

Beyond Connectivity

# Digital Progress with Purpose



**btc**



**BEYOND  
CONNECTIVITY**  
Digital Progress  
with Purpose

# WELCOME

BTC celebrating its 45th anniversary of purposeful existence, has grown in leaps and bounds since its establishment through an Act of Parliament in 1980. The company has transitioned from being a telecommunications operator and is evolving into becoming a fully-fledged technological company (TechCo).

BTC's integrated report provides an opportunity to highlight its achievements for the year ended March 2025, including but not limited to its Strategic Performance Review, Governance, Investment Case, Sustainability, Annual Financial Results, etc.

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

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# About this Report

## WELCOME TO OUR REPORTING SUITE

Through our various tailored reports, we 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 serves as the primary means of communication with our stakeholders, featuring several key features and disclosures that enable them to 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



Intellectual



Human



Social and Relationship



Manufactured



Natural



### SUSTAINABILITY RELATED DISCLOSURES

Following the coming into effect of IFRS S1 and S2 for financial periods after 1st January 2024, we have 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:

|  |                         |
|--|-------------------------|
|  | Our Staff               |
|  | Customers               |
|  | Strategic Partners      |
|  | Government & Regulators |

MEMBERS OF THE COMMUNITIES IN WHICH WE OPERATE:

- Employees
- Suppliers and Strategic Partners
- Investors and Analysts
- Communities
- Customers
- Media
- Government and Regulators
- Organised Labour

## SCOPE AND BOUNDARY

The report content is drawn from the regulatory framework listed below and is supplemented by the information required by our capital providers. The materiality assessment process is also explained in more detail on page 60. All growth rates quoted are year-on-year and refer to the year ended 31 March 2025 compared with 31 March 2024, unless stated otherwise.

## REPORTING PRINCIPLES AND FRAMEWORKS

The BTC Executive Committee (EXCO) is responsible for the development and implementation of the reporting process. The information and commitments are subsequently reviewed and approved by the Board of Directors. The EXCO affirms that the Integrated Report is aligned with international standards and best practices. The report reflects key risks and opportunities facing the business, how these factors affect our strategy, performance, and the impact BTC has in Botswana. There are no instances of material non-compliance to report.

| 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)  | ■                 |                      |
| Data Protection Act (Act 18 of 2024) (CAP 42:17)  | ■                 | ■                    |

## FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements regarding BTC's expected performance, operations, and results. While these statements reflect our current expectations, they are based on assumptions and may be influenced by unforeseen events and risks beyond our control. We cannot guarantee future performance. Therefore, undue reliance should not be placed on these forecasts. The financial information underlying the forward-looking statements has not been audited or reviewed 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 and subjected to both external and internal review processes. As a responsible corporate citizen, the Board has thoroughly assessed the contents of this report to ensure compliance with the Integrated Reporting Framework. The Board is satisfied that the report provides a fair and balanced representation of our performance and prospects. Furthermore, the Board acknowledges that the report reflects a deliberate and incremental improvement approach towards sustainability reporting.

The Board approved the report on 01 September 2025.

Mokgethi F. Magapa  
Board Chairperson

Jürgen Peschel  
Chief Executive Officer

## 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](mailto:investor@btc.bw).

Connect with us on



[www.btc.bw](http://www.btc.bw)



# Performance Overview

REVENUE INCREASED BY  
**4%**  
TO P1.49 BILLION

COST OF SERVICES AND GOODS SOLD REDUCED BY  
**5%**  
TO P603 MILLION

EARNINGS PER SHARE (EPS) INCREASED BY  
**28%**  
TO 19.26 thebe

EBITDA MARGIN REDUCED BY  
**2.4%**  
TO 30.1%

PROFIT BEFORE TAX INCREASED BY  
**30%**  
TO P259 MILLION

ROCE INCREASED BY  
**1.4%**  
TO 7.5%

RETURN ON AVERAGE EQUITY INCREASED BY  
**3%**  
TO 9%  
(FY 2024:6%)

DIVIDEND DECLARED ENDED THE YEAR AT  
**41%**  
TO 10.83thebe PER SHARE  
(FY 2024:7.7 thebe per share)

# Our Purpose, Values and Strategy

Botswana Telecommunications Corporation Limited (BTC) is a converged telecommunication operator listed on the Botswana Stock Exchange (BSE), offering Fixed, Mobile (voice and data) & Broadband services to consumers, enterprises, and other licensed service providers.

## 1 OUR PURPOSE

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

## 2 OUR VISION

To be a leader in digital and communication services.

## 3 STRATEGIC INTENT

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

## OUR VALUES



### Teamwork

We work effectively and efficiently collaborate in the pursuit of common goals.



### Excellence

We offer superior, supreme, excellent, quality service to all our stakeholders.



### Agility

We commit to be flexible, innovative and move with speed, timeously, and easily to meet customer needs.



### Ethical Conduct

We commit to act with the highest ethical standards and integrity, honesty and fairness at all times in all our interactions with our stakeholders, both internally and externally.

## 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:



Transforming our operations and services to support the digital customer experience.

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.

Leveraging our existing network capabilities and our deep expertise to establish strong value propositions.

Pursue new opportunities that will grow our revenues while continuing to serve our stakeholders.

# Solutions Offering

BTC operates as an integrated telecommunications provider, delivering a broad range of services, including fixed voice & data, mobile voice & data, broadband options, fintech, cloud solutions, and digital offerings. These services are provided to consumers, businesses, government entities, large corporations, and other licensed operators through multiple access technologies such as FTTX, LTE, and Satellite.

## FIXED VOICE

Our fixed-line services deliver reliable voice and data solutions, offering clear call quality and high-speed internet options for both residential and business customers. These services allow for voice calling within the country and across borders. BTC has also modernised its voice services via voice over internet protocol, which supports multichannel communication and accommodates various 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 centre connectivity and leased line services.

## MOBILE

Our mobile services provide dependable, high-speed connectivity with tailored plans to match the different needs of individuals and enterprises, enabling seamless communication and internet access while on the road. We provide voice, internet, messaging, and value-added services to improve 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 mobile networks and technologies, providing convenient and accessible financial solutions to a spectrum of customers with a focus on the underserved 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

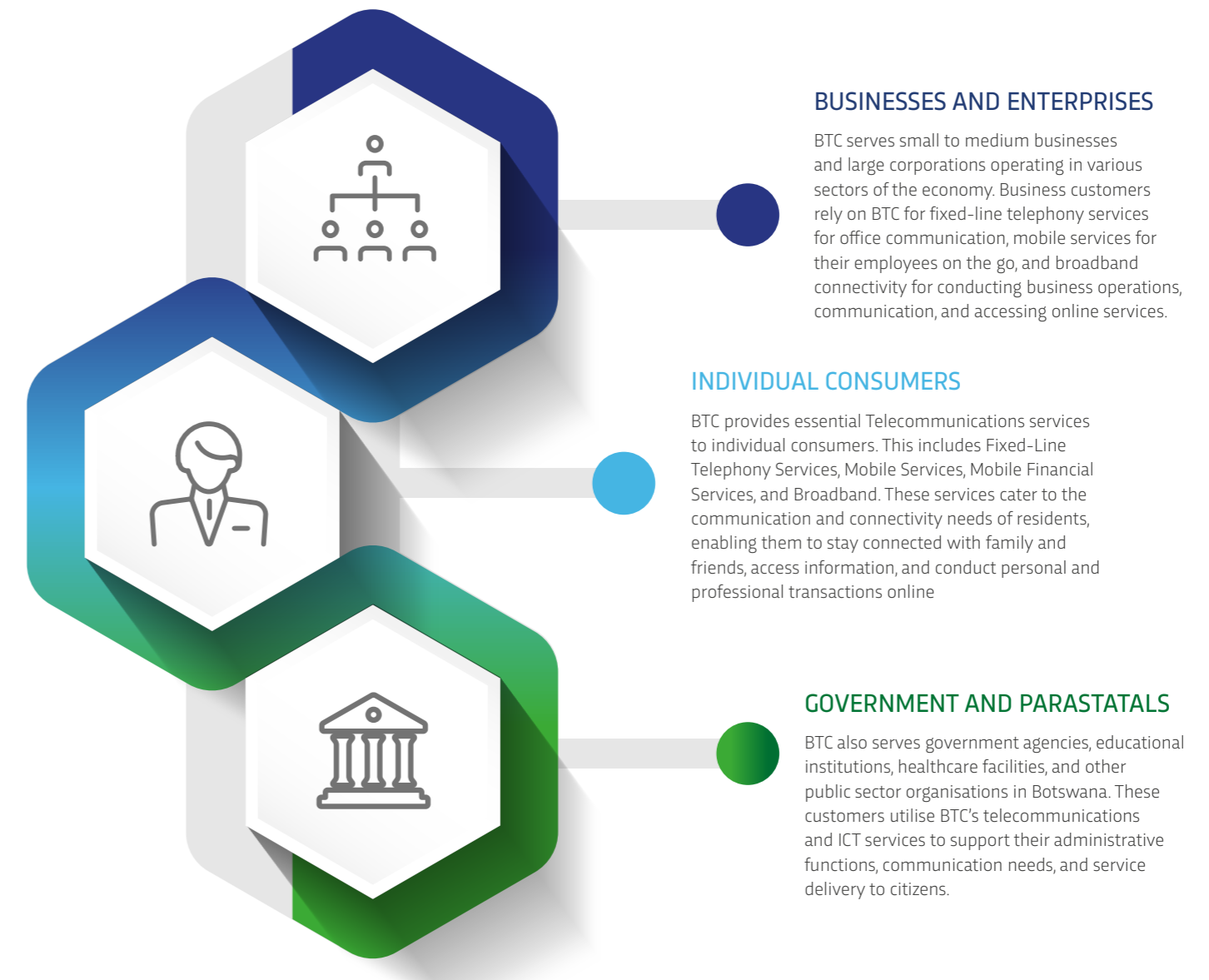
Our Cloud and Digital services encompass a range of advanced solutions to local and international small, micro & medium enterprises, corporates, government, and parastatals. Business application availability can be guaranteed through our Uptime-certified Tier II Data Centre. These include Platform, Infrastructure,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

## SATELLITE

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 a 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

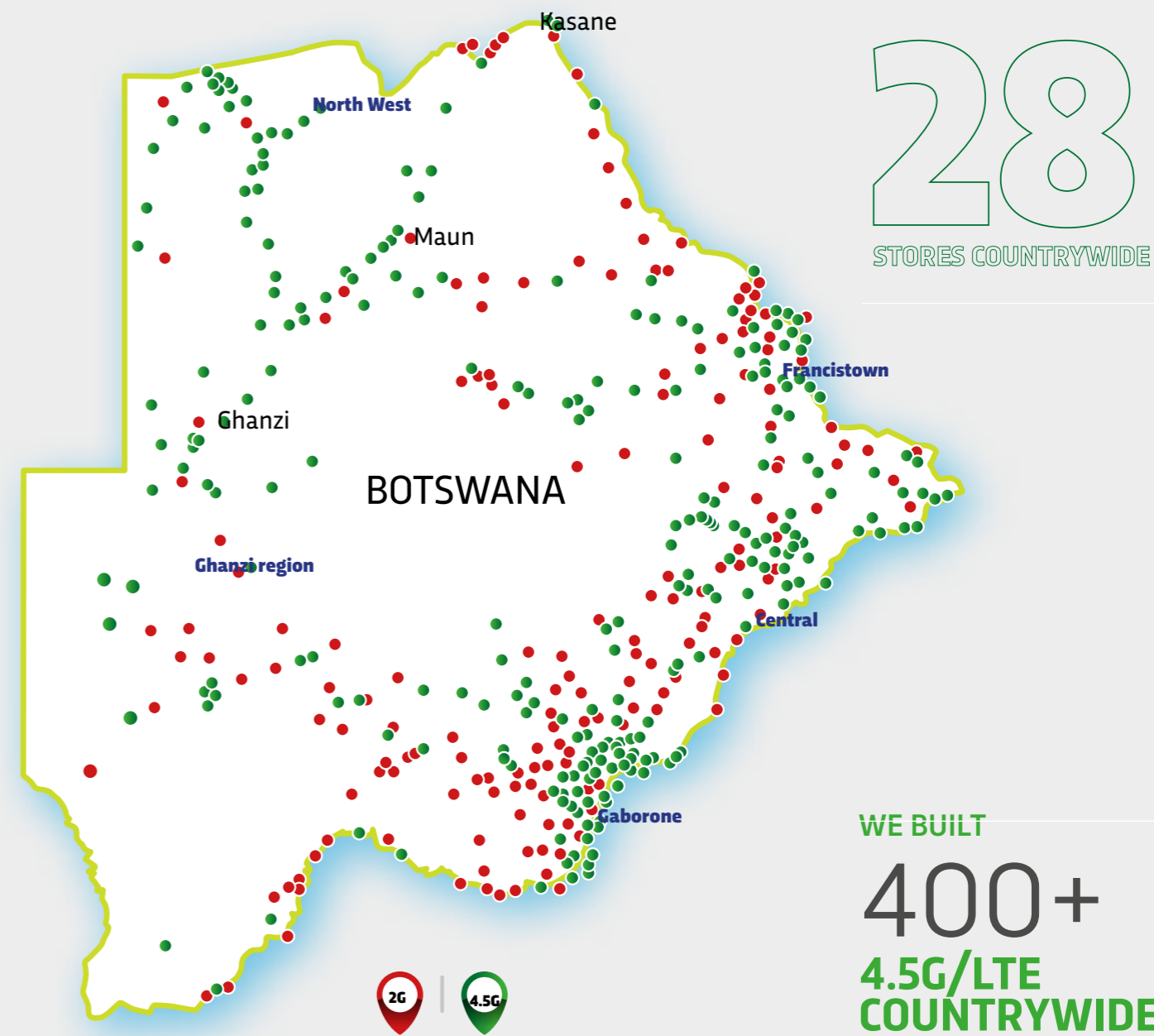
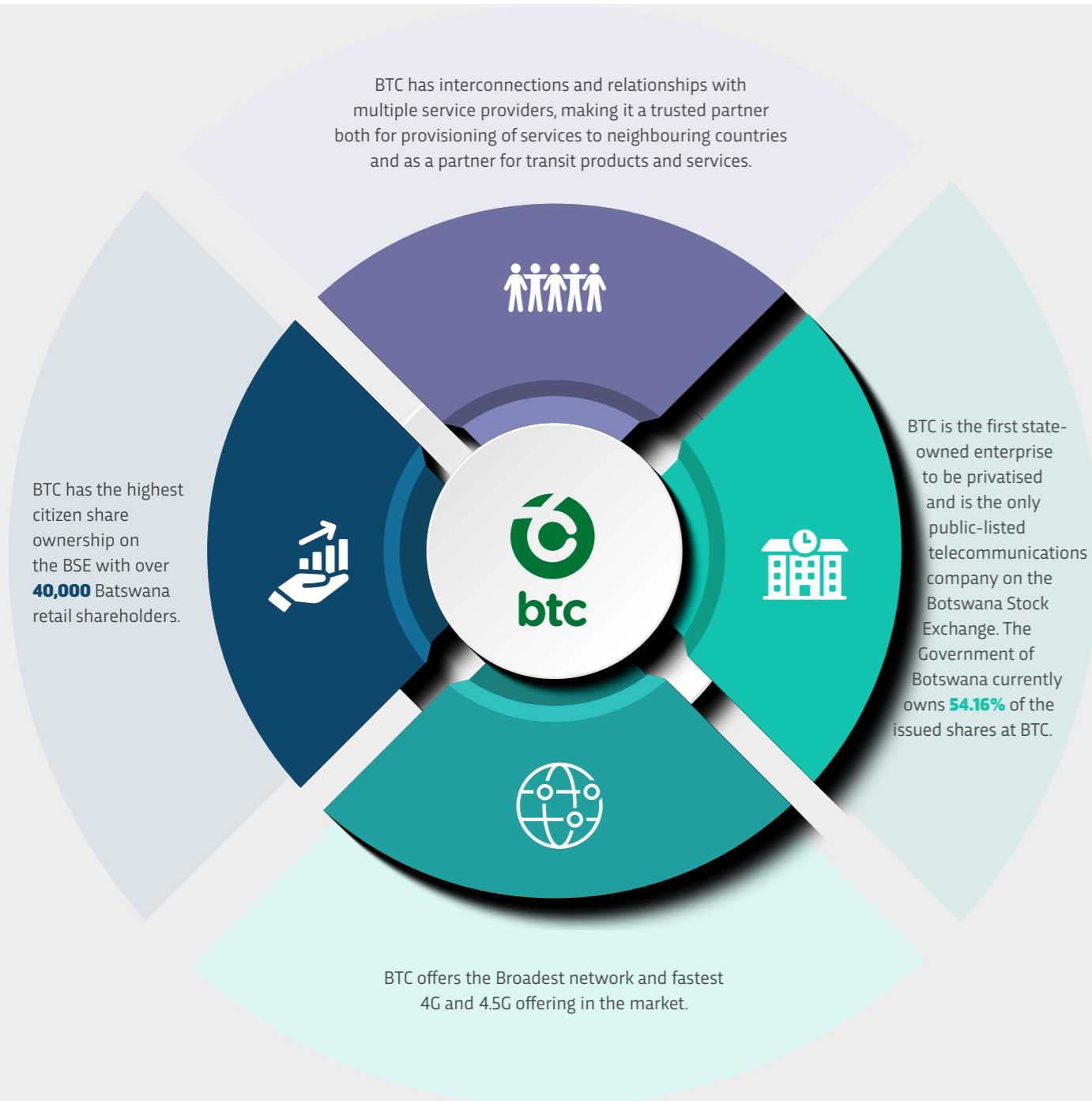
BTC provides essential Telecommunications services to individual consumers. This includes Fixed-Line Telephony Services, Mobile Services, Mobile Financial Services, and Broadband. These services cater to the communication and connectivity needs of residents, enabling them to stay connected with family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

# Investment Case

# Network Coverage



# 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, Fairscaple Precinct, Fairgrounds  
**Telephone:** +267 367 4400/11/12  
**Contact:** Masego Pheto

**Auditors**  
 Deloitte and Touche  
 Deloitte House, Plot 50664, 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

# Points of Presence

| STORE NAME         | STORE TELEPHONE NUMBER                          |
|--------------------|---|
| AIRPORT JUNCTION   | 3907460   |
| DIGITAL            | 3958683   |
| FRANCISTOWN        | 2412106 / 2400311 / 400315                      |
| GAMECITY           | 3990702 / 3636422 / 3990708 / 3636423           |
| GHANZI             | 6597010 / 6596785                               |
| HUKUNTSI           | 6510010   |
| JWANENG            | 5880050 / 5881110 / 5880970                     |
| KANYE              | 5442021 / 5442188 / 5441452                     |
| KASANE             | 6250250 / 6251490                               |
| LETLHAKANE         | 3990720 / 3997718 / 3990712 / 3990719 / 2400340 |
| LOBATSE            | 5332625 / 5334331                               |
| MAHALAPYE          | 4720000 / 4711101 / 710347                      |
| MAUN               | 6860131 / 6860234                               |
| MEGALENG           | 3958925   |
| MOCHUDI            | 5749500   |
| MOGODITSHANE       | 3933169/3933166                                 |
| MOLEPOLOLE         | 3636592 / 3 / 4                                 |
| ORAPA              | 2970662 / 2971455                               |
| PALAPYE            | 4900202 / 4920684 / 4920685                     |
| RAILPARK           | 3990711   |
| RIVERWALK          | 3165280   |
| SEROWE             | 4631785 / 4634878                               |
| SHAKAWE            | 6875192 / 2400217                               |
| TSABONG            | 6540827 / 6540927                               |
| SELIBE PHIKWE      | 2620100   |
| BLUE JACKET STREET | 2400368   |

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# History and milestones

Main Development Programme (MDP) I is completed, bringing digital technology to Botswana for the first time. International Direct Dialling is introduced, and telephone access lines grow to 11,700.



**BTC launches a dedicated mobile service** under the brand name "beMOBILE".

BTC is incorporated as a limited company under the Companies Act 2003.

BTC completes its obligation to transfer the network assets to Botswana Fibre Network (BoFiNet) and readies for privatisation.

BTC integrates beMOBILE and BTC brands into one, reflecting its position as a one-stop shop communication business. BTC no longer goes to market as beMOBILE, Fixed lines or Broadband, but as one united BTC with a single refreshed brand.



**BTC launches its 4G network, with over 400 4.5G sites**

covering major villages and towns to date, providing Botswana's widest and fastest 4.5G network.

To further enhance customer experience, BTC launches a programme to invigorate the internal culture and customer experience.



**BTC launches the first-ever Telecommunications Museum**

in Botswana, officiated by the Minister of Transport and Communications.



**BTC officially opens the BTC Innovation to serve as a hub for transformation,**

providing space for developing and testing new technologies and solutions. BTC enters a partnership with Starlink to augment the satellite business solutions.

1980

1981 -

- 1987

1989 -

2007 -

2008

- 2013

- 2014

2016

2017

2019

- 2020

2021

- 2022

- 2022

2023

- 2024

2025

**Botswana Telecommunications Corporation** is formed through an Act of Parliament from the then Department of Post and Telecommunications.

The Earth Station was commissioned in 1980, connecting Botswana to overseas directly. A new Teletypewriter Exchange Service (Telex) was also commissioned.

BTC declares and pays a dividend to the Government of Botswana.

BTC is awarded a Public Telecommunications Operator (PTO) license.



**BTC lists on the Botswana Stock Exchange (BSE), becoming the first**

and only telecommunications service provider to be listed on the local bourse.

The privatisation and listing were oversubscribed 1.68 times and remain one of the most iconic and historic Initial Public Offerings (IPOs) in Botswana. The listing brought over 50,000 Botswana shareholders to BTC, thus providing economic inclusion and wealth-creation opportunities for citizens.

BTC embarks on a substantive network transformation project.

BTC launches a new converged billing platform to improve efficiency and service delivery.



**BTC commissions the Sentlhaga Data Centre** and launches improved VSAT capabilities.

BTC hosts the first-ever Enterprise Summit, themed "Digital Shift BW - Transforming Botswana for success in the digital age". This is our Annual flagship Thought Leadership event, which brings together key players in the market.

BTC embarks on an ambitious Digital Transformation and Digital Experience programme to transform the organisation.

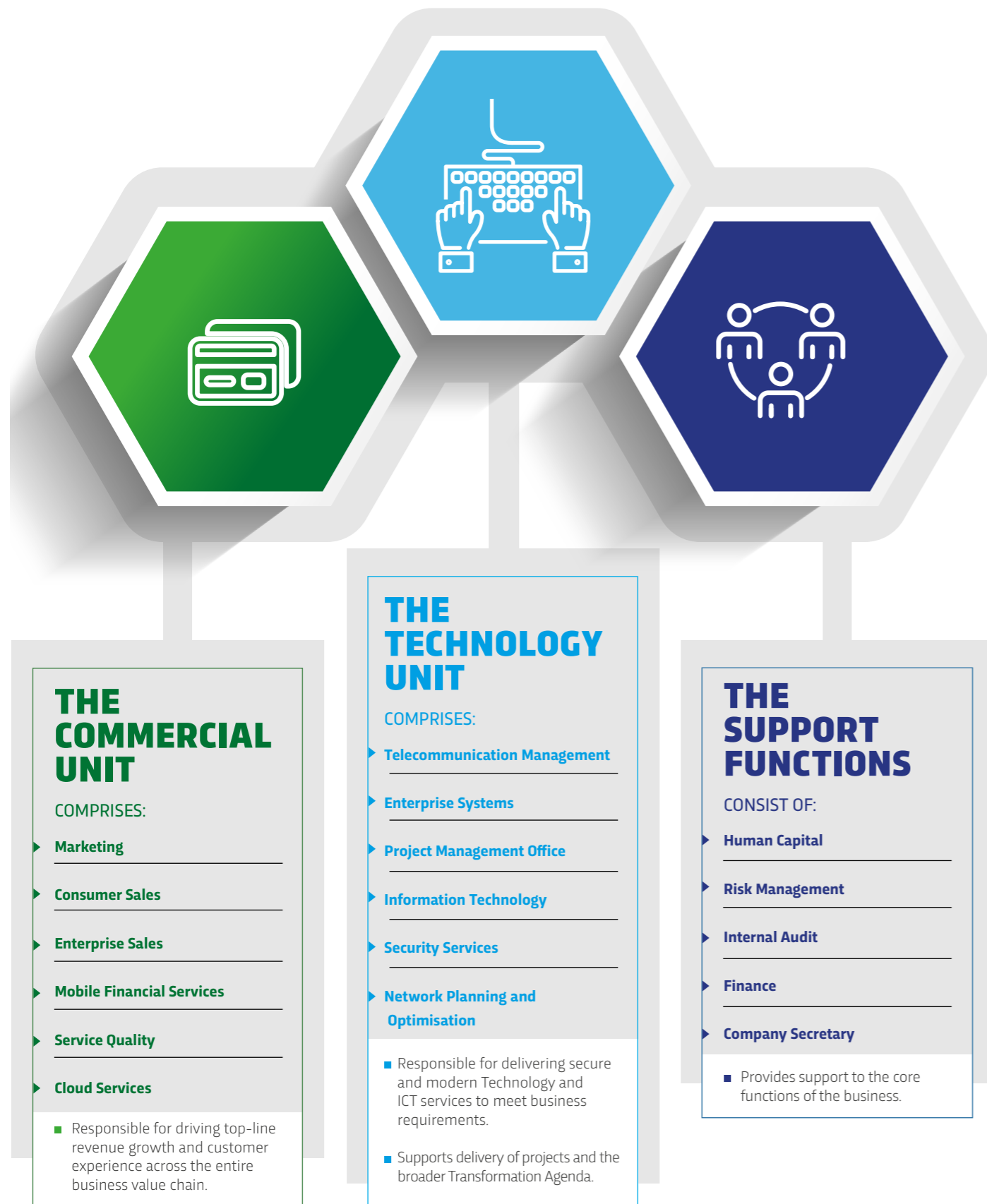
Progressive events: BTC hosts Inaugural Digital Shift Enterprise Summit and hosts Cloud Talks Seminar.



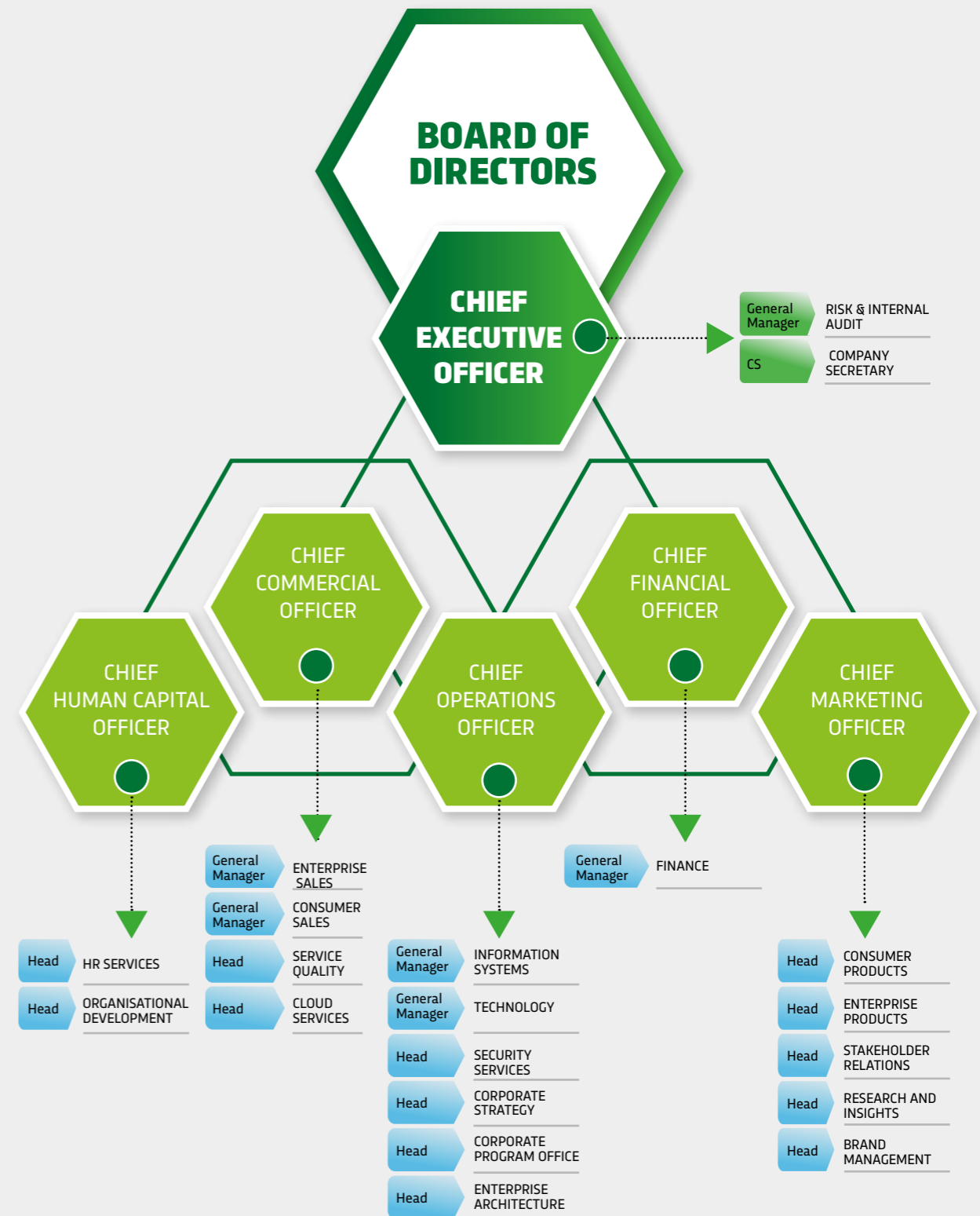
**BTC hosts** the relaunched Second Edition of the **BTC Francistown Marathon.**

BTC launches 4G network expansion in the Northwest and Okavango Districts, covering 45 villages.

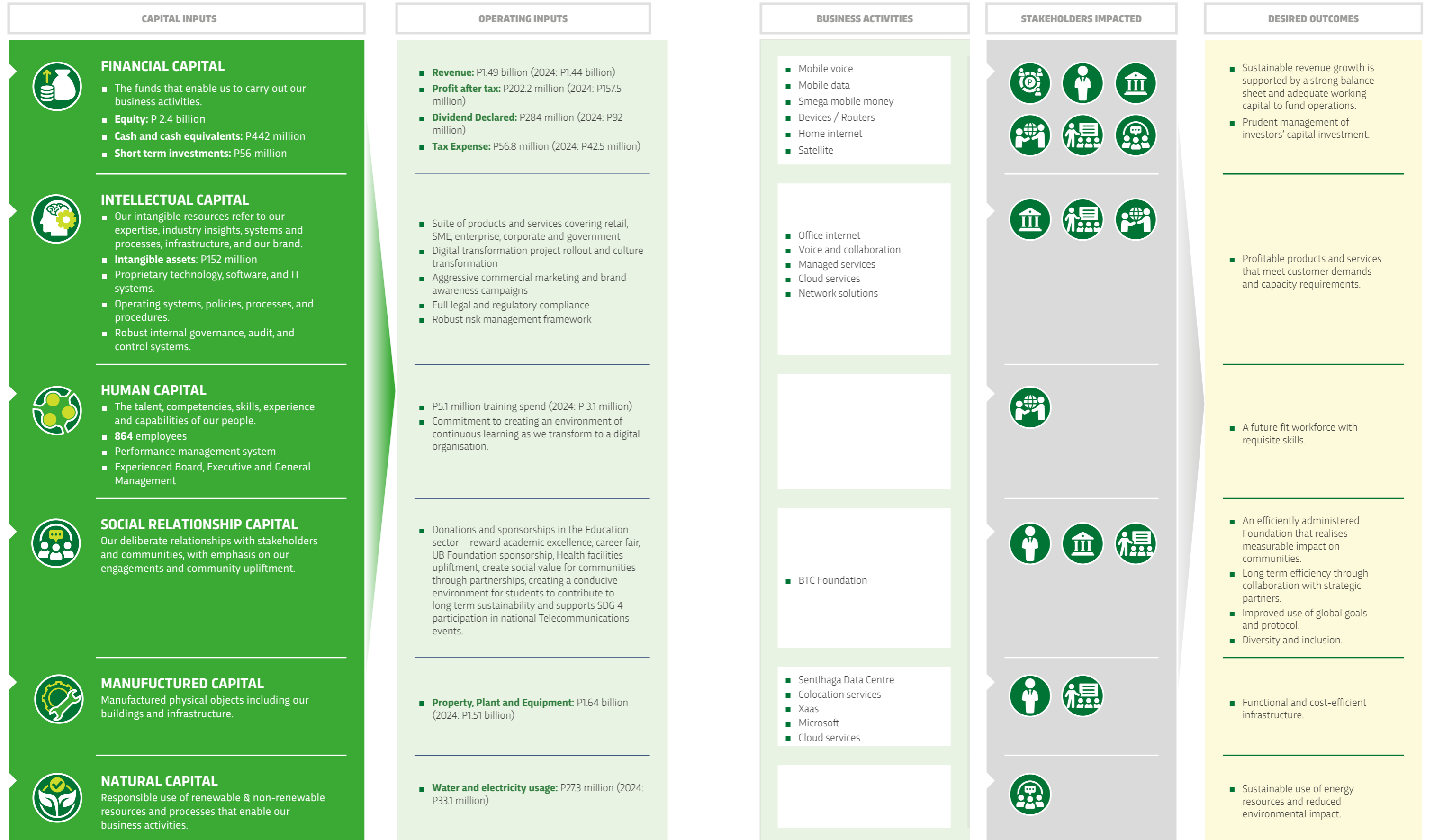
# Operating Structure



# Organisational Structure

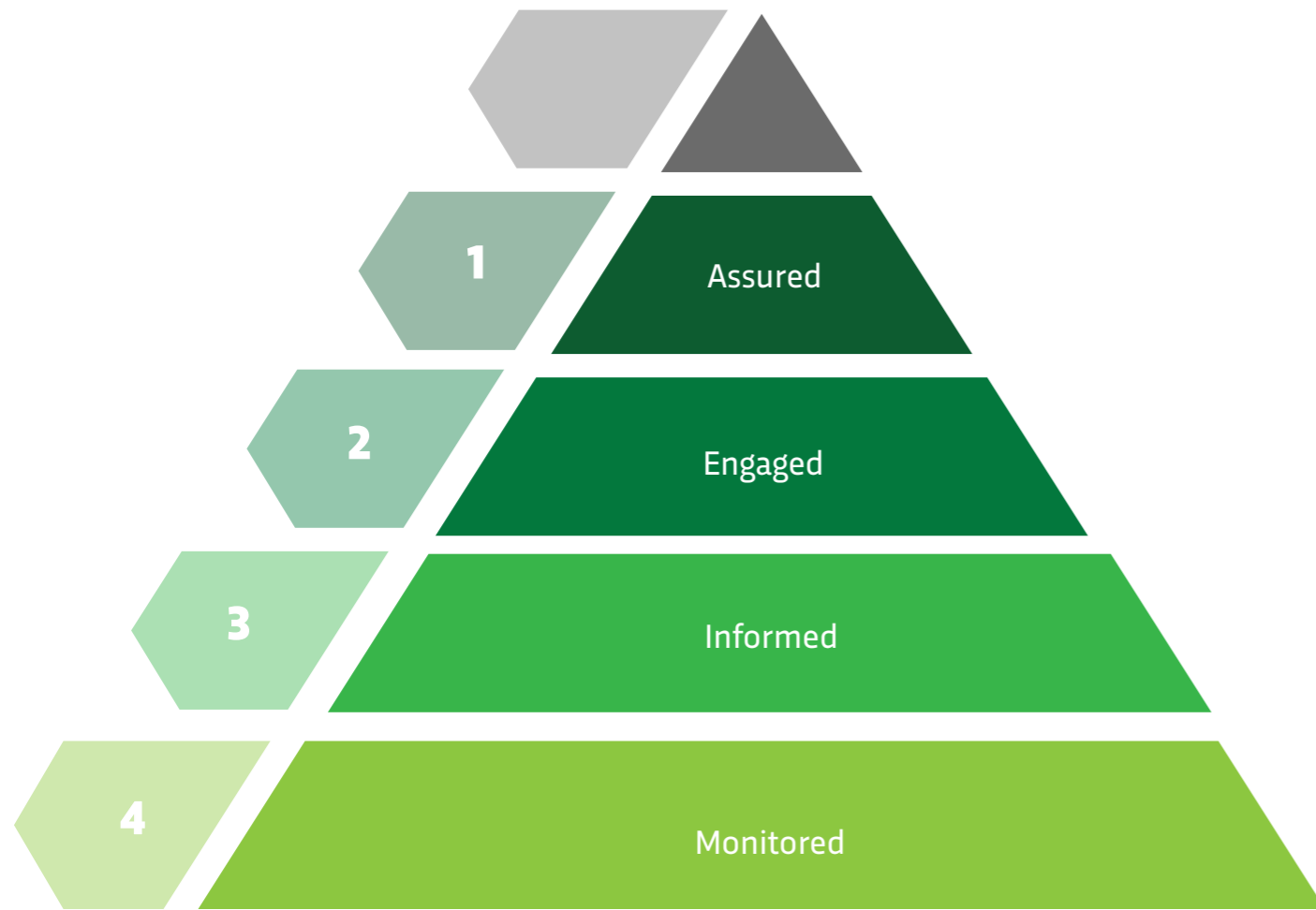


# Our Value Creation Model



# Stakeholder Relationships

## Our Stakeholders



**1**

### Assured

- Regulators
- Customers
- Suppliers
- Shareholders

**2**

### Engaged

- Board and Executive Management

**3**

### Informed

- Organised Labour
- Employees
- Media

**4**

### Monitored

- Community and Local Leadership

## Our Stakeholder Engagement approach

The BTC stakeholder base includes individuals, groups and organisations that consume our products and services, invest in the company or provide us with goods and services. Our engagement approach is proactive, and uses open platforms, offering an opportunity to engage stakeholders and effectively address their concerns and key issues. We respect and value the interests of the different groups and dialogue is paramount for us, which fosters a culture of mutual respect.

