



2024 ANNUAL REPORT

**A JOURNEY OF
TRANSFORMATION**

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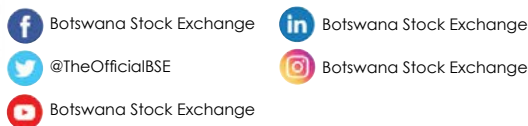
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2024 HIGHLIGHTS & MILESTONES

▲ **12.5%**

Domestic Company Index

The Domestic Company Index (DCI) appreciated by 12.5%;

▲ **108.4%**

Turnover in ETFs

Turnover in ETFs rose by 108.4% to P449.4 Million;

▲ **22.6%**

Domestic Company Total Return Index

The Domestic Company Total Return Index (DCTRI) appreciated by 22.6%;

▲ **51.7%**

Total market capitalization

The total market capitalization rose by 51.7%, mainly driven by active trading in dual listed stocks. It amounts to P598.2 Billion;

BSE launched the Stock Market Stimulator, high schools' competition and a national public competition on the platform

▲ **15.0%**

Foreign Company Index

The Foreign Company Index (FCI) increased by 15.0%;

▲ **93.8%**

Fixed income turnover

Fixed income turnover increased by 93.8% to P5.7 Billion;

BSE won 2 awards:

- Leading Innovators in Capital Markets 2024
- Africa Top 50 Innovative Public Sector Agency

P6.7 Million
per day

Equity turnover

Equity turnover amounted to P1.7 Billion or P6.7 Million per day;

156:2024

Listed instruments

The total number of listed instruments amounted to 156 by end of 2024;



MISSION, VISION & VALUE STATEMENTS



Mission Statement

To drive sustainable economic growth by providing a gateway for raising capital and accessing investment opportunities for the benefit of issuers, investors and stakeholders.



Vision Statement

To become a world-class securities exchange delivering innovative products and services.

Our Values

- **Be a Thinker** - Innovation
- **Engage Boldly** - Assertiveness, Communication
- **Winning Together** - Teamwork
- **Act Like an Owner** - Commercial Focus
- **Do the right thing** - Integrity, Efficiency, Sustainability



BSE OVERVIEW

The formation of the BSE can be traced back to 1989, when it was then known as Botswana Share Market (BSM). At that time there was no formal stock exchange in Botswana and the BSM traded as an informal market.

Our Inception

The Botswana Stock Exchange Limited (BSEL - herein referred to as the “BSE” or the “Exchange”) is a public company registered under the laws of the Republic of Botswana in accordance with the Companies Act with a registration number BW00000451021. The BSE is licenced by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) to operate as a securities exchange as defined in the Securities Act No. 26 of 2014. At present, the BSE is the only stock exchange in Botswana.

The formation of the BSE can be traced back to 1989, when it was then known as Botswana Share Market (BSM). At that time there was no formal stock exchange in Botswana and the BSM traded as an informal market. At the time, there were only 5 listed entities with a single broking firm i.e. Stockbrokers Botswana Ltd (SBB), which was also charged with facilitating trading on the exchange.

In September 1994, the legislation to transform the BSM into a full exchange was passed by Parliament paving the way for the establishment of the Botswana Stock Exchange (BSE) where trading opened in November 1995. In March 1998, Ernst and Young took the

In September 1994, the legislation to transform the BSM into a full exchange was passed by Parliament paving the way for the establishment of the Botswana Stock Exchange (BSE) where trading opened in November 1995.

full administration of the BSE. With effect from July 2001, a full time Chief Executive Officer was appointed with the aim of making the BSE completely independent. In April 2003, the BSE discontinued the secretarial role of Ernst and Young Botswana to become a fully independent entity.

Our Evolution

Historically, the exchange was owned by the BSE Members through ownership of Proprietary Rights, and the Government of Botswana provided subvention. Government and brokers have played critical roles of developing various facets of the capital markets and of the BSE, for example, the first core technology infrastructure by way of the Automated Trading System (ATS) and the Depository System (CSD) are some of the capital investments funded by Government through subvention.

In December 2014, the Parliament of Botswana passed the Botswana Stock Exchange (Transition) Act No.2 of 2015 into law. The purpose of the Transition Act was to provide for the registration of Botswana Stock Exchange as a public company limited by shares under the Companies Act, and to provide for its continued existence as if it had been incorporated under the Companies Act. This enactment enabled the commencement of the demutualization of the BSE, an important component of which was the conversion of the Proprietary Rights into share capital, the conversion of subventions or other financial or material contributions received by the Exchange into share capital and the formulation of an employee share option scheme (ESOP) for the employees of the Exchange. The Transition Act provided guidance in



BSE Overview

(continued)

determining the ownership structure of the BSE (the Company). For example, Section 3 (1) (ii) provided that securities brokers acting individually or collectively shall not hold more than 20% of the share capital of the Company.

The conversion of the BSE to a Company was completed on the 2nd of August 2018, at which point the BSE Act was repealed. The Exchange fully converted from a member owned, not-for-profit entity to a for-profit public company limited by shares under the Companies Act. In terms of capital, the ownership of the Company has been allocated to the Government of the Republic of Botswana, the four broking firm existing then and the ESOP.

Our International Affiliations

The BSE is a Full Member of the World Federation of Exchanges (WFE), a Partner Exchange of United Nations-backed Sustainable Stock Exchanges (SSE) initiative, a member of the African Securities Exchanges Association (ASEA) – and currently holds the Presidency of ASEA, a member and Secretariat of the Committee of SADC Stock Exchanges (CoSSE) for which it holds the Chairmanship. The BSE is a member of the Association of National Numbering Agencies (ANNA) and a Recognized Stock Exchange under the UK's Her Majesty Revenue and Customs (HMRC). The BSE owns the entire share capital of a subsidiary called the Central Securities Depository Company of Botswana Limited (CSDB), and the CSDB

is a member of the Africa & Middle East Depositories Association (AMEDA) and a member of the World Federation of CSDs (WFC). The employees of the BSE sit in various committees and working groups of some of these associations.

Our Products

At present, instruments that can be listed on the BSE include Equities, Bonds, Commercial Paper, Asset Backed Securities, Special Acquisition Companies, Exchange Traded Funds, Investment Funds and Depository Receipts. The BSE is pivotal to Botswana's financial system, and in particular the capital market, as an avenue on which government, quasi-government and the private sector can raise capital and thus is host to a broad range of companies

23 were domestic and 8 were foreign companies across the various boards, and 1 registered company on the Serala Over-The-Counter (OTC) Board; 93 listed bonds; 28 commercial papers and 4 ETFs.

Our Regulatory Environment

The BSE is governed and regulated through various laws and statutory bodies that include the Companies Act, the Securities Act and the Non-Bank Financial Institutions Regulatory Authority. The BSE, as a public limited company, is also governed by its Constitution. For regulating the affairs of the Members, the BSE utilises the Members Rules which provide the procedures necessary to establish and regulate fair and efficient markets

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doing business in Botswana and across the world, including multinational companies. These companies represent a wide range of economic sectors; being Agriculture, Banking, Financial Services, Wholesaling & Retailing, Tourism, Energy, Mining & Materials, Property & Trust, Security and Telecommunications. As at the end of 2023, there were 158 listed instruments on the BSE. This comprised of 32 companies, of which

and to ensure that the business of the BSE is carried out in an orderly manner. In addition, the Exchange has a set of Listings Requirements which provide the pre-listings and post-listings requirements to be observed by the issuers of listed securities. The emphasis is to make sure that issuers disclose adequate information to the public and investors to facilitate informed investment decision making.





CHAIRPERSON'S STATEMENT

We remain committed to diversifying our revenue base, particularly through non-listing and non-trading income. In line with our Residual Dividend Policy, a dividend of P2.1 million (P0.06 per share) was declared—an increase of 23.5% from the previous year (2023) and a clear signal of confidence in the business's direction.

Dear Valued Stakeholder,

As I reflect on the past year, I am reminded of the words of the great Maya Angelou: **“You may not control all the events that happen to you, but you can decide not to be reduced by them.”** This sentiment captures the essence of 2024—a year marked by change, challenge, and courageous forward motion.

Economic Reflections

The International Monetary Fund's World Economic Outlook (January 2025) estimates global growth at 3.2% in 2024, with a slight uptick to 3.3% in 2025—still below the historical trend. Sub-Saharan Africa is forecast to grow by 3.8% in 2024 and 4.2% in 2025, pointing to steady, if cautious, optimism in the region.

According to the IMF, these forecasts are underpinned by stable but underwhelming global growth, as well as potential risks emanating from policy-generated disruptions.

Closer to home, Botswana is navigating headwinds. The IMF projects our domestic growth at just 1% for 2024, a slowdown largely attributed to weakness in the diamond industry. Statistics Botswana reported GDP contractions of 0.5% and 4.3% in Q2 and Q3 respectively.

Yet even in these trying times, the Botswana Stock Exchange has remained a beacon of resilience and growth, sustaining the momentum from previous years.

The Domestic Company Index (DCI) and the Domestic Company Total Return

Index (DCTRI) posted impressive returns of 12.5% and 22.6% respectively, while the Foreign Company Index appreciated by 15.0%. Our domestic market capitalisation grew by 12.4%, helping lift the overall market capitalisation by 14.8%. These figures reflect a maturing market—agile, attractive, and increasingly impactful

Financial Performance

Revenue rose by 5.1% to P67.3 million, driven by increased activities from fixed income instruments and additional listings of shares. Profit before tax increased to P26.2 million. For the first time, following the conclusion of our tax



Botswana Stock Exchange has remained a beacon of resilience and growth, sustaining the momentum from previous years.



Chairperson's Statement

(continued)

holiday, a corporate tax charge of P10.4 million was recorded, bringing net profit to P15.8 million.

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Corporate Governance

This year, our Board continued to evolve in line with global best practices—remaining majority independent and reflective of the diversity of thought, gender, and expertise that strengthens corporate leadership.

I would like to acknowledge the esteemed contributions of Mr. Basimane Bogopa and Ms. Itumeleng Mareko, whose departures (May 2024 and July 2024 respectively), marked the end of chapters rich in service and insight.

In July 2024, we warmly welcomed Ms. Segametsi Mafa, and in August 2024 we were joined by Ms. Boipelo Matenge and Ms. Boitshoko Keabofe-Medupe. Their presence elevated us to a landmark 60% female representation. This is not just symbolic—it is strategic. It signals to our market, and indeed to the world, that the BSE is committed to equity, excellence, and empowerment.



Chairperson's Statement

(continued)

As fiduciaries, the Board upheld its duty with diligence and foresight. We also invested in upskilling through corporate governance training, keeping our practices contemporary and our convictions strong.

Sustainability Initiatives

The BSE's reputation as a sustainability leader continues to deepen. In partnership with Risk Insights, we introduced Botswana's first AI-driven ESG ratings platform—an innovation welcomed by the market. We also launched the BSE ESG Disclosure Guidelines with the Global Reporting Initiative (GRI), setting a new standard for transparency and investor confidence.

