Mr. Andrew Johnson			
Ordinary resolution 6	Agenda item No 7			
Ordinary resolution 7	Agenda item No 8			
Ordinary resolution 8	Agenda item No 9			
Ordinary resolution 9	Agenda item No 10			
Ordinary resolution 10	Agenda item No 11			
	10.1 Mr. Ranjith Priyalal De Silva			
	10.2 Mr. Bafana Molomo			
	10.3 Ms. Amantle Kgosiemang			

Signed at:

Date: Signature:

Assisted by (where applicable):

Full names of signatory/ies if signing in a representative capacity

Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 - 11 on the reverse side hereof

Proxy form

NOTES TO FORM OF PROXY

1. A BTC Shareholder must insert the name of a proxy or the name of two alternative proxies of the Shareholder's choice in the space provided with or without deleting "Chairperson of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairperson, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.
4. The Chairperson of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
5. The date must be filled on this proxy form when it is signed.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
8. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.
9. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered with the transfer secretaries.
10. Forms of Proxy must be lodged or posted to the Transfer Secretaries, Central Securities Depository Company of Botswana (CSDB), Private Bag 00417, Gaborone
11. Dematerialized shareholders, other than with "own name registration", must NOT complete this form of proxy and must provide their CSDB or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and CSDB or broker.