These engagements serve as opportunities for information exchange and as a feedback mechanism on our performance and impact on each stakeholder group.

Beyond enhanced stakeholder satisfaction levels, BTC hopes to be recognised for:



### Corporate Governance

Adherence to the highest corporate governance standards.

### Leaving No One Behind

Enables Botswana to live connected anywhere and everywhere.

### Sustainability

Business practices ensure we do well while doing good as a responsible corporate citizen.

### Impact and Citizen Empowerment

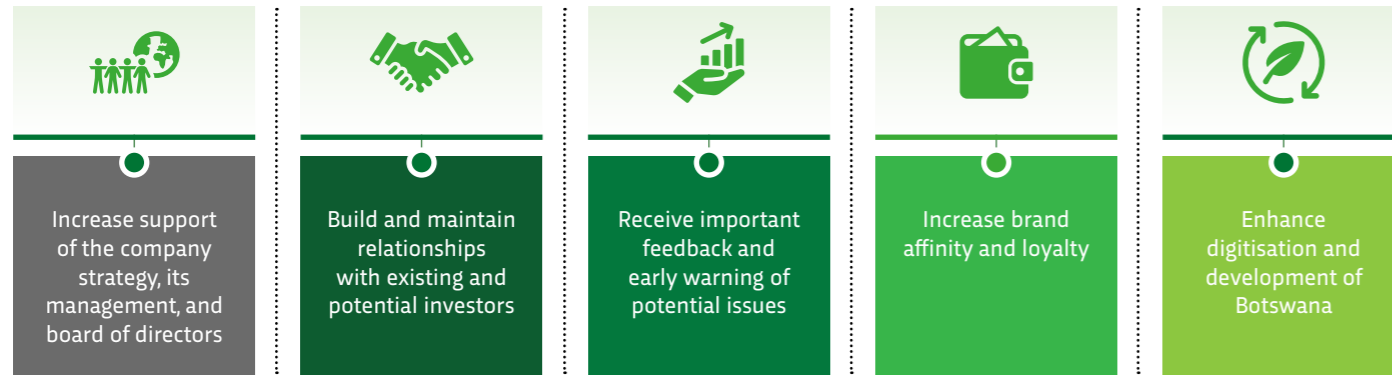
Digitalisation of the local economy.

### Investment Case

Is a dependable investment that creates value for Botswana.

## Our Stakeholder Relationships [continued]

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



## 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



|                                  | 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. | <ul style="list-style-type: none"> <li>Employee Engagement Survey</li> <li>Internal Customer Satisfaction Survey</li> <li>CEO's Staff Addresses, Leadership Roadshows</li> <li>Divisional/Departmental meetings</li> <li>Intranet – Mowana, Yammer, SharePoint</li> <li>Internal company newsletter</li> <li>Internal communications email</li> </ul> | <ul style="list-style-type: none"> <li>Company strategy and performance</li> <li>Safe and conducive work environment</li> <li>Conditions of service</li> <li>Career development opportunities</li> <li>Training, skills development, and talent management</li> <li>Remuneration and rewards</li> <li>General information dissemination</li> </ul> | <ul style="list-style-type: none"> <li>Ongoing culture change project, introducing new norms along with rewards and recognition</li> <li>Implementation of a Talent Management Programme and online training opportunities</li> <li>Company-wide strategy cascade</li> <li>Weekly Safety, Health &amp; Environment (SHE) awareness communications</li> <li>Revamped internal communications platforms</li> </ul> |
| Customers                        | Our purpose is to drive inclusive growth through meaningful connections.   | <ul style="list-style-type: none"> <li>Customer Satisfaction Surveys</li> <li>Call centre</li> <li>Retail shops</li> <li>Social media</li> <li>Interviews with focus groups</li> <li>Bulk SMS</li> <li>Product launches and marketing campaigns</li> <li>Competitions and loyalty programmes</li> </ul>   | <ul style="list-style-type: none"> <li>Quality of service</li> <li>Improved product value offerings</li> <li>Faster data networks and wider coverage</li> <li>Efficient services - improved turnaround times</li> <li>Converged and bundled solutions for business customers</li> </ul>  | <ul style="list-style-type: none"> <li>Significant investments in network modernisation &amp; expansion to improve network quality and enhance customer experience</li> <li>Consolidation of a new Converged Billing Platform.</li> <li>Transform into a digital organisation</li> <li>Continuous website functionality improvements</li> </ul>  |
| Suppliers and Strategic Partners | These parties support our operations and enable us to deliver on our core business.  | <ul style="list-style-type: none"> <li>Meetings</li> <li>Training on our Procurement practices</li> <li>Ongoing site visit audits</li> </ul>  | <ul style="list-style-type: none"> <li>Adherence to contractual obligations and payment terms</li> <li>Debriefing post bid submissions</li> <li>Improving health and safety standards</li> <li>Relationship management for mutual benefit</li> </ul>   | <ul style="list-style-type: none"> <li>Introduced strategic sourcing to better manage our suppliers</li> <li>Timely processing of supplier invoices</li> <li>Promote SHE standards</li> </ul>  |
| Government and Regulators        | Government is our main shareholder and a key partner in our mandate. Regulators govern our operations and stipulate compliance requirements.                               | <ul style="list-style-type: none"> <li>Active participation in policy forums</li> <li>Formal periodic briefings</li> <li>Ad hoc engagement on regulatory matters</li> <li>Engagement through industry consultative bodies</li> </ul>  | <ul style="list-style-type: none"> <li>Licensing and compliance</li> <li>Quality of service and network performance</li> <li>Wider access to broadband communication services</li> <li>Tariff reduction</li> <li>Adherence to regulatory requirements</li> <li>Complete and timely disclosure</li> </ul>   | <ul style="list-style-type: none"> <li>Compliance with regulatory and disclosure requirements</li> <li>Ongoing stakeholder engagements</li> <li>Improved service delivery turnaround times</li> <li>Continuously reviewing tariffs for the benefit of our stakeholders</li> </ul>  |

## Our Stakeholder Relationships [continued]

|   | DESCRIPTION  | CHANNELS OF COMMUNICATION   | KEY AREAS OF INTEREST   | BTC RESPONSE  |
|---|--|---|---|---|
| <br>Investors and Analysts | <b>Our investors share a stake in the business and provide the capital that funds our operations.</b>                            | <ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Print, digital, and broadcast media updates</li> <li>Formal one-on-one meetings (Institutional Investors)</li> <li>Annual and interim financial results briefings</li> <li>Social media</li> <li>Radio interviews</li> <li>One-on-one interactions with retail shareholders</li> </ul> | <ul style="list-style-type: none"> <li>Return on Investment (share price appreciation and dividend payments)</li> <li>BTC's business strategy and risk management</li> <li>Good corporate governance</li> <li>Business sustainability</li> <li>Administrative information</li> <li>Multi-lingual communication (English, Setswana, and other relevant local languages)</li> <li>Financial literacy</li> </ul> | <ul style="list-style-type: none"> <li>Increased investments on future growth areas of the business</li> <li>Continuous monitoring of compliance with corporate governance standards</li> <li>Monetisation of the network</li> <li>Timely dissemination of investor information</li> <li>Increased use of social media platforms to disseminate information to retail shareholders</li> </ul> |
| <br>Media                | <b>Media are key communication partners between us and the public. Their reporting has significant impact on our reputation.</b> | <ul style="list-style-type: none"> <li>One-on-one interviews with the Executive</li> <li>Media briefings</li> <li>Radio interviews</li> <li>Media releases</li> <li>Product launches</li> <li>Marketing campaigns</li> </ul>  | <ul style="list-style-type: none"> <li>Access to quality and accurate information</li> <li>Quality of service</li> <li>Company performance</li> <li>Products and services</li> <li>Coverage of events and activities</li> </ul>   | <ul style="list-style-type: none"> <li>Developed and implemented a media engagement strategy and plan</li> </ul>  |
| <br>Communities          | <b>We strive to be a good corporate citizen, active and invested in the development of the communities we affect.</b>            | <ul style="list-style-type: none"> <li>Corporate Social Investment (CSI) programmes</li> <li>Print, digital, and broadcast media</li> <li>Events and product launches</li> <li>Formal meetings</li> <li>Courtesy calls</li> </ul>   | <ul style="list-style-type: none"> <li>Access to services</li> <li>Quality of service</li> <li>Sponsorships and donations</li> <li>Impact of our operations on communities</li> </ul>   | <ul style="list-style-type: none"> <li>Increased customer service points</li> <li>Network expansion &amp; modernisation</li> <li>Implement CSI agenda through the BTC Foundation</li> <li>We give back to the community guided by focus areas</li> <li>Entrepreneurship &amp; Innovation</li> <li>Wellness &amp; Sports</li> <li>Arts and Culture</li> <li>Employee Engagement</li> </ul>     |

|   | DESCRIPTION  | CHANNELS OF COMMUNICATION   | KEY AREAS OF INTEREST  | BTC RESPONSE  |
|---|--|---|--|---|
| <br>Organised Labour | <b>We value our interactions with the recognised Trade Union(s) and are committed to following labour laws. As a responsible organisation, we also encourage open dialogue with our teams about business process changes and other issues affecting our employees.</b> | <ul style="list-style-type: none"> <li>Joint Negotiations consultative Committee (JNCC)</li> <li>Union/Management Forum (UMF)</li> <li>Periodic Teams and physical meetings</li> <li>Emails</li> <li>Letters</li> </ul> | <ul style="list-style-type: none"> <li>Transparent and open communication</li> <li>Protection of members' rights</li> <li>Conditions of employment plus salaries and other benefits</li> <li>Recognition Agreement (RA)</li> </ul> | <ul style="list-style-type: none"> <li>Fair labour practices</li> <li>Providing an ideal work environment</li> <li>Adherence to labour laws such as the Employment Act, Trade Unions and Employers Organisation Act, Workers Compensation Act and Trade Dispute Act and code of Good Practice for Botswana and case law from various Courts.</li> </ul> |

# Material Matters

In an era where digital acceleration reshapes how societies connect, economies grow, and businesses lead, our strategic clarity begins with a sharp focus on what truly matters. As a telecommunications company championing innovation and sustainability, our ability to create and sustain value, both locally and globally, hinges on our understanding of the material issues that define our environment.

Our stakeholders, ranging from regulators and investors to customers and communities, demand not just connectivity, but progress. To address this, BTC adopts a forward-thinking, transformative and inclusive approach to identifying and managing material matters that ensure our strategy remains resilient, our decisions informed, and our impact enduring.

As part of our planning process, management conducts a rigorous analysis of the business to identify the positive and negative material factors. Our Executive Management Committee and the Board of Directors, on an annual basis assess the matters that materially impact our business and prioritises these issues 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.

Our methodology for determining material matters is a disciplined four-stage process, aligned to the principles of the International Integrated Reporting Framework (IIRF) and benchmarked against sector peers.

## 1. Identify material matters

We adopt a comprehensive approach in evaluating issues within our operating context. This involves scanning both our internal and external environments, drawing insights from our corporate strategy, risk registers, stakeholder engagements, and operational priorities, as well as from industry reports, ESG standards, peer disclosures, and regulatory developments. Guided by our risk management framework, we assess these inputs to identify emerging and current issues that could significantly impact our ability to create sustained value over the short, medium, and long term.

## 2. Evaluating importance

Each potential material matter is assessed through a dual lens impact on value creation: financial, operational, reputational and stakeholder relevance. Engagements, both formal and informal, with key stakeholders inform this step, allowing us to capture evolving expectations and risks. Internal expertise from our strategy, risk, sustainability, and governance teams supports robust evaluation.

## 3. Prioritising important matters

We use a materiality matrix to visually map and prioritise issues. Issues that are deemed to be of strategic relevance, result from our impact or direct operations, and have high impact or interest, are elevated for executive and Board attention. This prioritisation drives resource allocation, strategy development, and risk management. Strategic alignment is key; only issues with meaningful influence on our purpose, impact and performance are deemed material.

## 4. Determining information to disclose

We conduct annual reviews responding to changes in our external and internal environments. We benchmark against regional and global peers, consider shifts in stakeholder sentiment, and adjust accordingly. The board and executive oversight ensure that our materiality process remains both rigorous and relevant.

The following is a summary of the material issues most critical to our business and stakeholders, shaped by an evidence-based process rooted in relevance, risk, and responsibility:

### MM1

#### Growth

Achieving sustained subscriber, revenue, and service diversification growth in a maturing and price sensitive market.

Botswana's mobile penetration is approaching saturation, limiting traditional growth levers. Future growth must derive from diversification including expanding data services, digital financial platforms, enterprise solutions, and underserved market segments all underpinned by smart capital investment and innovation. It is also imperative that in the same breath, the business defends its core revenue lines.

### MM2

#### Regulatory and Compliance Environment

Navigating evolving telecommunications, data protection, spectrum allocation, and financial service regulations enforced by entities such as BOCRA, BOBS and other sectoral authorities.

Botswana's regulatory landscape is tightening with increasing pressure for local empowerment, fair competition, lawful interception readiness, and data sovereignty. Compliance isn't just a legal checkbox; it's a reputational and strategic differentiator. Staying ahead of regulatory change not only ensures license security but also strengthens our social license to operate in an increasingly transparent and accountable business environment.

### MM3

#### Cybersecurity and Digital Privacy

Ensuring the Confidentiality, Integrity, and Availability of customer data, digital platforms, and critical infrastructure through robust cybersecurity infrastructure and practices to protect networks, data, and customer trust amidst increasing threats.

The digitalisation of Botswana's economy brings heightened risk exposure to cyber threats and privacy breaches. As both data custodians and critical infrastructure providers, we must proactively invest in cybersecurity capabilities, incident response, and regulatory compliance (e.g., anticipated data protection laws). A single breach could significantly erode public trust and invite punitive sanctions especially with growing regulatory interest in personal data protection and privacy.

**Material Matters** [continued]

MM4

**Global Economic Challenges**

Managing macroeconomic uncertainties such as inflation, currency fluctuations, interest rate pressures, and global supply chain constraints on operational costs and capital projects.

Botswana's open economy is vulnerable to global economic volatility, particularly due to its reliance on imports for network infrastructure and equipment. Depreciation of the pula, inflationary pressures, and interest rate hikes in key global markets can inflate operating costs and delay capital projects. Proactive financial management and supplier diversification are critical mitigants.

MM5

**Digital Technology Scalability**

Building infrastructure and systems that are agile, modular, and capable of scaling with customer demand, emerging technologies, and future innovation.

The proliferation of bandwidth-intensive applications (IoT, cloud, fintech, and streaming services) and enterprise demands necessitates scalable network infrastructure. Our strategic imperative is to ensure that our platforms, from core networks to customer-facing applications, can accommodate exponential growth without compromising reliability or user experience. Scalability isn't just technical; it's about partnerships, optimising our use of spectrum and investing in forward-compatible architecture.

MM6

**Highly Competitive Market and Threat of New Disruptive Competition**

Navigating an intensively competitive market characterised by aggressive pricing, over-the-top (OTT) players, and the threat of agile digital challengers.

With limited population growth, the Botswana telecoms market is a knife fight for share. It is contested by established players and disruptive over-the-top (OTT) service providers offering voice and messaging alternatives. The entry of non-traditional players, including satellite broadband providers like Starlink, poses existential challenges to legacy business models. Differentiation must increasingly come from superior customer experience, bundled digital ecosystems, and platform innovation.

MM7

**Customer-Centric Culture**

Building an organisational mindset and capability that places the customer at the heart of all decisions, systems, and interactions.

In a connected but still community-oriented market like Botswana, customer loyalty is forged through trust, accessibility, and relevance. Delivering a consistently high-quality, empathetic service experience across channels is a key differentiator. Embedding customer obsession across every function, from product design to frontline support, and genuinely listening, not just surveying, will be essential to long-term competitiveness.

MM8

**Sustainability & Sustainability-Related Risks & Opportunities**

Embedding environmental stewardship, social impact, and sound governance into the core of our operations and long-term strategy.

Sustainability is becoming an investment threshold. For a telco in Botswana, this means reducing carbon intensity (e.g., through solar-powered sites), enhancing digital inclusion in rural areas, supporting inclusive hiring, youth employment, and maintaining ethical supply chains. Sustainability is not a CSR sideshow, as ESG credentials are increasingly important to stakeholders, including regulators, investors, and development finance institutions.





**BEYOND  
CONNECTIVITY**

Digital Progress  
with Purpose

STRATEGIC  
PERFORMANCE  
REVIEW

03

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# Chairperson's Statement

Dear Esteemed Shareholders, Stakeholders, and Valued Customers,

On behalf of the Board of Directors I am honoured to present our Integrated Report for the financial year ended March 31, 2025. This year marked a pivotal chapter in BTC's transformative journey, defined by strategic progress, operational resilience, and a steadfast commitment to excellence, innovation, and improved shareholder returns.

## Performance Overview

Despite persistent economic headwinds, BTC delivered improved results. Revenue grew by 4% to P1.49 billion, driven by strong demand for data and broadband services. This marks steady progress to running a sustainable business as we have managed to maintain topline growth for consecutive financial years due to the strategic interventions and management's unwavering commitment to deliver great results.

Profit before tax rose by 30% to P259 million, supported by disciplined cost management, including a 5% reduction in cost of services and goods sold. Earnings per share increased by 28% to 19.26 thebe, reflecting strong shareholder value creation. BTC recorded a 28% increase in earnings per share (EPS), from 15.00 thebe to 19.26 thebe reflecting strong shareholder value creation. While EBITDA margin moderated from 32.5% to 30.1% due to ongoing investments, our topline growth and cost discipline affirm the solid foundation for sustainable performance. It is our firm belief that we have laid the right foundation to continue with the growth trajectory in the medium term.

## Key Achievements

We focused on operational excellence, leading to significant achievements across several key areas:

- **Network Optimisation:** We expanded our 2G and 4G network footprint, ensuring broader coverage and enhanced connectivity across Botswana. These enhancements continue to improve service reliability and user experience.
- **Customer Experience:** We placed customer-centricity at the core of our operations, with our customer loyalty indicators, Net Promoter Score and customer satisfaction index reflecting steady improvement. These results demonstrate our commitment to delivering exceptional service and fostering long-term customer loyalty.
- **Customer Growth:** We achieved strong growth in our Mobile Broadband and Smega subscriber base, reflecting improved service quality, diversified product offerings, and increasing customer satisfaction.
- **Human Capital:** Our people remain at the center of our success. Our employee engagement and culture index are improving which is a testament of our on-going efforts to cultivate a supportive, high-performance work environment.

## Strategy Overview

BTC's strategy remains routed in customer-centricity and digital transformation. Investments in a state-of-the-art data centre and expansion of mobile network infrastructure reinforce our ICT leadership and resilience. New growth opportunities are being unlocked through system integration, in-house innovation, and staff empowerment via platforms such as LinkedIn Learning. These pillars collectively reinforce our commitment to innovation, customer satisfaction, and long-term value creation.

## Corporate Citizenship

BTC is deeply embedded in the communities we serve. Highlights include:

- BTC Marathon: Raising P380,000 through the BTC Marathon for community projects.
- Pandamatenga Village Reading Room: Refurbishing the Pandamatenga Village Reading Room (P226,000) which aligns with the UN Sustainable Development Goals and national educational priorities.
- World Telecommunication and Information Society Day (WTISD): Contributing P203,000 towards inclusive education initiatives during Girls in ICT week.
- Supporting agricultural activities with technology solutions

These initiatives reflect BTC's enduring dedication to building resilient, inclusive, and empowered communities of which our shareholders are part and parcel of these communities

## Governance and Board Composition

Strong governance is the foundation of BTC's strategic execution. Our Board is committed to upholding rigorous governance frameworks, effective risk management, and internal controls, aligned with global best practices. The Board comprises one executive director and seven non-executive directors bringing diverse expertise and ensuring balanced oversight. Our directors bring a wealth of industry knowledge, business acumen as well as governance and risk management oversight capability and remain professionally active, ensuring continuous learning and agile strategic oversight. Strong governance underpins our strategy. We adhere strictly to governance frameworks, including the BSE Equity Listings Requirements and our Constitution.

## Leadership Transition-Appointment of a Chief Executive Officer

The BTC Board of Directors appointed a new CEO, Mr Jürgen Peschel effective 2nd July 2025 following an extensive recruitment exercise. We welcomed Mr. Jürgen Peschel as CEO, succeeding Mr. Anthony Masunga. With over three decades of global telecommunications leadership, Mr Peschel brings transformative expertise to steer BTC into its next growth phase. Jürgen Peschel is a German national and a seasoned CEO in the

telecommunications space whose career spans over three decades of progressive leadership in cutting edge telecom, IT, digitisation and fintech across Europe, North America and emerging markets including Africa. He has led both group as well as local operator functions providing strong transformative leadership to develop telecommunications providers into the digital era and driving innovation in products and services to grow revenues for sustainable profitable growth.

His unique blend of technical acumen, business leadership and cross-cultural expertise positions him to lead BTC through the next wave of digital transformation as our new CEO. The Board would like to take this opportunity to welcome Mr Peschel. We sincerely thank Ms. Boitumelo Paya, CFO, for serving as Interim CEO with during the transition whilst recruitment was ongoing Her leadership during the transition period is highly appreciated.

## Outlook

BTC is well-positioned to drive Botswana's digital transformation agenda under BETP. Our evolution from a traditional telco to a technology company will see continued investments in AI-driven solutions, cloud services, and cyber-secure hosting platforms. Partnerships with startups and innovators will expand our ecosystem, creating high-skilled employment and enhanced customer experiences.

Our aspiration is not only limited to being the market leader in Botswana but to become a pan-African operator given our strong balance sheet, highly developed human capital all backed by our country's great sovereign credit rating.

Whilst we focus on delivering our strategic aspiration, underlying all this would be ensuring that we deliver great shareholder value. Our initiatives have started bearing fruit in relation to enhanced profitability (sustainable) and ensuring that we continuously strengthen our balance sheet, especially cash generation capability. We remain focused on delivering sustainable value for all our stakeholders.

## Appreciation

Our accomplishments are made possible by the dedication and passion of the BTC team. Their relentless drive for excellence continues to propel us forward. It is our commitment to continuously invest in our people and position BTCL as a great place to work for. We acknowledge that there is a lot of work in this area, and we have recently enhanced our Human Capital Team at Executive level to drive this agenda on behalf of the Board of Directors. I would like to, on behalf of the board of Directors, thank our employees, for their unwavering commitment, resilience, and innovation. We appreciate your efforts and your resolve to walk through our transformation journey.

We would also like to thank our customers: you are the reason we strive for excellence every single day. Your commitment and belief in the BTCL brand are highly appreciated and inspires us to further challenge ourselves to achieve greatness. We can only invite you to walk the journey with us as we now move to solving your business challenges and helping you to be more competitive in our ongoing pursuit of progress. I would like to thank our shareholders for their confidence in BTCL, and the support is deeply valued. We share your desire to have BTCL as the investment vehicle of choice on the BSE.

It is our belief that with our staff, customers, shareholders and all key stakeholders, we shall continue the path to building Botswana's truly integrated technology company that will help deliver a digitally connected and inclusive economy with Botswana reaping dividends from their investments.

Sincerely,

Mokgethi Frederick Magapa  
Chairperson of the Board

This statement provides a comprehensive overview of BTC's achievements, strategic direction, and commitment to innovation and sustainability. Thank you for your ongoing support and confidence in our company.



# Chief Executive Officer's Statement

Dear Shareholders, Stakeholders, and Valued Customers,

It is with sincere appreciation that I present the BTC's Integrated Report for the year ended March 31, 2025. This year has been defined by focused execution, meaningful progress, and a renewed commitment to delivering impact, across our business and in the communities we serve.

## Strategy 2022 – 2025: A Transformative Journey

As we conclude our 2022 – 2025 strategy cycle, we take pride in the transformation achieved and the solid progress made across all areas of the business. Our strategic direction has proven sound and responsive to the shifting needs of our customers and the evolving dynamics of the telecommunications sector.

Over the past three years, BTC has experienced sustained growth, launched innovative products, and expanded its service offerings in ways that have redefined customer expectations.

Key highlights of this period include:

- **Expansion of Mobile Financial Services**  
We enhanced our digital ecosystem by introducing solutions such as Karabo Funeral Plans, Smega Loans, and Motlakase, offering customers holistic, convenient services all under one roof. These innovations reflect our evolution from a traditional telecom operator to a trusted partner in our customers' everyday lives.

- **Digital Services Growth**  
The transformation of our internal data centre into a revenue-generating digital platform has been a game-changer, and today, our Digital Services Suite includes offerings such as Data Storage & Archiving, Backup & Restoration, Disaster Recovery, Email as a Service. These solutions position BTC as a key player in Botswana's digital economy.
- **Network Transformation**  
Continued investment in fibre infrastructure has enabled faster, more reliable connectivity across the country. These efforts have improved network availability, accessibility, and hand-over success rates, significantly enhancing our customers' experience. The former copper based fixed networks have been transformed into the latest fibre based GPON technologies by more than 90% across the country to date and some of the copper was replaced by Radio.
- **Customer-Centric Improvements**  
Our customer satisfaction score reached an impressive 78%, with a 70% rating in value for money, a testament to our focus on delivering meaningful, high-quality experiences that truly serve the needs of Botswana.

Looking ahead, we remain committed to advancing our digital agenda, not only to drive operational efficiency and reduce costs, but to elevate the customer experience and support Botswana's broader digital transformation goals.

The strategic foundation laid over the past three years gives us confidence in our ability to achieve sustainable, long-term growth. With bold vision, disciplined execution, and a customer-first mindset, BTC is well-positioned to seize the opportunities of a digital future.

## Financial Performance

A strong, resilient year our financial performance this year highlights the success of our strategy, disciplined cost management, and growing momentum across key segments of our business. We continued to unlock value for our shareholders and reinvest in future growth.

## Key Financial Highlights

- Revenue grew by 4%, from P1.44 billion to P1.49 billion, driven by fixed and mobile data demand.
- Cost of services and goods sold declined by 5%, from P637 million to P603 million, reflecting operational efficiencies.
- Earnings before interest, tax depreciation and amortisation (EBITDA) margin declined slightly to 30.1% (from 32.5%), due to deliberate investment in digital infrastructure.
- Profit Before Tax increased by 30%, from P200 million to P259 million, driven by cost control and diversified revenue growth.

- Return on Capital Employed (ROCE) rose to 7.5% (from 6.1%), showcasing disciplined capital deployment.
- CAPEX-to-Revenue increased to 20.2% (from 14.3%), reflecting continued investment in digital infrastructure and mobile service innovation.

These outcomes affirm our strategy of investing for long-term competitiveness while delivering immediate shareholder value.

## Market Position: Adapting to a Digital Future

The telecommunications industry has undergone a profound shift. Data has overtaken voice as the dominant usage driver, and Data Centres increasingly become the heart and engine rooms of our economy and businesses do rely fully on highly available, resilient and cybersecurity protected fibre networks.

BTC has embraced this shift by modernising its network and virtualising its core infrastructure to enhance scalability, adaptability, and cost efficiency. Data Centres had been built to provide processing power whilst ensuring utmost data protection and privacy. These strategic moves enable us to increasingly offer the best technical solutions for both consumers and enterprises.

Our current market shares are

- Mobile services: 13.9%
- Fixed broadband: 24.5%
- Mobile Financial Services: 14.6%

These reflect growing customer preference for mobile-centric, flexible, and digitally integrated solutions areas where BTC is actively strengthening its competitive advantage.

## Cultural Transformation: Empowering People, Driving Excellence

We believe that true transformation starts with our people. Our journey toward becoming a high-performance organisation is underpinned by a strong focus on cultural transformation, talent development, and leadership accountability.

## Talent Management and Development

Our people are our greatest asset. Over the past year, we implemented targeted learning and development initiatives across disciplines to ensure our teams are prepared for a dynamic, digitally driven future. From expanding access to LinkedIn Learning to launching specialised upskilling and leadership development programmes, our focus has been on building a resilient, future-ready workforce.

## Fostering a High-Performance Culture

We are embedding a culture rooted in clarity of purpose, personal accountability, and collective ambition. Our transformation is about more

than systems or tools; it's about unlocking the potential of our people.

We continue to cultivate a workplace where employees are encouraged to challenge the status quo, drive innovation, and deliver measurable impact. Transparency, inclusion, and values-based leadership have been central to this cultural evolution.

Leadership at all levels plays a critical role modelling desired behaviours, reinforcing shared values, and creating an environment where people thrive.

## Outlook: Delivering More for Botswana

BTC is committed to delivering excellent nationwide connectivity and customer-focused services while fostering an ecosystem that empowers citizen-owned companies and creates high-skilled jobs, keeping customers at the centre of its growth strategy.

BTC is focused on delivering reliable, high-quality nationwide connectivity and exceptional customer experiences built around real needs, with service excellence at the core. At the same time, the company is fostering inclusive growth by supporting citizen-owned enterprises and creating high-skilled employment opportunities, ensuring customers remain central to its long-term strategy.

The organisation has launched a 12–18 month transitional strategy focused on fixing the basics and strengthening its foundation through three priorities: digital-first customer empowerment, operational efficiency and resilience, and market leadership via innovation. This transition will deliver immediate value and lead into a 4–5 year strategy beginning in 2026/27, ensuring continuity from the previous 3 year plan while positioning the business for its next phase of growth.

## Appreciation

I extend my heartfelt gratitude to the Board of Directors, Executive Leadership Team, and the entire BTC workforce. Your resilience, dedication, and belief in our vision have driven our progress and achievements this year.

To our shareholders and stakeholders, thank you for your unwavering support and trust. We remain steadfast in our commitment to delivering long-term shareholder value and building a future where BTC continues to connect our people, power Botswana's digital transformation and serve as driving force behind the technological advancement of our country.

Jürgen Peschel  
Chief Executive Officer

# Financial Performance Review

## Financial Review and Management Discussions

This financial review and management discussion reviews the results of the operations, performance and financial position of the Company for the financial year ended March 2025. The commentary is intended to help the reader understand the results of the operations and financial position of BTC 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 2024. The audited annual financial statements (AFS) and the accompanying notes are prepared in accordance with IFRS® Accounting Standards and reported in Botswana Pula (BWP).

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. The analysis is designed to assist management and other readers in comparing and understanding the operating results and financial performance in a meaningful way.

### 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 therefore IFRS Accounting Standards compliant. 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 lastly some of the numbers summarised. Reconciliations or explanations have been included in areas where there are departures or differences from the audited accounts.

It should also 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) are 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 for the year (PAT) 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 overview of the Company's footprint, which highlights the transformation journey BTC had undertaken. Key milestones from this journey include:-

- Over the years, BTC has executed a series of strategic projects to modernise its network, enabling the delivery of converged service offerings across voice, data, and digital platforms. This ongoing infrastructure evolution reflects BTC's commitment to long-term sustainability, operational excellence, and enhanced customer experience all while maintaining financial independence and resilience.
- A cornerstone of BTC's transformation journey has been the establishment of strategic partnerships that have broadened our service portfolio and accelerated the adoption of emerging technologies. These collaborations supported the expansion of our Smega mobile money services, cloud-based solutions, and satellite internet solutions, significantly enhancing our digital and communications footprint across Botswana and enabling effective response to evolving customer needs.
- In 2023, BTC implemented a major organisational restructuring initiative aimed at building a fit-for-purpose structure that aligns with the Company's strategic repositioning and long-term vision. The key objective was to ensure that the organisation is equipped with the right talent in the right roles enhancing agility, strengthening execution and supporting long-term viability and financial sustainability.
- Over the past 5 years, BTC has engaged in a major network transformation project, replacing its legacy copper infrastructure with fibre technology. This shift delivered two significant benefits:
  - **Cost Reduction from Copper Theft:** The deployment has drastically reduced the financial impact of copper cable theft. Losses from theft, which amounted to P9 million in 2021, escalated to P20 million in 2022 and peaked at P57 million in 2023. Following fibre rollout, these losses dropped to P7 million in 2024 and further declined to just P600,000 in 2025.
  - **Enhanced Internet Connectivity:** The transition to fibre has enabled the provision of reliable, high-speed internet across most urban centres and rural communities nationwide.
- BTC delivered robust bottom-line results with Profit Before Tax reaching P259 million, a 30% increase year on year. The company also achieved an EBITDA margin of 30.1%. The Board approved a total dividend of 14.43 thebe per share for the year. Earnings per share rose by 28%, rising from 15.00 thebe to 19.26 thebe, reflecting BTC's ability to generate sustainable profits and enhance shareholder value. This growth was driven by improved profitability, underpinned by strong performance in the fixed data and mobile segments, effective cost management, and additional income from strategic initiatives such as the sale of decommissioned copper assets.

| Performance Statements (P 000's)  | Restated 2021    | 2022             | Restated 2023    | 2024             | 2025             |
|---|------------------|------------------|------------------|------------------|------------------|
| Revenue from contracts with customers   | 1,426,409        | 1,392,257        | 1,400,027        | 1,436,050        | 1,492,760        |
| Cost of services and goods sold (excluding depreciation and amortisation)         | (316,016)        | (327,969)        | (337,028)        | (334,046)        | (375,706)        |
| <b>Gross Profit</b>   | <b>1,110,393</b> | <b>1,064,288</b> | <b>1,062,999</b> | <b>1,102,004</b> | <b>1,117,054</b> |
| Other income  | 6,639            | 18,683           | 3,923            | -                | 37,015           |
| Selling and distribution costs  | (20,016)         | (18,242)         | (23,120)         | (18,225)         | (23,489)         |
| Administrative expenses (excluding depreciation)                                  | (397,358)        | (385,302)        | (424,406)        | (348,132)        | (377,395)        |
| Impairment losses and gains on financial assets and contract assets               | (12,865)         | 3,191            | 24,316           | (12,151)         | (24,973)         |
| Other expenses  | (239,894)        | (222,436)        | (254,088)        | (256,629)        | (278,631)        |
| <b>Earnings before interest, depreciation, taxation and amortisation (EBIDTA)</b> | <b>446,899</b>   | <b>460,182</b>   | <b>389,624</b>   | <b>466,867</b>   | <b>449,581</b>   |
| Depreciation and amortisation (of intangibles, IRU and leased assets)             | (288,436)        | (295,053)        | (271,936)        | (316,559)        | (237,729)        |
| Amortisation of government grants   | 30,990           | 21,235           | 1,206            | 1,551            | 1,693            |
| <b>Earnings before interest and taxation (EBIT)</b>                               | <b>189,453</b>   | <b>186,364</b>   | <b>118,894</b>   | <b>151,859</b>   | <b>213,545</b>   |
| Interest income   | 6,360            | 18,796           | 48,247           | 6,281            | 60,422           |
| Interest expense  | (26,972)         | (22,767)         | (18,632)         | (14,664)         | (14,938)         |
| <b>Profit before taxation (PBT)</b>   | <b>168,841</b>   | <b>182,393</b>   | <b>148,509</b>   | <b>200,008</b>   | <b>259,029</b>   |
| Income tax expense  | (30,923)         | (41,608)         | (30,728)         | (42,474)         | (56,825)         |
| <b>Profit for the year (PAT)</b>  | <b>137,918</b>   | <b>140,785</b>   | <b>117,781</b>   | <b>157,534</b>   | <b>202,204</b>   |

## Review of financial performance [continued]

| Position Statements (P 000's)                    | Restated 2021    | 2022             | Restated 2023    | 2024             | 2025             |
|--|------------------|------------------|------------------|------------------|------------------|
| Property, plant, equipment and Intangible assets | 1,776,391        | 1,633,398        | 1,651,389        | 1,676,789        | 1,790,418        |
| Right of use assets                              | 129,325          | 115,337          | 109,170          | 140,412          | 136,938          |
| IRU asset  | 458,514          | 420,305          | 382,096          | 343,887          | 305,678          |
| Performance bond                                 | -                | -                | -                | -                | 16,650           |
| Other non-current assets                         | -                | -                | 28,766           | 45,830           | 49,212           |
| Other current assets                             | 263,956          | 301,112          | 294,396          | 327,968          | 474,814          |
| Short term investments                           | -                | 348,856          | 427,625          | 107,803          | 56,411           |
| Cash and cash equivalents                        | 363,273          | 171,586          | 143,358          | 625,344          | 442,360          |
| Assets held for sale                             | -                | -                | -                | 12,664           | 14,742           |
| <b>Total Assets</b>                              | <b>2,991,459</b> | <b>2,990,594</b> | <b>3,036,800</b> | <b>3,280,697</b> | <b>3,287,223</b> |
| Capital employed                                 | 2,241,254        | 2,281,695        | 2,351,260        | 2,487,350        | 1,977,458        |
| Non-current liabilities                          | 338,684          | 308,520          | 301,309          | 390,396          | 426,455          |
| Current liabilities                              | 411,521          | 400,379          | 384,231          | 402,951          | 883,310          |
| <b>Total Equity and Liabilities</b>              | <b>2,991,459</b> | <b>2,990,594</b> | <b>3,036,800</b> | <b>3,280,697</b> | <b>3,287,223</b> |

### Ratios

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Revenue growth                                   | 1%    | -2%   | 1%    | 3%    | 4%    |
| Earning per share (Thebe) (1,050,000,000 shares) | 13.14 | 13.41 | 11.22 | 15.00 | 19.26 |
| GP Margin  | 78%   | 76%   | 76%   | 77%   | 75%   |
| EBIDTA margin                                    | 31%   | 33%   | 28%   | 33%   | 30%   |
| Current ratio                                    | 1.5   | 2.1   | 2.3   | 2.7   | 1.1   |
| Capex to revenue ratio                           | 15%   | 10%   | 16%   | 14%   | 20%   |
| Capex to depreciation charge                     | 0.8   | 0.5   | 0.8   | 0.7   | 1.2   |
| Turnover ratio (Turnover/ Closing assets)        | 48%   | 47%   | 46%   | 44%   | 45%   |
| Return on average equity                         | 6%    | 6%    | 5%    | 7%    | 9%    |
| Return on average capital employed               | 5%    | 5%    | 4%    | 6%    | 8%    |
| Return on average operating assets               | 5%    | 5%    | 4%    | 5%    | 6%    |

### Other Operational Data

|                |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|
| Staff strength | 886 | 864 | 819 | 710 | 864 |
|----------------|-----|-----|-----|-----|-----|

### Economic data

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| Inflation (consumer price inflation)   | 3.30  | 10.00 | 9.90  | 2.9   | 2.8   |
| Value of Pula (1 Pula equals to US \$) | 0.087 | 0.085 | 0.076 | 0.073 | 0.071 |

Change 2025 vs 2024

| Performance Statements (P 000's)                                    | Restated 2021  | 2022           | Restated 2023  | 2024           | 2025           | P'000         | %          |
|---|----------------|----------------|----------------|----------------|----------------|---------------|------------|
| Revenue from contracts with customers                               | 1,426,409      | 1,392,257      | 1,400,027      | 1,436,050      | 1,492,760      | 56,710        | 4%         |
| Cost of services and goods sold                                     | (594,446)      | (604,751)      | (594,196)      | (637,346)      | (603,005)      | 34,341        | -5%        |
| <b>Gross Profit</b>   | <b>831,963</b> | <b>787,506</b> | <b>805,831</b> | <b>798,704</b> | <b>889,755</b> | <b>91,051</b> | <b>11%</b> |
| Other income  | 30,990         | 39,918         | 5,129          | 1,551          | 38,708         | 37,157        | 2396%      |
| Selling and distribution costs                                      | (21,015)       | (18,242)       | (23,120)       | (18,225)       | (23,489)       | (5,264)       | (29%)      |
| Administrative expenses   | (409,295)      | (403,573)      | (439,174)      | (361,391)      | (387,825)      | (26,434)      | (7%)       |
| Impairment losses and gains on financial assets and contract assets | (12,865)       | 3,191          | 24,316         | (12,151)       | (24,973)       | (12,822)      | (106%)     |
| Other expenses  | (233,334)      | (222,436)      | (254,088)      | (256,629)      | (278,631)      | (22,002)      | (9%)       |
| <b>Earnings before interest and taxation (EBIT)</b>                 | <b>186,444</b> | <b>186,364</b> | <b>118,894</b> | <b>151,859</b> | <b>213,545</b> | <b>61,686</b> | <b>41%</b> |
| Interest Income   | 6,360          | 18,796         | 48,247         | 62,813         | 60,422         | (2,391)       | -4%        |
| Interest expense  | (26,972)       | (22,767)       | (18,632)       | (14,664)       | (14,938)       | (274)         | (2%)       |
| <b>Profit before taxation (PBT)</b>                                 | <b>165,832</b> | <b>182,393</b> | <b>148,509</b> | <b>200,008</b> | <b>259,029</b> | <b>51,499</b> | <b>30%</b> |
| Income tax expense  | (30,498)       | (41,608)       | (30,728)       | (42,474)       | (56,825)       | (14,351)      | (34%)      |
| <b>Profit for the year (PAT)</b>                                    | <b>135,334</b> | <b>140,785</b> | <b>117,781</b> | <b>157,534</b> | <b>202,204</b> | <b>37,148</b> | <b>28%</b> |

### Profitability ratios (%)

|                     | 2021  | 2022   | 2023  | 2024  | 2025  |       |
|---------------------|-------|--------|-------|-------|-------|-------|
| Revenue growth      | 0.7%  | (2.4%) | 0.6%  | 2.6%  | 3.9%  | 1.4%  |
| Gross profit margin | 58.3% | 56.6%  | 57.6% | 55.6% | 59.6% | 4.0%  |
| EBIDTA margin       | 32.4% | 33.1%  | 27.8% | 32.5% | 30.1% | -2.4% |
| Operating margin    | 13.1% | 13.4%  | 8.5%  | 10.6% | 14.3% | 3.7%  |
| Net Profit margin   | 9.5%  | 10.1%  | 8.4%  | 11.0% | 13.5% | 2.6%  |

As BTC continues the transformational journey toward becoming a fully digital business, we delivered a strong set of results for the financial year ended 31 March 2025. Revenue from contracts with customers increased by P57 million reaching P1.493 billion a growth of 4% compared to the prior year. This positive trajectory was supported by prudent cost management, with the cost of goods sold declining by P34 million (5%), from P637 million to P603 million. As a result, gross profit rose by P91 million year-on-year, reflecting an 11% improvement in the Company's overall gross profit margin. This momentum continued at the earnings before interest and taxation (EBIT) level, driven in part by increased other income from the sale of decommissioned copper assets. However, this was partially offset by an increase in operating expenses, which brought total operating costs to P714 million, an increase of P67 million from the previous year. Despite this, the Company reported a year-on-year

improvement of P62 million in EBIT, closing the year at P214 million up from P152 million in the prior year.