Our collaboration with FSD Africa through the SADC Green Programme bore further fruit: Absa issued its inaugural Sustainable Bond, paving the way for other banks to follow suit. These developments underscore our strategic commitment to sustainable

finance—not as a buzzword, but as the bedrock of capital market evolution.

Outlook

2024 was also a year of profound transition. In March, our CEO of eight transformative years, Mr. Thapelo Tsheole, stepped down. His vision and steadfastness shaped much of what the BSE is today. On behalf of the Board, I extend my sincere gratitude and wish him every success in his new chapter.

In the interim, Mr. Kopano Bolokwe ably led as Acting CEO, ensuring stability with professionalism and integrity.

Today, we begin a new chapter under the leadership of Mr. Aobakwe Aupa Monyatsi, whose appointment as substantive CEO marks a new exciting era. His deep expertise and deep global experience and outlook align perfectly with our ambitions to position the BSE as Africa's premier capital raising hub. We are confident in his leadership and fully committed to supporting him on this transformational journey.

Appreciation

To my fellow Board members at both BSE and CSDB—thank you for your vision, counsel, and tenacity.

To our Shareholders, Regulators, Partners, and Market Participants—your trust fuels our mission.

And to our Staff—your professionalism and adaptability made this year of transition a success story. You are the heart of this institution.

As we move forward, I remain inspired by the potential that lies within our people, our capital markets, and our collective aspirations. The road ahead will not always be easy—but with shared purpose, we will not only navigate it, we will lead it.

With purpose, warmth and pride,



Ms. Neo Mooki
Chairperson

“

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ACTING CEO'S STATEMENT

In August 2024, BSE launched the Sustainability Disclosure Guidance for listed companies, developed in collaboration with the Global Reporting Initiative (GRI). Grounded in global standards-including the GRI Standards, the European Sustainability Reporting Standards, and the IFRS S1 and S2-this voluntary guidance represents a significant step in enhancing Botswana's capital market transparency, governance, and competitiveness.

“A JOURNEY OF TRANSFORMATION”

Dear Stakeholders,

It is often said that “change is the heartbeat of growth.” Reflecting on 2024, this sentiment resonates deeply as we navigated a year of purposeful transformation at the Botswana Stock Exchange (BSE).

Driving Sustainability and Innovation

In January 2024, we proudly opened the year with a significant milestone-the launch of our strategic partnership with Risk Insights. This collaboration positions BSE at the frontier of Environmental, Social, and Governance (ESG) innovation in Botswana. Risk Insights' cutting-edge, AI-powered platform is now empowering BSE-listed companies with real-time ESG ratings, disclosure insights, and strategic intelligence. Through this initiative,

we are not merely raising disclosure standards; we are equipping our market participants to compete-and shine-on the global investment stage.

Building on this momentum, February 2024 witnessed the successful tap issuance of Absa's pioneering Sustainable Bond, raising the total issuance to P80 million. The impact of this initiative is profound: proceeds have funded affordable housing and renewable energy projects, impacting over 1,240 lives and creating 280

new jobs. Such outcomes bring the Sustainable Development Goals (SDGs)—specifically SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action)-to life in tangible, inspiring ways.

Our efforts have not gone unnoticed. We are seeing growing interest from other issuers amending their Programme Memoranda to accommodate Sustainable Bonds-evidence that sustainable finance is no longer a niche conversation, but a strategic imperative.

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Acting CEO's Statement

(continued)

Strengthening Market Foundations

In August 2024, BSE launched the Sustainability Disclosure Guidance for listed companies, developed in collaboration with the Global Reporting Initiative (GRI). Grounded in global standards-including the GRI Standards, the European Sustainability Reporting Standards, and the IFRS S1 and S2-this voluntary guidance represents a significant step in enhancing Botswana's capital market transparency, governance, and competitiveness. Capacity-building workshops for asset managers and issuers have further strengthened our market's ESG capabilities.

Through these and other initiatives, the BSE has reaffirmed its standing as one of Africa's most progressive exchanges in sustainability practices.

A Year of Transition

2024 was also a year of leadership transition. In April 2024, we bid farewell to our former CEO, Mr. Thapelo Tsheole, whose tenure since 2016 has been marked by vision, commitment, and transformational impact. On behalf of the entire BSE family, I extend heartfelt thanks for his invaluable contribution to the Exchange and to Botswana's capital market development.

During this transition, the unwavering oversight and support of our Board have been instrumental. I am deeply grateful for their guidance, which helped ensure that market integrity was upheld and



Acting CEO's Statement

(continued)

operational continuity was maintained. I also wish to acknowledge the strong partnership and collaboration of our Regulators, Shareholders, Stakeholders, and Market Participants-your confidence and engagement have been central to our resilience and achievements.

Appreciation

In closing, it is with profound gratitude that I recognize the exceptional BSE team. In a year of both change and opportunity, your professionalism, dedication, and excellence made all the difference. We closed the year with strength, not despite the challenges, but because we embraced them together.

As we move forward, I am excited about what lies ahead. With transformation as our compass and partnership as our anchor, the future of the BSE-and indeed, of Botswana's capital markets is full of promise.

Thank you.



Mr. Kopano Bolokwe
Acting Chief Executive Officer



Acting CEO's Statement

(continued)



OUR BOARD OF DIRECTORS

BSEL Group Board of Directors



Ms. Neo Sesame Mooki
Chairperson



Professor Onkutlwile Othata
Independent Non-Executive
Director



Ms. Boipelo Matenge
Independent Non-Executive
Director



Mr. Norman Moleele
Independent Non-Executive
Director



**Ms. Boitshoko
Keabofe-Medupe**
Non-Executive Director



Ms. Segametsi Mafa
Independent Non-Executive
Director



Mr. Davis Tele
Independent Non-Executive
Director



Ms. Lekono Phiri
Independent Non-Executive
Director

Our Board of Directors

(continued)

CSDB Limited Board of Directors



Ms. Pascaline Sefawe
Chairperson



Mr. Kabo Kebitsang
Independent Non-Executive Director



Ms. Kelebogile Kewagamang
Independent Non-Executive Director



Mr. Lame Gare
Independent Non-Executive Director



Mr. Tebogo Mogaleemang
Independent Non-Executive Director



Ms. Tsholofelo Bogosi
Independent Non-Executive Director



Mr. Vincent Baituti
Non-Executive Director



MANAGEMENT TEAM



Mr. Kopano Bolokwe

Acting Chief Executive Officer & Head of Product Development

Date Appointed: 2016

Prior Roles: Product Development Operations Officer (BSE); Investment Analysts (STANLIB); Dealer and Private Clients Broker (Imara Capital Securities)

Education: Bachelor of Finance & Master of Business Administration (University of Botswana); CAIA Charterholder (Chartered Alternative Investment Analyst Association); completed Chartered Financial Analyst Level II exams (CFA Institute); Registered Person Examination (South African Institute of Financial Markets); Graduate Certificate in Capital Markets (IFC-Milken Institute Capital Markets Program, George Washington University); Management Development Programme & Executive Development Programme (University of Stellenbosch Business School); Doctorate in Management - Ongoing (Universidad Catolica San Antonio De Murcia).



Ms. Masego Pheto-Lentswe

Head of Clearing and Settlement

Date Appointed: December 2007

Prior Roles: Market Risk Manager (Stanbic Bank Botswana); Dealer, Settlement Officer and Portfolio Analyst (Bank of Botswana).

Education: Bachelor of Arts in Economics (University of Botswana); Master of Arts in Economics (University of Stellenbosch); Diploma in Chartered Institute of Management Accountants (CIMA); Executive Development Program (University of Stellenbosch Business School).



Ms. Mpho Mogasha

Head of Finance and Administration

Date Appointed: 2006

Prior Roles: Operations Officer – Finance & Admin (BSE); Accountant (Motswedi Securities); Assistant Accountant (Grunwald Construction).

Education: Bachelor of Arts in Accounting (University of Botswana); ACCA; Member of the Botswana Institute of Chartered Accountants (BICA); Management Development Programme & Executive Development Programme (University of Stellenbosch Business School); Post Graduate Certificate in Enterprise Risk Management (Botswana Accountancy College).

Management Team

(continued)



Mr. Kopano Mogorosi
Head of Information Technology

Date Appointed: 2012

Prior Roles: System and Network Administrator (BSE); Database Administrator (BSE); Systems Administrator (Rural Industries Promotions Company Botswana (RIPCO)); Analyst/ Programmer (DCDM Consulting).

Education: Bachelor of Science in Computer Engineering (University of Miami); Management Development Programme & Executive Development Programme (University of Stellenbosch Business School).



Mr. Tsametse Mmolai
Head of Listings And Trading

Date Appointed: 2012

Prior Roles: Listings Operations Officer (BSE); Investment Accountant (Botswana Insurance Fund Management); Branch Manager (Metropolitan Life)

Education: Bachelor of Commerce – Finance (Macquarie University); Graduate Certificate in Capital Markets (IFC-Milken Institute Capital Markets Program, George Washington University); Management Development Programme & Executive Development Programme (University of Stellenbosch Business School).



Ms. Thapelo Moribame
Head of Market Development

Date Appointed: 2016

Prior Roles: Marketing Manager (Air Botswana); Market Access Specialist (Local Enterprise Authority); Assistant Trade Officer- Multilateral Trade Section (Ministry of Investments, Trade and Industry).

Education: Master of Commerce and Honours Degree in Economics (Stellenbosch University); Bachelor of Arts in Social Sciences -Economics & Public Administration (University of Botswana); International Trade and the Multilateral Trading System (United Nations University in Tokyo); Management Development Programme & Executive Development Programme (University of Stellenbosch Business School).

Management Team

(continued)



Mr. Thapelo Otukile

Head of Legal Services and Board Secretary

Date Appointed: 2023

Prior Roles: Legal Manager and Board Secretary (Botswana Accountancy Oversight Authority (BAOA), Candidate Attorney (Moribame Matthews Attorneys).

Education: Master of Laws & Bachelor of Laws (University of Botswana); Certificate in Compliance Management (University of Cape Town).



Ms. Boikobo Mokoka

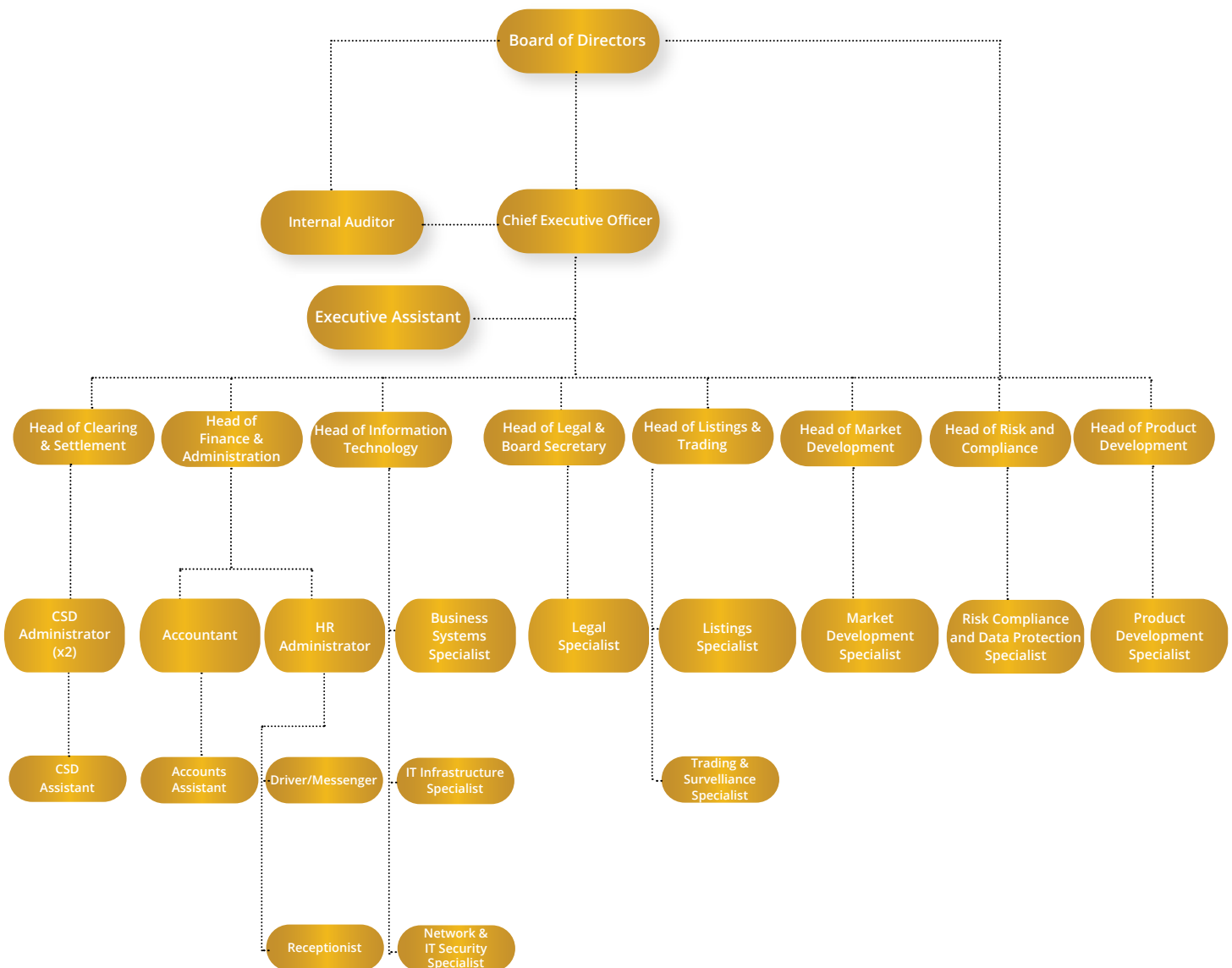
Head of Risk and Compliance

Date Appointed: 2023

Prior Roles: Head of Retail Operational Risk and Compliance (Access Bank); Senior Operational Risk Manager (Absa Bank); External Auditor (Ernst & Young).

Education: Masters in Financial Management (Amity University); Post Graduate Certificate in Risk Management (Botswana Accountancy College); Bachelor of Accounting (University of Botswana).

ORGANISATIONAL STRUCTURE



OUR STAFF



Our staff

(continued)



DIRECTOR'S REPORT

Corporate Governance

Our Governance Philosophy

The BSEL views good governance as an important business enabler and is guided by its commitment to embedding sound governance principles and practices at all levels of the business to support value creation and the long-term sustainability of our business.

Our Governance Framework

Our governance framework positions the Board as the custodian of corporate governance and provides it with effective control of the business. The Board sets the tone and leads the Group ethically, providing oversight of the business that is guided by the principles and governance objectives articulated in the King IV and the Non- Bank Financial Institutions Regulatory Authority (Capital Markets Sector Corporate Governance).

Board Composition

The Board, assisted by the Nominations & Governance Committee, regularly reviews its composition to balance its skills, expertise, independence and diversity attributes to meet the Company's needs to provide effective oversight and well-informed decision-making. The composition of the Board aims to promote the balance of the power and authority and preclude any one Director from dominating decision-making. The Board acts with independence and its members have the appropriate competencies and experience to execute their fiduciary duties. New Directors are appointed by the Board on recommendation of the Nominations & Governance Committee, which conducts credential assessments of each potential candidate. Several factors, including the candidate's qualifications and skills, are considered in appointing new Board members. Their appointments are subject to shareholder approval at the Annual General Meeting following their appointment by the Board.

Independence of Directors and Conflicts of Interest

In determining Director independence, we are guided by King IV, the Companies Act and the Non- Bank Financial Institutions Regulatory Authority (Capital Markets Sector Corporate Governance) Requirements, as well as best practice. Directors are required to declare their interests at least quarterly and disclose any conflicts of interest, as and when they arise, to determine the extent to which the conflict may impact the performance of their duties. Once a conflict has been disclosed, it is managed appropriately by the Board. A Declaration of Interest form is maintained by the Company Secretary and any new interest or potential conflict is declared at each meeting.

Directors Report

(continued)

Company Secretary

The Company Secretary is responsible for developing, implementing and maintaining effective processes and procedures to support the Board and its committees in the discharge of their duties and responsibilities. The Company Secretary advises the Board and individual Directors on their fiduciary duties and on corporate governance requirements and best practices. The secretariat is executed by Thapelo Otukile, who is a qualified attorney, duly admitted in the Courts of the Republic of Botswana. He holds Masters of Law and Bachelor of Laws as well as Certificates in Compliance. Further, Thapelo has experience as a Company Secretary and in corporate governance and securities and exchange regulatory requirements applicable in Botswana and other jurisdictions. The Board is of the view that Thapelo has the necessary expertise and experience to act in this role.

Induction and Training

The BSEL Group has adopted an Induction programme for new directors, this is discussed with each new director and is tailored to meet any specific requirements. The aim is to familiarise a new director with the nature of the Group's business and operations, highlighting the key challenges and opportunities as well as the regulatory environment in which the Group operates, the key duties of the director and the culture and values of the Group.

The Group Company Secretariat inducts new Directors on Group's operations, the legal and regulatory framework within which the Group operates, and the policies Directors must adhere to. The induction programme includes a day's presentation on Group strategy, key functions and the Group's business units



Attendance at Board Meetings

To effectively execute its fiduciary role, the Board has committed to meet a minimum of four times a year. It may call Special Board meetings should the need arise to address any matters relating to operational, financial, governance or any other key business issues. During the period under review, scheduled quarterly meetings of the Board and its Committees were held as follows:

Directors Report

(continued)

DIRECTORS	BOARD MEETINGS	FINANCE & AUDIT	NOMINATIONS & GOVERNANCE	RISK & IT	ADMISSIONS DISCIPLINARY	REGULATORY	FEES PAID
N. S. Mooki	11/11		5/5				147 000.00
Prof. O. Othata	11/11			1/1		3/3	127 500.00
D. Tele	11/11	3/3					119 000.00
L. Phiri	11/11		5/5				136 000.00
N. Moleele	11/11		5/5			3/3	161 500.00
K. Kgomanyane	11/11	3/3					119 000.00
B. Matenge ¹	3/3			1/1		2/2	42 500.00
S. Mafa ²	3/3			1/1			34 000.00
B. Keabofe- Medupe ³	3/3	1/1					34 000.00
I. Mareko ⁴	7/7	2/2					76 500.00
B. Bogopa ⁵	3/3			1/1			34 000.00

Board and Committee Structure and Delegation of Authority

The Board is supported by five committees to which it delegates certain functions without abdicating any of its own responsibilities. This process of formal delegation involves documented and approved terms of reference, which are reviewed annually, or more often when required. The Board is satisfied that the delegations in place contribute to role clarity and the effective exercise of authority and responsibilities.

¹ Appointed to the Board in September 2024

² Appointed to the Board in September 2024

³ Appointed to the Board in September 2024

⁴ Ceased to be a Director in September 2024

⁵ Ceased to be a Director in May 2024

Board Committees and their Focus Finance & Audit Committee (FAC)

The purpose of the FAC is to assist the Board to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, risk management, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.



Directors Report

(continued)

Nominations and Governance Committee (NGC)

The NGC is responsible for all matters relating to corporate governance practices of BSEL, nominations of members to be appointed to the Board of Directors as well as terms and conditions of employment for BSEL staff.



Admissions and Disciplinary Committee (ADC)

The purpose of the ADC is to provide oversight on matters relating to the regulatory function of BSEL over Securities Brokers. This is in line with the mandate of the BSEL which entails regulation and oversight of operations of Securities Brokers.

Risk & IT Committee (RIC)

The RIC assists the Board in ensuring the quality, integrity and reliability of the Group’s risk management. Further RIC assist the Board with oversight of technology and innovation strategies, plans and operations related to information security, cybersecurity and data privacy.



Regulatory Committee (RC)

The purpose of the RC is to set policies and formulate rules with regard to listings and trading matters as well as for Securities Brokers and Participants



Investor Compensation Fund (ICF) Board Of Trustees

The ICF Board of Trustees is a governing body established to provide regulatory oversight over the Investor Compensation Fund. This Fund established to compensate securities investors who suffer loss as a result of the Securities Broker or Dealers’ failure to meet their contractual obligations.

Directors Report

(continued)

CSDB Limited Board of Directors Corporate Governance Report

The Central Securities Depository Company of Botswana Limited (CSDB) was established as a BSEL subsidiary in 2008, to deal with efficient clearing and settlement. Over and above governance oversight by the Group Board of Directors, the CSDB Board is the custodian of corporate governance and is responsible for ensuring that the business of CSDB is conducted according to sound corporate governance principles, CSDB Rules and within the applicable Laws.

In terms of CSDB Constitution, the Board must comprise not less than six and no more than eight Board of directors, inclusive of the Chief Executive Officer. Members, including the Chief Executive Officer are elected by the Shareholder of the CSDB.

Attendance of the Board Meetings were as follows:

DIRECTORS	BOARD MEETINGS	FINANCE & AUDIT	NOMINATIONS & GOVERNANCE	RISK & IT	ADMISSIONS DISCIPLINARY	REGULATORY	FEES PAID
P. Sefawe	4/4	2/2	1/1				43 500.00
K. Kewagamang	4/4		3/3	1/1			48 000.00
V. Baituti	4/4	3/3	3/3				60 000.00
L. Gare	4/4						24 000.00
T. Bogosi ¹	2/2		1/1				18 000.00
T. Mogalemang ²	2/2	3/3					30 000.00
K. Kebitsang ³	2/2						12 000.00
B. Bogopa ⁴	1/1			1/1			13 000.00
D. Tele ⁵	1/1	1/1					12 000.00
K. Kgomanyane ⁶	1/1	2/2					18 000.00

1 Appointed in September 2024

2 Appointed in September 2024

3 Appointed in September 2024

4 Ceased Directorship in March 2024

5 Ceased Directorship in March 2024

6 Ceased Directorship in March 2024



Directors Report

(continued)

Board Committees and their Focus

Finance & Audit Committee (FAC)

The purpose of the FAC is to assist the Board to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, risk management, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.