Net interest income for the year stood at P45 million, slightly lower than the P48 million recorded in the previous year. The P2.6 million decline was primarily due to lower interest rates offered by banks and reduced cash available for investment, following the payment of a special dividend for the financial year ending March 2024.

With an effective tax rate of 22% maintained across both years, the Company recorded an income tax expense of P56.8 million, up from P42.4 million in the prior year. As a result, BTC closed the financial year with a profit after tax of P202.2 million, marking an increase of P44.7 million compared to the 2024 financial year.

## Review of financial performance [continued]

| Performance Statements (P millions) | Revenue Contribution |              |               |              |              | Revenue Contribution |             |               |             |             |
|-------------------------------------|----------------------|--------------|---------------|--------------|--------------|----------------------|-------------|---------------|-------------|-------------|
|                                     | Restated 2021        | 2022         | Restated 2023 | 2024         | 2025         | Restated 2021        | 2022        | Restated 2023 | 2024        | 2025        |
| Current year amount                 |                      |              |               |              |              |                      |             |               |             |             |
| Fixed Voice                         | 408                  | 405          | 417           | 427          | 415          | 29%                  | 29%         | 30%           | 30%         | 28%         |
| Mobile                              | 452                  | 438          | 432           | 472          | 495          | 32%                  | 31%         | 31%           | 33%         | 33%         |
| Fixed data                          | 506                  | 486          | 487           | 471          | 507          | 35%                  | 35%         | 35%           | 33%         | 34%         |
| Other revenues                      | 60                   | 63           | 64            | 66           | 76           | 4%                   | 5%          | 5%            | 5%          | 5%          |
| <b>Total revenues</b>               | <b>1,426</b>         | <b>1,392</b> | <b>1,400</b>  | <b>1,436</b> | <b>1,493</b> | <b>100%</b>          | <b>100%</b> | <b>100%</b>   | <b>100%</b> | <b>100%</b> |

### Change in revenue (in P millions)

|                      | Change in revenue (in P millions) |             |          |           |           | Change in revenue (in percentage) |               |             |             |             |
|----------------------|-----------------------------------|-------------|----------|-----------|-----------|-----------------------------------|---------------|-------------|-------------|-------------|
|                      | 2021                              | 2022        | 2023     | 2024      | 2025      | 2021                              | 2022          | 2023        | 2024        | 2025        |
| Fixed Voice          | (64)                              | (3)         | 12       | 10        | (12)      | (13.5%)                           | (0.6%)        | 3.0%        | 2.4%        | (2.8%)      |
| Mobile               | 28                                | (14)        | (6)      | 40        | 23        | 7%                                | (3.2%)        | (1.4%)      | 9.3%        | 4.9%        |
| Fixed data           | 33                                | (20)        | 1        | (16)      | 36        | 7%                                | (4.0%)        | 0.2%        | -3.3%       | 7.6%        |
| Other revenues       | 12                                | 3           | 1        | 2         | 10        | 25%                               | 4.5%          | 1.6%        | 3.1%        | 15.2%       |
| <b>Total revenue</b> | <b>9</b>                          | <b>(34)</b> | <b>8</b> | <b>36</b> | <b>57</b> | <b>0.7%</b>                       | <b>(2.4%)</b> | <b>0.6%</b> | <b>2.6%</b> | <b>4.0%</b> |

BTC's revenue from contracts with customers is generated from three core business streams: Fixed Voice, Mobile, and Fixed Data (also referred to as fixed broadband). These are supplemented by an "Other Revenues" category, which includes directory services, property rentals, third-party collections, value-added services, digital services, and mobile money services (Smega).

#### Fixed Voice

The fixed voice segment, traditionally a stable contributor, recorded a decline of P12 million, decreasing from P427 million in the prior year. This follows a period of consistent growth since 2022. The decline was primarily driven by reduced voice service tariffs and pricing adjustments, as well as shifting customer preferences away from voice-centric toward data-driven alternatives. Heightened competition and evolving regulatory changes in the telecommunications sector further influenced this trend.

Despite this, fixed voice remains an essential service for institutional and business communications. Accordingly, it continues to make a meaningful contribution to BTC's revenue base, maintaining a steady 28% share of total revenue.

#### Mobile

The mobile segment delivered a strong performance, with total revenue increasing by P23 million compared to the previous year. This growth was driven by gains in both the Customer Premises Equipment (CPE) and data components, with most of the increase attributed to mobile data usage. The segment also benefited from new contract wins, which boosted CPE sales by P15.9 million year-on-year.

As a result, the mobile stream increased its contribution to overall revenue to 33%, reflecting a 5% gain in its share of the revenue mix. Mobile data revenue maintained its upward trajectory, closing the year at P281 million, a P32 million increase over the previous year.

#### Fixed Data (Broadband)

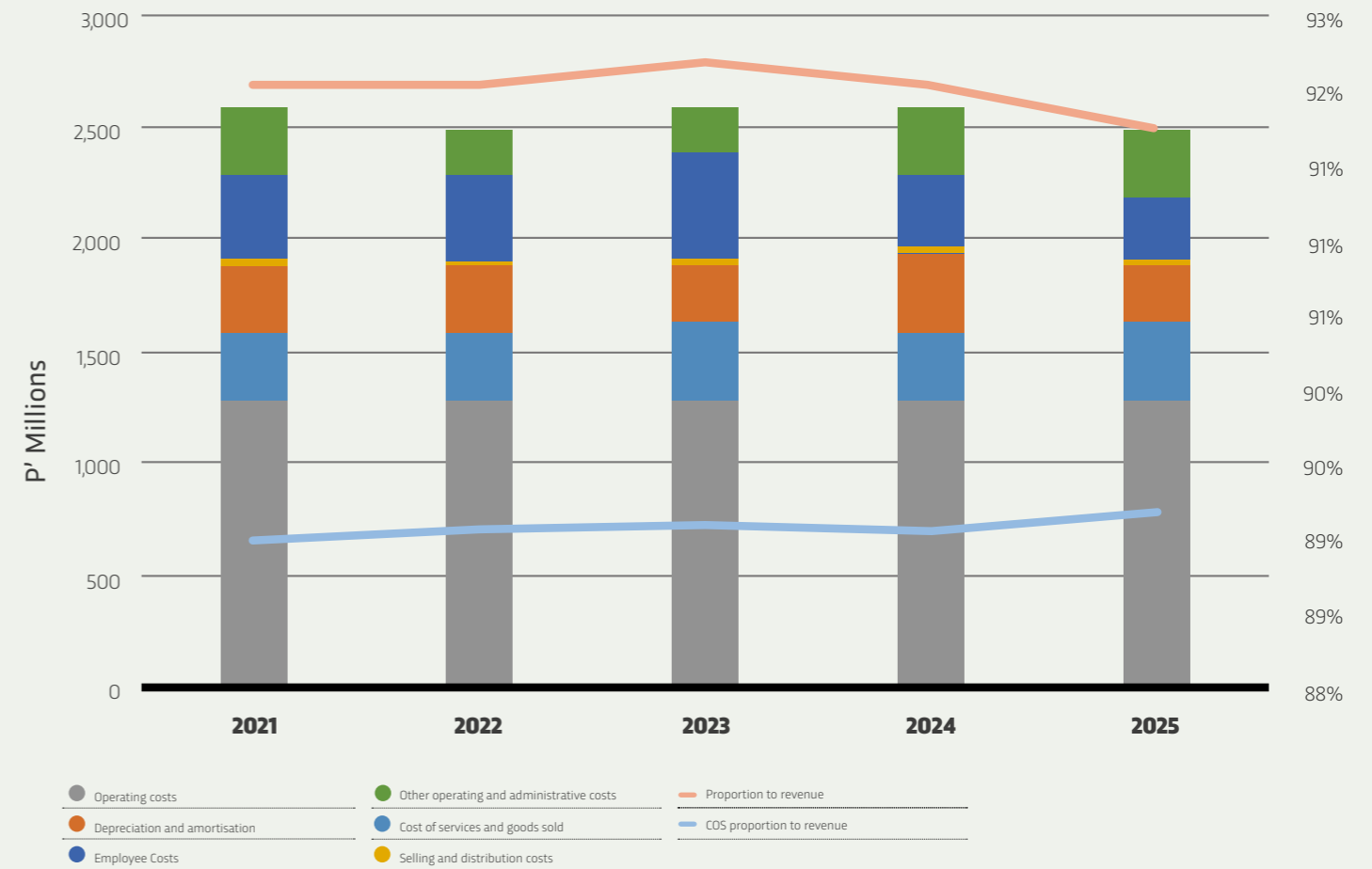
Fixed data remains the largest revenue contributor, with revenue increasing from P471 million to P507 million, marking a P36 million year-on-year gain. This growth was primarily driven by the Government's "61 Villages" project, which significantly expanded broadband access across the country and increased the uptake of fixed broadband services. As a result, the fixed data segment now accounts for 34% of total revenue, the highest share among all segments.

#### Other Revenue Streams

Although small in scale compared to the three main streams, the "Other Revenues" category delivered a notable performance, contributing P76 million, up P10 million from the prior year. The strongest drivers were mobile money services (Smega) and digital services, which together contributed an increase of P14 million.

This category continues to show strong growth potential, recording the highest compound annual growth rate (CAGR) of 6.06% for the third consecutive year. This trend highlights the growing importance of fintech and digital innovation in BTC's evolving revenue portfolio.

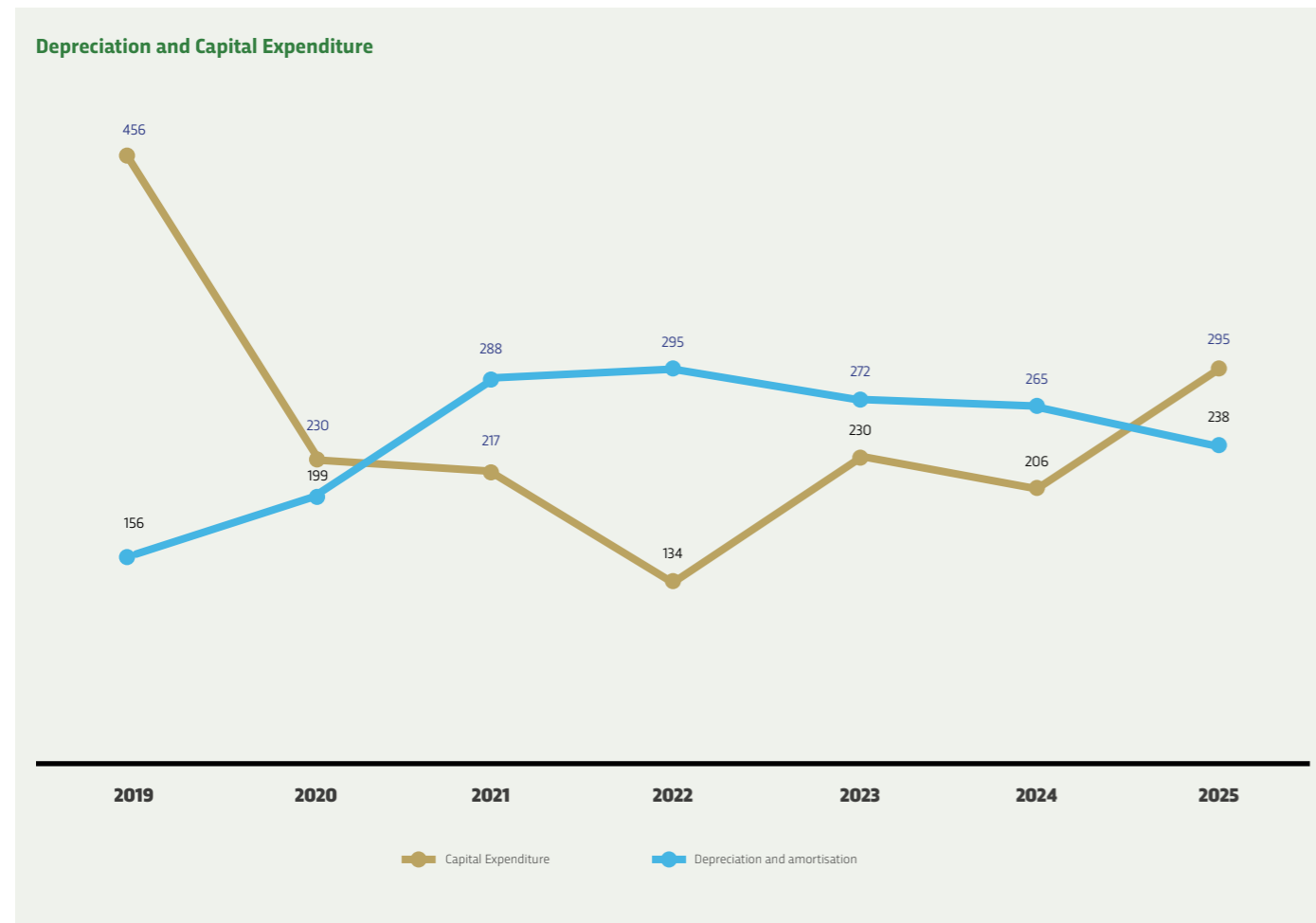
### Total Operating Costs



Operating Costs include the cost of services and goods sold, employee costs, selling and distribution expenses as well as other operating and administrative costs. For the purposes of this financial review, depreciation and amortisation charges have been excluded from the costs of services and goods sold and administrative cost categories and are instead presented as a separate line item.

In a challenging trading environment, cost optimisation has become a key strategic initiative focus. As a result, the cost-to-revenue ratio has remained relatively stable over the past five years, reflecting the Company's disciplined approach to managing operating expenses while navigating market pressures.

## Review of financial performance [continued]

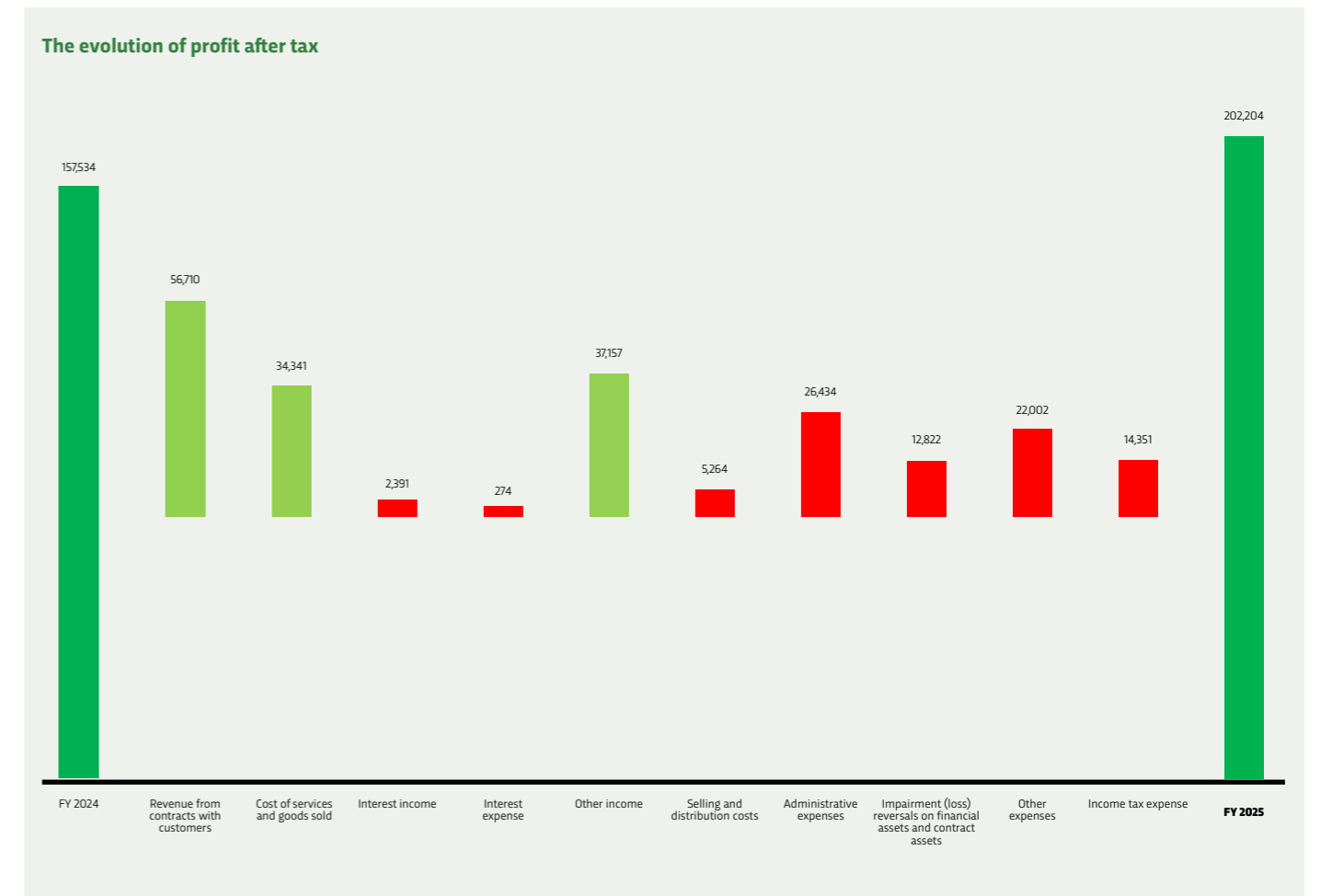


Following the successful implementation of BTC's Technological Transformation Programme up to 2020 primarily focused on modernising and transforming the network through consistent investment in next-generation technologies, the Company has since pivoted its long-term strategic focus. Going forward, the emphasis has shifted from infrastructure-led transformation to ensuring that future network investments are guided by robust monetisation and commercialisation frameworks. In essence, BTC's current strategy is centred on maximising shareholder value while maintaining a stable net asset base.

As a result of this strategic shift, capital expenditure is now being more selectively allocated, targeting initiatives with clear and measurable returns. Consequently, depreciation and amortisation charges are expected to exceed capital expenditure for the foreseeable future, reflecting a more efficient use of previously capitalised assets and a deliberate reining in of new infrastructure spend. This capital-light approach aligns with BTC's objective to improve return on assets, enhance operational efficiency, and extract greater value from its digital and network investments.

**Selling and distribution costs** amounted to P23.4 million, representing an increase of P5.2 million compared to the prior year. This cost line is closely monitored as part of BTC's broader cost containment initiatives. The increase was anticipated and is aligned with revenue growth expectations, driven largely by continued investment in commercial activities and efforts to expand customer outreach. Despite the uptick, these costs remain well-managed and within the Company's strategic cost-efficiency framework.

**Other expenses** totalled P278 million in the current year, an increase P22 million compared to the previous year. This cost category primarily comprises dealer commissions, billing expenses, BOCRA licensing fees, utilities. The primary driver of the increase was higher spectrum related costs, including radio licence fees and the acquisition of the new L700 spectrum, which rose by P17 million year-on-year.



In summary, BTC achieved a year-on-year profitability improvement of P44.7 million, primarily driven by continued growth in fixed data revenue and sustained demand for mobile data services. These positive trends reflect the Company's strategic shift towards digital and broadband-focused service offerings.

While some of the gains were partially offset by higher spectrum fees and increased maintenance costs, overall performance remained strong.

Profitability was further supported by other income of P37 million from the sale of decommissioned copper assets, contributing significantly to the bottom line.

As a result, profit for the year rose to P202.2 million, up from P157.5 million in the previous financial year, demonstrating BTC's resilience and operational efficiency in an increasingly competitive and evolving market.

## Review of financial performance [continued]

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

| Summarised Statement of Cash flows (5 years)<br>All figures in P' millions | Restated<br>2021 | 2022         | Restated<br>2023 | 2024       | 2025       |
|--|------------------|--------------|------------------|------------|------------|
| <b>Profit before Tax</b>   | 168.8            | 182.4        | 148.5            | 200.0      | 259.0      |
| <b>Net increase/ (decrease) in cash and cash equivalents</b>               | 245.2            | 157.2        | (28.3)           | 482.0      | (183.0)    |
| Cash-flows from operating activities                                       | 529.2            | 365.5        | 273.6            | 355.3      | 21.5       |
| Cash-flows utilised for investing activities                               | (193.0)          | (114.8)      | (218.7)          | 200.4      | (162.4)    |
| Cash-flows from / (used in) financing activities                           | (95.9)           | (92.7)       | (82.2)           | (74.5)     | (41.4)     |
| Net foreign exchange on cash & cash equivalents                            | 5.0              | (0.8)        | (0.9)            | 0.8        | (0.6)      |
| Cash and cash equivalents at beginning of the year                         | 118.1            | 363.3        | 172              | 143        | 625.3      |
| <b>Cash and cash equivalents at end of the year</b>                        | <b>363.3</b>     | <b>520.5</b> | <b>143</b>       | <b>625</b> | <b>442</b> |
| Analysis of closing bank balances  |                  |              |                  |            |            |
| Cash and bank and on hand  | 139.8            | 121.6        | 139.7            | 169.5      | 265.9      |
| Restricted balances held for the mobile financial services (MFS)           | -                | -            | 3.7              | 5.9        | 3.9        |
| Short term deposits  | 223.5            | 398.8        | -                | 450.0      | 172.5      |
|  | 363.3            | 520.4        | 143.4            | 625.3      | 442.4      |
| Interest Income received   | 6.4              | 18.8         | 48.2             | 62.8       | 60.4       |
| Banking Facilities   | 20               | 20           | 20               | 30         | 30         |
| <b>Liquidity ratios</b>  |                  |              |                  |            |            |
| Current ratio  | 1.5              | 2.1          | 1.1              | 2.4        | 1.0        |
| Quick ratio  | 1.4              | 1.9          | 1.0              | 2.2        | 1.0        |
| Solvency ratio   | 56.8%            | 61.5%        | 47.9%            | 46.4%      | 15.4%      |
| Solvency ratio (excluding development grants)                              | 59.0%            | 62.3%        | 49.6%            | 48.1%      | 15.9%      |

As highlighted in the financial review section, the Company continues to maintain a strong cash position supported by a conservative capital expenditure programme, improved debt collection and a robust cost containment strategy. These efforts have contributed to continued improvements in liquidity ratios compared to the prior year.

Although cash and short-term investments declined from P625 million to P442 million, management considers the available balance together with an unutilised borrowing capacity of P30 million to be adequate to meet the Company's future capital expenditure requirements and other obligations in the foreseeable future.

### Capital structure and shareholders' return ratios

| All figures in P' millions                              | Restated<br>2021 | 2022         | Restated<br>2023 | 2024         | 2025          |
|---|------------------|--------------|------------------|--------------|---------------|
| <b>Profit for the year</b> (available for distribution) | 137.9            | 140.8        | 117.8            | 157.5        | 202.2         |
| Ordinary dividends declared                             | (32.9)           | (94.3)       | (52.9)           | (91.9)       | (283.5)       |
| Final (relating to previous year)                       | -                | (55.8)       | (52.9)           | (70.4)       | (241.5)       |
| Interim (relating to current year)                      | (32.9)           | (38.5)       | -                | (21.5)       | (42.0)        |
| <b>Balance to Accumulated Profits</b>                   | <b>105.0</b>     | <b>46.5</b>  | <b>64.9</b>      | <b>65.6</b>  | <b>(81.3)</b> |
| <b>Shareholders equity at end of year</b>               | <b>2,241</b>     | <b>2,282</b> | <b>2,352</b>     | <b>2,488</b> | <b>2,404</b>  |
| Opening balance   | 2,085            | 2,241        | 2,282            | 2,352        | 2,488         |
| Other comprehensive income / reserves                   | 52               | (6)          | 5.2              | 70.5         | (2.14)        |
| Profit for the year (incl. restatement)                 | 138              | 141          | 117.8            | 157.5        | 202.2         |
| Ordinary dividends paid                                 | (33)             | (94)         | (52.9)           | (91.9)       | (283.5)       |
| <b>Analysis of total equity and liabilities</b>         | <b>2,992</b>     | <b>2,991</b> | <b>3,037</b>     | <b>3,281</b> | <b>3,714</b>  |
| Shareholders equity                                     | 2,241            | 2,282        | 2,352            | 2,488        | 2,404         |
| Development grants                                      | 27               | 9            | 24               | 29           | 34            |
| Other liabilities                                       | 723              | 699          | 661              | 765          | 1,275         |
| <b>Capital ratios (%)</b>                               | <b>2021</b>      | <b>2022</b>  | <b>2023</b>      | <b>2024</b>  | <b>2025</b>   |
| Return on average capital employed (ROCE)               | 6.6%             | 7.3%         | 4.5%             | 5.5%         | 8.1%          |
| Return on average shareholders equity (ROE)             | 6.6%             | 6.4%         | 5.1%             | 6.5%         | 9.1%          |
| Return on average assets (ROA) - PBT approach           | 4.8%             | 4.8%         | 3.9%             | 5.0%         | 6.2%          |
| Total assets turn-over                                  | 49.1%            | 47.8%        | 46.5%            | 45.5%        | 45.5%         |
| Capex to revenue  | 15.2%            | 9.6%         | 16.4%            | 14.4%        | 19.8%         |
| Weighted average cost of capital (WACC)                 | 13.6%            | 13.6%        | 13.6%            | 13.1%        | 15.2%         |

As at the end of the 2025 financial year, BTC's total equity and liabilities stood at P3.29 billion, a slight increase from P3.28 billion recorded in the previous year. Shareholders' equity accounted for most of this balance at P2.40 billion, supported by a profit after tax of P202.2 million less dividend payouts totalling P270 million, a substantial increase from P89 million distributed in the prior year.

This increased dividend distribution reflects BTC's ongoing commitment to delivering competitive shareholder returns through a stable and progressively growing dividend policy, while continuing to maintain a strong financial position to meet obligations and fund future investments. The Company's financing strategy remained unchanged during the year, with no new debt raised. BTC continues to pursue a conservative capital structure, funding operations and investments primarily through internally generated cash flows and development grants, including support from the Universal Access and Service Fund (UASF) in support of strategic infrastructure expansion and service accessibility projects.

# Strategic Performance Review

## Concluding a Three-Year Strategy Built Around the Customer

As BTC concludes its three-year customer-centric strategy, we are proud to report strong performance, meaningful transformation, and tangible value creation for our shareholders. This strategic cycle was anchored on a clear and consistent vision: placing the customer at the centre of everything we do. That focus has driven a transformative shift in how BTC operates, delivers services, and engages with its customers.

## A Strategy Delivered through Four Pillars of Transformation

The three-year journey was built by four key pillars, each designed to reinforce BTC's long-term resilience and market relevance:



These pillars worked cohesively to enhance our technological capabilities, expand service offerings, improve customer experience, and embed a performance-driven, innovation-oriented culture across the organization.

BTC has made significant strides in strengthening its market position while laying the foundation for the next phase of growth. The results delivered under each pillar underscore our commitment to a future-focused, inclusive digital economy.



## 1 ICT LEADERSHIP



BTC made significant progress in strengthening the foundational infrastructure required to deliver high-speed, reliable, and inclusive digital services. We focused our investments on initiatives that respond to national priorities and evolving customer needs, further enhancing BTC's reputation as a reliable digital partner.

### Strengthening Mobile Network Infrastructure

To improve mobile service availability, speed, and reliability for both rural and urban customers, BTC continued the phased upgrade of key mobile network sites from 2G to 4G/LTE technology.

- **2G Network:** Active site count increased by 14%, expanding basic mobile service accessibility in underserved areas.
- **4G/LTE Coverage:** Expanded national coverage by 5 percent, broadening access to high-speed mobile internet and enriching digital user experiences.

As a direct outcome of these infrastructure investments, BTC recorded measurable improvements in critical network performance indicators:

- **2G Availability & Accessibility:** 98.26% and 99.07%
- **4G Availability:** 99.61%, with a Call Drop Rate of just 0.04%.

### Accelerating Fibre Rollout and Broadband Expansion

As part of our commitment to delivering faster, more reliable internet services, BTC has significantly accelerated the rollout of Fibre-to-the-Home (FTTH), and fixed wireless broadband and expanded fixed broadband coverage across key regions. This forms a critical component of our broader strategy to modernize national connectivity infrastructure and meet the growing digital demands of consumers and businesses alike.

During the period, major urban hubs including Gaborone, Tlokweng, Mogoditshane, Broadhurst, and Francistown experienced intensified fibre deployments. This marks a deliberate transition away from legacy copper networks toward a more robust, future-ready broadband ecosystem, and minimised service outages due to copper cable thefts.

The expanded fibre footprint is enabling:

- **High-speed, stable internet connectivity** for both residential and enterprise customers.
- **Enhanced bandwidth and reduced latency**, supporting data-intensive activities such as HD streaming, video conferencing, remote work, and cloud-based services.
- **Improved customer satisfaction** through increased network reliability and performance consistency.

These advancements not only enhance everyday digital experiences but also lay the groundwork for broader economic participation and innovation, aligning with BTC's goal of enabling Botswana's digital future ambitions.

## 2 NEW GROWTH AREAS



Diversifying Revenue and Unlocking Future Value

BTC has concentrated on identifying and scaling innovative opportunities beyond traditional telecommunications services. This strategic focus is essential to diversifying our revenue base, capturing value from emerging adjacent markets, and ensuring the business remains resilient and future-ready in a rapidly evolving digital landscape.

Recognising that sustainable growth depends on innovation and agility, BTC has significantly expanded its fintech platform portfolio. Over the past three years, we have launched impactful digital financial products and services designed to promote inclusion, convenience, and affordability for Botswana's diverse population.

### Notable Fintech initiatives include:

- **SMEGA's Growth Trajectory:** Compared to the prior year, Smeqa experienced a 55 percent increase in subscribers and a 70 percent increase in revenue demonstrating strong product-market fit and growing customer interest.
- **Karabo Funeral Cover**, offering affordable funeral plans that have driven subscriber growth and increased revenue while addressing vital community needs.
- **Smeqa Loans**, a digital lending platform that has expanded financial access, resulting in higher subscriber numbers and revenue uplift.
- **Motlakase**, a service enabling customers to conveniently purchase electricity through our platform, further broadening BTC's service ecosystem and enhancing everyday utility access.

In addition to product innovation, BTC has been a champion of financial inclusion, providing tailored financial solutions to the underbanked, continually enhancing the security, reliability, and user experience of our Smeqa ecosystem.

BTC's fintech platform serves as a cornerstone for future growth, enabling the company to capitalise on emerging digital trends while fostering greater financial inclusion across the country.

Strategic performance [continued]

**3 DIGITAL TRANSFORMATION**

Under the Digital Transformation pillar, BTC has prioritized leveraging cutting-edge technologies and data-driven insights to modernize our operations and elevate customer experience. This pillar reflects our commitment to becoming a digitally native organisation that is agile, efficient, and highly responsive to market dynamics.

Over the past three years, BTC has implemented a series of transformative initiatives aimed at enhancing customer experience, driving data driven decision making, harnessing, and delivering cloud solutions. These efforts have not only improved operational efficiency but have also enhanced customer engagement by offering seamless, convenient, and personalized digital services.

**Elevating Customer Experience**

At BTC, delivering exceptional customer experience remains a central pillar of our transformation agenda. We recognize that meaningful engagement begins with a deeper understanding of our customers' needs and expectations. To support this, we have taken foundational steps to modernize our customer service capabilities.

While we are still in the early stages of implementation, the CRM system will lay the groundwork for future improvements in responsiveness, service delivery, and proactive support. We expect the full impact of this system to materialize over time as adoption deepens, and customer interactions are increasingly informed by real-time insights.

The CRM platform will serve as a critical enabler in delivering on our promise to put customers at the centre of everything we do, ensuring that every touchpoint becomes more efficient, personal, and impactful.

**Harnessing Big Data for Real-Time, Data-Driven Decisions**

During the year under review, we developed and deployed big data capabilities and network utilization and management capabilities using real-time dashboards that provide our teams with comprehensive, up-to-the-minute insights into key areas such as network performance, network utilisation and financial metrics.

These tools are transforming the way we operate empowering teams to make faster, more informed decisions, optimize resource allocation, and identify new opportunities for growth. By integrating data into our core processes, BTC is improving its ability to anticipate market shifts, address issues proactively, and deliver more tailored and responsive services. This capability strengthens not only internal performance management but also our ability to enhance customer satisfaction, loyalty, and long-term value creation through smarter, insight-led decision-making.

**Cloud Business: Powering Botswana's Digital Future**

At the heart of BTC's digital transformation agenda lies the Sentlhaga Data Centre (SDC), the cornerstone of our Cloud and Digital Services portfolio. The SDC continues to play a pivotal role in delivering secure, high-performance infrastructure to both public and private sector clients, enabling them to transition to smarter, and efficient enterprises.

Over the past year, we have experienced exceptional growth in our Digital Business segment, recording an 86 percent increase driven primarily by our cloud and co-location services. This remarkable performance affirms the growing demand for reliable, scalable digital infrastructure and positions BTC as a key enabler of Botswana's digital transition.



In response to this demand, we undertook a major upgrade of our cloud platform to enhance capability, security, and performance. The result is a more agile environment that allows developers, enterprises, and institutions to build, deploy, and scale applications with speed and confidence.

Our enhanced service suite includes:

- Secure Data Storage & Archiving
- Automated Backup & Disaster Recovery
- Application & Infrastructure Resilience Solutions
- Virtual Data Centres & Machines as a Service
- Email Hosting Services
- Container as a Service (CaaS)
- Cloud Advisory & Consulting Services

These solutions deliver more than just infrastructure, they empower organizations with the flexibility, security, and innovation they need to thrive in a digital-first world. As BTC continues to expand its cloud capabilities, we remain focused on being Botswana's trusted partner in building a resilient, and secure future-ready digital ecosystem.