Nominations and Governance Committee (NGC)

The NGC is responsible for all matters relating to corporate governance practices of the CSDB, nominations of members to be appointed to the Board of Directors.



Admissions and Disciplinary Committee (ADC)

The purpose of the ADC is to provide oversight on matters relating to the regulatory function of CSDB over Depository Participants. This is in line with the mandate of the CSDB which entails regulation and oversight of operations of Depository Participants



Risk & IT Committee (RIC)

The RIC assists the Board in ensuring the quality, integrity and reliability of the Group’s risk management. Further RIC assist the Board with oversight of technology and innovation strategies, plans and operations related to information security, cybersecurity and data privacy.



Settlement Guarantee Fund (SGF)

The purpose of the SGF is to guarantee that settlements of trade transactions for Depository Settlement Participants are executed as scheduled.




Directors Report

(continued)



Application of King IV Code of Corporate Governance

The BSEL supports the governance outcomes, principles and practices in the King IV Code as set out in the King IV Report on Corporate Governance. Below we summarise the King IV principles implemented as well as our progress on achieving the practices and, ultimately, governance outcomes envisaged. Where required, enhancements will be made over time in line with our objective to continuously improve and entrench the highest standards of corporate governance.

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
<p>1. The governing body should lead ethically and effectively.</p>		<p>The Board exercises ethical and effective leadership. The board confirms its commitment to and adoption of the highest standards of corporate governance, its charter and the code of conduct that set the ethical foundation for how BSEL operates.</p> <p>The code of conduct is designed to ensure the effective management of ethics and applies to directors, employees, contractors and suppliers. The Board and its committees regularly monitor their own ethics and those of directors to ensure that they individually and collectively cultivate and exhibit integrity, competence, accountability, fairness and transparency in their leadership. Directors are expected to disclose conflicts that cannot be avoided. The company maintains a register and disclosure is a standing agenda item. Directors act ethically in discharging their responsibility to provide strategic direction and control of the company as provided for in the board charter and the company's Constitution.</p> <p>The Board Secretary ensures that proper disclosures are made by Board Members through Annual Declaration of Interest Forms and Declaration of Interest Forms for each meeting. Where Members are conflicted in any agenda item, the Board Charter & Constitution provides that they declare the nature of their interest and recuse themselves when the agenda item is discussed unless the Board decides otherwise.</p> <p>In satisfying Principle 1 of King IV, the BSEL Group has the following in place:</p> <ul style="list-style-type: none"> • Constitution • Board Charter • Annual and Meeting Declaration of Interest process • Directors Induction Guidelines

Directors Report



(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
<p>2. The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture.</p>		<p>The Board sets the tone at the top. It is responsible for the Governance and monitoring of the ethics in the group and ensures that it results in the outcomes envisaged by King IV.</p> <p>The BSEL Group conducts its business dealings on the basis of compliance with applicable laws and proper regard for ethical business practices.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has the following in Place:</p> <ul style="list-style-type: none"> • Whistleblowing Policy. • Board Charter. • Annual employee declaration process • CSDB & BSE Rules
<p>3. The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.</p>		<p>The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the group, but also the impact that business operations have on the society within which it operates.</p> <p>It is against this background that the Group has a comprehensive Corporate Social Investment (CSI) Policy called Dipoelo Programme that governs and prescribes the BSE’s CSI activities. This Policy’s primary objective is to drive the BSE closer to the community it operates in and increase brand equity by focusing on five (5) critical social areas namely; education, entrepreneurship, community development, health and environmental/sustainability issues.</p> <p>The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the group, but also the impact that business operations have on the society within which it operates.</p> <p>It is against this background that the Group has a comprehensive Corporate Social Investment (CSI) Policy called Dipoelo Programme that governs and prescribes the BSE’s CSI activities. This Policy’s primary objective is to drive the BSE closer to the community it operates in and increase brand equity by focusing on five (5) critical social areas namely; education, entrepreneurship, community development, health and environmental/sustainability issues.</p>






Directors Report

(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
		<p>During the Period under review the BSEL recently undertook a noble exercise to support Metsimantsho and Kareng primary schools through the donation of essential learning materials and school equipment to address the critical needs of the school.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has the Corporate Social Investment Policy in place.</p> <p>Further, the BSEL has introduced Tshipidi Mentorship Program as a way of grooming companies that could potentially raise capital, improve governance and leverage from the BSE as a springboard for growth. The objective of the Program is to provide practical training through a comprehensive and interactive program that covers the key themes necessary to prepare and position a company to list on the BSE.</p>
<p>4. The governing body should appreciate that the organisation's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>		<p>The Board is responsible for the Group's performance by steering and providing strategic direction and overseeing the adoption of strategy and plans.</p>
<p>5. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.</p>		<p>The Board is intimately involved in communication to the Group's stakeholders regarding significant issues that could affect the Group. It also strives to abide by all disclosure requirements such as International Financial Reporting Standards (IFRS) for financial reporting purposes.</p> <p>Further, the chairpersons of various committees are required to report to the Board at each scheduled Board meeting, keeping the Board apprised of developments of their mandates.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has in place the following:</p> <ul style="list-style-type: none"> • Committees Terms of References. • Annual Report. • Audited annual financial statements.

Directors Report



(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
<p>6. The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>		<p>The Board ensures that the company applies the governance principles of King IV and, where required, continues to entrench and strengthen recommended practices through the group’s governance structures, systems and processes.</p> <p>The Board performs its duties guided by the Board Charter, which considers key governance practices, relevant laws and the company’s strategic intentions.</p> <p>Lastly, the Board has constituted various committees that assist the Board in playing an oversight role.</p>
<p>7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>		<p>The board comprises most independent non-executive directors.</p> <p>To ensure a formal and transparent appointment process, any new appointment of a director is considered by the board, on the recommendation of the nomination committee. The selection process involves considering the existing balance of knowledge, skills and experience on the board and a continual process of assessing the needs of the company and the board’s effectiveness and ability for it to discharge its governance role and responsibilities objectively. Board members confirm their availability to perform their roles.</p>
<p>8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.</p>		<p>As set out in the board charter, the board has committees to assist in discharging its duties and responsibilities. These committees operate under written terms of reference approved by the board, which are reviewed annually. The committees are appropriately constituted, and members are appointed by the board. The Nomination & Governance Committee reviews the composition of board committees and makes recommendations to the board on their composition, considering factors such as diversity and skills as well as the need to create a balanced distribution of power.</p> <p>External advisors, executive directors and members of executive and senior management attend committee meetings by invitation. The committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group</p>







Directors Report

(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
<p>9. The governing body should ensure that the evaluation of its own performance and that of its committees, chairman and individual members, support continued improvement in its performance and effectiveness.</p>		<p>The Board recognizes that in order to remain effective, it must induct, evaluate, develop and charge its members from time to time to fulfil the Group's needs and objectives.</p> <p>It is against this background that the Group had conducted its latest internal assessment in 2022 and weaknesses that were identified were tracked by developing a Remedial Action Plan that was adopted by the Board. All these findings/ weaknesses were addressed by 31st December 2023.</p> <p>It is envisioned that an external Board evaluation will be conducted in the new year.</p>
<p>10. The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>		<p>While retaining overall accountability and subject to matters reserved to itself, the board has delegated authority to the Chief Executive Officer, senior executives to run the day-to-day affairs of the company.</p> <p>The Chief Executive Officer was appointed by the Board, on recommendation of the Nomination & Governance committee. His role and responsibilities are set out in the Board charter. The Board, assisted by the nomination committee, is responsible for ensuring succession plans are in place for the Chief Executive Officer and other senior executives. The succession plans provide for succession in emergency situations as well as succession over a longer period. The Board approves and regularly reviews the delegation-of-authority framework in terms of which matters are delegated to the Chief Executive Officer. He is accountable to the Board for the successful implementation of our strategy as well as overall management and performance of the group, consistent with our values. He is supported by a competent, multiskilled team in executing his responsibilities. The Chief Executive Officer is not a member of board committees but attends any meeting or part thereof by invitation to contribute pertinent insights and information. The board evaluates the performance of the Chief Executive officer annually against agreed performance measures and targets.</p> <p>Group company secretary</p> <p>The group company secretary, is appointed by the Board in line with the Companies Act. The board is satisfied that she is properly qualified and experienced to competently carry out the duties and responsibilities of a company secretary.</p>



Directors Report

(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.		The Board understands and takes accountability for all risks that potentially affect the achievement of its strategic objectives. Accordingly, risks are identified and managed within acceptable parameters. There is a Risk Management Policy in place. The Group's risk Framework, register and heatmap drive the reporting process to ensure key objectives are identified and associated risks are considered, assessed and reported.
12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.		As per the board charter and Risk & IT committee's terms of reference, this committee assists the board with technology and information governance. The governance framework, including procedures and structures to achieve the company's strategic objectives, was adopted by the board, which delegates implementation to management.
13. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.		Compliance with applicable laws and regulations are clearly understood, not only in terms of the obligations they create, but also for the rights and protection they afford. This forms the basis of the Board's key regulatory focus areas, which includes all relevant legislation that affects the Group. Lastly, the Group keeps a register of the legislative universe specific to the organisation.
14. The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.		The Board assisted by the Nominations and Governance Committee, ensures that staff is remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in sustainable manner. In satisfying this principle the BSEL has the Rewards and Retention Policy in place.

Directors Report

(continued)

PRINCIPLE	STATUS OF APPLICATION	COMMENTS
<p>15. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>		<p>The Board provides assurance regarding the annual report and annual financial statements in its statement of responsibility included in the annual report and annual financial statements.</p> <p>The Board assisted by the Finance and Audit Committee oversee that assurance services and functions enable an effective control environment and support the integrity of information for internal decision making and the group's external reports.</p>
<p>16. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>		<p>The board exercises ongoing oversight of stakeholder management and strives to ensure an integrated approach to stakeholder engagement across the organization.</p>
<p>17. The governing body of an institutional investor should ensure responsible investment.</p>	<p>Not Applicable</p>	<p>Principle 17 is not applicable as the company is not an institutional investor organisation</p>

ENTERPRISE RISK MANAGEMENT

A comprehensive enterprise risk management program is a crucial element in enhancing governance and ensuring the achievement of the BSE’s strategic and operational goals. The BSE places emphasis on an effective risk management being the responsibility of everyone in the organisation.

Risk management activities within the Exchange are targeted towards identifying threats or risks that may hinder the BSE from achieving its strategic and operational goals. These activities include; establishing the risk appetite and criteria against which risk will be evaluated, risk analysis, establishing corrective action where appropriate, regular monitoring and review as well as effective internal and external communication (reporting) of risk information.