Strategic performance [continued]



4 CUSTOMER DRIVEN CULTURE



Embedding Customer-Centricity Across the Organisation

At the core of BTC's three-year strategy has been a fundamental shift towards a truly customer-driven culture. We recognise that delivering exceptional value and service requires more than just technology and processes it demands a mindset and behaviours that consistently place the customer at the heart of every decision and action.

Building a Customer-Centric Mindset

Over the past three years, BTC has invested heavily in cultivating a culture where customer focus is embedded at all levels. Through targeted training, leadership engagement, and employee empowerment initiatives, we have fostered greater awareness of customer needs and strengthened accountability for delivering superior experiences. Employees across all departments are encouraged to embrace the customer's perspective, collaborate cross-functionally, and innovate proactively to solve customer challenges. This cultural foundation has enhanced internal alignment and supported more agile responses to changing market demands.

Strengthening Stakeholder Engagement

BTC has also prioritized transparent and continuous engagement with customers and other key stakeholders. Regular feedback mechanisms, including surveys, focus groups, and digital listening tools, provide valuable insights that inform product development, service improvements, and strategic planning.

By actively listening and responding to stakeholder input, BTC ensures its offerings remain relevant and customer expectations are consistently met or exceeded.

As we close this transformative three-year chapter, BTC stands stronger, more agile, and more customer-focused than ever before. Through disciplined execution across our four strategic pillars ICT Leadership, New Growth Areas, Digital Transformation, and Customer-Driven Culture we have delivered meaningful improvements in network infrastructure, diversified our service offerings, embraced innovative technologies, and fostered a culture centered on customer excellence. These achievements have not only enhanced shareholder value but also positioned BTC as a pivotal enabler of Botswana's digital future. Looking ahead, we remain committed to building on this solid foundation, driving sustained growth, and empowering all Botswana to Live Connected.

Future Outlook

Looking ahead, BTC is well-positioned to capitalize on emerging opportunities and navigate the evolving digital landscape. Building on the strong foundation established over the past three years, our commitment remains simple and focused: improving our network infrastructure, enhancing our operations, and elevating customer experience. Through strategic investments BTC is poised to drive sustainable growth and create lasting value for our customers, shareholders, and the nation.

# Technology and Information Systems

## Digital Customer Experience

As part of our ongoing digital transformation efforts, BTC enhanced its website to drive stronger customer engagement through user-friendly interfaces that simplify navigation with clean design and intuitive layouts. Key upgrades included the integration of seamless and accessible payment options, dynamic promotion displays and quick-access navigation for core services. These enhancements are designed to improve the digital user experience and streamline interactions.

BTC continued to expand its USSD service offerings to include key functionalities such as payments, electricity vending, micro-loans, and micro-insurance products (including funeral cover). These innovations aim to increase financial inclusion, particularly for customers using basic mobile phones or with limited internet connectivity. BTC continues to embark on its customer journey management platform for tailored content, recommendations and experiences using customer data.

## Partnership and Onboarding

BTC's Integration Layer serves as a key enabler for the seamless onboarding of third-party systems into the BTC ecosystem. Building on integrations in previous years across sectors such as utilities, insurance, and banking (via the Smega platform), the 2024/25 financial year saw continued momentum.

Key integrations included:

- 1 Cash-in and cash-out capabilities for merchants
- 2 Merchant Pay functionality tailored for the gambling sector
- 3 Bank-to-Wallet services in partnership with BBS
- 4 Integration of the new customer journey management system with the billing engine.

These integrations have expanded BTC's service offerings, bolstered its position as a digital enabler in Botswana's financial and retail landscape, and contributed to increased transactional volumes and shareholder value.

## Big Data and Analytics

By the end of the 2024/25 financial year, BTC successfully concluded a strategic initiative focused on enhancing data-driven decision-making, business agility, and operational efficiency. Deliverables included:

- 1 Mobile Site Locality Intelligence
- 2 Fixed Broadband Locality Intelligence
- 3 Data-Driven Dashboards.

These tools are instrumental in enabling timely market responses, optimising resource allocation, and supporting long-term value creation for shareholders.

## Sentlhaga Data Centre and Digital Services

In response to the Botswana Data Protection Act, BTC's Data Centre has reinforced its strategic role in ensuring data residency and sovereignty by providing secure cloud solutions within the borders of Botswana. As more organisations seek local hosting to comply with regulatory requirements, BTC remains the preferred partner for secure, high-availability digital infrastructure.

BTC's Data Centre service portfolio includes:

- 1 Data Storage & Archiving
- 2 Data Backup & Restore
- 3 Application & Data Centre Disaster Recovery
- 4 Virtual Data Centre & Virtual Machine as a Service
- 5 Email as a Service.

## Consulting Services

During the 2024/25 financial year, BTC also commenced implementation of a certified Disaster Recovery site, further strengthening service reliability, availability, and business continuity. These investments support BTC's strategy to grow its cloud services and deliver sustained shareholder value.

# Technology Transformation

## Core Network Modernisation

BTC continued to modernise its network infrastructure to meet current and future connectivity demands. Key projects included:

- ▶ Completion of the cloud-native mobile packet and voice core modernisation
- ▶ Metro transport network upgrades delivering capacities of up to 100 Gbps
- ▶ Cybersecurity system enhancements under the Unified Security Strategy

The enhanced cybersecurity framework boosts BTC's threat detection capabilities and network resilience.

BTC also upgraded its Policy and Charging Rate Function (PCRF) system to enable dynamic data traffic management, improve quality of service, support flexible monetisation models, and enhance the overall customer experience.

## Fixed Access Network Modernisation

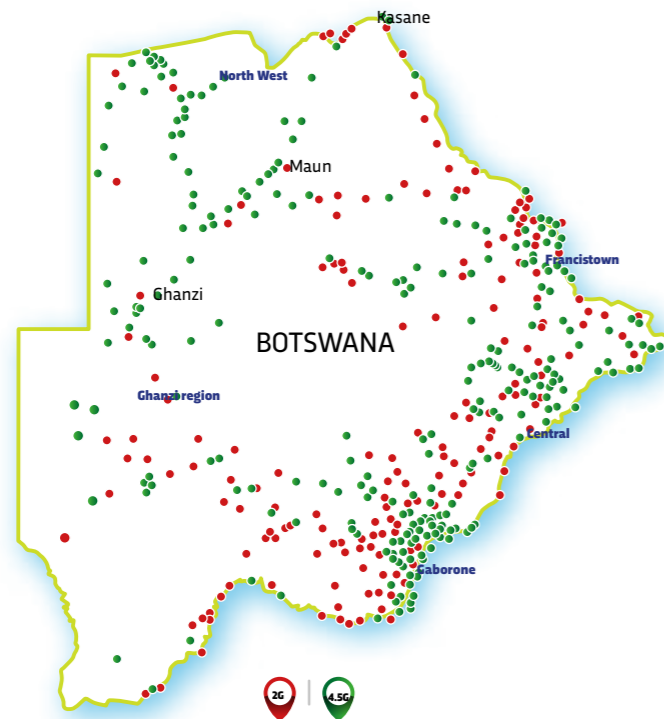
BTC's Fibre-to-the-Home (FTTH) and Fibre-to-the-Building (FTTB) services saw strong uptake.

- ▶ FTTH coverage in Gaborone reached 91% by March 2025
- ▶ Francistown FTTH coverage is targeted to grow from 39% to over 90% in the next financial year.

BTC also continued fibre deployments in key villages using FTTB, supported by broadband wireless technologies for high-speed residential and business connectivity. Over 120 villages now benefit from mobile broadband, complementing fixed wireless deployments.

## 4.5G Coverage map

The current 4G/LTE coverage map appears below:



To serve remote and hard-to-reach areas, BTC continued leveraging satellite technologies. Notably, it entered into a reseller partnership with Starlink, enabling delivery of high-bandwidth satellite broadband services for businesses in remote locations.

## Mobile Network Expansion and Improvements

BTC's mobile broadband services continued to grow, supported by nationwide network expansion.

- ▶ Mobile network sites increased from 772 to 800
- ▶ LTE/4.5G sites grew from 576 to 654

BTC also boosted capacity in high-usage urban and peri-urban areas using available spectrum, including the newly acquired 700 MHz band. This spectrum is critical for improving coverage and relieving congestion in underserved areas.

During the financial year:

- ▶ 40 new LTE sites were installed
- ▶ 149 existing sites were upgraded
- ▶ 105 GSM sites were activated to enhance mobile voice services.

These efforts underscore BTC's commitment to delivering high-quality, reliable mobile connectivity and superior user experiences across Botswana.

## Mobile Spectrum & Licenses

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

- GSM900 – 6MHz
- GSM1800MHz – 12MHz
- UMTS2100 – 10MHz
- LTE 700 – 20MHz
- LTE1800 – 10MHz
- LTE 2100 – 10MHz
- LTE 2600 – 20MHz
- TDD LTE2300MHz – 40MHz
- Point-to-Multi Point 3500MHz – 30MHz.

These spectrums continue to enable BTC to provide high-speed wireless and mobile broadband services across the country at the highest throughput levels ever experienced in Botswana.

# Consumer and Enterprise

## REFINED COMMERCIAL FOCUS

### Leveraging DX to Enhance CX: Optimising for Efficiencies

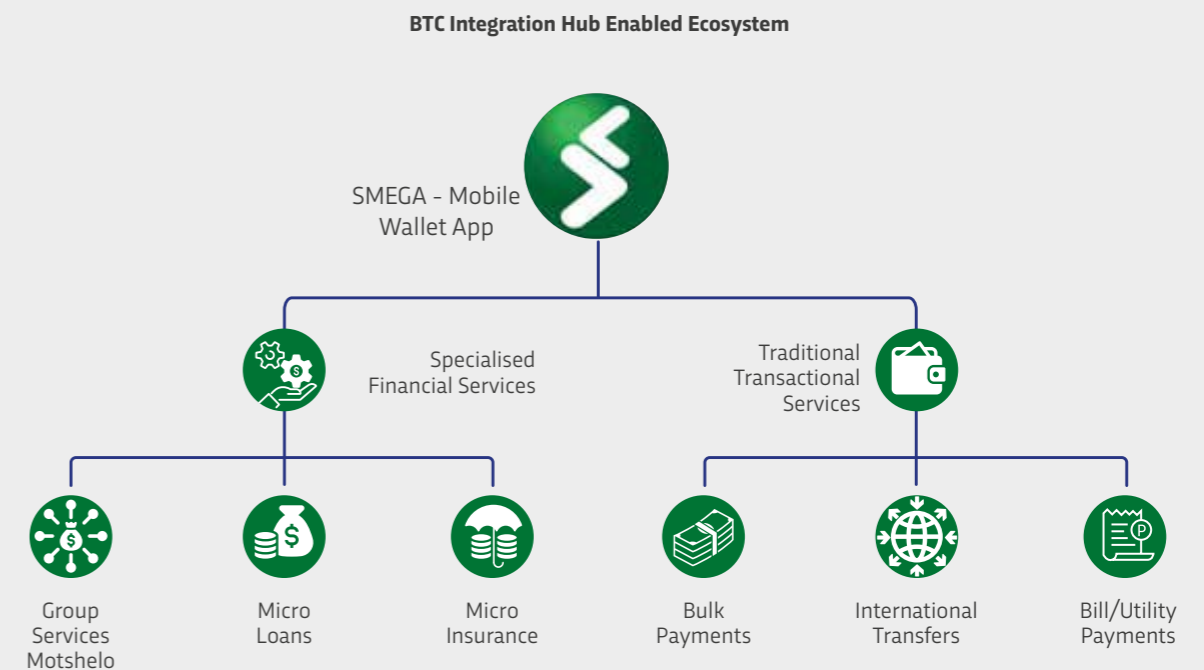


Digital transformation and customer service experience are at the core of the revamped commercial strategy. We have accelerated our efforts to support our customers as they develop and implement their digital strategies to adapt to an ever-evolving technological landscape. This has led to the active 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 cybersecurity.

### Extending Digital and Financial Inclusion: Leaving No One Behind

Our Mobile Financial Services strategy focused 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.



## Consumer and Enterprise [continued]

### 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 1 month. 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 can open and manage their club savings account with members from anywhere in the country.

We have recently launched a platform in the betting space where sports enthusiasts can place their bets on their favourite teams and players. We have launched this in partnership with Betway.

### Traditional Transactional Services

Through the Smega platform, BTC has significantly reduced reliance on cash transactions, promoting the adoption of digital payment methods. Customers can now conveniently pay utility bills using Point-of-Sale (POS) devices, online channels, or any mobile device via the USSD short code \*173#.

The platform's bulk payments feature enables businesses to process salary and benefit disbursements securely and efficiently. This functionality offers a reliable risk management and payment solution that can be customised to support various periodic bulk payments remotely and with ease.

Additionally, customers can purchase BTC Motlakase electricity tokens through the \*173# USSD platform, made possible by BTC being granted Super Dealership status by BPC. This further enhances accessibility and convenience for customers across the country.

### e-Service Suite

As part of the new strategic direction, the Corporation is looking into innovative ways to support 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.

### Outlook

BTC is actively evaluating the market for practical, high-impact solutions that address social challenges while delivering sustainable profitability. In the short to medium term, we anticipate further expansion of our e-Services suite, aligned with our commitment to national digital inclusion.

With the necessary input capital now in place, we are positioned to accelerate delivery and significantly improve our mean time-to-market, ensuring the timely rollout of relevant and impactful digital services.

**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   |
|--|---|
| <b>Digital Store and Ground Force</b>                | 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 conducts door-to-door campaigns and on-the-ground activations, as well as presentations at different offices on our different products and services.   |
| <b>Digital Platforms</b>                             | As more people transition into the digital space, BTC continues to support its customers by collaborating with its strategic partners to enable airtime and data purchases through mobile applications, the Smega App and the USSD function.  |
| <b>Proactive Indirect Sales Partners</b>             | 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.   |
| <b>Relationship Managers and Pre-Sales Engineers</b> | This team is mandated with growing the SME & the Enterprise business through dedicated account management support, sales, area activations, customer onboarding and retention. The team is supported by Sales Engineers who assist in putting together customised solutions tailored to meet each customer's needs based on insights from Relationship Managers and other sources. The Account Support Team ensures that all that has been sold to customers is delivered on time and billed correctly. |
| <b>Interactive Contact Centre</b>                    | 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.  |
| <b>Corporate Solutions</b>                           | 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 Digital services.  |



**BEYOND  
CONNECTIVITY**  
Digital Progress  
with Purpose

SUSTAINABILITY  
CONSIDERATIONS

04

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# Sustainability Considerations

## Materiality Assessment Report

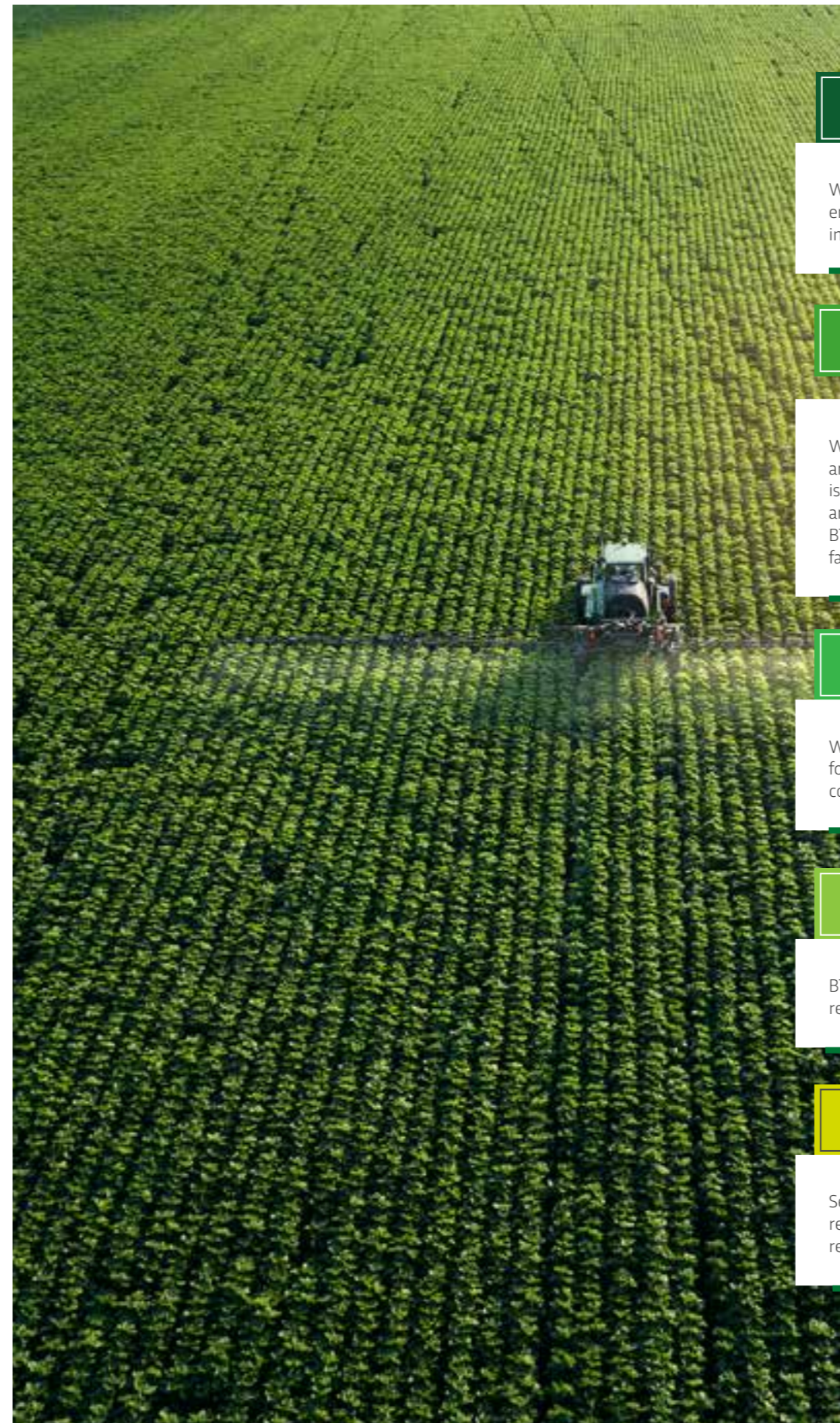
During the reporting year, BTC embarked on the **Corporate Sustainability Framework** development journey, delivering on the Board's prior year commitment to embed Environmental, Social, and Governance (ESG) considerations across our business. This marks a significant milestone in institutionalising sustainability as a core business imperative.

This work builds on the **Statement of Commitment** adopted by the Board in the previous financial year, which reaffirmed our role as a responsible corporate citizen committed to resilient communities, healthy ecosystems, and transparent, accountable operations. Our vision remains to create long-term value by integrating ESG principles across the value chain and leveraging digital innovation for inclusive and sustainable development.

## Laying the Foundation: Our Radar Process

We successfully included a double materiality radar assessment, which relieved the following key risk assessments.

The broader work involved in the development of our Sustainability Framework follows a structured five-step methodology:



### 1 SCAN FOR ISSUES

We systematically gathered data on relevant political, economic, social, technological, environmental, and legal (PESTEL) forces, their underlying systemic drivers, and the interactions between them.

### 2 UNDERSTAND OUR IMPACTS AND POTENTIAL FOR INFLUENCE

We consulted with employees, communities, stakeholders, subject matter experts, and actors in our value network to deepen our understanding of how particular issues and activities may directly or indirectly impact relevant environmental, social, and economic systems. This involved double materiality assessments, evaluating BTC's impact on people and the planet (impact materiality) and how sustainability factors impact the business (financial materiality).

### 3 PRIORITISE

We conducted an ESG double-materiality Radar assessment, which revealed the following as key risks: Digital ethics & governance, Circular economy, Connected communities, and Credible climate action.

### 4 ACKNOWLEDGE

BTC will articulate a clear, contextually grounded position concerning our most relevant environmental, social, economic and governance issues.

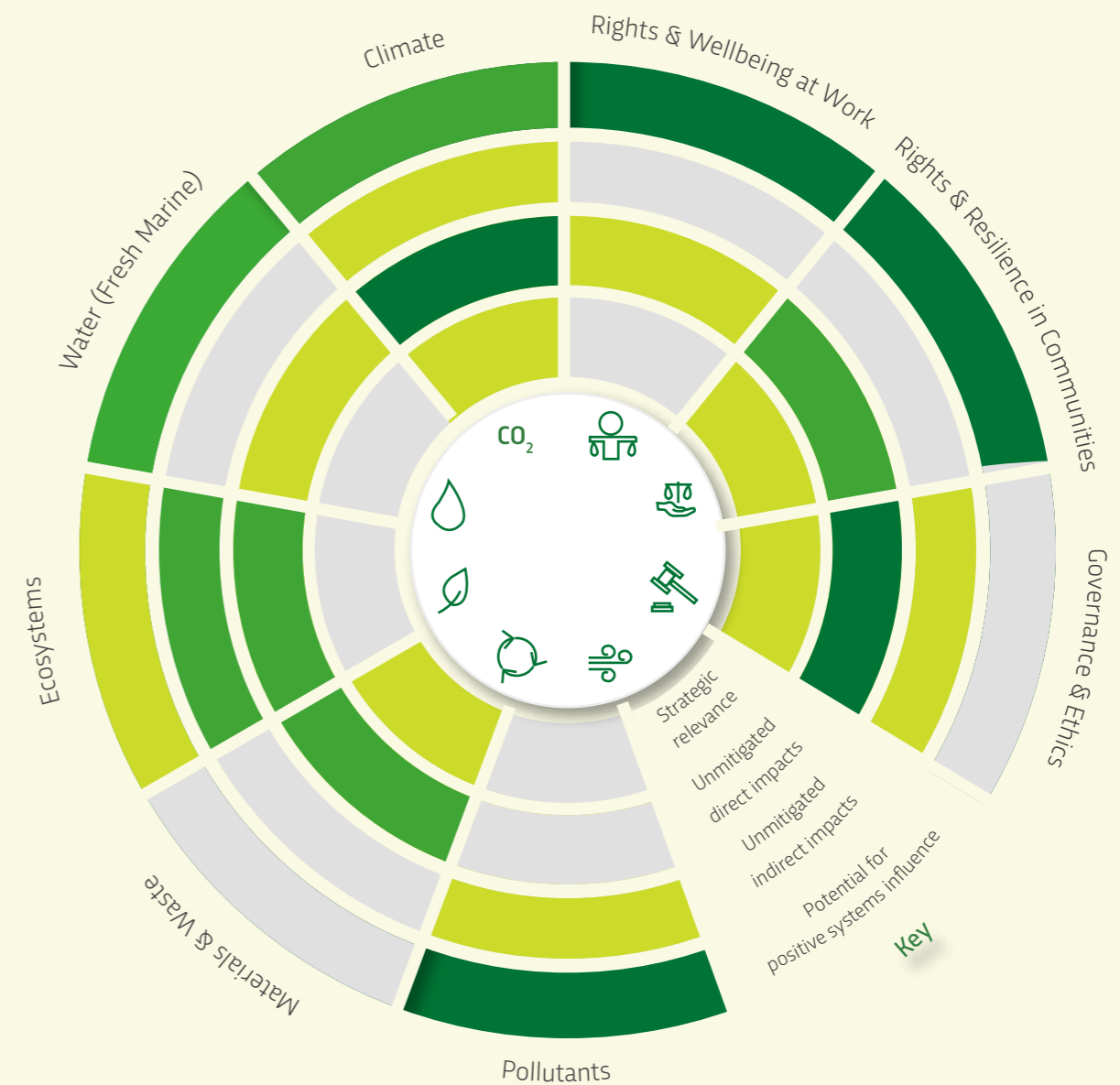
### 5 SET STRATEGY & GOALS

Set goals aligned with our contribution to systems resilience, signalling the action required, clearly outlined timeframes and including realistic interim targets for realisation of goals.

## Sustainability considerations [continued]

The table below summarises all the issues that were scanned during the radar process:

| Theme                                       | Description of the Issue   | Strategic Opportunities  |
|---|--|--|
| <b>1</b><br>Connected Communities           | <b>BTC plays a vital role in bridging the digital divide by providing affordable, reliable, and secure connectivity. The way BTC engages with its customers and communities presents a significant opportunity to foster inclusion, empower communities, and enhance brand loyalty.</b>  | <ul style="list-style-type: none"> <li>Publicly commit to community engagement as a strategic priority.</li> <li>Leverage and strengthen partnerships to address community-facing risks and opportunities.</li> <li>Raise internal awareness on the importance of community issues and BTC's role.</li> <li>Use e-learning platforms to support education on digital rights, safety and access.</li> <li>Promote sustainability initiatives, such as e-waste recycling through digital platforms.</li> </ul> |
| <b>2</b><br>ESG Governance & Digital Ethics | <b>As ESG considerations become more central to stakeholder expectations, BTC has an opportunity to reinforce its credibility through ethical governance and data responsibility. Strengthening ESG structures will align the company with global best practices while reinforcing its value proposition in the digital space.</b> | <ul style="list-style-type: none"> <li>Define and communicate BTC's position on ESG priorities and digital ethics.</li> <li>Establish a dedicated ESG unit or steering committee to oversee initiatives.</li> <li>Create an ESG data governance framework to inform decisions and enhance transparency.</li> <li>Introduce a supplier code of conduct integrating ESG best practices.</li> <li>Deliver continuous training via e-learning for employees, suppliers and customers.</li> </ul>                 |
| <b>3</b><br>Circular Economy                | <b>The global rise in e-waste necessitates urgent action, particularly in the ICT industry. BTC has an opportunity to lead in responsible resource use by embracing circular economy principles, extending product life cycles, reducing waste, and promoting recycling.</b>   | <ul style="list-style-type: none"> <li>Maintain and inspect equipment to extend lifespan and reduce resource use.</li> <li>Use e-education to raise awareness on recycling and device repurposing.</li> </ul>  |
| <b>4</b><br>Credible Climate Action         | <b>Increasing digital demand and changing climate patterns pose operational and environmental risks. BTC must safeguard its infrastructure while transitioning to low-carbon, resilient energy systems.</b>  | <ul style="list-style-type: none"> <li>Publicly articulate BTC's climate change strategy and commitments.</li> <li>Conduct a carbon footprint assessment to prioritise emissions reduction.</li> <li>Deploy renewable energy and heat-resilient infrastructure.</li> <li>Source energy-efficient devices through sustainable supply chains.</li> <li>Map supply chain risks and develop climate-resilient continuity plans.</li> </ul>   |



Following the conclusion of our double materiality assessment, BTC's Management and Board formally approved the following sustainability and sustainability-related matters as material to the business and its operations. These themes reflect where BTC can create the most value while proactively managing environmental, social, and governance risks and opportunities.

The Board remains committed to overseeing this process and ensuring transparency in how we manage our ESG responsibilities. While the framework is still under development, our work this year lays a solid foundation for long-term, enterprise-wide integration of sustainability. We look forward to reporting further progress in the coming year as we move toward a fully embedded and measurable ESG strategy.

# Environmental Considerations

BTC advanced several environmental sustainability initiatives during the 2024/25 financial year. The focus was on compliance, resource efficiency, and infrastructure modernisation. These initiatives are outlined below:

- Environmental Compliance:** Environmental Impact Assessments (EIAs) were completed for all major projects.
- Waste Management:** BTC maintained an active waste management license. Certified partners continued to manage e-waste, including the safe handling of scrap cables, batteries, and electronics. Waste segregation is ongoing with the expansion of waste facilities in Gaborone and Francistown.
- Water Quality:** Purification taps were installed at 19 sites.
- Electromagnetic Fields (EMF) Compliance:** BTC procured the IEC 62232:2025 standard through BOBS and began sourcing EMF monitoring tools to meet BOCRA requirements. A compliance plan is under development.
- Environmental, Social, and Governance (ESG) Metric Integration:** BTC introduced ESG metrics into internal systems, covering water, fuel, and waste data.
- Pest Management:** BTC continued the implementation of its Integrated Pest Management (IPM) Plan, with a focus on continuous pest prevention, routine monitoring, and safe control measures across sites. The approach addresses high-risk infestations such as bees, rodents, snakes, and birds, helping to minimise operational disruptions and enhance workplace safety.
- Energy Infrastructure:** BTC operates over 70 generator-backed sites with ~20,750 litres of fuel storage. Average battery autonomy is 9.43 hours. To reduce fuel dependency, BTC is phasing in lithium-ion batteries and piloting solar-battery hybrid systems.

Additionally, fuel spend decreased by 9% over the reporting period, while water and electricity spending decreased by 20%.

## E-Waste management

This unit is responsible for waste management and habitat preservation. E-waste encompasses steel scrap, copper wires, phones, refrigerators, steel batteries, lead batteries & underground cable.

| Tonnes of Waste | Total Cost     |
|-----------------|----------------|
| 1,184.491       | P38,326,593.40 |



# Social Considerations

## HUMAN CAPITAL

### Embracing Employee-centricity

We have embarked on a transitional journey that embraces an employee-centric model, which triggers a positive cascade effect throughout the organisation, not only elevating job satisfaction but also enhancing productivity, sparking creativity, and securing a competitive advantage in our products and service delivery. We have prioritised the needs and experiences of our employees when designing and implementing digital tools and processes, creating a positive and productive work environment that ensures employees have the right resources and opportunities required to thrive in the digital age. This journey presents challenges, requiring robust and agile leadership, effective management, and an ongoing cycle of assessment and refinement to ensure that practices align with both employee needs and organisational objectives.

### Employee Engagement and Culture

Our organisational culture score improved by 6% indicating a positive trajectory in embedding our values and enhancing the overall work environment. This positive shift in the culture score is attributed to our continued investment in leadership development initiatives, which prioritise employee well-being, inclusion, and transparent communication.

### Succession Planning

We pride ourselves on attracting and retaining scarce and critical technical skills to create a future-fit organisation. We look beyond horizons and consider roles that have a direct impact on our strategy and ensure that we have a healthy bench strength for business continuity. Succession plans pivot from our robust talent management processes.

### Talent Management

Over the reporting period, we embarked on strengthening our talent strategy to support organisational growth, enhance employee experience, and foster a high-performance culture. We identified 20% of our workforce as top talent, highlighting our focus on nurturing high-potential individuals through coaching and mentoring, targeted development, and succession planning efforts. These employees are critical in driving innovation to maintain a competitive edge in the market.

### Performance Management

Our employees are central to delivering our strategy through their expertise, competencies, and skills. Our performance management philosophy stems from the overall business strategy and cascades down to all levels. Its success rests on strategically aligned performance objectives supported by continuous conversations, regular check-ins, and coaching for performance and personal growth.

## UNLOCKING POTENTIAL: EMPLOYEES LEARNING IN THE DIGITAL ERA

Our learning and development strategy is focused on reshaping skills and knowledge to boost employee performance and efficiency at the workplace.

### Digital Learning Partner: LinkedIn Academy

Employees must understand the broader digital ecosystem across the business to bolster creativity, enhance design thinking, and other capabilities. A digital acceleration training programme was established and delivered through the LinkedIn platform. We achieved a 100% activation rate, and 76% of our employees leverage LinkedIn for personal development. BTC continues to foster a digital learning culture that promotes personal and professional development through this platform.

### Leadership Training

During the reporting period our people participated in the leadership programmes listed below:

| Qualification                           | Number trained |
|---|----------------|
| Senior Management Development Programme | 8              |
| Management Development Programme        | 8              |
| Supervisory Training                    | 26             |
| Disciplinary & Grievance procedures     | 16             |

## Social Considerations [continued]

### UNLOCKING POTENTIAL: EMPLOYEES LEARNING IN THE DIGITAL ERA

[continued]

#### Strategic/Technical Training - Certifications

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

The following are the certificates that our people received over the reporting period:

| Training Programme / Certification   | Number trained |
|--|----------------|
| Cisco – CCNA CCNP & CCIE   | 8              |
| Cambium Networks Technical Certification   | 60             |
| Certified Data Centre Professional & Innovation Professional & Protection Professional | 6              |
| Certified Optic Fibre Network Associate (CONA)   | 8              |
| Certified Data Scientists & Engineers  | 5              |
| Certified HR Business Partner  | 2              |
| Ruckus Wireless Platform   | 5              |
| Rigging Re-Certification   | 6              |
| Discovery (Huawei Mobile Management) for NPM   | 17             |
| MI Voice Business Release 10.1 Fast Track  | 10             |
| Microsoft Exams Azure Associates   | 11             |

#### Business Management Skills

Additional investment was made in business acumen skills to enable employees to effectively and efficiently perform in their various roles. These skills are crucial for the success of our business.

Our people participated in the following training programmes during the year under review:

| Training Programme / Certification           | Number trained |
|--|----------------|
| Agile Scrum & Prince 2 Agile                 | 45             |
| Domain Registration Training                 | 129            |
| Converse 1 Training                          | 76             |
| Customer Relationship Management (CRM)       | 520            |
| Safety, Health & Environment Training        | 122            |
| Risk-Based Auditing                          | 5              |
| ACL Scripting – Intro                        | 3              |
| Training of Trainers                         | 20             |
| Discovery (Huawei Mobile Management) for NPM | 17             |
| MI Voice Business Release 10.1 Fast Track    | 10             |
| Microsoft Exams Azure Associates             | 11             |

#### Employee Awareness Training

BTC also focused on educating employees on various critical topics to enhance knowledge and competence for a safer and more compliant work environment.

All employees participated in the following training programmes over the reporting period:

| Training Program                      | Number trained |
|---------------------------------------|----------------|
| Cyber Security                        | All employees  |
| Security Awareness Modules & Policies | All employees  |
| Data Protection                       | All employees  |

#### Leaner Official Programme

BTC has signed a Memorandum of Agreement with various institutions to attach top-performing students from diverse academic disciplines. This initiative forms part of our commitment to youth empowerment through practical exposure to the telecommunications industry.

The Leaner Official Programme is designed to nurture and develop high-potential graduates by equipping them with relevant skills and knowledge over two years within a structured and supportive work environment.

Since the beginning of the 2024/25 Financial Year, 67 learner officials have participated in the programme. Notably, 20 of these individuals have since been absorbed into permanent roles within the organisation, representing an absorption rate of 30%. This outcome is largely attributed to alignment with workforce needs across various divisions.

BTC remains committed to empowering the youth and bridging the gap between academic knowledge and industry practice. The success of this programme underscores our ongoing efforts to contribute meaningfully to national human capital development.

## SAFETY, HEALTH & ENVIRONMENT

### Our workplace: Safe and Compliant with Regulations:

Our Safety, Health and Environment (SHE) department implements safety plans to support the business objectives of the organisation, leveraging technology to enhance the safety capabilities within the organisation. Our proactive approach and adherence to regulations underscore our commitment to creating a workplace that emphasises safety, health, and environmental responsibility, demonstrating a dedication to the well-being of all stakeholders. This is crucial for fostering a culture of safety and sustainability within the organisation.



### Safety Programmes

- 1 Worksite Safety:**  
Inductions tailored to specific jobs, adherence to safety protocols, and the use of protective equipment for technicians.
- 2 Traffic Safety:**  
Implementation of safe driving techniques and awareness of traffic hazards for field technicians.
- 3 Fire Equipment Maintenance:**  
Conducting regular inspections and maintenance to avert equipment malfunctions.
- 4 Fire Systems Effectiveness Consultancy:**  
BTC fire systems are audited regularly to ensure efficiency.
- 5 Emergency Preparedness:**  
Engagement in fire drills, firefighting skills, and First Aid with the SHE Representatives.

Social Considerations [continued]

**SAFETY, HEALTH & ENVIRONMENT**  
(continued)

The following strategic wellness initiatives were delivered:

- 1 Employee Assistance Programmes:**  
Critical incident response with a specific focus on individual & group support, team building exercise, emotional wellbeing, psychosocial wellbeing, and social wellbeing.
- 2 Lifestyle Management:**  
Wellness days and physical fitness initiatives, occupational health referrals, sporting activities & social gatherings, medical examinations (pre & exit) and health screenings.
- 3 Financial wellness:**  
Education and awareness relating to debt rehabilitation & management, as well as retirees' financial counselling.
- 4 Health promotion & awareness:**  
Information through health talks to improve awareness of environmental factors impacting wellbeing.
- 5 Remote Working:**  
Technological advancements and remote working options for employees.
- 6 Social:**  
We offered support to the Social Responsibility movement, Jubilee Psychiatric Hospital wing renovation and donations to the Bothakga school for the disabled. We also engaged in charitable activities during Boipuso and the Christmas holidays.
- 7 Physical Wellness:**  
We participated in the Inter-telecom Games held in Pretoria over the Easter holiday, the Jwaneng Bush Walk, and had a Ditlhaeletsanyo Sports Day.

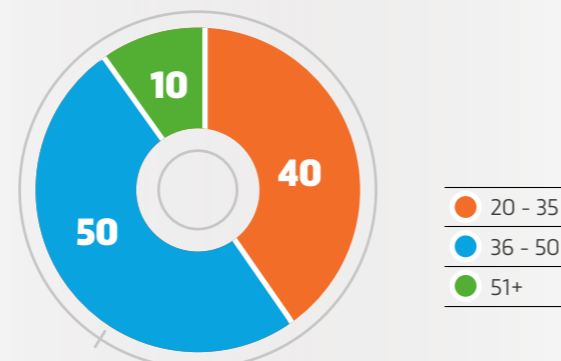
**GENDER DIVERSITY TREND**

BTC remains committed to building an inclusive workforce that promotes equal opportunity for all. As of 2025, our total headcount was 864 (55% male and 45% female). The number of female employees is 381, a 30.9% increase from the 291 in 2024. The number of male staff members went up from 419 to 483, marking a 15.3% increase. This positive shift in gender diversity highlights our ongoing efforts to empower women and foster a balanced, representative workforce across all levels of the organisation.

**AGE ANALYSIS**

Our employee age analysis allows us to understand the age distribution within our teams for effective management of potential talent gaps, balancing the age structure and improving retirement planning.

**Age Analysis 2025**



**LOOKING AHEAD IN 2025 AND BEYOND**

We have crafted our strategy in a manner that aligns with our Transitional Strategy and beyond. The main thematic areas are:

- 1. Culture Transformation:** This will be delivered through a detailed Culture Transformation Blueprint, which seeks to holistically address leadership behaviours, organisational values, employee engagement, communication styles, and the systems that shape day-to-day experiences.
- 2. Employee Value Proposition (EVP):** To deliver a bespoke EVP aimed at attracting and retaining our top talent and critical skills, as well as keeping all employees motivated.
- 3. Future-Fit Workforce:** To build an agile organisation and future-fit workforce that responds to the needs of our customers.
- 4. Leadership Development:** Focus on leadership development will remain a key priority in driving culture transformation and business performance.
- 5. Future Skills:** Build future skills necessary to propel BTC to greater heights.

**Corporate Social Investment (CSI)**

Our commitment to CSI stems from our strong belief that, while growth and profitability are important, companies must also strive to achieve societal goals related to sustainable development. This ensures that we make a positive impact on 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 sustainability, which is the broader vision, thus a long-term goal to create a balance between people, the planet, and profit. It is the WHY behind our efforts to build a better future. The Foundation seeks to be responsive to the development goals of the communities in which BTC, its partners, and the suppliers operate.

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 projects and activities are important stakeholder engagement platforms and ensure that the communities in which we operate partake in the value we create as an organisation. The vision, mission, and values of the Foundation are:

This framework emphasises stakeholder engagement, materiality, monitoring and evaluation, and the reporting of projects and activities. It also aligns with the United Nations' 17 Sustainable Development Goals. These elements are crucial for the company's stakeholder engagement and management platforms. BTC employees play a vital role in fostering a culture of socially responsible conduct and actively participate in all BTC Foundation initiatives.

**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 shareholders.



**Corporate Social Investment (CSI) [continued]**

**BTC FOUNDATION PROJECTS**

**1. 3rd BTC Francistown Marathon**

BTC successfully hosted the 3rd Francistown Marathon at Obed Itani Chilume Stadium. The BTC Francistown Marathon united thousands of athletes, enthusiastic participants, and spectators in a celebration of community spirit and partnership.

The profound impact of the BTC Francistown Marathon serves as a rallying point, bringing together people from all walks of life, transcending barriers, and fostering a sense of unity and togetherness. The event has become more than just a race; it's a platform for forging friendships, strengthening bonds, and enriching the social fabric of the city. Since its inception, the marathon has evolved into a cherished tradition within the Francistown community.

The Francistown Marathon is a manifestation of BTC's dedication to promoting education and a healthier, more active society, highlighted by the outstanding performances of the winners in each category, whose determination and skill exemplified the spirit of sporting excellence. BTC invested in the project as a contribution towards the United Nations'

Sustainable Development Goals, thus ensuring healthy lives and promoting well-being for all communities.

The success of the 3rd BTC Francistown Marathon reaffirms its status as a cornerstone of community unity, athletic prowess, and social progress. As the event continues to grow in stature and impact, sponsors and organisers remain committed to fostering a culture of health, wellness, and inclusivity for all.

The marathon attracted international athletes from Zimbabwe, Kenya, Lesotho, Namibia, Zambia, and Uganda. The BTC Foundation donated a total amount of P379,802.88 for CSI initiatives from the proceeds of the marathon. BTC's contribution towards the global goals impact was realised with investment towards the education sector in Tonota District and Tutume District, ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all. In the North-East District, we invested in the Tsamaya Clinic to foster healthy lives and promote well-being for all ages.

*"The donation from the BTC Foundation came in handy as it helped to improve the learning environment. The chairs and tables created a more comfortable and conducive learning environment for our schools. This helps students focus better and engage more effectively in learning activities. The donation also alleviated budgetary pressure."*

*– Ms Thupayamodimo Kebasenotse Okaile, Council Secretary at Tonota District Council.*

The Council received 1,200 chairs and 246 tables for reception classes (primary schools) for distribution in the district.



**Corporate Social Investment (CSI) [continued]**

**BTC FOUNDATION PROJECTS [continued]**

**2. BTC participates in the World Telecommunications and Information Society Day (WTISD) commemorations in Pandamatenga, Chobe District**

The event, themed “Digital Innovation for Sustainable Development,” aimed to raise global awareness about bridging the technology gap in Third World countries. Organised by the Ministry of Communications, Knowledge, and Technology, along with the Botswana Communications Regulatory Authority (BOCRA), WTISD is a national event where BTC, as a key stakeholder, participated alongside other industry players.

During the Girls in ICT week, BTC provided training to empower young girls in the safe use of new technologies. As part of its commitment to uplifting communities, BTC donated internet connectivity, smartboards, and a computer to Lesoma Primary School to improve the pass rate for students in Lesoma and surrounding areas, supporting SDG4 and SDG11 by ensuring inclusive and equitable quality education and making communities inclusive, resilient, and sustainable. Additionally, BTC donated two computers and a heavy-duty printer/photocopier to Pandamatenga main Kgotla for use by village leadership and residents. BTC also donated a 46-inch television set, a set-top box, a satellite dish, and a computer to Lesoma clinic, with all donations valued at P203,566.92.

Prior to WTISD, BTC participated in the Girls in Information and Communications Technology (ICT) day commemorations at Chobe Junior School in Kasane, under the theme “Leadership.” The event aimed to expose women and girls to leadership positions, inspire them, and break down barriers hindering their progress. It celebrated the power of digital innovation in advancing sustainable development, supporting SDG 5 to achieve gender equality and empower all women and girls. BTC facilitated training for over 60 students in Artificial Intelligence (AI) & Machine Learning (ML) and Digital Content Creation, awarding certificates to the young girls for their participation.



**3. BTC hands over the revamped Pandamatenga Village Reading Room**

BTC handed over the revamped Pandamatenga Village Reading Room to the community for utilisation. The newly revamped Pandamatenga Reading Room will serve as a safe space for children, the youth, and the elderly to cultivate a passion for reading and literacy.

The Reading Room will serve as a valuable resource for the Pandamatenga community, providing a welcoming environment where individuals of all ages will acquire knowledge, learn, and grow. The initiative aligns with the United Nations Sustainable Development Goals and the Government’s commitment to education and lifelong learning of citizens regardless of their age, as articulated by SDG 4 and SDG 10. A total of P226,063.06 was used to revamp and upgrade the reading room.

This initiative reflects BTC’s belief in the power of knowledge and the importance of fostering a love for reading and learning among all ages. Some of the work done on the Reading Room included painting of the interior and exterior walls, installation of air conditioning units and a fire suppression systems. It also included the supply of a computer workstation, comprising desks, chairs, five computers, trunking, power and network cabling as well as provision of network switchgear, backup power (UPS) and signage leading to the Reading Room.



**Corporate Social Investment (CSI) [continued]**

**BTC FOUNDATION PROJECTS [continued]**

**4. Madisakwana Primary School – Primary School Level Examination Victory Celebration**

BTC joined Madisakwana Primary School in celebrating their success in the Primary School Level examinations. The event, themed "Transforming Madisakwana Primary School into the 21st Century Primary School of Academic Excellence," highlighted the school's commitment to excellence. As part of this celebration, BTC donated two desktop computers to the school's library, valued at P27,976.90. This contribution aims to enhance education through technology, provide quality education, and reduce inequalities among communities, aligning with the United Nations' Sustainable Development Goals, particularly SDG4. The equipment will be used by both teachers and students for computer literacy lessons, research, and overall learning. Madisakwana Primary School has consistently maintained a pass rate of 90% or above over the past seven years, showcasing the dedication, passion, and unwavering commitment of the teachers in shaping the futures of their students.

**5. BTC participates in the BIUST Graduation Ceremony**

BTC participated in the Botswana International University of Science & Technology (BIUST) 9th Graduation Ceremony on Friday, September 20, 2024, at the BIUST Multipurpose Hall in Palapye. The event was held under the theme 'Bridging Academia with Industry: Navigating Entrepreneurial Excellence in STEM,' reflecting the university's commitment to equipping students with the skills and knowledge needed to thrive in a rapidly evolving world.

During the ceremony, the Botswana Telecommunication Corporation Award for the Best Student in the Class of 2024 Bachelor of Engineering, Computer and Telecommunications Engineering was presented by the BTC Chief Executive Officer (Acting), Ms Boitumelo Paya, to Mr Thula Innocent Gwebu. Congratulations to the Botswana International University of Science & Technology - BIUST, Class of 2024.

*"With BTC Foundation sponsorship of P10,000.00 and one year internet subscription, every year for over 9 years now, fresh graduates have been able to use the prize money as a start while looking for employment and free internet for impactful use in their lives."*

*Mr Keoagile Raffing, Director, Development & Advancement, Botswana International University of Science & Technology - Graduation Students' Awards.*



**6. Madiba Senior Secondary School – Heavy-duty printer/copier**

As an organisation, we recognise our social and economic responsibility to the community. In line with this commitment, BTC made a generous donation of an HP colour printer valued at P34,519.96. This initiative reflects our dedication to empowering the education sector, driven by our belief in the transformative power of learning and the importance of nurturing the next generation.

The donation will significantly enhance the school's resources, improving access to quality learning materials, supporting vital extracurricular programmes, and enriching the overall educational environment. Moreover, this contribution is poised to make a meaningful difference in students' lives by fostering a more dynamic learning experience and helping them build essential technical skills for the future.



**7. BTC Foundation Empowers Thamaga Rehabilitation Centre for Ex-Offenders**

BTC donated an HP laptop, an HP desktop computer, and twelve months of internet connectivity, collectively valued at P20,778.00, to the Rehabilitation Centre for Ex-Offenders in Thamaga village.

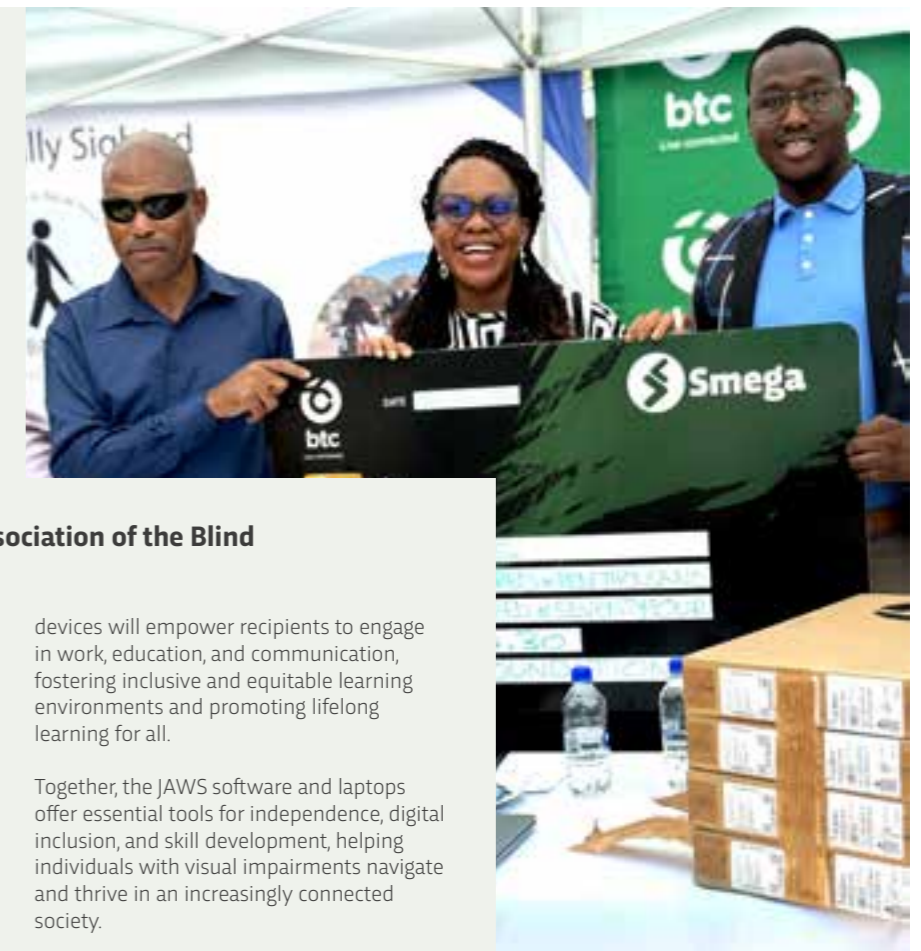
The Rehabilitation Centre for Ex-Offenders is a non-governmental organisation founded

by reformed individuals with a mission to support and guide active offenders toward lawful living, while facilitating the reintegration of ex-convicts through rehabilitation and crime prevention initiatives.

Established to help former offenders rebuild their lives, the centre will use these donations to empower its members with access to online education, digital literacy training, job search tools, and personal

development programmes. These resources are vital in helping individuals reintegrate into society with dignity, confidence, and purpose.

This initiative aligns with the United Nations Sustainable Development Goals, particularly those focused on building resilient infrastructure, promoting inclusive and sustainable industrialisation, and fostering innovation.



**8. BTC donated to the Botswana Association of the Blind and Partially Sighted**

The BTC Foundation has generously donated JAWS software, valued at P79,000, to the Botswana Association of the Blind and Partially Sighted. JAWS is a highly advanced screen reader designed to support individuals with visual impairments by granting them access to digital content and ensuring equal access to information in today's technology-driven world.

To further enhance this initiative, the Foundation also provided five laptops worth P31,574.30 to the centre. These

devices will empower recipients to engage in work, education, and communication, fostering inclusive and equitable learning environments and promoting lifelong learning for all.

Together, the JAWS software and laptops offer essential tools for independence, digital inclusion, and skill development, helping individuals with visual impairments navigate and thrive in an increasingly connected society.

**9. Service Excellence**

The BTC Foundation, in its quest to positively impact the community and transform lives, participated and sponsored the 4th Annual ICT graduates conference held under the theme 'Smart Digital Citizens: Innovate and Create' in Gaborone on 26th November 2024. BTC sponsored the bronze package at P10,000.00. The Annual ICT graduates conference targets ICT graduates to stimulate, motivate and inspire them to use their acquired skills and knowledge to be innovative in producing solutions for any societal problems and issues identified, while also nurturing themselves in the field.

**Corporate Social Investment (CSI) [continued]**

**BTC FOUNDATION PROJECTS [continued]**

**10. BTC hands over the refurbished Jubilee Psychiatric Unit to Nyangabgwe Hospital**

BTC handed over the revamped Jubilee Psychiatric Unit to Nyangabgwe Hospital in Francistown. The project was undertaken through the BTC Employee Social Responsibility Movement (BTC-ESR) based in the Northern region. The newly renovated Jubilee Psychiatric Ward cost a total amount of P179,900 and will enhance the environment as well as the quality of care for both patients and staff members.

This unit stands as a symbol of the collective effort and dedication displayed by the BTC staff members, who have selflessly invested their time and passion to enhance the welfare of our community. The Jubilee Psychiatric Unit features dedicated male and female wards, each designed to accommodate ten patients.

Mental health conditions are one of the five main non-communicable diseases (NCDs) that affect a huge number of our people. The others are cancers, heart diseases, diabetes and hypertension. It is a profound necessity to create a secure environment for healing, one that offers both sanctuary and safety. BTC's leadership, determination, and dedication to improving mental health services within the community have not gone unnoticed.

The scope of the refurbishment of Jubilee Psychiatric Unit covered replacement and painting of the ceiling, external and internal painting works, replacement of broken windowpanes, removal and replacement of floor and wall tiles, plumbing works in all ward bathrooms, partitioning of bathrooms and installation of rainwater gutters and downpipes.



**11. BTC Employees Corporate Social Investment Movement donates to Bothakga Primary School in Lobatse**

BTC has donated equipment valued at over P70,000 to the special needs unit of Bothakga Primary School in Lobatse. This initiative was led by the BTC Employee Corporate Social Investment Movement, a passionate group of BTC staff members committed to giving back to their communities and championing the organisation's sustainable development efforts.

The special unit at Bothakga Primary School serves as a vital resource for children in and around Lobatse, supporting learners with diverse needs, including autism, attention deficit hyperactivity disorder, Down syndrome, speech impairments, and cerebral palsy, among others.

This donation reflects BTC's commitment to inclusivity, aligning with the United Nations' Sustainable Development Goals and the principles outlined in the Children's Act, which affirms every child's right to education, regardless of ability.

The contribution includes four three-quarter beds with bedding, four large carpets, three wheelchairs, a laptop and compact printer, as well as toys, colouring books, and crayons to support both comfort and learning for the children.

*"The wheelchairs are used within the school parameters on a sharing basis, and we have made arrangements with parents and caregivers for the transportation of learners after school. The laptops and printers have offered valuable support for easy record-keeping, research, design diagrams, and communication through mail and letters to different stakeholders. The printer helps with printing colourful visual aids, making learning more active than passive. All learners have their own books, and it is easy to manage them effectively and assess their progress."*

**Ms Bontle Kgosana - Bothakga Primary School Special Education Unit.**





**BEYOND  
CONNECTIVITY**

Digital Progress  
with Purpose

## GOVERNANCE

# 05

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# Board Profiles



## Mr. Mokgethi Frederick Magapa

Board Chairperson  
Independent Non-Executive Director

**Chairperson:** Directors Affairs and  
Governance Committee

**Date of Appointment:** November 2023

**Nationality:** Botswana

*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

**Date of Retirement:** 24 September 2024

**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:** Botswana

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.



### Mr. 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 Pecuniary 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 HRCCommittees. 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. Jürgen Peschel

Chief Executive Officer

**Date of Appointment:** July 2025  
**Nationality:** Germany

Mr. Jürgen Peschel is a seasoned Chief Executive Officer (CEO) in the telecommunications space whose career spans over three decades of progressive leadership in cutting edge telecommunications, Information and Technology (IT), digitisation and fintech across Europe, North America and emerging markets including Africa. He has led both group as well as local operator functions providing strong transformative leadership to develop telecommunications providers into the digital era and driving innovation in products and services to grow revenues for sustainable profitable growth. He is known for his in-depth expertise in emerging technologies to spearhead innovation, driving digitisation and focusing on quality of service and business excellence to deliver exceptional customer experience.

Mr. Peschel's leadership encompasses both mobile, fixed and enterprise businesses and he has been instrumental in launching and scaling pioneering solutions, most notably, playing a key role in the rollout of MPesa, the world's leading mobile payment platform. He has served as Director of a major Nigerian payment service bank and held senior executive positions at tier-1 operators including Deutsche Telekom and Vodafone across major developed markets. For more than ten years, he has led operations in emerging markets at Digicel and Vodafone in the Caribbean and Africa, and his most recent job was CEO & Managing Director of 9mobile (formerly Etisalat) in Nigeria.

Mr. Peschel holds a Master of Science in Computer Science from the University of Ulm, Germany, and delivered his thesis in Artificial Intelligence at the University of Manitoba, Canada. He also earned a degree in Business Administration from the Université de Saint-Boniface, Canada, and has completed the Management Development Programme at IMD, Switzerland.

# Executive Management Committee



|                      |     |             |
|----------------------|-----|-------------|
| MANAGEMENT DIVERSITY |     | AVERAGE AGE |
|                      |     |             |
| 85%                  | 15% | 51          |

# Executive Committee Profiles



## Jürgen Peschel

**Chief Executive Officer**  
Date of Appointment: July 2025

Jürgen Peschel is a seasoned Chief Executive Officer (CEO) in the telecommunications space whose career spans over three decades of progressive leadership in cutting edge telecommunications, Information and Technology (IT), digitisation and fintech across Europe, North America and emerging markets including Africa. He has led both group as well as local operator functions providing strong transformative leadership to develop telecommunications providers into the digital era and driving innovation in products and services to grow revenues for sustainable profitable growth. He is known for his in-depth expertise in emerging technologies to spearhead innovation, driving digitisation and focusing on quality of service and business excellence to deliver exceptional customer experience.

Mr Peschel's leadership encompasses both mobile, fixed and enterprise businesses and he has been instrumental in launching and scaling pioneering solutions, most notably, playing a key role in the rollout of MPesa, the world's leading mobile payment platform. He has served as Director of a major Nigerian payment service bank and held senior executive positions at tier-1 operators including Deutsche Telekom and Vodafone across major developed markets. For more than ten years, he has led operations in emerging markets at Digicel and Vodafone in the Caribbean and Africa, and his most recent job was CEO & Managing Director of 9mobile (formerly Etisalat) in Nigeria.

Mr Peschel holds a Master of Science in Computer Science from the University of Ulm, Germany, and delivered his thesis in Artificial Intelligence at the University of Manitoba, Canada. He also earned a degree in Business Administration from the Université de Saint-Boniface, Canada, and has completed the Management Development Programme at IMD, Switzerland.

## 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  
Date of Resignation: 30 June 2025

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.



## Boitumelo Paya

**Chief Financial Officer**  
Date of Appointment: April 2020

Boitumelo is responsible for providing strategic leadership and direction in the management of the organisation's finances and accounting function. She leads the financial forecasting and budgeting processes, oversees the preparation of all internal and external financial reports, and provides advisory support on long-term business and financial planning. Her role encompasses stewardship of company assets, cash management oversight, and ensuring robust financial governance.

In addition to her CFO responsibilities, Boitumelo served as Acting Chief Executive Officer since 2nd August 2024 until June 2025, where she provided overall strategic direction, operational leadership, and drives the organisation's growth agenda.

Boitumelo brings over 21 years of executive experience in financial management, including expertise in finance integration, business transformation, financial planning & analysis, audit and assurance, strategic decision support, investor relations, and mergers & acquisitions. She has held several senior leadership roles, including Finance Director at Kgalagadi Breweries and Malawi Beverages, and Finance Executive at SABMiller plc in the UK.

She is a Fellow of the Chartered Certified Accountants (FCCA) and the Botswana Institute of Chartered Accountants (BICA). She also holds a Master of Business Administration (MBA) from the University of Derby and has completed the Management Development Programme with the Gordon Institute of Business Science (GIBS) at the University of Pretoria.



## Executive Committee Profiles [continued]

### 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.



### 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.



### 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.



### Mr. Luka Disho

**Chief Human Capital Officer**  
Date of Appointment: May 2025

Mr. Disho is a seasoned Human Capital professional who brings with him over 20 years of extensive experience in strategic human resource management, gained from leadership roles in premier institutions including Absa Bank Botswana and Stanbic Bank. His career is marked by a strong track record in designing and executing people strategies that drive business performance, enhance employee engagement, and foster a high-performance culture.

Mr Disho served as Acting HR Director, where he successfully spearheaded key initiatives in organizational design, culture transformation, succession planning, leadership development, performance management, reward and employee experience. He has deep expertise in stakeholder engagement, interfaced with boards, regulatory authorities, trade unions, and executive leadership. In his most recent role as Senior Human Capital Business Partner at Absa Bank, Mr. Disho led a comprehensive human capital agenda spanning various business units, including Markets, Business Banking, Retail Banking, Corporate Banking, Compliance, Risk, Marketing, Credit, Treasury and Finance.

Mr. Disho holds an MBA from the University of Stellenbosch and a Bachelor of Business Administration from the University of Botswana and a Fellow Member of Human Resource Professional Society of Botswana and Institute of People Management. He is a certified HR Strategic Business Partner and a respected thought leader in human capital strategy, talent development, and change management.



### Same Read Kgosiemang

**General Manager - Internal Audit and Risk Management**  
Date of Appointment: January 2017  
Date of Resignation: August 2025

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.



## Executive Committee Profiles [continued]



### 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.

### Matlhogonolo Maje

**Chief Marketing Officer (Acting)**  
Date of Appointment: April 2024

Matlhogonolo 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 offering fixed, mobile, digital and enterprise solutions.

Matlhogonolo has 15 years' experience in Product Innovation and Marketing. At BTC, he progressed through roles including Products Consumer Manager, and Mobile Voice & Broadband Manager and Head of Consumer Products demonstrating capabilities in product novelty, lifecycle management and market analysis. Prior to these roles, Matlhogonolo served as a Product Development Specialist at BoFiNet. He has previously worked for Mascom where he held several positions including Supervisor- Product Management Product Offers & Promotions, Product Management Officer, and Product Activation Officer. Before joining Mascom and transitioning to product development, Matlhogonolo worked for Botswana Savings Bank as an IT Officer.

Mr Maje holds an Hons in Computer Systems Engineering from the University of Sunderland. He also possesses certifications in PRINCE2 Practitioner, Management Development Programme from Stellenbosch Business School, Better Business Case Foundation from APMG International and Effective Presentation capabilities, demonstrating applied knowledge of project management methodologies.



### 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

## 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 in a responsible manner 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 Good Governance by the end of the 2025 financial year. BTC's corporate governance practices are continually reviewed and improved by benchmarking against accepted international best practice.

## GOVERNANCE IN ACTION AND GOVERNANCE WITH PURPOSE

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, setting the tone at the top for delivering our purpose of building digitally connected communities. Ethical leadership underpins the Board's overarching view of the strategy to drive value creation by empowering customers, transforming our operations and strengthening our market leadership. This is done through approving key policies and ensuring that the Company meets its obligations to all stakeholders.

As BTC celebrates its 45th year of operations and surpasses the milestone of serving more than 42,000 shareholders, the Board remains cognisant of the value created by adhering to the highest standards of governance, ethics and integrity. In discharging its governance responsibilities, the Board aims to ensure the outcomes of an ethical culture, good performance, effective control and legitimacy. The Board appreciates that effective and ethical leadership is imperative for BTC to operate as a purpose-led organisation and connect people for a better future. In order to support an ethical leadership culture in BTC, the Board continues to reflect on its application of governance and subscribes to the following:

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

The Board directs BTC's strategic planning, its risk assessment, internal controls, financial and operational management to ensure that the Company'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.

## COMPLIANCE WITH KING IV

In addition to complying with the BSE Code of Corporate Governance, the Company has complied with the principles of King III in line with BSE Equity Listings Requirements and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2026 financial year.

Company and its shareholders, but the wider environment, including suppliers, employees and the community as a whole. A representation of our stakeholders is included on page 22 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.

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

# Board and Governance Structure

BTC's governing body is the Board of Directors, which consists of the Chairperson, the Chief Executive Officer 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 roles of the Chairperson and the Chief Executive Officer are separate, and the composition of the Board ensures a balance of authority, precluding any one Director from exercising unfettered powers of decision-making.

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:

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

The responsibility for implementing and monitoring corporate governance in BTC rests with the Board, which is assisted by the aforementioned sub-committees. The delegation of authority to committees does not absolve or transfer any of the responsibilities of the Board to the respective committees, and the Board remains ultimately accountable to the shareholders of the Company.

An Independent Non-executive Chairperson leads the Board. During the financial year under review, the Board was chaired by Mr Mokgethi Magapa, who assumed the Board Chairmanship on the 22nd January 2024.

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 Chief Executive Officer 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 neither involved in the day-to-day management of BTC, nor are they 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 so as to assess the effectiveness of the Board. This review is by means of a self-evaluation of the BTC Board as a whole, its committees and the contribution of individual Directors.

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 Chief Executive Officer 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 and 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.

## Board and Governance Structure [continued]

### Appointments and Retirements

During the financial year under review, there were no new appointments. Mr Andrew Johnson retired from the Board on the 24th September 2024, and the erstwhile Managing Director, Mr Anthony Masunga, resigned from the company on the 31st July 2024.

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

| Member   | Position                                | Date and period of Appointment  | Qualifications  |
|--|---|---|---|
| <b>Mr Mokgethi F. Magapa</b>   | <b>Director and Chairperson</b>         | <b>Appointed November 2023 and assumed Chairmanship on 22<sup>nd</sup> January 2024</b> | Bachelor of Science from the University of Botswana, Post-Graduate Certificate in Telco Policy & Regulatory Management from the University of the Witwatersrand (RSA), Management Development Programme from the University of Stellenbosch (RSA), Executive Leadership Training from NKD/DHL Training.                     |
| <b>Mr Anthony Masunga (resigned on 31 July 2024)</b>                 | <b>Managing Director</b>                | <b>Appointed in January 2017</b>  | BSc (Computer Science), an MBA from McGill University, Canada, and an MBA from De Montfort University, UK.  |
| <b>Ms Boitumelo Paya (appointed 02 August 2024)</b>                  | <b>Chief Executive Officer (Acting)</b> | <b>Appointed August 2024 to 30 June 2025</b>  | Fellow Member of the Chartered Certified Accountants (FCCA), Fellow Member of Botswana Institute of Chartered Accountants (BICA), Master of Business Administration degree from the University of Derby, Management Development Programme through the University of Pretoria's Gordon Institute of Business Science (GIBS). |
| <b>Mr Andrew Johnson (retired on 24<sup>th</sup> September 2024)</b> | <b>Director</b>                         | <b>Appointed in May 2017</b>  | BSc (Eng) Electrical [Telecommunications and Alternative Energies] (University of the Witwatersrand, RSA)   |
| <b>Mr Ranjith Priyalal De Silva</b>                                  | <b>Director</b>                         | <b>Appointed in May 2017</b>  | 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 the UK (ACMA)   |
| <b>Mr Bafana Molomo</b>  | <b>Director</b>                         | <b>Appointed 27 September 2018</b>  | BCom (Economics and Finance), MBA (University of Cape Town), Post-graduate Diploma in Business (University of Pretoria's Gordon Institute of Business Science)  |
| <b>Mr Thato Kewakae</b>  | <b>Director</b>                         | <b>Appointed 28 September 2021</b>  | 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).  |
| <b>Ms Amantle Kgosiemang</b>   | <b>Director</b>                         | <b>Appointed 1<sup>st</sup> January 2024</b>  | Fellow Member of the Chartered Accountants of both the Association of Certified Chartered Accountants (ACCA, UK) and the Botswana Institute of Chartered Accountants (BICA).  |
| <b>Mr Mcedisi R. Solomon</b>   | <b>Director</b>                         | <b>Appointed 1st January 2024</b>   | Diploma in Education from the University of Botswana, MBA from Herriot Watt University in Edinburgh, Master of Arts in Political Leadership and Government from the School Of Government, MIT University in Pune, India.  |
| <b>Ms Itemogeng B. Pheto</b>   | <b>Director</b>                         | <b>Appointed 1st January 2024</b>   | BA Industrial & Organisational Psychology (University of Port Elizabeth), Admin (HONS) Industrial Psychology (University of the Western Cape), Certificate in Industrial Relations (Wits Business School).  |

The Chief Executive Officer 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 or her performance.

### Responsibilities of the Board and 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 BTC's business and carrying out periodic evaluation 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 BTC's 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 BTC's 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 BTC Board. The Executive Management have responsibility for the daily operations of the business and the execution of BTC's strategy, subject to the policies and positions adopted by the BTC 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.

BTC has in place a Code of Ethics and Conduct, which establishes the principles and guidelines of conduct and behaviours to which individuals are subject. In addition, the purpose of the Code is to ensure ethical leadership and ethical interactions with both internal and external stakeholders. The Directors' Affairs and Governance Committee reviews compliance with the Code of Ethics and Conduct in BTC.

### Board 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 (retired 24 September 2024)
- Ms Amantle Kgosiemang
- Ms Itemogeng Basadi Pheto

#### 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 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 the 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 Report of the Audit and Risk Committee on page 99.

## Board and Governance Structure [continued]

### Technology and Investment Committee

#### Members

- Mr Bafana Molomo (Chairperson)
- Mr Andrew Johnson (erstwhile Chairperson, retired 24 September 2024)
- Mr Thato Kewakae
- Ms Amantle Kgosiemang
- Mr Mcedisi Rogder 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 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:

#### 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 market-place.
- 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 private 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 BTC's 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 BTC's 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:

- Review and monitor 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 Chief Executive Officer.
- 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 Chief Executive Officer.
- 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.



## Board and Governance Structure [continued]

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

A summary of meetings and attendances is presented below:

|  | 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 |
| <b>Mr Mokgethi F. Magapa</b>                             | ✓          | 5/5        |                                   |            |                          |            |                           |            | ✓  | 3/3        |
| <b>Mr Andrew Johnson</b><br>(retired, 24 September 2024) | ✓          | 2/2        | ✓                                 | 4/4        | ✓                        | 2/2        |                           |            |  |            |
| <b>Mr Priyalal De Silva</b>                              | ✓          | 5/5        |                                   |            | ✓                        | 4/4        |                           |            | ✓  | 3/3        |
| <b>Mr Bafana Molomo</b>                                  | ✓          | 5/5        | ✓                                 | 7/7        | ✓                        | 4/4        |                           |            |  |            |
| <b>Mr Thato Kewakae</b>                                  | ✓          | 4/5        | ✓                                 | 7/7        |                          |            | ✓                         | 4/4        | ✓  | 3/3        |
| <b>Ms Amantle Kgosiemang</b>                             | ✓          | 5/5        | ✓                                 | 6/7        | ✓                        | 4/4        |                           |            |  |            |
| <b>Mr Mcedisi R. Solomon</b>                             | ✓          | 3/5        | ✓                                 | 4/4        |                          |            | ✓                         | 4/4        |  |            |
| <b>Ms Itemogeng B. Pheto</b>                             | ✓          | 5/5        |                                   |            | ✓                        | 2/2        | ✓                         | 4/4        |  |            |
| <b>Mr Anthony Masunga</b><br>(resigned, 31 July 2024)    | ✓          | 1/1        | ✓                                 | 3/3        | ✓                        | 1/1        | ✓                         | 1/1        | ✓  | 1/1        |
| <b>Ms Boitumelo Paya</b><br>(appointed, 02 August 2024)  | ✓          | 4/4        | ✓                                 | 4/4        | ✓                        | 3/3        | ✓                         | 3/3        | ✓  | 2/2        |

## Audit and Risk Committee Report

The Committee is pleased to present its report for the financial year ended 31 March 2025.

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, 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.
- Maintained a non-audit services policy which determines the nature and extent of any non-audit services that Deloitte & Touche may provide to the Company.
- Ensured that BTC's existing combined assurance model addresses the significant risks facing the business.
- Formed an integral component of the risk management process and 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 practice and considered their impact and implications on BTC, and in particular ensured 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 his or 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 Report for the year ended 31 March 2025.

### Annual financial statements

The Audit and Risk Committee has evaluated the annual financial statements for the year ended 31 March 2025 and ensured that they comply, in all material respects, with the requirements of the Companies Act and appropriate IFRS Accounting 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.

Given the above, the Committee believes 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.

### Human Resources Committee Report

The Committee is pleased to present its report for the financial year ended 31 March 2025. This report sets out the Company's remuneration philosophy.

#### Remuneration philosophy

The remuneration philosophy applies to all BTC's operations. It is BTC's philosophy to:

- Appropriately compensate employees for the services they provide to the business.
- Reward and recognise employees for the attainment of specific BTC performance targets as well as the attainment of individual performance goals through variable pay.
- 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 in career development 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.

## Board and Governance Structure [continued]

### 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.

Details of the shareholding for the year under review are as per the table below:

| MEMBER  | POSITION                         | DIRECTORS' REMUNERATION (AMOUNT IN PULA) | DIRECTORS SHAREHOLDING (NUMBER OF SHARES) |
|---|----------------------------------|--|---|
| <b>Mr Mokgethi F. Magapa</b>                                      | Chairperson                      | 431,500                                  | NIL                                       |
| <b>Mr Anthony Masunga</b><br>(resigned, 31 July 2024)             | Managing Director                | 5,268,703                                | 250,000                                   |
| <b>Ms Boitumelo Paya</b><br>(appointed, 02 August 2024)           | Chief Executive Officer (Acting) | 2,697,242                                | 200,000                                   |
| <b>Mr Andrew Reginald Johnson</b><br>(retired, 24 September 2024) | Director                         | 125,000                                  | NIL                                       |
| <b>Mr Ranjith Priyalal De Silva</b>                               | Director                         | 271,500                                  | NIL                                       |
| <b>Mr Bafana Molomo</b>   | Director                         | 325,500                                  | NIL                                       |
| <b>Mr Thato Kewakae</b>   | Director                         | 423,500                                  | NIL                                       |
| <b>Ms Amantle Kgosiemang</b>                                      | Director                         | 273,000                                  | NIL                                       |
| <b>Mr Mcedisi R. Solomon</b>                                      | Director                         | 286,000                                  | NIL                                       |
| <b>Ms Itemogeng B. Pheto</b>                                      | Director                         | 279,500                                  | NIL                                       |

### Short-term incentives (STI)

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

- A pool-based Performance Incentive Bonus whose 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 31 March 2025 was approved by the shareholders at BTC's Annual General Meeting on 24 September 2024.

### Directors' Remuneration and Shareholding

Except for the Chief Executive Officer, 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 31 March 2025 is 450,000.

### 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 to 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 in 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 Chief Executive Officer, with a dual reporting responsibility to the Audit and Risk Committee.

The Internal Audit process provides an assurance that significant risks are subject to periodic review and 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 Chief Executive Officer 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 quarterly. 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 Chief Executive Officer and the Directors' Affairs and Governance Committee.

### Monitoring Results and Management Reporting

Effective internal controls should prioritise the timing of information required as per the applicable laws and the 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 safe-guard 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. The significant business risks to the Company, financial, operational and compliance, which could undermine the achievement of BTC's business objectives are identified, mitigation is established, and risk owners appointed. Business risks are reviewed on a semi-annual basis.

A Risk Management Report is included on page 101 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 foreseeable 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

BTC's 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 Chief Executive Officer.

## Board and Governance Structure [continued]

### 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 on 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 BTC 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.

Various pieces of legislation, including the Companies Act, the Communications and Regulatory Act, the Competition Act, the Financial Intelligence Act (FIA), the Bank of Botswana Act (Electronic Payments Regulations) and the Data Protection Act, 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.

As per the BSE Listings requirements, the Board also assessed the Company Secretary and is satisfied with the competence, qualifications and experience of the Company Secretary. The secretariat is executed by Sidney Mganga, who is a qualified attorney, duly admitted in the High Court and Other Courts of the Republic of Botswana.

Over the last year, the secretariat function attended the training sessions as provided to directors as well as the corporate governance refresher training focused on ESG, risk management and corporate reporting conducted by the Institute of Directors of South Africa.

Details of the Company Secretary's qualifications and experience are on page 88 of this report.