Risk management activities at BSE are governed by the following principles;

- Collaboration in a consistent and integrated manner of all business in managing potential risk exposure, thereby protecting, and enhancing shareholder value
- Risk management is part of the BSE’s strategy to promote accountability through good governance and institutional practices
- Planning, Reporting, Performance review and Processes of business transformation and improvement.

BSE has an Enterprise Risk Management (ERM) Framework that formally

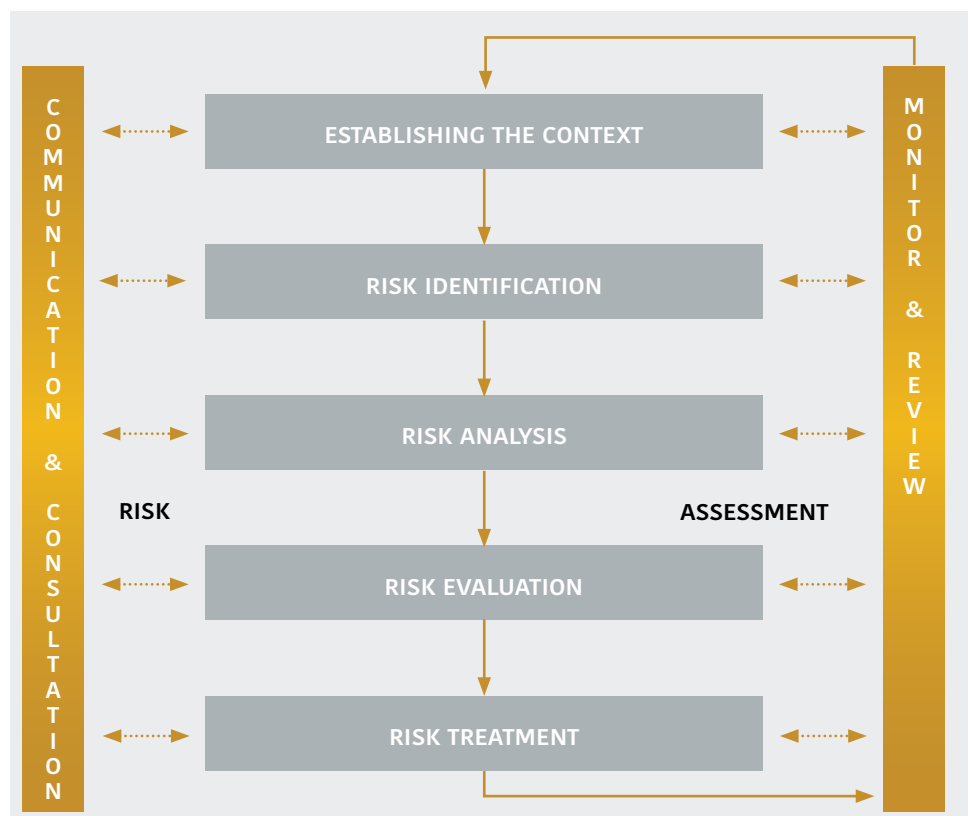
establishes and communicates its risk appetite, guiding employees in their action and ability to accept and manage risks.

Risk Management Process

The risk management process is designed to ensure that risk management decisions are based on a sound approach, with assessments being conducted in a consistent manner. This will ensure that the overall

approach to risk by everyone at BSE is the same. The risk management process is integrated into the planning process that seek to identify potential risks and opportunities emanating from the external and internal environment and pursues mitigating actions.

The risk process is a systematic application of management policies, procedures and practices to the activities of establishing context, for risk identification, analysis, evaluation, mitigation and reporting. The image below summaries the risk management process flow;



Enterprise Risk Management

(continued)

BSEL Risk Management Philosophy

The Board and Executive Management defines the risk management philosophy, risk appetite, Integrity and ethical values and appropriate structures to ensure that enterprise risk management is integrated and embedded into the day-to-day business processes and activities.

Executive Management drives the culture of risk management and continuously improve the risk management policy, strategy and supporting framework. The Board and Executive Management ensure the allocation of appropriate resources for risk management (and to achieve the strategy and business objectives) and consider the capabilities of, and constraints on, existing resources. Succession plans are in place to ensure continuation in the execution of responsibilities critical to the risk management processes.

Day-to-day responsibility for risk identification, analysis, evaluation, mitigation, reporting and monitoring rests with all business units coordinated by the Head of Risk and Compliance. The BSEL risk management policy requires all business units to identify and assess the risks to which they are exposed. Risk register document identified risks, their cause, possible consequences, and mitigation mechanisms.



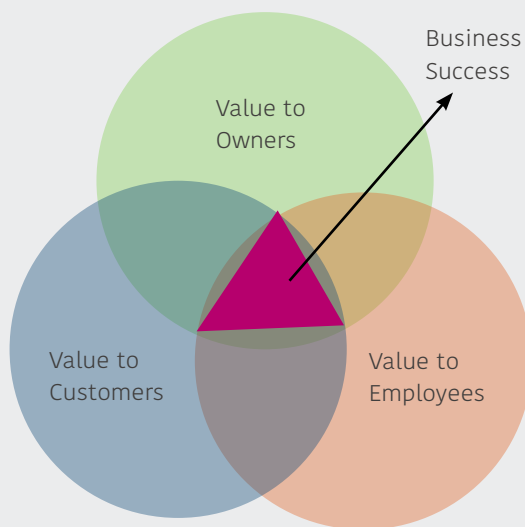
VALUE CREATION PROCESS

Value Creation Statement

BSE’s value creation is embedded in its mission which is: To drive sustainable economic growth by providing a gateway for raising capital and accessing investment opportunities for the benefit of issuers, investors and stakeholders. In creating this value, BSE identifies an intersection between the interests of stakeholders, customers and the Exchange itself. Our business model leverages all of these values within business initiatives.

BSE defines value creation as giving something valuable to receive something else that’s more valuable. BSE appreciates that this definition covers a wide range of stakeholders, but has narrowed it down to its Owners, Customers and Employees.

Value Creation for Business Success



Value to Owners

Entailed in the 2022-2026 Strategic Plan, is the BSE’s intent to improve its proficiency and overall financial performance to support its stature as a for-profit entity. BSE strives to create value by generating revenues that surpass operating costs and those of previous financial years. This value accumulates to shareholders because they are the residual owners of the Exchange. This value is measured by growth in revenue and dividends paid. The table below shows the movement in the profits of the BSE Group from 2023 to 2024.

Table 1: Summary of Operational Performance

	2024	2023	Variance (%)
Total Income	81,914,586	76,561,622	7%
Less: Expenditure	55,756,908	51,622,774	8%
Net Profit	26,157,678	24,938,848	5%

The BSE has adopted a **Residual Dividend** Policy where the company pays dividends from the funds left after financing approved capital expenditure, repayment of capital and interest due to third party and other debts, provision for the replacement, repair and refurbishment of assets of the company and operating costs. Out of 2023 financial performance, BSE distributed a total of P2,136,000 to shareholders as dividends, representing P0.06 per share and a dividend payout ratio of 11%.

Value to Customers

In line with the strategic intent, the BSE’s value proposition is to provide customers with a wide range of innovative risk-return options and services, within a deeper and liquid capital market that is competitive relative to our peers. The strategic initiatives within the corporate strategy seek to position the BSE as a leader and a world class securities exchange, that leverages technology, innovation, relationships and proficiencies while subscribing to effective and efficient processes, for the benefit of issuers, investors, strategic partners and stakeholders.



Value Creation Process

(continued)

Value to Employees

BSE believes that engaging and developing employees is not just a moral imperative, its also a strategic advantage. Engaged employees are more productive, innovative, and committed to achieving organizational goals, thus contributing to **creating value for customers**.

a. Training and Development: Invest in ongoing training and development programs to enhance employee skills and knowledge. This not only benefits the individual but also the organization.

b. Rewards and Retention Programmes: Acknowledge and reward employee contributions. The programme also assists BSE in attracting and retaining best talent, boost morale, motivation, and overall job satisfaction.

c. Open Communication: Encourage open and transparent communication throughout the organization. This helps foster a culture of collaboration and innovation. One of BSE's value is "**Engage Boldly**" which encourages employees to be assertive and communicate openly.

d. Wellness Programs: Promote employee well-being through wellness initiatives. Healthy and happy employees are more productive and engaged. contributing to creating value for customers and stakeholders alike.

BSE is a highly specialized entity that requires highly skilled and competent employees to drive its mandate and strategy.

The BSE therefore prides itself in attracting and retaining competent workforce suitable to drive the BSE strategy and vision. The BSE regards staff as a value-add partners and rely on them to provide inclusive operational excellence. The BSE ensures that staff contributes effectively to the its strategy and vision by:

a. Implementing a rigorous performance management system: The BSE signs detailed performance contract targeting key performance deliverables and competencies and assess biannually. The performance contracts integrate cascaded strategic objectives, key job requirements and identified risk areas.

b. Implement staff welfare programs: The BSE set aside each year a budget for funding approved staff welfare programs. The programs range from team building programs, career development and mental health improvement programs. The BSE recognizes that healthy, engaged and motivated employees are more productive which in turn create value for customers and stakeholders alike.

c. Implementing rewards and retention strategies: The BSE has adopted total rewards model comprising of fixed and

variable remuneration components, benefits and other aspects of rewards such as work life balance, performance and recognition, and employee career development.

d. Empowering learning and growth: The BSE set aside a budget each year to finance employee development and training initiatives of identified critical skills required for the business. In addition, the BSE enable employees to self-develop by encouraging, supporting and enabling self-development.

e. Practicing equitable and competitive recruitment process: The BSE applied the same recruitment requirements to all potential candidate irrespective of gender, ethnicity or ability/disability. All employees are selected and on-boarded on the basis of competence and meeting job requirements and fit for the organization (10 males and 17 Females).

f. Progression on the basis of capability and qualification: Currently Management is relatively gender balanced, with 5 males vs 4 females.

In conclusion, the BSE recognizes that engaged and motivated employees are critical for delivering exceptional service to both the customers and stakeholders.

STRATEGY REPORT



BSE 5-YEAR STRATEGIC INTENT

To position the BSE as the preferred destination for issuers and investors by offering diversified products and services while leveraging on technology, innovation, relationships, proficiencies, and subscribing to effective and efficient processes

Tshipidi Mentorship Program Graduation Ceremony 2024

Increase Profitability: The BSE intends to improve its proficiency and overall financial performance to support its stature as a for-profit entity. To achieve this, the organisation requires diversified income streams, efficient cost management and the prevalence of a high performance culture where staff members adapt themselves as stakeholders in the company.

Growth in listed securities: The BSE intends to develop robust strategic initiatives to attract issuers, investors, products and to retain them. This goal will be measured using the ratio of Domestic Market Capitalisation to Gross Domestic Product and also using the Number of Listed Securities.

Increase Market Liquidity: The BSE intends to leverage technology, innovation and processes to increase market activity and liquidity, culminating in the increase in the number of issuers, investors, products, the diversity of the investor base and listed products as well as improved levels of engagement by intermediaries/brokers, improved levels of awareness and literacy by the investor base. This goal will be measured by the average daily turnover in listed products.

Create an enabling environment: The BSE intends to create an environment that promotes the competitiveness of the domestic capital market in relation to peer markets in order to support the growth ambitions. This will be achieved through the establishment of regulatory frameworks, and continual review, in order to foster an environment conducive for attracting new issuers and investors, and asset classes. This goal will be measured by the number of issuers.



Strategy Report

(continued)

The 4 key strategic goals of the Strategic Intent are expected to support the Vision of the BSE which is “To Be a World Class Securities Exchange Delivering Innovative Products and Services”.

The below figure summarises the key strategic goals, the measures and targets which when accomplished would categorise the BSE as a “World Class Securities Exchange”, particularly within the Frontier Markets.

To be a World-Class Securities Exchange

STRATEGIC GOAL	MEASURE/KPI	BASELINE (2021)	TARGET (2026)
Increase Profitability	% YoY Profitability	16%	10%
Growth In Listed Securities	Domestic Market Cap/GDP	19.5%	40.0%
	# of Listed Securities	81	110
Increase Market Liquidity	Equity Average Daily Turnover (BWP)	7.3 Mn	15.0 Mn
Create An Enabling Environment	# Asset Classes	3	6
	# of Investors	100,000	150,000
	# of New Issuers ^{Note 1}	E(5);B(5);F(1);R(0)	E(11);B(7);F(2);R(1)

2022-26 High-Level Targets

Note 1: Counted over the Strategic Plan period

Key Strategic Achievements in 2024

To be a World-Class Securities Exchange

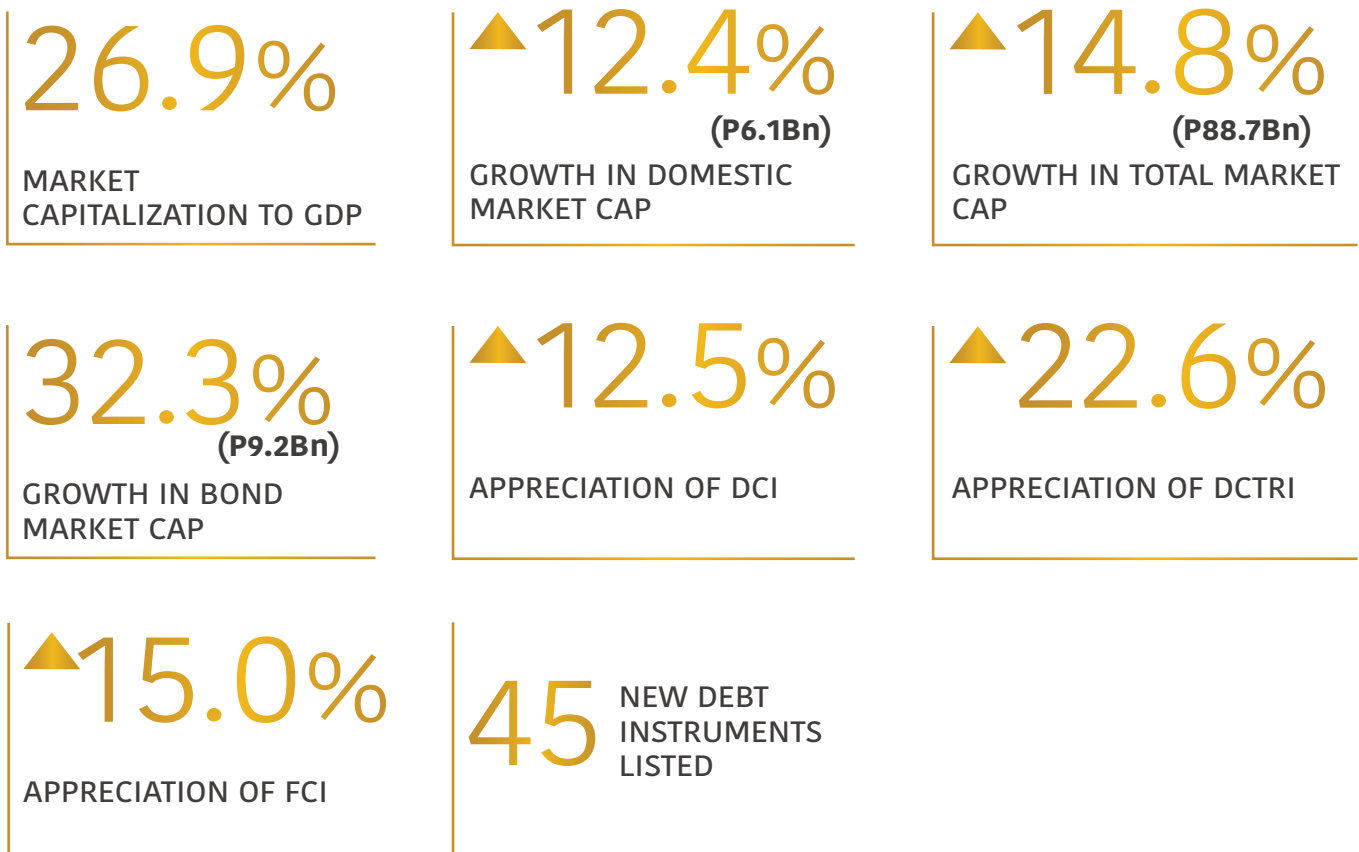
STRATEGIC GOAL	MEASURE/KPI	TARGET (2024)	ACTUAL (2024)
Increase Profitability	% YoY Profitability	14.7%	28.5%
Growth In Listed Securities	Domestic Market Cap/GDP	28.5%	26.9%
	# of Listed Securities	97	156
Increase Market Liquidity	Equity Average Daily Turnover (BWP)	11.5 Mn	6.7 Mn
Create An Enabling Environment	# Asset Classes	4	3
	# of Investors	127, 686	102,126
	# of New Issuers ^{Note 1}	E(2);B(1);F(1);R(0)	E(0);B(0);F(0);R(0)



Strategy Report

(continued)

Growth of the Market and Business



Strategy Report

(continued)

Promoting Sustainability and Sustainable Development

The BSE is among the leaders in the continent in so far as sustainability and ESG is concerned. In 2016, the BSE is a Partner Exchange of the UN-backed Sustainable Stock Exchanges Initiative which seeks to promote sustainable investing in capital markets and we benefit in many ways from being a member of this network, the recent benefit being the training on applying the IFRS Sustainability Disclosure Standards. In August 2024, the BSE launched a new set of the BSE Sustainability Disclosure Guidance, through the partnership with the Global Reporting Initiative (GRI). The Guidance is anchored on the GRI Standards, the

European Sustainability Reporting Standards and the IFRS S1 and S2. In addition, the BSE conducted capacity building workshops for asset managers as well as for listed companies to capacitate them on the new Guidance. The Guidance remains voluntary, and not mandatory.

In February 2024, Absa's inaugural Sustainable Bonds that was listed in December 2023 was tapped with an additional P32.6 Mn to take the outstanding amount to P80.0 Mn. The bond's proceeds have been directed towards affordable housing and renewable energy, impacting 1,240 lives

and creating 280 jobs while supporting SGD on Economic Growth and Climate Action.

On May 24, 2024, and on the back of the innovative strategic partnership unveiled in January 2024, the BSE and Risk Insights jointly hosted an ESG Roundtable themed 'Leveraging ESG Disclosures for Competitive ESG Ratings and Corporate Sustainability, to promote ESG transparency and sustainability in Botswana. The Roundtable featured distinguished speakers from the BSE, Risk Insights, Botswana Public Officers Pension Fund (BPOPF) and the Botswana Investment Professionals Society (BIPS).

The BSE's transformative partnership with Risk Insights underscores our commitment to promoting ESG transparency and empowering businesses to integrate sustainability into their operations. The Roundtable has afforded listed companies, regulators, pension funds, asset managers, and advisors the opportunity to appreciate the Risk Insights' cutting-edge Artificial Intelligence-powered platforms – the ESG GPS – which empowers BSE-listed companies with a holistic suite of ESG ratings, disclosure insights and analytics, news, and strategic business intelligence. Together, the BSE and Risk Insights are set to enhance the ESG disclosure landscape in Botswana, ensuring that companies, both listed and unlisted, can seamlessly showcase their ESG credentials on a global stage, facilitating informed decision-making for investors, analysts, and the wider public and increasing access to sustainable capital.



Absa Bank Botswana Limited Sustainable Bond During January 2024 Opening Bell Ceremony



Strategy Report

(continued)

Corporate Social Responsibility

The BSE has a comprehensive Corporate Social Investment (CSI) Policy called **Dipoelo Programme** that governs how the organization undertakes CSI activities. This Policy is intended to drive the BSE closer to the community it operates in and increase brand equity by focusing on five (5) critical social areas namely; education, entrepreneurship, community development, health and environmental/sustainability issues.

Adopt-a-school initiative – donation ceremony at Mmea Primary School

On 19th February, 2024, the BSE paid a courtesy visit and conducted a donation ceremony at their adopted school, Mmea Primary School, marking the commencement of a 3-year adoption partnership under the Government-driven Adopt-a-School initiative. This initiative aligns with the BSE Corporate Social Investment (CSI) Policy, the Dipoelo Programme, which prioritizes Education among other key areas. Hence, the BSE's involvement emphasizes our commitment to contributing to enhancing the delivery of quality education in Botswana through public-private partnerships.



Donation to Mmea Primary School

Mmea Primary School is located in Mmea village, a settlement found in Boteti District Council. The village is 20km on a gravel from Mokubilo village (122km from Letlhakane and 140km from Francistown). The school admits students from Mmea village, surrounding settlements, lands and cattle-posts. The school has an enrolment of 337 learners (187 boys and 150 girls).

In terms of selection, Mmea Primary School was identified from over 60 applicants following an Expression of Interest in August 2023, primarily due to the significant challenges it faces, including being understaffed and under-resourced. The school's infrastructure inadequacies are apparent, with 10 classes held indoors while 6 are conducted outdoors. Further, a considerable portion of the student body lacks basic necessities like full uniforms, stationery, and textbooks, reflecting a broader socioeconomic issue within



Strategy Report

(continued)

community. With a pass rate of 48.8%, one of the lowest in the country, the school urgently required support to improve its educational output.

During the ceremony, the BSE donated essential school supplies and stationery to address immediate needs identified by the school management. This exercise aims to empower students by providing them with the necessary tools to create a conducive learning environment. Additionally, the visit included a tour of the school premises to gain first hand insights into the challenges faced by the school administration.