### 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 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 the 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 to 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 Codes

To improve adherence to corporate governance principles and to enhance the Board's accountability, BTC voluntarily decided to subject itself to the world-class code on Corporate Governance, the King III Code on Corporate Governance ([www.kingiii.co.za](http://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 31 March 2025, other than with the exceptions stated below:

### Compliance with King III Principles

| Principle  | Description of Principle   | Compliance | Compliance status and additional comments   |
|--|--|------------|---|
| <b>1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP</b> |  |            |   |
| 1.1  | <b>The Board should provide effective leadership based on an ethical foundation.</b>                     | √          | In accordance with the Board Charter, the Board is the curator of the values and ethics of BTC. BTC 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 ethical leadership and ethical interactions with both internal and external BTC stakeholders |
| 1.2  | <b>The Board should ensure that the Company is and is seen to be a responsible corporate citizen.</b>    | √          | BTC Corporate Social Responsibility reports adequately reflect the Company's commitment to good corporate citizenship.  |
| 1.3  | <b>The Board should ensure that the Company's ethics are managed effectively.</b>                        | √          | 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.  |
| <b>2. BOARD AND DIRECTORS</b>                          |  |            |   |
| 2.1  | <b>The Board should act as the focal point for, and custodian of, corporate governance.</b>              | √          | In accordance with the Board Charter, the Board is committed to the highest standards of corporate governance   |
| 2.2  | <b>The Board should appreciate that strategy, risk, performance, and sustainability are inseparable.</b> | √          | In accordance with the Board Charter, the Board 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  | <b>The Board should provide effective leadership based on an ethical foundation.</b>                     | √          | See 1.1 above   |

## Board and Governance Structure [continued]

| Principle | Description of Principle  | Compliance | Compliance status and additional comments  |
|-----------|---|------------|--|
| 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  |
| 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, through its Audit and Risk Committee, oversees the management of risks company-wide.  |
| 2.8       | The Board should be responsible for information technology (IT) governance.   | √          | The Board, through the Technology and Investment Committee and the Audit and Risk Committee, is responsible for this area.   |
| 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. In the Board's view, BTC is in compliance 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, with the help of the external auditors, handles this function prudently.  |
| 2.11      | The Board should appreciate that stakeholders' 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. Further, the significant components of the Integrated Report are reviewed by the Board before being officially released.                           |

| Principle | Description of Principle  | Compliance | Compliance status and additional comments   |
|-----------|---|------------|---|
| 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, as part of its reporting, 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.   |
| 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 Chief Executive Officer 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 Chief Executive Officer 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 on 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.   |

## Board and Governance Structure [continued]

| Principle | Description of Principle   | Compliance | Compliance status and additional comments  |
|-----------|--|------------|--|
| 2.20      | The induction of and 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 BTC's company secretarial matters.   |
| 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 and the Human Resources Committee and the Directors' Affairs and Governance Committee. |
| 2.24      | A governance framework should be agreed upon 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 Chief Executive Officer are currently remunerated for time spent at meetings, in line with the fees approved by shareholders  |
| 2.26      | Companies should disclose the remuneration of individual directors and certain senior executives.                          | √          | The Integrated 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.  |

| Principle                  | Description of Principle  | Compliance | Compliance status and additional comments  |
|----------------------------|---|------------|--|
| <b>3. AUDIT COMMITTEES</b> |   |            |  |
| 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.  |
| 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 provide assurance and 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 Integrated Report.   |

**Board and Governance Structure** [continued]

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

| Principle   | Description of Principle  | Compliance | Compliance status and additional comments   |
|---|---|------------|---|
| <b>5. THE GOVERNANCE OF INFORMATION TECHNOLOGY (IT)</b> |   |            |   |
| 5.1   | <b>The Board should be responsible for information technology (IT) governance.</b>                                      | √          | The Board understands the importance of information technology governance and associated risks. It has delegated the responsibility for IT governance issues through the Chief Executive Officer to the appropriate management personnel.   |
| 5.2   | <b>IT should be aligned with the performance and sustainability objectives of the Company.</b>                          | √          | 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   | <b>The Board should delegate to management the responsibility for the implementation of an IT governance framework.</b> | √          | 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   | <b>The Board should monitor and evaluate significant IT investments and expenditure.</b>                                | √          | 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   | <b>IT should form an integral part of the Company's risk management.</b>  | √          | 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   | <b>The Board should ensure that information assets are managed effectively.</b>   | √          | In BTC, the IT assets are an integral part of the overall asset structure of the Company and are, therefore, adequately managed.  |
| 5.7   | <b>A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.</b>            | √          | IT risk management is part of the overall risk management profile of the Audit and Risk Committee.  |

**Board and Governance Structure** [continued]

| Principle  | Description of Principle  | Compliance | Compliance status and additional comments  |
|--|---|------------|--|
| <b>6. COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS</b> |   |            |  |
| 6.1  | <b>The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.</b>                                | √          | A compliance framework is monitored by the BTC legal team through the office of the Company Secretary. In the Board's view, BTC is compliant with all laws and regulations.                                      |
| 6.2  | <b>The Board and individual Directors should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.</b> | √          | The induction process for new Board members attempts to sensitise the Directors with all laws and regulations affecting the company as well as their roles and responsibilities, which include fiduciary duties. |
| 6.3  | <b>Compliance risk should form an integral part of the Company's risk management process.</b>   | √          | Compliance with laws and regulations is identified under different risk dimensions, such as market risks, regulatory risks, financial risks, etc., and is adequately considered.                                 |
| 6.4  | <b>The Board should delegate to management the implementation of an effective compliance framework and processes.</b>   | √          | BTC has an adequate level of responsibility, ensuring compliance with all applicable laws and regulations.   |
| <b>7. INTERNAL AUDIT</b>                                   |   |            |  |
| 7.1  | <b>The Board should ensure that there is an effective risk-based internal audit</b>   | √          | The Company has a dedicated Internal Audit function responsible for this detail  |
| 7.2  | <b>Internal audit should follow a risk-based approach to its plan.</b>  | √          | See 7.1 above  |
| 7.3  | <b>Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.</b>                                 | √          | 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  | <b>The Audit Committee should be responsible for overseeing the internal audit.</b>   | √          | See 7.1 above  |
| 7.5  | <b>Internal audit should be strategically positioned to achieve its objectives.</b>   | √          | See 7.1 above  |

| Principle                                     | Description of Principle   | Compliance | Compliance status and additional comments  |
|---|--|------------|--|
| <b>8. GOVERNING STAKEHOLDER RELATIONSHIPS</b> |  |            |  |
| 8.1   | <b>The Board should appreciate that stakeholders' perceptions affect a company's reputation.</b>   | √          | 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   | <b>The Board should delegate to management to proactively deal with stakeholder relationships.</b>   | √          | The BTC management structure and the organisational responsibility adequately deal with the issues relating to the various stakeholders.   |
| 8.3   | <b>The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.</b> | √          | 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   | <b>Companies should ensure the equitable treatment of shareholders.</b>  | √          | 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   | <b>Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.</b>             | √          | BTC has adopted a responsible practice in communicating transparently and effectively with its various stakeholders.   |
| 8.6   | <b>The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.</b>                               | √          | BTC has dispute resolution mechanisms with various stakeholders, such as customers, employees, suppliers, the community, shareholders, etc.  |
| <b>9. INTEGRATED REPORTING AND DISCLOSURE</b> |  |            |  |
| 9.1   | <b>The Board should ensure the integrity of the Company's Integrated Report.</b>   | √          | The Board upholds globally recognised high standards of reporting and rigorously ensures the integrity of any data before disclosure for reporting purposes.   |
| 9.2   | <b>Sustainability reporting and disclosure should be integrated with the Company's financial reporting.</b>  | √          | Sustainability reporting is included as part of the Integrated Report.   |

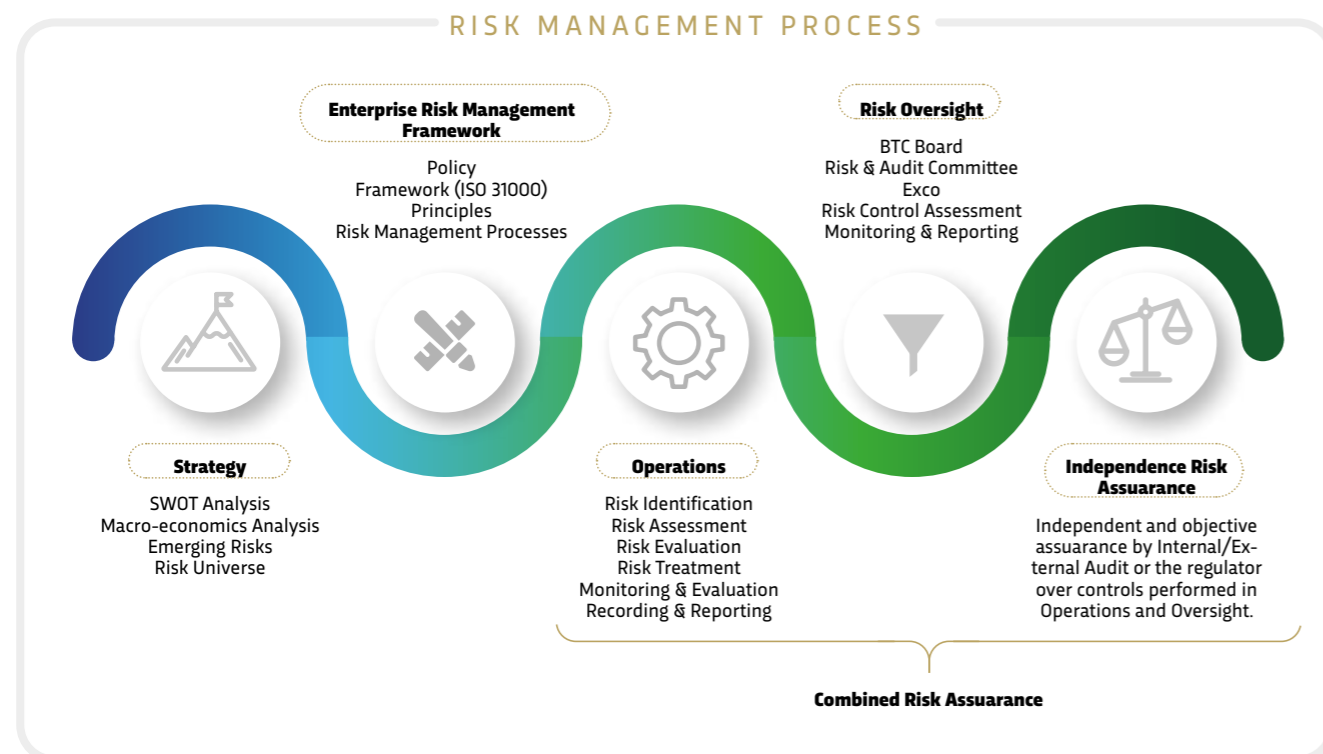
# Risk and Opportunity Considerations

## 1. Illustrate the different levels of risk oversight, ownership and responsibility to assurance across all levels from the board to business units:

| Governance Structure                        | Level of Oversight   |
|---|--|
| Main Board                                  | Ultimate Owner of the Risk Management Strategy   |
| Directors' Affairs and Governance Committee | Evaluate and recommend the functioning of the board's ethics and effectiveness   |
| Audit and Risk                              | Ensure compliance with the Companies Act, applicable legislation and other regulations   |
| Technology and Investment Committee         | Evaluate the technology planning and strategy, including the financial, tactical and strategic benefits of proposed significant technology-related projects and initiatives. |
| Various Executive Management Committees     | To identify, assess and mitigate key risks within the business.  |

## 2. Board Responsibility for Sound Risk Management

Governance and management of risk is facilitated through our layered and agile Enterprise Risk Management Framework (ERMF), adaptable to the changing business environment as we pursue our strategy. To ensure BTC follows best industry practice, our ERMF is aligned to the 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 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, business units and functions managers and heads are directly responsible and accountable for managing risks on a day-to-day basis. These are referred to as the risk owners and are responsible for containing any and all potential adverse impacts of operational risks on 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. Thereafter, these are 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 on risk identification, assessment, and mitigation strategies.

**3rd Line of Defence** - BTC has an independent Internal Audit function which reports directly to the Audit and Risk Committee and administratively to the Chief Executive Officer. 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.

## 3. Top 10 Risks Our Risk Responses and the Residual Risk Exposure with these responses in mind.

| NO. | Risk   | Definition  | Mitigating activities and monitoring   | Opportunities arising from managing risks   | Risk Owner  | Board Oversight Committee  | Management Oversight Committee                                  |
|-----|--|---|--|---|---|--|---|
| 1   | <b>Material Matters</b><br>MM 1, 5, 6, 7<br><b>Competition</b> | Intensified competition from a variety of existing technology solution providers and new market entrants are eroding our market share, pricing power and customer base. | <ul style="list-style-type: none"> <li>Ongoing market intelligence and competitor analysis to gain improved insights for facilitation of implementing pre-emptive and agile strategic partnerships to improve competitive advantage.</li> <li>Offer products and services that meet or exceed customer expectations in terms of quality, reliability, and performance.</li> <li>Investment in product innovation and customer retention strategies.</li> </ul> | - BTC is working on several innovative solutions, some through strategic partnerships, to deliver VAS and generate alternative revenue streams. | Chief Commercial Officer<br>Chief Marketing Officer | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee & EXCO Risk Management Committee |

Board and Governance Structure [continued]

| NO. | Risk   | Definition   | Mitigating activities and monitoring   | Opportunities arising from managing risks  | Risk Owner  | Board Oversight Committee  | Management Oversight Committee   |
|-----|--|--|--|--|---|--|--|
| 2   | <b>Technology Risks</b><br><b>Material Matters MM 3, 5, 7, 8</b>         | The risk of legacy systems, delayed adoption of new technologies due to difficulty in integrating new systems to legacy. Copper cable theft & Power Outages added to network downtimes, negatively impacting service availability and customer experience. | <ul style="list-style-type: none"> <li>- Network infrastructure modernisation is ongoing, including fast-tracking upgrades and improving resiliency controls for priority applications and network assets.</li> <li>- Adhere to the robust Business Continuity Management tests on critical systems, IT and Network monitoring.</li> </ul> | - BTC places priority on the continuous investment and modernisation of the network as part of the growth strategy.  | Chief Operations Officer                            | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee, EXCO Risk Management Committee & Information Technology Steering Committee |
| 3   | <b>Decline Of Mobile Revenue</b><br><b>Material Matters MM 1</b>         | Erosion of traditional mobile voice and SMS revenue due to OTT services and pricing pressures.   | <ul style="list-style-type: none"> <li>- Diversification into mobile data, fintech, and digital services</li> <li>- Launch of value-added mobile platforms and apps</li> <li>- Customer engagement to upsell data bundles</li> </ul>   | While this is a declining revenue stream, it incentivises innovation and acceleration of digital transformation.   | Chief Commercial Officer<br>Chief Marketing Officer | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee, EXCO Risk Management Committee & Information Technology Steering Committee |
| 4   | <b>Pressure On Fixed Revenue</b><br><b>Material Matters MM1, 4, 6, 8</b> | Declining revenue from legacy fixed-line voice services due to mobile substitution and VoIP alternatives.  | <ul style="list-style-type: none"> <li>- Migration strategy toward fibre broadband and IP-based solutions</li> <li>- Bundled services (voice + data)</li> <li>- Pricing and promotion strategies for fixed broadband and fastConnect</li> </ul>  | <ul style="list-style-type: none"> <li>- Improve customer and network quality of experience (accessibility &amp; Availability)</li> <li>- Automation of service provisioning and assurance (Fixed business)</li> </ul> | Chief Commercial Officer<br>Chief Marketing Officer | Audit and Risk Committee & Directors Affairs and Governance Committee                                      |  |
| 5   | <b>Culture Risk</b><br><b>Material Matters MM1, 7, 8</b>                 | Misalignment between organisational culture and BTC's transformation strategy, leading to resistance to change, low engagement, and talent loss.   | <ul style="list-style-type: none"> <li>- Leadership development and change management initiatives</li> <li>- Employee value proposition and culture transformation roadmap</li> <li>- Monitoring via employee engagement surveys and internal audits</li> </ul>  | Strong culture underpins strategic agility. Addressing culture risk boosts productivity, retention, and innovation.  | Chief Human Capital Officer                         | Audit and Risk Committee, Directors Affairs and Governance Committee & Human Resources Committee           | Executive Management Committee & EXCO Risk Management Committee  |

| NO. | Risk  | Definition   | Mitigating activities and monitoring  | Opportunities arising from managing risks  | Risk Owner  | Board Oversight Committee  | Management Oversight Committee   |
|-----|---|--|---|--|---|--|--|
| 6   | <b>Cyber Security</b><br><b>Material Matters MM2, 3</b>                     | Exposure to threats, including data breaches, ransomware, and service interruptions that could affect customer trust and compliance. | <ul style="list-style-type: none"> <li>- Implementation of robust cybersecurity frameworks</li> <li>- Regular penetration testing and incident response planning</li> <li>- Investment in the enhancement of security operations and awareness training business models, go-to-market models and comprehensive</li> </ul>           | Beyond risk mitigation, strong cybersecurity enhances customer confidence and regulatory standing. Offering Cybersecurity as a service to diversify revenue streams. | Chief Operations Officer                          | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee & EXCO Risk Management Committee & Information Technology Steering Committee        |
| 7   | <b>Strategic Projects Execution</b><br><b>Material Matters MM1, 4, 5, 8</b> | Risk of delay, cost overrun, or underperformance of strategic initiatives (e.g., digital transformation, infrastructure rollouts).   | Accelerate the implementation of the Digital Transformation (DX) project to deliver digital services and other new solutions. Partnership with industry expert PMO Consultants to assist with project management implementation.  | Effective project execution to accelerate transformation and build investor confidence. Poor delivery erodes trust and opportunity.                                  | Chief Commercial Officer<br>Chief Finance Officer | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee & EXCO Risk Management Committee & Information Technology Steering Committee / CPSC |
| 8   | <b>Customer Service</b><br><b>Material Matters MM7, 8</b>                   | Inconsistent service quality and unresolved complaints leading to customer dissatisfaction and churn.                                | <ul style="list-style-type: none"> <li>Acceleration of customer-driven digital strategy.</li> <li>Including the implementation of personalised customer support across multiple channels.</li> <li>Implement a new CRM platform and integrate it to the billing system.</li> <li>Optimise the CX value chain internally.</li> </ul> | Strengthening service to build brand loyalty, reduce churn, and support long-term revenue resilience.  | Chief Commercial Officer                          | Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee | Executive Management Committee & EXCO Risk Management Committee & Information Technology Steering Committee        |

Board and Governance Structure [continued]

| NO. | Risk  | Definition  | Mitigating activities and monitoring   | Opportunities arising from managing risks  | Risk Owner        | Board Oversight Committee   | Management Oversight Committee                                  |
|-----|---|---|--|--|-------------------|---|---|
| 9   | <b>Regulatory Risks</b><br><br><b>Material Matters MM2</b>                                  | Exposure to changes in telecommunications laws, data protection, spectrum fees, or competition rules. | <ul style="list-style-type: none"> <li>- Staying ahead of the evolving legal landscape through continuous monitoring and maintaining proactive dialogue with regulators to ensure smooth licensing and compliance processes.</li> <li>- Diversify spectrum holdings to reduce risk and ensure full compliance with spectrum management, data protection, and cybersecurity laws, backed by ongoing staff training and robust internal controls.</li> </ul> | Regulatory alignment ensures a licence to operate and opens access to policy-driven funding or partnerships.   | Company Secretary | Audit and Risk Committee & Directors Affairs and Governance Committee | Executive Management Committee & EXCO Risk Management Committee |
| 10  | <b>Sustainability &amp; Sustainability Related Risks</b><br><br><b>Material Matters MM8</b> | Exposure to climate change, resource efficiency, social inequality, and governance pressures.         | <ul style="list-style-type: none"> <li>- Development of a sustainability strategy aligned with SDGs</li> <li>- ESG disclosure, stakeholder engagement, and internal policy reforms</li> </ul>  | <ul style="list-style-type: none"> <li>- Managing sustainability risks opens access to green finance, enhances brand equity, and aligns BTC with long-term stakeholder value.</li> <li>- Investment in green tech, inclusive services, and circular economy</li> </ul> | Company Secretary | Audit and Risk Committee & Directors Affairs and Governance Committee | Executive Management Committee & EXCO Risk Management Committee |

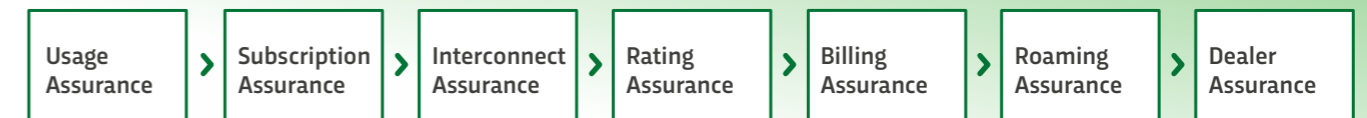
4. Specialised Risk Management Functions

Revenue Assurance and Fraud Management

These are embedded functions within BTC mandated by the board in the value chain to provide operational direction in terms of providing controls, investigation and closure of leakages.

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

Assurance Areas

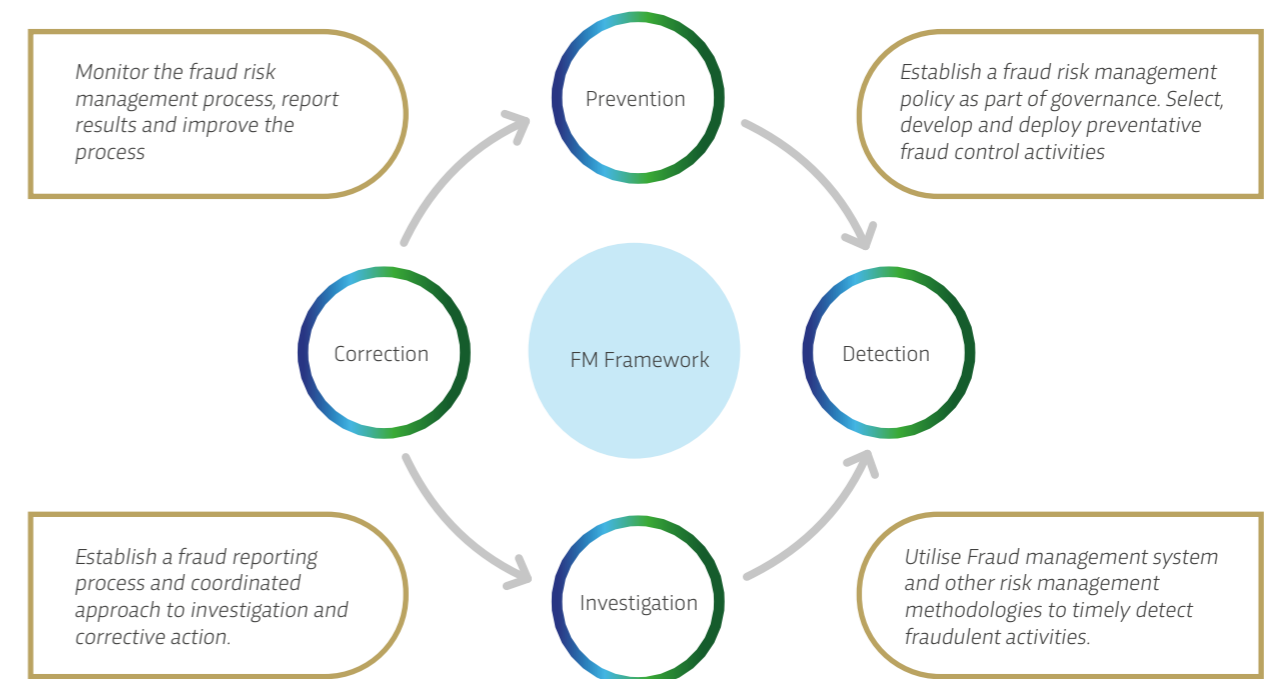


Fraud Management

BTC has put in place a strong governance structure, with focus emphasised on effective processes for fraud risk assessment, which is enforced 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.

BTC as a telecom service provider, 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 as well as protecting shareholder value.

Fraud Management Framework



## Board and Governance Structure [continued]

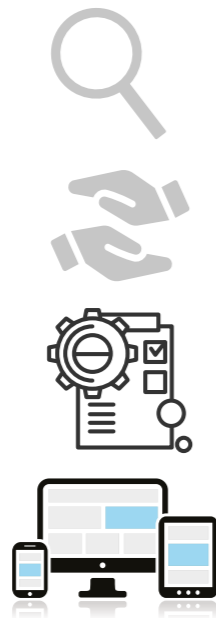
### AI, Agile Auditing and Emergent Technologies

#### 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. Through the anonymous tip-off line managed by Deloitte, Internal Audit investigates all reported cases and conveys findings and recommendations to the Chief Executive Officer 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.

#### Continuous Auditing

- To improve agility and efficiency, the Internal Audit function has invested in the use of technology Computer Aided Audit Tools (CAATs).
- As the business shifts towards digital transformation, IA function has also improved 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 Chief Executive Officer 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.

#### Tip-Offline

- Through the anonymous tip-off line managed by Deloitte
- Internal Audit investigates all reported cases and conveys findings and recommendations to the Chief Executive Officer and the Audit and Risk Committee.

## 5. Business Continuity Management

BCM complements Risk Management and serves to ensure our critical operations, systems and infrastructure are capable of withstanding, adapting to and recovering from disruptive events, be it cyberattacks, power outages, hardware failure, or natural disasters. Our approach to BCM is aligned with the ISO 22301:2019 standard and guided by Good Practice Guidelines from The Business Continuity Institute.

For the FY2024/25, we closed the year with a 97% successful test completion rate for resiliency testing of our high-priority Technology, Information Systems and Power and Air Conditioning assets. Ongoing projects, including but not limited to, network modernisation and power supply autonomy serve to bridge identified gaps and improve overall resiliency for BTC.





# ANNUAL FINANCIAL STATEMENTS

# 06

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# Board approval of the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

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 Chief Executive Officer 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 132 to 191 which were approved on 20 June 2025 and are signed on its behalf by:

**MOKGETHI F. MAGAPA**  
Chairperson

**BOITUMELO PAYA**  
Chief Financial Officer

# General information

FOR THE YEAR ENDED 31 MARCH 2025

## Directors

|                           |   |
|---------------------------|---|
| Mokgethi Frederick Magapa | Chairperson                                     |
| Boitumelo Paya            | Chief Executive Officer (Acting) 02 August 2024 |
| Anthony Masunga           | Managing Director -Resigned 31 July 2024        |
| Ranjith Priyalal De Silva |   |
| Bafana Molomo             |   |
| Thato Kewakae             |   |
| Mcedisi Roger Solomon     |   |
| Amantle Kgosiemang        |   |
| Itemogeng Basadi Pheto    |   |
| Andrew Johnson            | Retired 24 September 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 activities

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 2025

## 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 and 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.

## Financial Results

The annual financial statements of the Company for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 20 June 2025.

The results for the year are disclosed in the statement of profit or loss and other comprehensive income on page 132. The summarised results are as follows:

- 3.9% increase in Revenue (2025: P1,493 billion 2024: P1,436 billion)
- 29.5% increase in Profit Before Tax (2025: P259 million, 2024: P200 million)
- 28.4% increase in Profit After Tax (2025: P202 million, 2024: P158 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 2025, the directors declared that a dividend of 10.83 thebe per share be paid for the financial year ended 31 March 2025. The dividend shall be payable to all shareholders registered in the books of the Company at close of business on 01 August 2025. The ex-dividend date will be 30 July 2025. The dividends will be paid net of applicable withholding taxes under the Income Tax act on or before 13 August 2025.

### Appointment of a Chief Executive Officer

On 20 June 2025, the Board announced the appointment of Mr Jürgen Peschel as the new Chief Executive Officer effective 01 July 2025. While this change occurred after the reporting date, the Board believes it may have a significant impact on the Corporation's strategic direction and operations.

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.

# Deloitte.

PO Box 778  
Gaborone  
Botswana

Deloitte & Touche  
Assurance & Advisory Services  
Chartered Accountants  
Registration No: P00002685058  
2nd Floor  
Twin Towers  
East Building  
Plot 2883  
Fairgrounds Office Park  
Gaborone  
Botswana

Tel: +(267) 395 1611  
Fax: +(267) 397 3137  
www.deloitte.com

# Independent Auditor's report

FOR THE YEAR ENDED 31 MARCH 2025

TO THE SHAREHOLDERS OF BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED  
REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

## Opinion

We have audited the annual financial statements of Botswana Telecommunications Corporation Limited (the Company) set out on pages 132 to 191, which comprise the statement of financial position as at 31 March 2025, 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 2025 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 Ramatlaping (Botswana) MJ Wotherspoon (South Africa)

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



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**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

| Key Audit Matter  | How the matter was addressed in the audit  |
|---|--|
| <p><b>Revenue recognition</b></p> <p>The Corporation's revenue streams are characterised by small transactions and high data volumes. The billing processes are automated, and dependent on IT systems.</p> <p>Revenue recognition with respect to fixed voice, data and mobile revenue streams is complex because of the following:</p> <ul style="list-style-type: none"> <li>Notwithstanding improving trends, during the prior years, management processed revenue adjustments due to errors in billings previously made. Due to the fact that these revenue adjustments are material, this poses an inherent risk in relation to revenue recognition. Management assessed that, because these billing errors will take time to clean up and close, the Corporation develops an estimate of the revenue adjustments to be made 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.</li> <li>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.</li> <li>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.</li> <li>The revenue recognition criteria require management's judgement in the allocation of revenue to the various revenue streams.</li> <li>The potential impact of small errors is significant due to the possibility of automated replication through the large volumes of transactions.</li> <li>Revenue is a significant balance on the financial statements and is a key performance indicator; and</li> <li>Significant audit effort will be directed at addressing the risks arising from this matter.</li> </ul> | <p>To address this risk, we performed various procedures, including the following:</p> <ul style="list-style-type: none"> <li>Tested and evaluated the design and implementation of relevant controls around revenue recognition.</li> <li>Discussed with management and evaluated the reasons for the revenue adjustments processed in the current year and prior years.</li> <li>Discussed with the Corporation's' Revenue Assurance Team and obtained an understanding of the controls in place to ensure the completeness, accuracy, and occurrence of the recorded revenue.</li> <li>Involved IT and Data Analytics specialists to test controls in the overall IT environment around the billing systems.</li> <li>Tested the design and implementation of certain automated controls with respect to routing of billing data and calculation of invoices.</li> <li>Tested the design and implementation of key internal controls over the determination of the revenue adjustments provision as well as the determination of deferred revenue.</li> </ul> <p>In addition, we performed the following substantive procedures:</p> <ul style="list-style-type: none"> <li>Performed detailed testing by tracing 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.</li> <li>Performed substantive analytical procedures and independently determined the estimate of the future revenue reversals affecting the current financial year incorporated in the revenue recognised and evaluated the validity, completeness, and accuracy of the adjustments.</li> </ul> |

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**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

| Key Audit Matter  | How the matter was addressed in the audit  |
|---|--|
| <p><b>Revenue recognition (continued)</b></p> <p>Related disclosures in the annual financial statements:</p> <ul style="list-style-type: none"> <li>Revenue recognition and presentation section of the significant accounting judgements and estimates.</li> <li>Revenue Recognition accounting policy.</li> <li>Note 1 – Revenue from contracts with customers.</li> <li>Note 15 – Trade and other receivables – Provision for credit notes/revenue reversals.</li> </ul> | <ul style="list-style-type: none"> <li>Performed tests of detail on the revenue adjustments made after year end evaluated their impact on the current financial year and evaluated whether their effect on the current year was accurately adjusted for.</li> <li>Challenged management's assumptions made in the estimation of the revenue adjustments provision.</li> <li>Performed test calls and compared these to the billing parameters to verify accuracy.</li> <li>Tested reconciliations between the billing system reports and the general ledger.</li> <li>Reviewed the revenue related journals processed and assess them for validity and accuracy.</li> <li>Tested the reasonableness of assumptions and judgements used by management in the determination of unused airtime on scratch cards.</li> <li>Tested the billing system parameters to assess that network activity was appropriately recorded in the correct period.</li> <li>Tested the completeness and accuracy of the data used in the determination of deferred revenue.</li> <li>Reviewed and considered the adequacy of the disclosures on the assumptions and judgements applied in relation to revenue recognition.</li> </ul> <p>Evaluated the disclosures on the financial statements in compliance with IFRS 15. In conclusion, we considered the amount recorded as revenue and the related annual financial statements disclosures to be appropriate.</p> |

# Deloitte.

**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

| Key Audit Matter  | How the matter was addressed in the audit  |
|---|--|
| <b>Impairment of property, plant and equipment and intangible assets</b>  |  |
| <p>Significant judgements are involved in the assessment and determination of impairment of the non-financial assets of the Company.</p> <p>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.</p> <p>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 nonfinancial assets may be impaired.</p> <p>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.</p> <p>Property plant and equipment and intangible assets consist mainly of network equipment together with the related software infrastructure.</p> <p>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.</p> | <p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Tested the design and implementation of management's controls around the impairment assessment process.</li> </ul> <p>In addition, we performed the following substantive procedures:</p> <ul style="list-style-type: none"> <li>• We tested the mathematical accuracy of the value in use model used by management.</li> <li>• Obtained and reviewed for reasonableness, the quantitative and qualitative factors included in the reconciliation of the market value to the book value.</li> <li>• Performed recalculations and tested the underlying data used in the assessment for accuracy and completeness.</li> <li>• Reviewed and compared the projected cash flows against the historical performance to test the reasonableness of management's projections.</li> </ul> |

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**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

| Key Audit Matter  | How the matter was addressed in the audit  |
|---|--|
| <b>Impairment of property, plant and equipment and intangible assets (continued)</b>  |  |
| <p>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.</p> <p>Related disclosures in the annual financial statements:</p> <ul style="list-style-type: none"> <li>• Impairment of non-financial assets section of the significant accounting judgements and estimates.</li> <li>• Note 10 – Property, plant, and equipment.</li> <li>• Note 11 - Intangible assets.</li> <li>• Note 12 – Asset impairment.</li> </ul> | <ul style="list-style-type: none"> <li>• Involved our Financial Advisory and Valuation Specialists to review the WACC rates.</li> <li>• Tested the reasonableness of the key inputs used in the computations which include the future inflation, future growth rates, the discount rates, and gross profit margins EBITDA margins and key ratios used to take into consideration the impact of the current economic challenges on future projections.</li> <li>• 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.</li> <li>• Compared the terminal growth rates to forecast industry trends and to past growth rate trends.</li> <li>• Reviewed and assessed the impact of contradictory evidence as well as subsequent events which may have an impact on the recorded amounts.</li> <li>• Performed sensitivity analysis of the headroom using key inputs (discount rates, future growth rates and volatility in future cash flows).</li> <li>• Evaluated the computations and disclosures in the annual financial statements for compliance with IAS 36.</li> </ul> <p>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.</p> |

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**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

## 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 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, 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.
- 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.

# Deloitte.

**Independent Auditor's report** - To the shareholders of Botswana Telecommunications Corporation Limited (continued)

## Auditor's Responsibilities for the Audit of the Annual Financial Statements (continued)

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**  
Firm of Certified Auditors  
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2025)

25 June 2025  
Gaborone

# Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | March 2025 P'000 | March 2024 P'000 |
|--|-------|------------------|------------------|
| Revenue from contracts with customers  | 1     | 1,492,760        | 1,436,050        |
| Cost of services and goods sold  | 2     | (603,005)        | (637,346)        |
| Gross profit   |       | 889,755          | 798,704          |
| Interest income  | 3.1   | 60,422           | 62,813           |
| Interest expense   | 3.2   | (14,938)         | (14,664)         |
| Other income   | 4     | 38,708           | 1,551            |
| Selling and distribution costs   | 5     | (23,489)         | (18,225)         |
| Administrative expenses  | 6     | (387,825)        | (361,391)        |
| Impairment loss on financial assets and contract assets  | 15    | (24,973)         | (12,151)         |
| Other expenses   | 7     | (278,631)        | (256,629)        |
| <b>Profit before tax</b>   |       | 259,029          | 200,008          |
| Income tax expense   | 8     | (56,825)         | (42,474)         |
| <b>Profit for the year</b>   |       | 202,204          | 157,534          |
| <b>Other comprehensive income not to be reclassified to profit /loss in subsequent periods</b> |       |                  |                  |
| Gains on property revaluation  |       | -                | 90,430           |
| Impairment loss on assets prior to transfer to held for sale                                   | 10    | (2,745)          | -                |
| Income tax effect  | 24.2  | 604              | (19,894)         |
| <b>Other comprehensive (loss) /income for the year</b>   |       | (2,141)          | 70,536           |
| <b>Total comprehensive income for the year</b>   |       | 200,063          | 228,070          |
| Basic and diluted earnings per share (Thebe):  | 9     | 19.26            | 15.00            |

# Statement of financial position

AS AT 31 MARCH 2025

|  | Notes | March 2025 P'000 | March 2024 P'000 |
|--|-------|------------------|------------------|
| <b>ASSETS</b>                                  |       |                  |                  |
| <b>Non-current assets</b>                      |       |                  |                  |
| Property, plant and equipment                  | 10    | 1,638,484        | 1,506,783        |
| Intangible assets                              | 11    | 151,934          | 170,006          |
| Right of use assets                            | 13.1  | 136,938          | 140,412          |
| Performance bond                               | 17.5  | 16,650           | -                |
| IRU asset                                      | 26.2  | 305,678          | 343,887          |
| Contract assets                                | 16.1  | 49,212           | 45,830           |
|  |       | 2,298,896        | 2,206,918        |
| <b>Current assets</b>                          |       |                  |                  |
| Inventories                                    | 14    | 50,128           | 58,390           |
| Trade and other receivables                    | 15    | 380,766          | 230,830          |
| Contract assets                                | 16.1  | 43,920           | 37,851           |
| Income tax receivable                          | 24.1  | -                | 897              |
| Short term investments                         | 17.1  | 56,411           | 107,803          |
| Cash and cash equivalents                      | 17.2  | 442,360          | 625,344          |
|  |       | 973,585          | 1,061,115        |
| Assets held for sale                           | 18    | 14,742           | 12,664           |
| <b>Total assets</b>                            |       | 3,287,223        | 3,280,697        |
| <b>EQUITY AND LIABILITIES</b>                  |       |                  |                  |
| <b>Capital and reserves</b>                    |       |                  |                  |
| Stated capital                                 | 19    | 478,892          | 478,892          |
| Revaluation reserve                            | 20    | 385,663          | 393,713          |
| Accumulated profits                            |       | 1,539,368        | 1,614,745        |
|  |       | 2,403,913        | 2,487,350        |
| <b>Non-current liabilities</b>                 |       |                  |                  |
| Development grants                             | 21    | 26,910           | 27,108           |
| Lease liabilities                              | 13.2  | 146,084          | 148,391          |
| IRU liability                                  | 26.1  | 47,278           | 61,112           |
| Contract liabilities                           | 16.2  | 2,897            | 5,461            |
| Deferred tax liability                         | 24.2  | 199,510          | 143,017          |
| Employee related provisions                    | 23    | 3,776            | 5,307            |
|  |       | 426,455          | 390,396          |
| <b>Current liabilities</b>                     |       |                  |                  |
| Trade and other payables                       | 22    | 383,007          | 324,665          |
| Contract liabilities                           | 16.2  | 2,879            | 8,718            |
| Lease liabilities                              | 13.2  | 15,898           | 15,810           |
| IRU liability                                  | 26.1  | 13,834           | 12,965           |
| Current portion of development grants          | 21    | 7,567            | 1,471            |
| Current portion of employee related provisions | 23    | 33,670           | 39,322           |
|  |       | 456,855          | 402,951          |
| <b>Total liabilities</b>                       |       | 883,310          | 793,347          |
| <b>Total equity and liabilities</b>            |       | 3,287,223        | 3,280,697        |

## Statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2025

| Notes                                     | Stated<br>Capital<br>P'000 | Revaluation<br>Reserve<br>P'000 | Accumulated<br>Profits<br>P'000 | Total<br>P'000   |
|---|----------------------------|---------------------------------|---------------------------------|------------------|
| <b>Balance at 1 April 2023</b>            | 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           |
| <b>Total Comprehensive Income</b>         | -                          | 70,536                          | 157,534                         | 228,070          |
| Ordinary dividend declared                | 19                         | -                               | (91,980)                        | (91,980)         |
| Depreciation transfer net of deferred tax | 20                         | (11,649)                        | 11,649                          | -                |
| <b>Balance at 31 March 2024</b>           | <b>478,892</b>             | <b>393,713</b>                  | <b>1,614,745</b>                | <b>2,487,350</b> |
| Profit for the year                       | -                          | -                               | 202,204                         | 202,204          |
| Other comprehensive loss for the year     | -                          | (2,141)                         | -                               | (2,141)          |
| <b>Total Comprehensive (loss)/Income</b>  | -                          | (2,141)                         | 202,204                         | 200,063          |
| Ordinary dividend declared                | 19                         | -                               | (283,500)                       | (283,500)        |
| Depreciation transfer net of deferred tax | 20                         | (5,909)                         | 5,909                           | -                |
| <b>Balance at 31 March 2025</b>           | <b>478,892</b>             | <b>385,663</b>                  | <b>1,539,358</b>                | <b>2,403,913</b> |

## Statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2025

| Notes  | March<br>2025<br>P'000 | March<br>2024<br>P'000 |
|--|------------------------|------------------------|
| <b>Cash flows from operating activities:</b>                                     |                        |                        |
| Operating cash flow before working capital changes                               | 17.3                   | 437,018                |
| Working capital adjustments:   |                        |                        |
| Decrease in inventories  |                        | 5,471                  |
| Increase in trade and other receivables, contract assets and prepayments         |                        | (184,671)              |
| Increase in trade and other payables and contract liabilities                    |                        | 32,259                 |
| Cash generated from operations   |                        | 290,077                |
| Ordinary dividend paid to shareholders   |                        | (269,787)              |
| Income tax received (paid)   | 24.1                   | 1,169                  |
| Net cash from operating activities   |                        | 21,459                 |
| <b>Cash flows used in investing activities:</b>                                  |                        |                        |
| Investment to expand operations:   |                        |                        |
| Purchase of property, plant and equipment  | 10                     | (277,765)              |
| Purchase of intangible assets  | 11                     | (17,830)               |
| Proceeds from disposal of property, plant and equipment and assets held for sale |                        | 37,663                 |
| Interest income received   |                        | 60,821                 |
| Purchase of investments  |                        | (306,262)              |
| Disposal of investments  |                        | 357,654                |
| Purchase of performance bond   |                        | (16,650)               |
| Net cash (used in) / generated from investing activities                         |                        | (162,369)              |
| <b>Cash flows from financing activities:</b>                                     |                        |                        |
| Grants received  | 21                     | 7,591                  |
| Interest paid on lease liabilities and IRU liability                             |                        | (15,029)               |
| Principal payment of lease liabilities   |                        | (21,044)               |
| Principal payment of IRU liability   |                        | (12,965)               |
| Net cash from financing activities   |                        | (41,447)               |
| (Decrease)Increase in cash and cash equivalents                                  |                        | (182,357)              |
| Net foreign exchange difference on cash and cash equivalents                     |                        | (627)                  |
| Cash and cash equivalents at beginning of the year                               |                        | 625,344                |
| Cash and cash equivalents at end of the year                                     | 17.2                   | 442,360                |

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## 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 2025 were authorised for issue by the Members of the Board in accordance with a resolution on 20 June 2025.

## 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 has 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

The following new accounting pronouncements as issued by the IASB were effective for adoption from 01 April 2024. These accounting policies have been assessed as not having an impact and accordingly not applicable to the Company up to the date of issuance of the Company's financial statements as disclosed below.

- **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.
- **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.
- **Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7** – The amendment is not applicable to the Company as it does not undertake any supplier financing arrangements.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## 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 Integrated Reporting periods beginning on or after 1 January 2027. Management is currently assessing the impact the amendments will have on the Company's financial statements.

## STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

### Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9 Financial Instruments.

The amendments are effective for Integrated Reporting periods beginning on or after 1 January 2026.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

Management is currently assessing the impact the amendments will have on the Company.

### Annual Improvements to IFRS Accounting Standards

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS Accounting Standards. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

### IFRS 1 First-time Adoption of IFRS Accounting Standards

Hedge Accounting by a First-time Adopter

- Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026. Management is currently assessing the impact the amendment will have in the Company. This is not applicable as the Company is not first-time adopter.

### IFRS 7 Financial Instruments: Disclosures

Gain or Loss on Derecognition

- The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026. Management is currently assessing the impact the amendment will have in the Company.

### Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Introduction

- The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

### Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Disclosure of Deferred Difference between Fair Value and Transaction Price

- Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

### Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Credit Risk Disclosures

- Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS Accounting Standards requirements are not illustrated in the example.

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

### Annual Improvements to IFRS Accounting Standards (continued)

#### IFRS 9 Financial Instruments

##### Lessee Derecognition of Lease Liabilities

- Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026.
- Management is currently assessing the impact the amendment will have in the Company.

#### IFRS 9 Financial Instruments

##### Transaction Price

- Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026.
- Management is currently assessing the impact the amendment will have in the Company.

#### IFRS 10 Consolidated Financial Statements

##### Determination of a 'De Facto Agent'

- Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026. This amendment is currently not applicable to the Company as it is currently not part of a Group.

#### IAS 7 Statement of Cash Flows

##### Cost Method

- Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.
- This amendment is applicable for Integrated Reporting periods beginning on or after 1 January 2026. Management is currently assessing the impact the amendment will have in the Company.

### Other Standards not applicable to the Company

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.

- 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. Effective indefinitely pending the outcome of its research project on the equity method of accounting.
- 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. This standard is effective for annual periods beginning on or after 1 January 2025.
- 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. This standard will be effective for annual periods beginning on or after 1 January 2027.
- Contracts Referencing Nature-dependent Electricity** – Amendments to IFRS 9 and IFRS 7 - The standard is not applicable to the Company as it currently does not have contracts that reference nature-dependent electricity. This standard will be effective for annual periods beginning on or after 1 January 2026.

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

### Estimates and Judgements

The preparation of financial statements in conformity with IFRS Accounting 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.

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### 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 reporting 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.

### 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 is 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 2025. 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 6-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.

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### 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. Grant 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:

## 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.

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

**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.

### 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 in note 16.
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 Integrated 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 2025

## 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 during 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.

## 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).

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## 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 2025 the Company had 1,050,000,000 issued shares (March 2024: 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.

### Recognition and measurement

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.

## FINANCIAL INSTRUMENTS (continued)

### Impairment

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.

### Significant increase in credit risk

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.

### Definition of default

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.

### Write off policy

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.

### Short term Investments

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

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.

### Performance bonds

Bank balances for which use by the Company is subject to third party contractual restrictions are included as part of cash unless the restrictions results in the bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed on note 17.5. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

# Accounting policies

FOR THE YEAR ENDED 31 MARCH 2025

## FINANCIAL INSTRUMENTS (continued)

### Gains and Losses for Financial Assets

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

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.

### 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 for Financial Liabilities

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

Equity instruments are recorded net of direct issue costs.

### Offsetting of financial assets and financial liabilities (Interconnect balances)

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.

### Derecognition of financial assets and liabilities

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.

## DIVIDENDS

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.

## 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:

## LEASES (continued)

### i) Right-of-use assets (continued)

|                           |               |
|---------------------------|---------------|
| 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 2025

|   | 2025<br>P'000  | 2024<br>P'000  |
|---|----------------|----------------|
| <b>2 COST OF SERVICES AND GOODS SOLD</b>  |                |                |
| Payment to International carriers and local operators (interconnection)                                       | 53,715         | 58,034         |
| Amortisation of the Indefeasible right of use (IRU) asset   | 38,209         | 38,209         |
| Depreciation:   |                |                |
| Land and buildings  | 10,411         | 16,915         |
| Network Assets  | 120,637        | 120,802        |
| Amortisation of intangible assets   | 35,759         | 54,337         |
| Right of Use Assets   | 22,283         | 21,723         |
| Equipment and material costs  | 224,795        | 190,412        |
| Installation of Customer Premises Equipment (CPE)   | 8,615          | 6,592          |
| Write down of inventories   | 2,791          | 3,905          |
| Cost of directory sales   | 2,516          | 1,325          |
| Cost of prepaid cards   | 1,607          | 2,946          |
| Cost of phones  | 39,779         | 43,548         |
| Licence fee - BOCRA   | 21,716         | 26,316         |
| Space segment rentals and other licence fees*   | 14,596         | 17,691         |
| Mobile financial services costs   | 5,576          | 6,037          |
| Loss on disposal of property, plant and equipment   | -              | 28,554         |
| <b>Total cost of services and goods sold</b>  | <b>603,005</b> | <b>637,346</b> |
| *Space segment rentals relate to satellites which the entity rents. Licence fees relate to computer software. |                |                |
| <b>3.1 INTEREST INCOME</b>  |                |                |
| Interest from short-term and call accounts deposits   | 35,319         | 43,958         |
| Interest on revenue contracts with a significant financing component  | 25,103         | 18,855         |
|   | 60,422         | 62,813         |
| <b>3.2 INTEREST EXPENSE</b>   |                |                |
| Interest expense on lease liabilities   | 10,503         | 8,178          |
| Interest expense on Indefeasible right of use liability   | 4,435          | 6,486          |
|   | 14,938         | 14,664         |
| <b>4 OTHER INCOME</b>   |                |                |
| Development grant recognised as income (note 21)  | 1,693          | 1,551          |
| Exchange gain   | 4,901          | -              |
| Profit on disposal of property, plant and equipment and assets held for sale                                  | 32,114         | -              |
|   | 38,708         | 1,551          |
| <b>5 SELLING AND DISTRIBUTION COSTS:</b>  |                |                |
| Product marketing costs   | 23,399         | 17,357         |
| Sponsorship expense   | 90             | 868            |
|   | 23,489         | 18,225         |

|   | 2025<br>P'000  | 2024<br>P'000  |
|---|----------------|----------------|
| <b>6 ADMINISTRATIVE EXPENSES</b>  |                |                |
| Employee costs:   |                |                |
| Salaries and wages  | 303,077        | 288,073        |
| Pension fund and group life contributions (defined contribution plans)                        | 30,523         | 27,561         |
| Training costs  | 5,075          | 3,107          |
| Medical costs   | 9,536          | 8,887          |
| Other related employee costs *  | 19,213         | 13,991         |
| Total employee costs charged to profit or loss  | 367,424        | 341,619        |
| Depreciation - Other equipment  | 10,430         | 13,259         |
| Repairs and maintenance - non-telecommunications equipment                                    | 9,971          | 6,513          |
| <b>Total Administrative expenses</b>  | <b>387,825</b> | <b>361,391</b> |
| *Other related employee costs include medical aid expenses, staff welfare and staff uniforms. |                |                |
| <b>7 OTHER EXPENSES</b>   |                |                |
| Audit Remuneration  |                |                |
| Audit fees  | 2,575          | 2,500          |
| Other Services  | 1,199          | 135            |
| Directors fees-sitting allowance  | 2,416          | 1,930          |
| Directors fees-other expenses   | 718            | 301            |
| Billing costs   | 23,505         | 24,699         |
| Consultancy   | 27,075         | 23,686         |
| Exchange loss   | -              | 1,933          |
| Financial charges*  | 23,767         | 21,500         |
| Radio Licence fees - BOCRA  | 53,150         | 35,399         |
| Variable lease payments   | 539            | 52             |
| Stationery  | 2,503          | 1,873          |
| Miscellaneous expenses**  | 15,572         | 16,588         |
| Property upkeep   | 18,501         | 15,875         |
| Travel and entertainment  | 12,315         | 11,952         |
| Dealer commission   | 20,329         | 20,573         |
| Vehicle running costs   | 10,033         | 11,145         |
| Utilities -electricity and water  | 27,300         | 33,061         |
| Licenses - system and software  | 37,134         | 32,185         |
| Loss on disposal of property, plant and equipment - other equipment                           | -              | 1,242          |
| <b>Total Other expenses</b>   | <b>278,631</b> | <b>256,629</b> |

**\*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 2025

|   | Notes | 2025<br>P'000 | 2024<br>P'000 |
|---|-------|---------------|---------------|
| <b>8 INCOME TAX EXPENSE</b>                                     |       |               |               |
| The components of income tax expense for the year ended are:    |       |               |               |
| <b>Statement of Profit or loss</b>                              |       |               |               |
| <b>Taxation expense</b>   |       |               |               |
| Current taxation  |       | (272)         | -             |
| Charge for the year   |       | -             | -             |
| Prior period over provision                                     |       | (272)         | -             |
| Deferred taxation   | 24.2  | 57,097        | 42,474        |
| Charge for the year   |       | 58,308        | 47,887        |
| Prior period over provision                                     |       | (1,211)       | (5,413)       |
| <b>Taxation expense</b>   |       | <b>56,825</b> | <b>42,474</b> |
| <b>Corporate Tax rate reconciliation</b>                        |       |               |               |
| <b>Profit before tax</b>  |       | 259,029       | 200,008       |
| Company tax at 22% (2024:22%)                                   |       | 56,987        | 44,002        |
| Expenses not deductible for tax purposes or income not taxable* |       | 1,321         | 3,885         |
| Prior period over provision                                     |       | (1,483)       | (5,413)       |
| <b>Taxation expense</b>   | 24.2  | <b>56,825</b> | <b>42,474</b> |
| *Expenses not deductible for tax purposes or income not taxable |       |               |               |
| Cost of sales on (rental) PABX                                  |       | -             | 5,135         |
| Depreciation transfer for land and buildings                    |       | -             | (3,285)       |
| Donations and gifts   |       | 24            | 1,045         |
| Capital grants received   |       | 1,669         | 1,331         |
| Amortisation of grants  |       | (372)         | (341)         |
|   |       | 1,321         | 3,885         |

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 2024; Nil)

|  | Notes | 2025<br>P'000 | 2024<br>P'000 |
|--|-------|---------------|---------------|
| <b>9 EARNINGS PER SHARE</b>  |       |               |               |
| Profit attributable to ordinary shareholder for basic and diluted earnings per share |       | 202,204       | 157,534       |
| Stated capital - number of shares (note 19)  |       | 1,050,000,000 | 1,050,000,000 |
| Earnings per share (Thebe)   |       | 19.26         | 15.00         |

The Company has stated capital of 1,050,000,000 shares as at period end (March 2024: 1,050,000,000 shares). The Government of Botswana is still the majority shareholder with a 54.16% shareholding (Mar: 2024 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 2025

## 10 PROPERTY, PLANT AND EQUIPMENT

| 31 March 2025  | Notes             | Land & Buildings | Network Assets | Plant & Other Equipment | Capital Work in Progress | Total     |
|--|-------------------|------------------|----------------|-------------------------|--------------------------|-----------|
| Measured at  | Cost / Fair value | Cost             | Cost           | Cost                    | Cost                     | P'000     |
|  |                   | P'000            | P'000          | P'000                   | P'000                    | P'000     |
| <b>COST OR VALUATION</b>   |                   |                  |                |                         |                          |           |
| At beginning of the year   |                   | 599,766          | 2,731,811      | 281,694                 | 89,400                   | 3,702,671 |
| Additions and net transfers*                                     |                   | 2,243            | 291,178        | 10,464                  | (19,770)                 | 284,115   |
| Additions  |                   | -                | -              | -                       | 284,115                  | 284,115   |
| Transfers  |                   | 1,676            | (585)          | (1,091)                 | -                        | -         |
| Capitalisation from WIP (Transfers)                              |                   | 567              | 291,763        | 11,555                  | (303,885)                | -         |
| Retired  |                   | (1,643)          | (496,344)      | (45,005)                | -                        | (542,992) |
| Transferred to assets held for sale                              | 18.1              | (10,128)         | -              | -                       | -                        | (10,128)  |
| At end of the year   |                   | 590,238          | 2,526,645      | 247,153                 | 69,630                   | 3,433,666 |
| <b>DEPRECIATION AND IMPAIRMENT</b>                               |                   |                  |                |                         |                          |           |
| At beginning of the year   |                   | 325              | 1,956,852      | 238,711                 | -                        | 2,195,888 |
| Depreciation charge for the year                                 |                   | 10,411           | 120,637        | 10,430                  | -                        | 141,478   |
| Transfers  |                   | 903              | (243)          | (660)                   | -                        | -         |
| Impairment loss prior to reclassification to asset held for sale |                   | 2,745            | -              | -                       | -                        | 2,745     |
| Transferred to assets held for sale                              | 18.1              | (2,770)          | -              | -                       | -                        | (2,770)   |
| Retired  |                   | (1,535)          | (495,977)      | (44,647)                | -                        | (542,159) |
| At end of the year   |                   | 10,079           | 1,581,269      | 203,834                 | -                        | 1,795,182 |
| <b>NET BOOK VALUE</b>  |                   |                  |                |                         |                          |           |
| At beginning of the year   |                   | 599,441          | 774,959        | 42,983                  | 89,400                   | 1,506,783 |
| At end of the year   |                   | 580,159          | 945,376        | 43,319                  | 69,630                   | 1,638,484 |

\* Included in the additions above are accruals amounting to P9 917 569 (2024; P3 567 893) hence cash payments made in the current year amounted to P277 765 000 (2024: P144 530 000).

## 10 PROPERTY, PLANT AND EQUIPMENT (continued)

| 31 March 2024                       | Notes             | Land & Buildings** | Network Assets | Plant & Other Equipment | Capital Work in Progress | Total     |
|-------------------------------------|-------------------|--------------------|----------------|-------------------------|--------------------------|-----------|
| Measured at                         | Cost / Fair value | Cost               | Cost           | Cost                    | Cost                     | P'000     |
|                                     |                   | P'000              | P'000          | P'000                   | P'000                    | P'000     |
| <b>COST OR VALUATION</b>            |                   |                    |                |                         |                          |           |
| 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 |                   | -                  | (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 |
| <b>DEPRECIATION AND IMPAIRMENT</b>  |                   |                    |                |                         |                          |           |
| 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 |                   | -                  | (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 |
| <b>NET BOOK VALUE</b>               |                   |                    |                |                         |                          |           |
| 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 737 000) hence cash payments made during the year amounted to P144 530 000.

\*\* Included in land and buildings for the year ended March 2024 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 |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 10 PROPERTY, PLANT AND EQUIPMENT (continued)

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:

|                 | 2025<br>P'000 | 2024<br>P'000 |
|-----------------|---------------|---------------|
| Cost            | 175,150       | 176,748       |
| Depreciation    | (81,410)      | (78,561)      |
| Carrying amount | 93,740        | 98,187        |

### 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. There were no changes from prior year.

## 11 INTANGIBLE ASSETS

### 31 March 2025

#### COST

|                          | Computer and Billing Software P'000 | Network Systems P'000 | Total P'000 |
|--------------------------|-------------------------------------|-----------------------|-------------|
| At beginning of the year | 600,954                             | 34,905                | 635,859     |
| Transfers                | (2,448)                             | 2,448                 | -           |
| Additions                | 16,143                              | 1,687                 | 17,830      |
| Retired                  | (45,980)                            | (13,091)              | (59,071)    |
| At end of the year       | 568,669                             | 25,949                | 594,618     |

#### AMORTISATION

|                          |          |          |          |
|--------------------------|----------|----------|----------|
| At beginning of the year | 440,363  | 25,490   | 465,853  |
| Transfers                | (537)    | 537      | -        |
| Charge for the year      | 34,055   | 1,704    | 35,759   |
| Retired                  | (45,932) | (12,996) | (58,928) |
| At end of the year       | 427,949  | 14,735   | 442,684  |

#### NET BOOK VALUE

|                          |         |        |         |
|--------------------------|---------|--------|---------|
| At beginning of the year | 160,591 | 9,415  | 170,006 |
| At end of the year       | 140,720 | 11,214 | 151,934 |

### 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 |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 12 ASSET IMPAIRMENT

As at 31 March 2025, 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 15.15% (16.47% pre-tax) (March 2024: 13.13% (15.93% 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 in use 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) 2025: 15.15% (March 2024: 13.13%). The pre-tax WACC rate 16.47% (March 2024: 15.93%)  
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 P765 million.  
A sensitivity analysis with changes in WACC, the terminal growth rate and EBITDA was performed. The below are the movements;

|  | Change | Increase/<br>(decrease)<br>in headroom<br>P'000 |
|--|--------|---|
| <b>Changes in WACC</b>                                   |        |   |
| With terminal growth Rate @ 2% and EBITDA Margin @ 39.9% | +0.50% | (111,327)                                       |
|  | -0.50% | 120,044   |
| <b>Changes in the terminal growth rate</b>               |        |   |
| With WACC @ 15.15% and EBITDA Margin @ 39.9%             | +0.50% | 73,105  |
|  | -0.50% | (67,750)  |
| <b>Changes in the EBITDA Margin</b>                      |        |   |
| With WACC @ 15.15% and terminal growth rate @ 2%         | +0.50% | 68,371  |
|  | -0.50% | (68,371)  |

## 13 LEASES

The Company has lease contracts for various buildings, rental of telecommunication sites, network assets and other assets 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 other assets generally have lease term of between 1 and 3 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

| 31 March 2025                    | Buildings<br>P'000 | Telecommunication<br>Sites<br>P'000 | Network<br>Assets<br>P'000 | Other<br>P'000 | Total<br>P'000 |
|----------------------------------|--------------------|-------------------------------------|----------------------------|----------------|----------------|
| <b>COST</b>                      |                    |                                     |                            |                |                |
| At beginning of the year         | 17,525             | 166,804                             | 17,148                     | 1,974          | 203,451        |
| Additions                        | 11,728             | 5,209                               | -                          | 1,890          | 18,827         |
| Lease expiry / termination       | (6,981)            | (1,393)                             | -                          | (2,316)        | (10,690)       |
| At end of the year               | 22,272             | 170,620                             | 17,148                     | 1,548          | 211,588        |
| <b>DEPRECIATION</b>              |                    |                                     |                            |                |                |
| At beginning of the year         | 11,082             | 44,406                              | 5,625                      | 1,926          | 63,039         |
| Depreciation charge for the year | 4,078              | 16,173                              | 1,125                      | 907            | 22,283         |
| Lease expiry / termination       | (6,981)            | (1,375)                             | -                          | (2,316)        | (10,672)       |
| At end of the year               | 8,179              | 59,204                              | 6,750                      | 517            | 74,650         |
| <b>NET BOOK VALUE</b>            |                    |                                     |                            |                |                |
| At beginning of the year         | 6,443              | 122,398                             | 11,523                     | 48             | 140,412        |
| At end of the year               | 14,093             | 111,416                             | 10,398                     | 1,031          | 136,938        |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 13 LEASES (continued)

### 13.1 Right-of-use assets (continued)

| 31 March 2024                    | Buildings<br>P'000 | Telecommunication<br>Sites<br>P'000 | Network<br>Assets<br>P'000 | Other<br>P'000 | Total<br>P'000 |
|----------------------------------|--------------------|-------------------------------------|----------------------------|----------------|----------------|
| <b>COST</b>                      |                    |                                     |                            |                |                |
| 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        |
| <b>DEPRECIATION</b>              |                    |                                     |                            |                |                |
| 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         |
| <b>NET BOOK VALUE</b>            |                    |                                     |                            |                |                |
| 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        |

### 13.2 Lease liabilities

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

| 31 March 2025                | Buildings<br>P'000 | Telecommunication<br>Sites<br>P'000 | Network<br>Assets<br>P'000 | Other<br>P'000 | Total<br>P'000 |
|------------------------------|--------------------|-------------------------------------|----------------------------|----------------|----------------|
| At beginning of the year     | 7,088              | 143,675                             | 13,388                     | 50             | 164,201        |
| Additions                    | 11,728             | 5,209                               | -                          | 1,890          | 18,827         |
| Accretion of interest        | 796                | 8,840                               | 843                        | 25             | 10,504         |
| Payments                     | (5,188)            | (23,404)                            | (1,793)                    | (1,165)        | (31,550)       |
| <b>As at end of the year</b> | <b>14,424</b>      | <b>134,320</b>                      | <b>12,438</b>              | <b>800</b>     | <b>161,982</b> |

## 13 LEASES (continued)

### 13.2 Lease liabilities (continued)

| 31 March 2024             | Buildings<br>P'000 | Telecommunication<br>Sites<br>P'000 | Network<br>Assets<br>P'000 | Other<br>P'000 | Total<br>P'000 |
|---------------------------|--------------------|-------------------------------------|----------------------------|----------------|----------------|
| 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)       |
| <b>At end of the year</b> | <b>7,088</b>       | <b>143,675</b>                      | <b>13,388</b>              | <b>50</b>      | <b>164,201</b> |

| Comprising:             | 2025<br>P'000 | 2024<br>P'000 |
|-------------------------|---------------|---------------|
| Non-current liabilities | 146,084       | 148,391       |
| Current liabilities     | 15,898        | 15,810        |
|                         | 161,982       | 164,201       |

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 | 22,283        | 21,723        |
| Interest expense on lease liabilities                       | 10,504        | 8,178         |
| <b>Total amount recognised in profit or loss</b>            | <b>32,787</b> | <b>29,901</b> |

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

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2025<br>P'000 | 2024<br>P'000 |
|---|---------------|---------------|
| <b>14 INVENTORIES</b>   |               |               |
| Consumable stores   | 44,872        | 56,600        |
| Customer premises equipment                                     | 5,256         | 1,790         |
| Total inventories at the lower of cost and net realisable value | 50,128        | 58,390        |

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

The cost of inventories recognised as an expense included P89 699 829(2024; P131 952 654) included as part of equipment and material costs in note 2. The decrease between the two years is on account of a once off special enterprise project carried out in year 2024.

The cost of inventories recognised as an expense included P2 791 037 in respect of write downs of inventory to net realisable value (2024; P3 904 715).

## 15 TRADE AND OTHER RECEIVABLES

|  |                |                |
|--|----------------|----------------|
| Trade receivables                              | 122,215        | 117,671        |
| Trade receivables from related parties         | 245,364        | 110,106        |
| Trade receivables from interconnect balances   | 14,578         | 12,419         |
| Staff advances                                 | 5,857          | 7,857          |
| Other receivables                              | 22,105         | 22,234         |
| <b>Gross trade and other receivables</b>       | <b>410,119</b> | <b>270,287</b> |
| Provision for credit Notes - revenue reversals | (10,287)       | (19,841)       |
| Debtors impairment                             | (73,271)       | (51,139)       |
| <b>Net trade and other receivables</b>         | <b>326,561</b> | <b>199,307</b> |
| Prepayments                                    | 54,205         | 31,523         |
| <b>Total trade and other receivables</b>       | <b>380,766</b> | <b>230,830</b> |
| Categorisation into:                           |                |                |
| Financial assets at amortised cost             | 326,561        | 199,307        |
| Non-financial                                  | 54,205         | 31,523         |
|  | 380,766        | 230,830        |

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.

## 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 2025 and the corresponding historical credit losses experienced within this period. The credit period on trade and other receivables is 30 days (2024: 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 receivables, the lifetime expected credit loss ratios determined for the trade receivables 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.

| Bucketing (Days past due)   | Expected credit loss rate (average) |          | 2025<br>P'000                    | 2025<br>P'000                                  | 2024<br>P'000                    | 2024<br>P'000                                  |
|-----------------------------|-------------------------------------|----------|----------------------------------|--|----------------------------------|--|
|                             | March 25                            | March 24 | Gross carrying amount at default | Loss allowance (Lifetime expected credit loss) | Gross carrying amount at default | Loss allowance (Lifetime expected credit loss) |
|                             |                                     |          |                                  |  |                                  |  |
| Current                     | 4%                                  | 3%       | 165,001                          | 7,378  | 136,423                          | 4,325  |
| 31-60 days past due         | 6%                                  | 8%       | 71,032                           | 4,560  | 50,071                           | 3,886  |
| 61-90 days past due         | 12%                                 | 18%      | 50,859                           | 5,997  | 13,436                           | 2,369  |
| 91-120 days past due        | 14%                                 | 33%      | 29,773                           | 4,281  | 7,109                            | 2,376  |
| 121-150 days past due       | 24%                                 | 36%      | 16,484                           | 3,960  | 5,572                            | 1,995  |
| More than 150 days past due | 61%                                 | 63%      | 76,970                           | 47,095   | 57,676                           | 36,187   |
| <b>Total</b>                |                                     |          | <b>410,119</b>                   | <b>73,271</b>                                  | <b>270,287</b>                   | <b>51,138</b>                                  |

The increase in the average rates is primarily on account of low collections from the Government segment.

Included across the different buckets are balances amounting to P68 million relating to a customer which was not subjected to ECL impairment as confirmation had been received before year that the amounts has been processed for payment. Management therefore concluded that there was no credit risk related to the amount.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 15 TRADE AND OTHER RECEIVABLES (continued)

### Reconciliation of loss allowance

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

|   |             | 2025<br>P'000 | 2024<br>P'000 |
|---|-------------|---------------|---------------|
| <b>Opening balance</b>  |             | 68,702        | 61,153        |
| Net provision raised during the year                            |             | 24,973        | 12,151        |
| Balances written off during the year                            |             | -             | (5,118)       |
| Provision for credit notes for receivables already provided for |             | 917           | 516           |
| <b>Balance at the end of the year</b>                           |             | 94,592        | 68,702        |
| <b>Comprising:</b>  | <b>Note</b> |               |               |
| Trade and other receivables                                     | 15          | 73,271        | 51,138        |
| Contract assets   | 16          | 21,321        | 17,564        |
|   |             | 94,592        | 68,702        |
| Reconciliation of the Provision for Credit Notes *              |             |               |               |
| <b>Opening balance</b>  |             | 19,841        | 28,443        |
| Revenue reversals during the year                               |             | (7,082)       | (7,536)       |
| Net provision reversed during the year                          |             | (2,472)       | (1,066)       |
| <b>Balance at the end of the year</b>                           |             | 10,287        | 19,841        |

\*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.

## 16 CONTRACTS ASSETS AND LIABILITIES

### 16.1 Contract assets

|                                      | Notes | 2025<br>P'000 | 2024<br>P'000 |
|--------------------------------------|-------|---------------|---------------|
| Provision for expected credit losses |       | 114,453       | 101,245       |
| Net contract assets                  | 15    | (21,321)      | (17,564)      |
|                                      |       | 93,132        | 83,681        |
| Comprising:                          |       |               |               |
| Non-current assets                   |       | 49,212        | 45,830        |
| Current assets                       |       | 43,920        | 37,851        |
|                                      |       | 93,132        | 83,681        |

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 | 102,493 | 89,969 |
|---|---------|--------|

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 18.8% (2024 : 19.5%)

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2025<br>P'000 | 2024<br>P'000 |
|--|-------|---------------|---------------|
| <b>16 CONTRACTS ASSETS AND LIABILITIES</b> (continued) |       |               |               |
| <b>16.2 Contract liabilities</b>                       |       |               |               |
| Balance at end of the year                             |       | 5,776         | 14,179        |
| Comprising:  |       |               |               |
| Non-current liabilities                                |       | 2,897         | 5,461         |
| Current liabilities                                    |       | 2,879         | 8,718         |
|  |       | 5,776         | 14,179        |

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.

## 17 SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS

|                                    |  |        |         |
|------------------------------------|--|--------|---------|
| <b>17.1 Short term investments</b> |  |        |         |
| Money market funds                 |  | 56,411 | 107,803 |
| Balance at end of the year         |  | 56,411 | 107,803 |

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 7.27% (2024: 6.5%) as of the reporting date.

|  |  |         |         |
|--|--|---------|---------|
| <b>17.2 Cash and cash equivalents at end of the year:</b>        |  |         |         |
| Cash at bank and on hand   |  | 265,893 | 169,481 |
| Short term deposits  |  | 172,534 | 450,000 |
| Restricted balances held for the mobile financial services (MFS) |  | 3,933   | 5,863   |
| Net cash and cash equivalents at end of the year                 |  | 442,360 | 625,344 |

The short term deposits had effective interest rates of between 0.25% and 10% (March 2024: 0.25% and 2%).

Included in the cash and cash equivalents is an amount of USD 60 000 (2024: 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.

|  | Notes | 2025<br>P'000 | 2024<br>P'000 |
|--|-------|---------------|---------------|
| <b>17 SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS</b> (continued)             |       |               |               |
| <b>17.3 STATEMENT OF CASH FLOWS - Operating profit before working capital changes:</b> |       |               |               |
| Profit before tax  |       | 259,029       | 200,008       |
| Adjustment for non-cash movements:   |       |               |               |
| Unrealised exchange (gain)/loss  |       | (1,030)       | 1,933         |
| Interest income  | 3.1   | (60,422)      | (62,813)      |
| Interest expense   | 3.2   | 14,938        | 14,664        |
| (Profit)/loss on disposal on disposal of property, plant and equipment                 | 4/7   | (32,114)      | 1,242         |
| Loss on decommissioning of copper  | 2     | -             | 28,554        |
| Depreciation of property, plant and equipment  | 10    | 141,478       | 150,978       |
| Amortisation of intangible assets  | 11    | 35,759        | 54,337        |
| Depreciation on right of use assets  | 13.1  | 22,283        | 21,723        |
| Impairment losses and gains on financial assets and contract assets                    | 15    | 24,973        | 12,151        |
| Writedown of inventories   | 2     | 2,791         | (3,905)       |
| Development grant recognised as income   | 21    | (1,693)       | (1,551)       |
| Movement in employee related provisions  | 23    | (7,183)       | 12,920        |
| Amortisation of IRU  | 26.2  | 38,209        | 38,209        |
| Operating cash flows before working capital changes                                    |       | 437,018       | 468,450       |

## 17.4 Banking Facilities

The Company has facilities with its bankers amounting to P30 million (March 2024: P30 million) in respect of Letters of credit and guarantees :P20 million (March 2024:P20 million), Bank overdraft :P10 million(March 2024:P10 million) .

The banking facilities are unsecured.

The unutilised portion of the banking facilities amounted to P30 million(March 2024 :P30 million in respect of letter of credit).

|                              |  |        |   |
|------------------------------|--|--------|---|
| <b>17.5 Performance Bond</b> |  | 16,650 | - |
|------------------------------|--|--------|---|

The Company was awarded a radio spectrum license by BOCRA on the 16th of January 2025 for the provision of telecommunication services according to conditions as stipulated in the license agreement. One of the conditions required that a performance bond amounting to P16 650 000 (2024: Nil) equating 5% of the peak funding price be held to cover roll-out obligations.

The guarantee is held by the African Alliance Management Company on behalf of the licensee which guarantee is set to be in place until 31 December 2027.

Until all the performance obligations are met, the funds cannot be used for any other purposes.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2025<br>P'000 | 2024<br>P'000 |
|--|-------|---------------|---------------|
| <b>18 ASSETS HELD FOR SALE</b>             |       |               |               |
| <b>Balance end of the year comprising:</b> |       |               |               |
| Residential properties                     | 18.1  | 7,358         | -             |
| Network assets(Copper)                     | 18.2  | 7,384         | 12,664        |
|  |       | 14,742        | 12,664        |

## 18.1 Residential properties

In the current financial year, the Company held a residential property which the company had decided to immediately dispose in its present condition. The asset was classified as "non-current assets held for sale" on 23 October 2024 as the company intended to recover their carrying amount principally through a sale transaction which is expected to be completed within one year.

The Company decided to dispose the residential property in order to focus on core telecommunications business. This property was acquired for housing employees in the country when accommodation was inadequate.

|   |    |         |   |
|---|----|---------|---|
| Cost at 01 April 2024   | 10 | 10,128  | - |
| Depreciation and Impairment loss prior to reclassification to asset held for sale | 10 | (2,770) | - |
| Balance transferred from property, plant and equipment                            |    | 7,358   | - |

## 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. Under IFRS 5:9 while the sales process is supposed to be within one year, the process of selling this copper is expected to exceed one year due to logistical and operational constraints (including wide geographical distribution and the stage of physical extraction and transport). The company has determined the criteria in IFRS 5:9 are still met for classification of these assets as held for sale. This process is ongoing and expected to be completed in the 2027 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 continue to be classified as "non-current assets held for sale" on 31 March 2025.