Initiatives like ‘Adopt-A-School’ are crucial for the BSE as they exemplify the organization’s commitment to corporate citizenship and sustainable development. By investing in education, particularly in underdeveloped schools like Mmea Primary School, the BSE contributes to the national agenda of enhancing the delivery of quality education. These efforts not only address immediate needs but also foster long-term socioeconomic development by empowering future generations with the skills and knowledge necessary for success in an increasingly competitive global landscape.

Since inception, the BSE has actively participated in the Adopt-A-School initiative by adopting 4 primary schools in the North-West District, Ghanzi District, South-East District and South District.

BSE Sponsors fearless fitness ‘Glow in the Dark’ fitness walk with P20,000.00

On 30th January, 2024, the BSE sponsored the ‘Glow in the Dark’ fitness walk conducted by local fitness group, Fearless Fitness Group. This Walk was held in Selebi Phikwe on 2nd February, 2024 for corporates and members of the public. The BSE’s role in supporting such initiatives not only promote health and wellness but also serve as platforms for community engagement and cohesion. Additionally, this support not only enhances the BSE’s reputation but also strengthens relationships with stakeholders. As benefits for sponsorship, the BSE was afforded ten (10) spots for the walk including goodie bags and received mileage in the form of recognition as a sponsor on all promotional material and channels.

BSE Donates P20,000.00 To the Lesego Chombo Foundation

On 8th February, 2024, the BSE demonstrated its commitment to corporate social responsibility (CSR) by supporting the launch of Miss Botswana’s official foundation, the Lesego Chombo Foundation, by donating P20,000.00 through the purchase of corporate table during the launch. This foundation, spearheaded by the current Miss Botswana Lesego Chombo, is dedicated to uplifting poverty-stricken and rural communities through innovative charitable projects.

The BSE’s decision to donate to this cause aligns seamlessly with its CSR policy, the Dipelo Programme, which emphasizes making a positive impact within local communities. By investing in initiatives like the Lesego Chombo Foundation, the BSE showcases its dedication to corporate citizenship and social development.

One of the key projects under the foundation’s umbrella is ‘Beauty With A Purpose’, specifically the Genesis program. This initiative stands as a beacon of mindset change, focusing on equipping parents in underprivileged backgrounds with essential skills and behavioural attributes. By nurturing these parents, the program aims to create a conducive environment for children’s development at home.

The BSE’s support for initiatives like the Lesego Chombo Foundation underscores the importance of private sector involvement in social development. Beyond merely generating profit, companies have a responsibility to contribute positively to society. By investing in projects that uplift marginalized communities, the BSE exemplifies its commitment to being a force for good.

Strategy Report

(continued)

Empowering communities through philanthropy

On 12th March, 2024, the BSE & CSDB Board Members along with BSE Management, facilitated a donation to Chobe Women Arts & Crafts in Kasane as part of the BSE’s Corporate Social Responsibility (CSR) efforts. The BSE proudly donated P20,000 to this cause, emphasizing its commitment to empowering women entrepreneurs who contribute significantly to local community welfare.

In an act of leadership and philanthropy, the BSE Chairperson, Ms. Neo Mooki, elected to donate all of her Board sitting remuneration towards good causes and charities in Botswana. A significant portion of the funds, including the P20,000 donated to the women-led SME in Chobe, originates from the Chairperson’s recent Board sitting remuneration. This generous contribution underscored the Chairperson’s commitment to making a tangible difference in the communities we serve.



BSE Board of Directors & Management with ladies from Chobe Women Arts & Crafts in Kasane.

Donation to Bana Ba Letsatsi Centre by BSE Chairperson, Ms. Neo Mooki

In December, 2024, the BSE Chairperson, Ms. Neo Mooki, made a donation of P5,000 to Bana Ba Letsatsi Centre from her board seating allowance. Bana Ba Letsatsi is a centre dedicated to supporting vulnerable children within the Maun community, with a particular focus on rehabilitating them back into schools and society. The centre plays a pivotal role in motivating children and youth to pursue education while providing the necessary resources and basic necessities to facilitate their reintegration into the school system.

This gesture emphasized the Chairperson’s commitment to supporting initiatives that align with social responsibility and the empowerment of underprivileged communities. Bana Ba Letsatsi’s tireless efforts in nurturing and uplifting vulnerable children resonate deeply with the values we uphold as an institution, particularly our belief in education as a cornerstone for transformation.

Strategy Report

(continued)



BSE Chairperson, Ms. Neo Mooki, with Mafitlhakgosi Traditional Dance Group

Donation to Mafitlhakgosi Traditional Dance Group by BSE Chairperson, Ms. Neo Mooki:

Mafitlhakgosi Traditional Dance Group provided entertainment for the ASEA delegates during the Cultural Night event of the ASEA Conference 2024. The group, composed of talented young individuals, delivered a captivating performance that showcased the richness of Botswana's culture and left a lasting impression on the delegates. Their performance significantly contributed to the success and cultural depth of the evening.

Our Chairperson, Ms. Neo Mooki, was particularly impressed by the dedication and artistry of the group. As a token of her appreciation and to support their ongoing efforts, she donated P30,000.00 from her board seating allowance and personal income to Mafitlhakgosi Traditional Dance Group on 12th December, 2024. This generous gesture reflects her commitment to nurturing local talent and preserving our cultural heritage.

Key Focus Areas In 2025

The BSE continues to advance its mission under the 2022-2026 Corporate Strategy. In 2025, the strategic objectives that the BSE will be focusing on are as follows:

PERSPECTIVES & STRATEGIC OBJECTIVES

FINANCE & RESULTS

- Improve Financial Performance
- Improve Resource Mobilization

CUSTOMER & STAKEHOLDER

- Increase market liquidity
- Increase product development & diversity
- Improve policy advocacy/enabling environment
- Improve customer service
- enhance strategic partnerships & networks

INTERNAL PROCESSES

- Information and data management
- Enhance interconnectivity platforms
- Improve regulatory oversight
- Optimize business processes
- Enterprise risk management

LEARNING & GROWTH

- Build a high performance organisation
- Enhance organizational capacity

MARKET PERFORMANCE REVIEW

A noteworthy shift occurred in African markets, with a recovery from stunted growth in 2022. The FTSE ASEA Pan Africa ex. South Africa Index returned gains of 10% in 2024 relative to a gain of 2.6% in 2023. Similarly, US equity benchmarks rebounded and appreciated as follows: S&P 500 (25.0%), Nasdaq 100 (25.9%) and Dow Jones Industrials (15.0%), contrasting with appreciations of 24.2%, 53.8% and 13.7% respectively in 2024.

Global Market Highlights

During 2024, the global markets continued to be subjected to various geopolitical tensions such that developing and small economies experienced downward growth. However, as supply disruptions eased and tight monetary policies began to curb demand, labour market normalization facilitated a rapid decline in inflation without a significant slowdown in economic activity.

Typically, robust equity markets correlate with increased IPO activity and when struggling markets occur, IPO activity slows down. Contrary to expectations, the EY Global IPO Trends 2024 reported muted IPOs despite a strong market rally, resulting in an 10% global decline. A closer examination of the regions reveals that IPOs increased by 37% in the Americas and 17% in Europe, Middle East, India and Africa (EMEIA) while Asia-Pacific registered a decline of 35%.

Aggressive monetary policy tightening significantly contributed to the downturn in IPO activity, and cautious investors, responding to geopolitical tensions, retreated from equities to less risky investment options.

A noteworthy shift occurred in African markets, with a recovery from stunted growth in 2022. The FTSE ASEA Pan Africa ex. South Africa Index returned gains of 10% in 2024 relative to a gain of 2.6% in 2023. Similarly, US equity benchmarks rebounded and appreciated as follows: S&P 500 (25.0%), Nasdaq 100 (25.9%) and Dow Jones Industrials (15.0%), contrasting with appreciations of 24.2%, 53.8% and 13.7% respectively in 2024.

The outlook for IPOs hinges on various factors, including price decline, interest rate cuts, economic recovery and geopolitical tensions. Globally the efforts to secure funding for green initiatives, AI investments and the need to respond to shifting global geostrategic conditions in 2025 could

draw investors back to IPOs by enhancing liquidity and return prospects. However, sustained geopolitical instability poses a threat to investor confidence. Broadly, the year ahead relies on an improving macroeconomic backdrop for IPO resurgence, with companies eagerly anticipating more favourable market conditions to widen the IPO windows.

Domestic Market Highlights

Botswana ranked seventh in the Absa Africa Financial Markets Index (AFMI), among twenty-nine countries. The AFMI has become a benchmark index for the investment community to gauge African countries' market infrastructure and evaluates a blend of economic factors such as: market depth; access to foreign exchange; market transparency, tax and regulatory environment; capacity of local investors; macroeconomic environment and transparency; and legal standards and enforceability.



Market Performance Review

(continued)

Over the past two years, Botswana has demonstrated substantial economic recovery post pandemic with economic output trailing above Botswana's long-term average of 4.0%. This has been bolstered by the growth-enhancing economic transformation reforms and supportive macroeconomic policies being implemented in the country such as the supportive monetary and fiscal policies, stimulus budget announced in 2024, improvement in water and electricity supply, implementation of the Economic Recovery and Transformation Plan (ERTP) and the two-year Transitional National Development Plan.

Equity Market Performance

Indices Performance

The stock market has been an epitome of resilience and growth, despite the domestic economy sliding into a technical recession in 2024. Local statistics indicate that the country's real domestic product (GDP) declined by 0.5% in the second quarter of 2024, and by 4.3% in the third quarter, as contraction in the diamond market deepened. Government has cautioned that the contraction in GDP in 2024 could be greater than 1.7% should additional risks materialise.

By and large, any improvement in the trading levels of dual listed companies such as these ones is a positive indication of improving liquidity and

vibrancy in the local market. To this end, the BSE has done extensive work in this regard to import foreign stocks' liquidity into the local market and even lure market-makers onto the BSE to promote a consistent flow of liquidity. This largely explains the outperformance of the Foreign Company Index which appreciated by 15.0% in 2024, ahead of the Domestic Company Index appreciation of 12.5%. The Domestic Company Total Return Index (DCTRI) appreciated by 22.6%. With

these observations, and that all stocks have traded in the year and contributed to the total equity turnover in different capacities, with a large number of stocks recording double-digit growth in share prices, it is evident that the market continues to deepen, to be inclusive and be more vibrant.

Information presented in Figure 1 shows the performance of all equity market indices which collectively paint a picture of positive business sentiment in 2023.

Figure 1: Analysis of Equity Indices

Indices of Domestic Companies		
Index	2023	2024
Domestic Company Index	8,929.6	10,049.10
% Change	15.6	12.5
Domestic Company Total Return Index	2,749.4	3,371.26
% Change	25.5	22.6
Domestic Financial Sector Index	2,008.4	2,346.5
% Change	31.7	16.8
Indices of Foreign Companies		
Index	2023	2024
Foreign Company Index	2,464.7	2,834.15
% Change	57.7	15.0
Foreign Resources Sector Index	1,626.4	1,902.6
% Change	68.4	17.0
Indices of Local Assets		
Index	2023	2024
Local Asset Status Index	1,709.8	2,023.8
% Change	62.6	18.4

Source: BSE



Market Performance Review

(continued)

Trends In Turnover, Market Indicators & Capitalisation

Figure 2 presents the trends in liquidity over the past four years. Value of shares traded (turnover) and the volume of shares traded (number of shares traded) are examples of variables used to gauge liquidity on the Exchange.