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.).

|   |  |         |           |
|---|--|---------|-----------|
| Cost at 1 April                                   |  | 12,664  | 627,654   |
| Accumulated depreciation at beginning of the year |  | -       | (614,990) |
| Carrying amount at beginning of the year          |  | 12,664  | 12,664    |
| Additions   |  | -       | 4,762     |
| Carrying amount before write down                 |  | 12,664  | 17,426    |
| Net depreciation and impairment                   |  | -       | (4,762)   |
| Disposal  |  | (5,280) | -         |
| Balance at end of the year                        |  | 7,384   | 12,664    |

|   | 2025<br>P'000 | 2024<br>P'000 |
|---|---------------|---------------|
| <b>19 STATED CAPITAL</b>  |               |               |
| Balance   | 478,892       | 478,892       |
| <b>Authorised and issued capital</b>  |               |               |
| <b>Authorised shares</b>  |               |               |
| 1,050,000,000 (March 2024: 1,050,000,000) ordinary shares of no par value   | 478,892       | 478,892       |
| <b>Ordinary shares issued and fully paid</b>  |               |               |
| 1,050,000,000 (March 2024: 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. |               |               |
| <b>Cash dividends on ordinary shares paid:</b>  |               |               |
| Final dividend for 2024: 23 thebe per share : (2023: 6.71 thebe per share)  | 241,500       | 70,455        |
| Interim dividend for 2025 :4 thebe ( 2024 :2.05 thebe )   | 42,000        | 21,525        |
|   | 283,500       | 91,980        |

The dividend is paid net of 10% withholding tax as per the Botswana Income Tax Act.

BTC shares are only available to the following:

- natural persons who are citizens of Botswana
- corporate entities registered or operating in Botswana which are wholly citizen owned; or
- unincorporated associations, partnerships, and investment funds (whether managed directly or by institutional investors registered in Botswana) which are wholly citizen owned; or
- trusts whose ultimate beneficiaries are all Botswana citizens; or
- Local pension funds managed by institutional investors registered in Botswana; or
- any other entities operating in Botswana which are wholly citizen owned; or
- entities (whether or not falling into categories ii, iii or iv above) which are wholly citizen owned which manage investment funds for the benefit of citizens only.

## 20 REVALUATION RESERVE

|   |         |          |
|---|---------|----------|
| Properties revaluation reserve (land and buildings)       |         |          |
| Balance at the beginning of the year                      | 393,713 | 334,826  |
| Impairment of transfer of building to asset held for sale | (2,141) | -        |
| Depreciation transfer for land and buildings              | (5,909) | (11,649) |
| Revaluation of land and buildings                         | -       | 70,536   |
| Balance at the end of the year                            | 385,663 | 393,713  |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2025<br>P'000 | 2024<br>P'000 |
|---|---------------|---------------|
| <b>21 DEVELOPMENT GRANTS</b>                  |               |               |
| Balance at the beginning of the year          | 28,579        | 24,080        |
| Additional grants for the year                | 7,591         | 6,050         |
| Recognised as income during the year (note 4) | (1,693)       | (1,551)       |
| Balance at the end of the year                | 34,477        | 28,579        |
| Relating to:                                  |               |               |
| Universal access and service fund grants      | 34,477        | 28,579        |
|   | 34,477        | 28,579        |
| Comprising:                                   |               |               |
| Non-current liabilities                       | 26,910        | 27,108        |
| Current liabilities                           | 7,567         | 1,471         |
|   | 34,477        | 28,579        |

## Universal Access and Service Fund

In the 2018 financial year, an agreement was reached with the Universal Access and Service Fund (UASF) for the upgrade of the telecommunications base stations to 3G or better and provision of broadband connectivity in government schools in the Ghanzi district.

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. An additional grant received amounting to P7 591 000 in the current financial year relating to this agreement.

|  | 2025<br>P'000 | 2024<br>P'000 |
|--|---------------|---------------|
| <b>22 TRADE AND OTHER PAYABLES</b>               |               |               |
| Trade payables                                   | 129,146       | 97,404        |
| Deferred revenue                                 | 22,552        | 26,259        |
| Interconnection balances                         | 9,238         | 5,966         |
| Mobile money balances                            | 76,358        | 70,833        |
| Accruals and other payables                      | 145,713       | 124,203       |
|  | 383,007       | 324,665       |
| Categorisation into:                             |               |               |
| Financial liabilities measured at amortised cost | 355,028       | 286,627       |
| Non-financial                                    | 27,979        | 38,038        |
|  | 383,007       | 324,665       |

Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 day terms (March 2024: 30-60 days) and are not secured. Other payables are non-interest bearing and have an average settlement date of three months and are not secured.

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<br>P'000 | Gratuity<br>P'000 | Other*<br>P'000 | Total<br>P'000 |
|---------------------------------|--------------------|-------------------|-----------------|----------------|
| <b>Balance at 1 April 2023</b>  | 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)       |
| <b>Balance at 31 March 2024</b> | 18,379             | 6,117             | 20,133          | 44,629         |
| Charged to employee expenses    | 5,561              | 3,337             | 20,133          | 29,031         |
| Utilised                        | (12,216)           | (4,868)           | (19,130)        | (36,214)       |
| <b>Balance at 31 March 2025</b> | 11,724             | 4,586             | 21,136          | 37,446         |

\*Other relates to performance incentives, overtime payments and other payroll related accruals.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2025<br>P'000 | 2024<br>P'000 |
|---|---------------|---------------|
| <b>23 EMPLOYEE RELATED PROVISIONS (continued)</b> |               |               |
| Comprising:                                       |               |               |
| Current liabilities                               | 33,670        | 39,322        |
| Non-current liabilities                           | 3,776         | 5,307         |
|   | 37,446        | 44,629        |

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.

## 24 TAXATION

### 24.1 Income tax

|                                | 2025<br>P'000 | 2024<br>P'000 |
|--------------------------------|---------------|---------------|
| Opening balance                | 897           | 829           |
| Prior year over provision      | 272           | -             |
| Closing balance                | -             | (897)         |
| Net income tax received/(paid) | 1,169         | (68)          |

### 24.2 Deferred Taxation

| 31 March 2025                             | Net balance<br>as at 01 April<br>2024<br>P'000 | Recognised<br>in profit<br>or loss<br>P'000 | Recognised<br>in equity<br>P'000 | Closing balance<br>as at<br>Period end<br>P'000 |
|---|--|---|----------------------------------|---|
| <b>Deductible temporary differences</b>   |  |   |                                  |   |
| Deferred revenue                          | (7,053)  | 2,079                                       | -                                | (4,974)   |
| Contract liabilities                      | (3,192)  | 1,921                                       | -                                | (1,271)   |
| Expected credit losses (ECL)              | (19,480)                                       | (3,593)                                     | -                                | (23,073)  |
| Leases                                    | (5,234)  | (276)                                       | -                                | (5,510)   |
| Unutilised tax losses                     | (67,120)                                       | 43,297                                      | -                                | (23,823)  |
| Unrealised foreign exchange loss / (gain) | (253)  | (409)                                       | -                                | (662)   |
| <b>Taxable temporary differences</b>      |  |   |                                  |   |
| Indefeasible right of use (IRU)           | 59,358   | (5,553)                                     | -                                | 53,805  |
| Contract assets                           | 2,470  | 150   | -                                | 2,620   |
| Prepayments                               | 6,935  | 4,990                                       | -                                | 11,925  |
| Property, plant and equipment             | 176,586  | 14,491                                      | (604)                            | 190,473   |
| Cost                                      | 65,539   | 16,157                                      | -                                | 81,696  |
| Revaluation                               | 111,047  | (1,666)                                     | (604)                            | 108,777   |
|   | 143,017  | 57,097                                      | (604)                            | 199,510   |

## 24 TAXATION (continued)

### 24.2 Deferred Taxation (continued)

| 31 March 2024                             | Net balance<br>as at 01 April<br>2023<br>P'000 | Recognised<br>in profit<br>or loss<br>P'000 | Recognised<br>in equity<br>P'000 | Closing balance<br>as at<br>year end<br>P'000 |
|---|--|---|----------------------------------|---|
| <b>Deductible temporary differences</b>   |  |   |                                  |   |
| Deferred revenue                          | (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)   |
| <b>Taxable temporary differences</b>      |  |   |                                  |   |
| 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   |
| Property, plant and equipment             | 160,413  | (3,721)                                     | 19,894                           | 176,586                                       |
| Cost                                      | 65,975   | (436)                                       | -                                | 65,539  |
| Revaluation                               | 94,438   | (3,285)                                     | 19,894                           | 111,047                                       |
|   | 80,649   | 42,474                                      | 19,894                           | 143,017                                       |

The Company has tax losses amounting to P108 million (March 2024; P305 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.

#### Below is the analysis of the tax losses (P'000)

|  | 2021    | 2022    | 2023    | 2024      | 2025      |
|--|---------|---------|---------|-----------|-----------|
| Loss brought forward                             | 161,957 | 306,961 | 412,148 | 516,223   | 305,089   |
| Loss for the year                                | 145,004 | 105,187 | 104,075 | -         | -         |
| Cumulative loss brought forward from prior years | 306,961 | 412,148 | 516,223 | 516,223   | 305,089   |
| Utilised during the year                         | -       | -       | -       | (211,134) | (196,802) |
| Loss Carried forward                             | 306,961 | 412,148 | 516,223 | 305,089   | 108,287   |

The 2021, 2022 and 2023 losses are set to expire in 2026, 2027 and 2028 respectively unless utilised before expiry date. Recoverability assessments have been done indicating that the amounts will be fully utilised before the respective expiry dates.

# Notes to the annual financial statements

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|                                  | 2025<br>P'000  | 2024<br>P'000  |
|----------------------------------|----------------|----------------|
| <b>25 CAPITAL COMMITMENTS</b>    |                |                |
| Contracted but not paid          | 24,865         | 38,072         |
| Authorised but not contracted    | 319,311        | 171,928        |
| <b>Total capital commitments</b> | <b>344,176</b> | <b>210,000</b> |

These commitments will be financed by development grants and internally generated funds.

## 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                       | Resigned 31 July 2024                         |
|                                   | Boitumelo Paya                        | Acting Chief Executive Officer 02 August 2024 |
|                                   | Aldrin Sivako                         |   |
|                                   | Abel Bogatsu                          |   |
|                                   | Peter Olyn                            |   |
|                                   | Lebudi Kgetse                         |   |
|                                   | Same Kgosiemang                       |   |
|                                   | Boitumelo Masoko                      |   |
|                                   | Teko Monko                            |   |
|                                   | Sidney Mganga                         |   |
|                                   | Matlhogonolo Maje                     |   |
|                                   | Nelson Disang                         |   |
|                                   | Charles Modisenyane                   |   |
|                                   | Mmamotse Monageng                     | Contract Ended 03 January 2025                |

### Directors, Management and employees shareholdings

The Company has employees who hold shares that were purchased on the open market. 200 000 shares (March 2024: 250 000) were held by certain members of the Board of Directors and 631 201 (March 2024: 508 700) shares were held by certain members of key management.

## 26 RELATED PARTY TRANSACTIONS (continued)

### Trading transactions

The following related party transactions were based on agreed prices as per signed contracts:

|  | Billing        |                | Balance due    |                |
|--|----------------|----------------|----------------|----------------|
|  | 2025<br>P'000  | 2024<br>P'000  | 2025<br>P'000  | 2024<br>P'000  |
| <b>Sales and outstanding balances due from related parties</b>   |                |                |                |                |
| The Government of the Republic of Botswana                       | 610,528        | 525,991        | 225,563        | 92,576         |
| Parastatals  | 107,870        | 112,912        | 19,801         | 17,530         |
|  | <b>718,398</b> | <b>638,903</b> | <b>245,364</b> | <b>110,106</b> |
| <b>Purchases and outstanding balances due to related parties</b> |                |                |                |                |
| Parastatals  | 256,810        | 223,217        | 11,850         | 16,224         |

### 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 2025, the Company recognised provision for expected credit losses of P16 507 665 relating to amounts owed by related parties (2024: P5 394 700).

### Individually significant transactions

#### BoFiNet (Botswana Fibre Network)

BoFiNet is a wholesale provider of national and international telecommunication infrastructure and offered BTC an IRU worth P340 million for 10 years up to 2024. The P340 million was 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.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 26 RELATED PARTY TRANSACTIONS (continued)

### 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.

|                                | 2025<br>P'000 | 2024<br>P'000 |
|--------------------------------|---------------|---------------|
| At beginning of the year       | 74,077        | 120,590       |
| Repayments during the period   | (17,400)      | (53,000)      |
| Accretion of interest          | 4,435         | 6,487         |
| <b>As at end of the period</b> | <b>61,112</b> | <b>74,077</b> |
| <b>Comprising:</b>             |               |               |
| Current liabilities            | 13,834        | 12,965        |
| Non-current liabilities        | 47,278        | 61,112        |
|                                | 61,112        | 74,077        |

### 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.

|                              | 2025<br>P'000 | 2024<br>P'000 |
|------------------------------|---------------|---------------|
| At beginning of the year     | 343,887       | 382,096       |
| Amortisation during the year | (38,209)      | (38,209)      |
| At end of the year           | 305,678       | 343,887       |

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.

|  | 2025<br>P'000 | 2024<br>P'000 |
|--|---------------|---------------|
| <b>26 RELATED PARTY TRANSACTIONS (continued)</b> |               |               |
| <b>Compensation of key management personnel</b>  |               |               |
| Compensation                                     | 27,162        | 23,241        |
|  | 27,162        | 23,241        |

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.

### Directors' Interests

#### Emoluments per director (in Pula) (2025)

| Director                                  | Fees             | Remuneration     | Bonus          | Fringe and other benefits | Total             |
|---|------------------|------------------|----------------|---------------------------|-------------------|
| Anthony Masunga (Managing Director)       | -                | 4,575,728        | 650,000        | 42,975                    | 5,268,703         |
| Boitumelo Paya(Chief Executive Officer(A) | -                | 2,446,732        | 220,000        | 30,510                    | 2,697,242         |
| Mokgethi Frederick Magapa                 | 431,500          | -                | -              | -                         | 431,500           |
| Andrew Reginald Johnson                   | 125,000          | -                | -              | -                         | 125,000           |
| Ranjith Priyalal De Silva                 | 271,500          | -                | -              | -                         | 271,500           |
| Bafana Molomo                             | 325,500          | -                | -              | -                         | 325,500           |
| Thato Kewakae                             | 423,500          | -                | -              | -                         | 423,500           |
| Mcedisi Roger Solomon                     | 286,000          | -                | -              | -                         | 286,000           |
| Amantle Kgosiemang                        | 273,000          | -                | -              | -                         | 273,000           |
| Itemogeng Basadi Pheto                    | 279,500          | -                | -              | -                         | 279,500           |
| <b>Total emoluments paid</b>              | <b>2,415,500</b> | <b>7,022,460</b> | <b>870,000</b> | <b>73,485</b>             | <b>10,381,445</b> |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 26 RELATED PARTY TRANSACTIONS (continued)

### Directors' Interests (continued)

#### Emoluments per director (in Pula) (2024)

| Director                            | Fees             | Remuneration     | Bonus          | 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           |
| <b>Total emoluments paid</b>        | <b>1,930,000</b> | <b>2,906,071</b> | <b>500,000</b> | <b>41,053</b>             | <b>5,377,124</b> |

## 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):

| March 2025                  | EUR P'000     | USD P'000     | ZAR P'000    | Total P'000   |
|-----------------------------|---------------|---------------|--------------|---------------|
| Closing exchange rate       | 0.0655        | 0.0708        | 1.2901       |               |
| Trade Payables              | 40,509        | 8,500         | 5,235        | 54,244        |
| Interconnection balances    | 233           | 703           | -            | 936           |
| Accruals and other payables | 4,257         | 7,324         | 169          | 11,750        |
| <b>Total Liabilities</b>    | <b>44,999</b> | <b>16,527</b> | <b>5,404</b> | <b>66,930</b> |
| Interconnect balances       | 37            | 541           | -            | 578           |
| Cash and cash equivalents   | 158           | 935           | 237          | 1,330         |
| <b>Total assets</b>         | <b>195</b>    | <b>1,476</b>  | <b>237</b>   | <b>1,908</b>  |
| <b>Net liability</b>        | <b>44,804</b> | <b>15,051</b> | <b>5,167</b> | <b>65,022</b> |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 27.2 Currency risk (continued)

| March 2024                  | EUR<br>P'000  | USD<br>P'000  | ZAR<br>P'000 | Total<br>P'000 |
|-----------------------------|---------------|---------------|--------------|----------------|
| Closing exchange rate       | 0.0671        | 0.0728        | 1.3848       |                |
| Trade 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          |
| <b>Total Liabilities</b>    | <b>18,850</b> | <b>27,936</b> | <b>3,338</b> | <b>50,124</b>  |
| Interconnect balances       | 60            | 1,418         | -            | 1,478          |
| Cash and cash equivalents   | 2,015         | 16,359        | 1,309        | 19,683         |
| <b>Total assets</b>         | <b>2,075</b>  | <b>17,777</b> | <b>1,309</b> | <b>21,161</b>  |
| <b>Net liability</b>        | <b>16,775</b> | <b>10,159</b> | <b>2,029</b> | <b>28,963</b>  |

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.

### 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) | 2025<br>P'000  | 2024<br>P'000  |
|-----------------------|----------------|----------------|
| <b>10% decrease</b>   |                |                |
| Euro                  | (4,480)        | (1,678)        |
| United States Dollar  | (1,505)        | (1,016)        |
| Rand                  | (517)          | (203)          |
| <b>Net Effect</b>     | <b>(6,502)</b> | <b>(2,897)</b> |
| <b>10% increase</b>   |                |                |
| Euro                  | 4,480          | 1,678          |
| United States Dollar  | 1,505          | 1,016          |
| Rand                  | 517            | 203            |
| <b>Net Effect</b>     | <b>6,502</b>   | <b>2,897</b>   |

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 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 2025, the ECL provision for trade receivables was P73 271 000 (Mar 2024: P51 139 000) - 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 P21 321 000 (March 2024: P17 564 000) - 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 2024: 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: P245 364 000 (2024: P110 106 000)

Short term deposits with financial institutions: P172 534 000 (2024:P450 000 000)

Short term investments :P56 411 000 (2024: P107 803 000)

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)

|  | 2025<br>P'000    | 2024<br>P'000    |
|--|------------------|------------------|
| Performance bond                                   | 16,650           | -                |
| Trade debtors including those from related parties | 410,119          | 270,287          |
| Contract assets                                    | 93,132           | 83,681           |
| Short term investments                             | 56,411           | 107,803          |
| Short term deposits                                | 172,534          | 450,000          |
| Cash and bank                                      | 269,826          | 175,344          |
|  | <b>1,018,672</b> | <b>1,087,115</b> |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 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 2024: \$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<br>at amortised<br>cost<br>P'000 |
|------------------------|---|
| <b>March 2025</b>      |   |
| Interest income        | 60,422  |
| <b>Interest income</b> | <b>60,422</b>                                     |
| <b>March 2024</b>      |   |
| Interest income        | 62,813  |
| Interest income        | 62,813  |

### 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.

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 27.8 Liquidity and interest risk management (continued)

| Financial Liabilities    | Less than<br>1 month<br>P'000 | 1 - 3<br>months<br>P'000 | 3 months<br>to 1 year<br>P'000 | 1 - 5 years<br>P'000 | 5+ years<br>P'000 | Total<br>P'000 | Carrying<br>amount<br>P'000 |
|--------------------------|-------------------------------|--------------------------|--------------------------------|----------------------|-------------------|----------------|-----------------------------|
| <b>2025</b>              |                               |                          |                                |                      |                   |                |                             |
| Trade and other payables | -                             | 355,028                  | -                              | -                    | -                 | 355,028        | 355,028                     |
| IRU liability            | 1,450                         | 2,900                    | 13,050                         | 52,200               | -                 | 69,600         | 61,112                      |
| Lease liabilities        | 2,534                         | 7,514                    | 18,989                         | 100,727              | 75,578            | 205,342        | 161,982                     |
|                          | 3,984                         | 365,442                  | 32,039                         | 152,927              | 75,578            | 629,970        | 578,122                     |
| <b>2024</b>              |                               |                          |                                |                      |                   |                |                             |
| Trade and other payables | -                             | 286,627                  | -                              | -                    | -                 | 286,627        | 286,627                     |
| IRU liability            | 1,450                         | 2,900                    | 13,050                         | 69,600               | -                 | 87,000         | 74,077                      |
| Lease liabilities        | 2,226                         | 6,531                    | 17,027                         | 92,550               | 94,306            | 212,640        | 164,201                     |
|                          | 3,676                         | 296,058                  | 30,077                         | 162,150              | 94,306            | 586,267        | 524,905                     |

The Company maintains an overdraft facility with Standard Chartered Bank Botswana Limited. At 31 March 2025, the Company had cash and cash equivalents of P442 million (2024: P625 million).

### 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.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 27.9 Interest rate sensitivity analysis (continued)

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/<br>(decrease)<br>in pre tax<br>profit/(loss)<br>for the year<br>P'000 |
|---------------------------|-----|---|
| <b>2025</b>               |     |   |
| <b>Interest rate risk</b> |     |   |
| Change in interest rate   | +1% | 1,725   |
|                           | -1% | (1,725)   |
| <b>2024</b>               |     |   |
| <b>Interest rate risk</b> |     |   |
| Change in interest rate   | +1% | 4,500   |
|                           | -1% | (4,500)   |

### 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:

| Financial assets             | Carrying<br>amount<br>P'000 | Fair value<br>P'000 |
|------------------------------|-----------------------------|---------------------|
| <b>2025</b>                  |                             |                     |
| Performance bond             | 16,650                      | 16,650              |
| Trade and other receivables  | 326,561                     | 326,561             |
| Short term investments       | 56,411                      | 56,411              |
| Cash and cash equivalents    | 442,360                     | 442,360             |
|                              | 841,982                     | 841,982             |
| <b>Financial liabilities</b> |                             |                     |
| Trade and other payables     | 355,028                     | 355,028             |
| IRU liability                | 61,112                      | 61,112              |
| Lease liabilities            | 161,982                     | 161,982             |
|                              | 578,122                     | 578,122             |

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 27.10 Fair values (continued)

| Financial assets             | Carrying<br>amount<br>P'000 | Fair value<br>P'000 |
|------------------------------|-----------------------------|---------------------|
| <b>2024</b>                  |                             |                     |
| 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             |
| <b>Financial liabilities</b> |                             |                     |
| Trade and other payables     | 286,627                     | 286,627             |
| IRU liability                | 74,077                      | 74,077              |
| Lease liabilities            | 164,201                     | 164,201             |
|                              | 524,905                     | 524,905             |

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.

### 27.11 Categories of Financial Assets and Liabilities

The table below summarises categories of financial assets and financial liabilities held by the Company.

| Financial assets                   | Financial<br>assets at<br>amortised<br>cost<br>P'000 | Financial<br>liabilities<br>measured at<br>amortised<br>cost<br>P'000 | Total<br>P'000 |
|------------------------------------|--|---|----------------|
| <b>2025</b>                        |  |   |                |
| Performance Bond                   | 16,650   | -   | 16,650         |
| Trade and other receivables        | 326,561  | -   | 326,561        |
| Short term investments             | 56,411   | -   | 56,411         |
| Cash and cash equivalents          | 442,360  | -   | 442,360        |
| <b>Total financial assets</b>      | 825,332  | -   | 825,332        |
| <b>Financial liabilities</b>       |  |   |                |
| Trade and other payables           | -  | 355,028   | 355,028        |
| IRU liability                      | -  | 61,112  | 61,112         |
| Lease liabilities                  | -  | 161,982   | 161,982        |
| <b>Total financial liabilities</b> | -  | 578,122   | 578,122        |

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 27 FINANCIAL RISK MANAGEMENT (continued)

### 27.11 Categories of Financial Assets and Liabilities (continued)

|                                    | Financial assets at amortised cost P'000 | Financial liabilities measured at amortised cost P'000 | Total P'000    |
|------------------------------------|--|--|----------------|
| <b>Financial assets</b>            |  |  |                |
| <b>2024</b>                        |  |  |                |
| Trade and other receivables        | 199,307                                  | -  | 199,307        |
| Short term investments             | 107,803                                  | -  | 107,803        |
| Cash and cash equivalents          | 625,344                                  | -  | 625,344        |
| <b>Total financial assets</b>      | <b>932,454</b>                           | <b>-</b>   | <b>932,454</b> |
| <b>Financial liabilities</b>       |  |  |                |
| Trade and other payables           | -  | 286,627  | 286,627        |
| IRU liability                      | -  | 74,077   | 74,077         |
| Lease liabilities                  | -  | 164,201  | 164,201        |
| <b>Total financial liabilities</b> | <b>-</b>                                 | <b>524,905</b>   | <b>524,905</b> |

## 28 FAIR VALUE HIERACHY

The revalued land and buildings consist of:

- Commercial properties (including certain urban network sites), light industrial and residential properties in the major urban areas in Botswana, and
- Network sites located outside of the major urban areas in Botswana.

During the previous financial year 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 IFRS 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.

## 28 FAIR VALUE HIERACHY (continued)

### Assets measured at Fair Value

|   | Significant unobservable inputs (level 3) |            | Total square meters | Average value per squaremeter |
|---|---|------------|---------------------|-------------------------------|
|   | 2025 P'000                                | 2024 P'000 |                     |                               |
| Land & Buildings                                    | 577,070                                   |            |                     | 596,677                       |
| The significant unobservable valuation inputs were: |   |            |                     |                               |
|   | Price range per square meter              |            |                     |                               |
| Land  | From                                      | To         |                     |                               |
| Urban areas   | 40  | 2,500      | 241,636             | 556                           |
| Rural areas   | 40  | 450        | 547,011             | 55                            |

Significant increases/(decreases) in estimated price per square meter in isolation would result in a significantly higher/(lower) fair value.

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 |
|-------------|-----------------------------------|----------|------------|
|             | 2025 P'000                        |          |            |
| Change in;  |                                   |          |            |
| Urban areas | +5%                               | 26,073   | 26,687     |
|             | -5%                               | (26,073) | (26,687)   |
| Rural areas | +5%                               | 3,075    | 3,146      |
|             | -5%                               | (3,075)  | (3,146)    |

Significant unobservable inputs for the management/director assessment done on 31 March 2025 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.

# Notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH 2025

## 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 (2024: P30 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 | 2025<br>P'000    | 2024<br>P'000    |
|-----------------------------------|-------|------------------|------------------|
| <b>Debt</b>                       |       |                  |                  |
| Trade and other payables          | 22    | 383,007          | 324,665          |
| Employee related provisions       | 23    | 37,446           | 44,629           |
| Lease liabilities                 | 13    | 161,982          | 164,201          |
| IRU liability                     | 26.1  | 61,112           | 74,077           |
| <b>Total debt</b>                 |       | <b>643,547</b>   | <b>607,572</b>   |
| Short term investments            | 17.1  | 56,411           | 107,803          |
| Cash and cash equivalents         | 17.2  | 442,360          | 625,344          |
| <b>Net (assets) / liabilities</b> |       | <b>144,776</b>   | <b>(125,575)</b> |
| <b>Equity</b>                     |       |                  |                  |
| Stated Capital                    | 19    | 478,892          | 478,892          |
| Revaluation reserve               | 20    | 385,663          | 393,713          |
| Accumulated profits               |       | 1,539,358        | 1,614,745        |
| <b>Total equity</b>               |       | <b>2,403,913</b> | <b>2,487,350</b> |
| <b>Total Capital</b>              |       | <b>2,548,689</b> | <b>2,361,775</b> |
| <b>Gearing ratio</b>              |       | <b>6%</b>        | <b>-5%</b>       |

Total capital is derived by adding total equity and net debt.

## 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.

## 31 CONTINGENT LIABILITIES

BTC had contingent liabilities at 31 March 2025 of P7 716 352 (March 2024: P7 190 359) 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.

## 32 EVENTS AFTER THE REPORTING PERIOD

### Dividends

On 20 June 2025, the Directors declared that a dividend of 10.83 thebe be paid for the financial year ended 31 March 2025.

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.

### Appointment of a Chief Executive Officer

On 20 June 2025, the Board announced the appointment of Mr Jürgen Peschel as the new Chief Executive Officer effective 01 July 2025. While this change occurred after the reporting date, the Board believes it may have a significant impact on the Corporation's strategic direction and operations.

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.



# 07

## SHAREHOLDER INFORMATION

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# Shareholding analysis

FOR THE YEAR ENDED 31 MARCH 2025

| Ordinary Shareholders | Number of Shareholders | Percentage to Total Shareholders | Total Shares Held    | Percentage to Issued Shares |
|-----------------------|------------------------|----------------------------------|----------------------|-----------------------------|
| 1-2000                | 24,573                 | 61.027                           | 30,163,950           | 2.87                        |
| 2001-5000             | 8,477                  | 21.053                           | 35,248,889           | 3.36                        |
| 5001-10000            | 3,703                  | 9.196                            | 33,886,149           | 3.23                        |
| 10001-50000           | 2,694                  | 6.691                            | 66,561,573           | 6.34                        |
| 50001-100000          | 419                    | 1.041                            | 34,294,829           | 3.27                        |
| 100001-500000         | 315                    | 0.782                            | 75,544,158           | 7.19                        |
| 500001-1000000        | 46                     | 0.114                            | 36,043,882           | 3.43                        |
| 1000001-100000000     | 38                     | 0.094                            | 202,756,570          | 19.31                       |
| OVER 100000000        | 1                      | 0.002                            | 535,500,000          | 51.00                       |
| <b>TOTAL</b>          | <b>40,266</b>          | <b>100.00</b>                    | <b>1,050,000,000</b> | <b>100.00</b>               |

| NAME   | HOLDINGS      | %      |
|--|---------------|--------|
| BOTSWANA PRIVATISATION ASSET HOLDINGS                | 535,500,000   | 51.00  |
| FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ     | 39,283,509    | 3.74   |
| MINISTRY OF TRANSPORT & COMMUNICATIONS               | 33,230,800    | 3.16   |
| BOTSWANA PUBLIC PENSION FUND VUNANI                  | 14,834,327    | 1.41   |
| FAROUK ISMAIL  | 13,438,688    | 1.28   |
| NINETY-ONE-DEBSWANA PENSION FUND(DOMESTIC EQUITIES)  | 9,756,475     | 0.93   |
| BPOPF MORULA ACT MEM DEP EQ                          | 9,158,008     | 0.87   |
| BOTSWANA PUBLIC OFFICERS PENSION FU                  | 8,629,275     | 0.82   |
| NICHOLAS WEST ERIC                                   | 7,022,112     | 0.67   |
| KGORI CAPITAL  | 6,050,373     | 0.58   |
| BOTSWANA POLICE SAVINGS AND LOANS GUARANTEE SCHEME   | 5,884,495     | 0.56   |
| BANK OF BOTSWANA DEFERRED CONTRIBUTION STAFF PENSION | 5,598,645     | 0.53   |
| DITIRO CLEMENT LENTSWE                               | 5,077,814     | 0.48   |
| BOTSWANA PRIVATISATION ASSET COMPANY                 | 4,502,790     | 0.43   |
| MOTOR VEHICLE FUND                                   | 4,232,400     | 0.40   |
| MBIGANYI CHARLES TIBONE                              | 3,426,051     | 0.33   |
| SCBN (PTY) LTD RE: BIFM 028914400011                 | 2,313,092     | 0.22   |
| JOSEPH KGOTLAETSILE MOLEMI                           | 2,258,199     | 0.22   |
| SIMON HIRSCHFELD                                     | 2,051,934     | 0.20   |
| REGINAH DUMILANO SIKALESELE                          | 1,812,256     | 0.17   |
| FNBB NOMINEES (PTY) LTD RE: IAM BBBSPF               | 1,810,981     | 0.17   |
| SCBN (PTY) LTD RE: NINETY ONE 3292505                | 1,771,379     | 0.17   |
| STANBIC NOMINEES BOTSWANA RE BIFM MLF                | 1,603,816     | 0.15   |
| SETHUNYIWE TACHIMBELE OITSILE                        | 1,521,333     | 0.14   |
| FAIZEL ISMAIL  | 1,421,227     | 0.14   |
| OTHERS   | 327,810,021   | 31.22  |
|  | 1,050,000,000 | 100.00 |

| Category                       | Number of Shareholders | Percentage to Total Shareholders | Shares Held          | Percentage to Issued Shares |
|--------------------------------|------------------------|----------------------------------|----------------------|-----------------------------|
| <b>PUBLIC SHAREHOLDERS</b>     |                        |                                  |                      |                             |
| CORPORATE                      | 362                    | 0.90                             | 99,717,406           | 9.50                        |
| NOMINEES                       | 10                     | 0.02                             | 44,466,649           | 4.23                        |
| PRIVATE INDIVIDUALS            | 39,888                 | 99.06                            | 332,342,355          | 31.65                       |
| TRUSTS                         | 3                      | 0.01                             | 240,000              | 0.03                        |
| Sub Total                      | 40,263                 | 99.99                            | 476,766,410          | 45.41                       |
| <b>NON PUBLIC SHAREHOLDERS</b> | 3                      | 0.01                             | 573,233,590          | 54.59                       |
| <b>TOTAL</b>                   | <b>40,266</b>          | <b>100.00</b>                    | <b>1,050,000,000</b> | <b>100.00</b>               |

# Notice of the 2025 Annual General Meeting

Notice is hereby given that the 2025 Annual General Meeting of BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED ("BTC") will be held at Hotel 430, CBD in Gaborone, Botswana on Tuesday, 23rd September 2025 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 2025, 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 14.83 thebe per share that was declared by the Directors and paid by the Company.

#### 4. Ordinary Resolution No.3

Appointment of the Chief Executive Officer and Executive Director of the Company

To ratify the appointment of Jürgen Peschel as Chief Executive Officer and Executive Director of the company effective 2nd July 2025 in line with Clause 20.1 of the Constitution.

#### 5. Ordinary Resolution No.4

Appointment of Directors

To confirm the appointment by way of separate vote the following Directors in accordance with Clause 17.4 the Constitution:

5.1 Mr. Kgotso Bannalotlhe

Brief CVs in respect of each director offering themselves for appointment are attached herewith as an Annexure. The Board recommends the appointment of these directors.

#### 6. Ordinary Resolution No.5

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.

6.1 Mr. Mokgethi F. Magapa

6.2 Mr. Bafana Molomo

6.3 Mr. Ranjith Priyalal De Silva

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.

#### 7 Ordinary Resolution No.6

Remuneration of non-executive directors

7.1 To consider and approve the remuneration paid to Non-Executive Directors of the Company for the year ended 31st March 2025 as reflected on page 100 of the Integrated Report.

7.2 To approve the proposed remuneration of non-executive Directors for the ensuing year as set in the table below:

|                                 | Current Fees (BWP) | Proposed Fees (BWP) |
|---------------------------------|--------------------|---------------------|
| Sitting Allowance (per meeting) |                    |                     |
| Board Chairperson               | 19,000             | 19,000              |
| Committee Chairperson           | 15,000             | 15,000              |
| Board Member                    | 13,000             | 13,000              |
| Retainer Fee (Annual)           |                    |                     |
| Board Chairperson               | Nil                | 100,000             |
| Board Member                    | Nil                | 80,000              |

- No change to the current sitting allowance
- Introduction of Annual Retainer fee
- Retainer to be paid quarterly in advance

#### 8. Ordinary Resolution No.7

Appointment of External Auditors

To appoint Deloitte & Touche, upon recommendation of the Audit and Risk Committee, as the independent registered auditors of the company for the ensuing year.

#### 9. Ordinary Resolution No.8

Remuneration of external auditors

To approve the remuneration paid to the external auditors, Deloitte & Touché for the year ended 31st March 2025 as reflected on page 153 of the Integrated Report.

#### 10. Ordinary Resolution No.9

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 in line with the King Code of Corporate Governance:

10.1 Mr. Ranjith Priyalal De Silva

10.2 Mr. Bafana Molomo

10.3 Ms. Amantle Kgosiemang

10.4 Ms. Itemogeng Basadi Pheto

# Notice of the 2025 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 Hotel 430, CBD in Gaborone, Botswana on Tuesday, 23rd September 2025, 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

- ..... or failing him/her
- ..... or failing him/her
- 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, 23rd September 2025 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                   |     |         |         |
|                       | 4.1 Mr. Jürgen Peschel             |     |         |         |
| Ordinary resolution 4 | Agenda item No 5                   |     |         |         |
|                       | 5.1 Mr. Kgotsso Bannalotlhe        |     |         |         |
| Ordinary resolution 5 | Agenda item No 6                   |     |         |         |
|                       | 6.1 Mr. Mokgethi F. Magapa         |     |         |         |
|                       | 6.2 Mr. Bafana Molomo              |     |         |         |
|                       | 6.3 Mr. Ranjith Priyalal De Silva  |     |         |         |
| 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                  |     |         |         |
|                       | 10.1 Mr. Ranjith Priyalal De Silva |     |         |         |
|                       | 10.2 Mr. Bafana Molomo             |     |         |         |
|                       | 10.3 Ms. Amantle Kgosiemang        |     |         |         |
|                       | 10.4 Ms. Itemogeng Basadi Pheto    |     |         |         |

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 authorise 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 authorise 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. Dematerialised 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.

# Annexure

## Kgotso Bannalotlhe

Kgotso Bannalotlhe is a seasoned financial services executive with over two decades of leadership experience across banking and financial markets in Botswana and the wider African region. He currently serves as Regional Chief Executive for Botswana, Lesotho, and eSwatini at Letshego Holdings, while also leading Letshego Financial Services Botswana. Previously, he was CEO of Access Bank Botswana, where he successfully integrated the BancABC acquisition, expanded the branch network, and positioned the bank for growth. He has also held senior roles at Barclays Bank Botswana as Head of Corporate and Investment Banking, and at Standard Chartered Bank in Botswana and Tanzania, where he drove strong revenue growth and market leadership.

He holds a BCom in Finance from the University of Melbourne and an Executive Master in Positive Leadership and Strategy from IE University, Kgotso is a values-driven leader focused on impact, transformations and delivering sustainable business growth in competitive environments.