In 2024, equity turnover amounted to P1.7 Billion which translates to an average turnover of P6.7 Million per day. In comparison, turnover for the same period in 2023 amounted to P4.1 Billion with average daily turnover of

P16.4 Mn. The 2023's historic turnover is attributable to the record-breaking deal in BIHL that amounted to P2.9 Billion on 4 September 2023, and constituted the highest ever single counter, single day trade in the history of the Exchange.

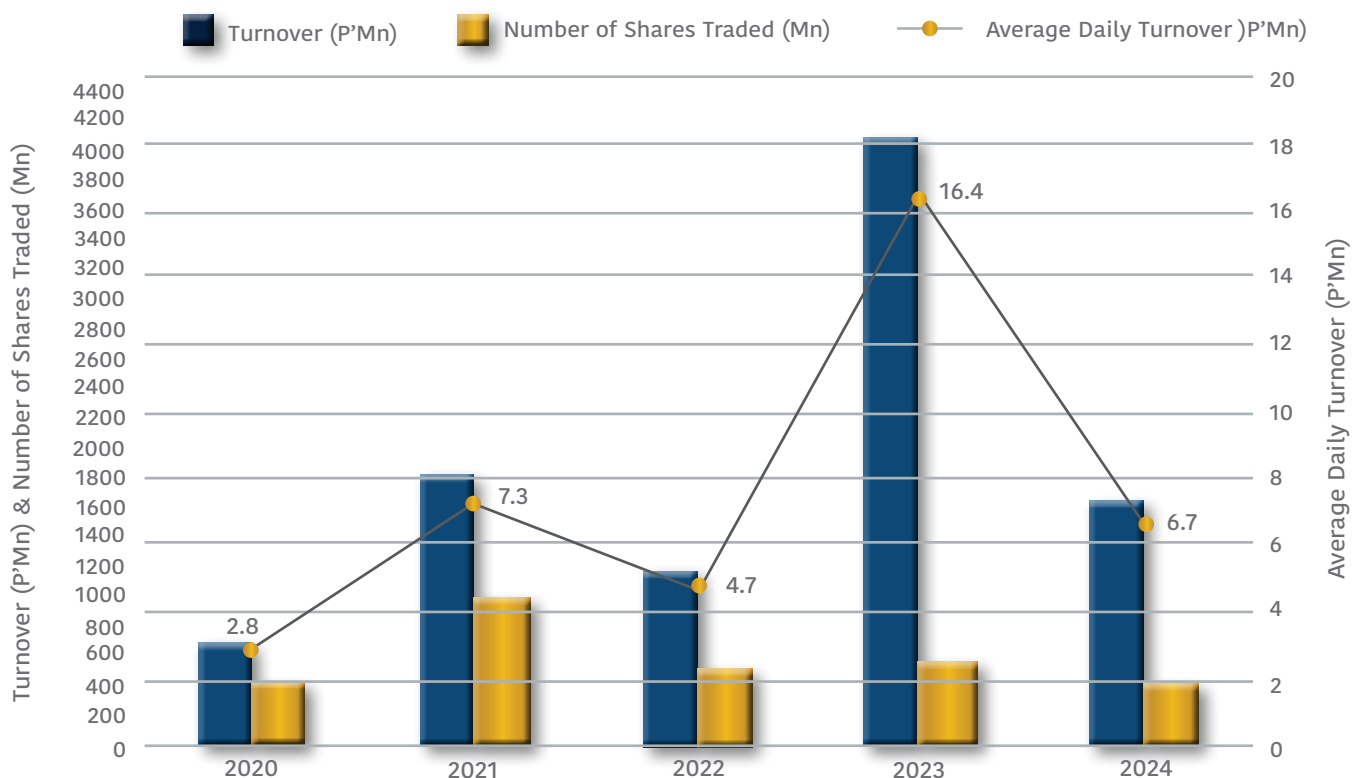
The last record trade of similar magnitude on the BSE was for the full year 2015 which amounted to P3.0 Billion and translated to an average daily turnover of P12.2 Million.

Figure 3 ranks listed companies by their contribution to equity turnover in 2024.

The top 3 traded companies during the period under review were Sechaba (P338.2 Million), CA Sales (P164.5 Million) and FNBB (P162.4 Million). The total turnover from these 3 companies accounted for 40.1% of total equity turnover, with the leading counter Sechaba accounting for 20.4% of total equity turnover.

In comparison to the same period in 2023, the top 3 traded companies accounted for 80.7% of total equity turnover with the leading counter BIHL accounting for 72.6% (P3.0 Billion) of total equity turnover.

Figure 2: Liquidity: 2020 to 2024



Source: BSE



Market Performance Review

(continued)

Figure 3: Companies Contribution to Liquidity: 2024

Company	Q1	Q2	Q3	Q4	Total
	Turnover	Turnover	Turnover	Turnover	Turnover
SECHABA	132,233,557.07	22,179,021.32	38,605,113.34	145,168,600.59	338,186,292.32
CA SALES	69,087,491.43	18,891,305.23	14,653,103.20	61,833,919.20	164,465,819.06
FNBB	36,856,752.44	32,873,597.15	13,589,250.37	79,091,-29.01	162,410,628.97
ACCESS	6,199,779.47	119,727,719.88	13,864,211.28	7,593,904.08	147,385,614.71
SEFALANA	32,328,361.82	17,230,489.90	24,985,948.75	51,236,339.50	125,781,139.97
LETLOLE	3,114,928.00	5,746,859.56	11,124,041.50	85,749,923.27	105,735,752.33
BIHL	9,512,717.73	34,219,746.30	11,734,044.00	41,207,242.34	96,693,750.37
LETSHEGO	6,945,926.35	49,217,726.38	3,577,927.15	26,214,146.50	85,955,726.38
ABSA	21,474,197.39	16,184,887.98	6,785,900.54	40,473,245.04	84,918,230.95
TURNSTAR	29,027,574.72	10,319,779.48	8,677,400.53	21,849,980.51	69,974,735.24
NAP	10,228,405.18	8,884,016.56	1,302,721.64	21,766,754.73	42,181,898.11
INVESTEC	1,458,715.20	10,844,268.10	19,953,256.30	7,377,985.88	39,634,225.48
ENGEN	6,402,961.51	8,350,555.47	11,482,958.89	12,070,021.39	38,306,497.26
ANGLO	-	19,437,188.91	469,110.00	6,054,967.39	25,961,266.30
CHOPPIES	1,117,070.25	5,960,202.48	13,376,335.44	4,449,684.20	24,903,292.37
CHOBE	5,491,320.85	5,625,165.83	5,231,867.52	7,156,777.65	23,505,131.85
BTCL	6,170,454.49	3,823,145.69	5,685,747.70	3,733,803.20	19,413,151.08
RDCP	2,130,456.00	10,506,079.20	876,061.80	5,621,860.80	19,134,412.80
STANCHART	2,442,286.52	3,602,196.38	6,492,758.67	3,446,319.29	15,983,560.86
PRIMETIME	3,809,602.33	2,174,870.90	305,131.20	8,216,391.30	14,505,995.73
FPC	3,877,038.00	791,992.80	360.00	391,325.40	5,060,716.20

Market Performance Review

(continued)

SEED Co	3,008,701.50	587,349.00	184,408.00	222,936.00	4,003,394.50
G4S	433,307.00	429,404.15	12,789.80	1,155,317.10	2,030,827.05
BBS	255,875.77	349,587.97	490,896.00	520,299.00	1,616,658.74
CRESTA	65,734.51	179,033.98	419,076.99	284,075.32	947,920.80
LUCARA	2,730.00	535,723.50	35,235.40	33,803.40	607,492.30
SHUMBA	9,729.00	185,080.50	128,301.30	11,754.00	334,864.80
TLOU	909.00	25,958.00	185,119.00	8,589.00	220,575.00
OLYMPIA	5,417.36	168,802.14	-	59.40	174,278.90
MINERGY	10,578.40	41,108.80	31,782.00	1,343.60	84,812.80
BOD	6,185.44	17,309.76	11,774.24	7,164.26	42,433.70
BOTALA	2,841.30	-	10,609.98	6,889.64	20,340.92
TOTAL	393,711,606.03	409,110,173.30	214,283,206.53	642,956,451.99	1,660,061,437.85

Source: BSE

Figure 4 presents the relative value indicators for the market and their 5-year averages. From the data we can infer that BSE's relative valuations on a Price-to-Earnings basis (P/E ratio) were less attractive relative to historical levels. The P/E ratio has trended above its 5-year average implying that at the current stock price levels, investors would be paying a relatively higher amount for a stock compared to the earnings coming from that stock. The Dividend Yield of 5.7% is however above the 5-year historical levels and 5-year average indicating an increase in earnings being distributed to investors.

Figure 4: Market Indicators: 2020 - 2024

Indicator	5-YR AVG	2020	2021	2022	2023	2024
P/E Ratio (times)	12.1	10.8	12.7	14.6	10.0	12.5
Dividend Yield (%)	5.2	4.1	5.2	4.9	6.0	5.7
Price/Book Value (Times)	1.5	1.6	1.3	1.2	1.4	2.0

Source: BSE



Market Performance Review

(continued)

Looking to the BSE, there has been remarkable growth across various indicators in 2024, which has underpinned the resilience of local corporates and their contribution to domestic economic output. The total size of the equity market has grown by P88.7 Billion or 14.8% as at end of year, mainly driven by a 15.0% growth in the foreign equity market capitalization. Meanwhile, domestic companies added P6.1 Billion to their total size, a growth of 12.4% in market capitalization. As at year end, the top gainer on the BSE was

a foreign company. CA Sales led the bourse with gains of 77.8% in its share price, with another foreign company among the top 5 gainers being Investec with gains of 31.3%.

The BSE's domestic companies' market capitalisation registered an increase of 12.7% from P47.9 Billion in 2023 to P54.0 Billion at the end of 2024. Relative to the size of the economy, the ratio of domestic market capitalisation to GDP amounted to 26.9% in 2023 from 21.8% in 2023. This implies that domestic companies listed on the BSE

represented 26.9% of domestic economic output in 2024 or GDP. In total, the combined market capitalization of all listed companies, both domestic and foreign, was just over two and half times Botswana's GDP.

The ratio of turnover to domestic market capitalisation, also called the turnover velocity, reduced significantly to 3.3% from 8.5% in 2024, in line with the significant decline in equity turnover in 2024. Figure 5 summarises market indicators during the years 2020 to 2024.

Figure 5: Market Capitalisation and Relative Performance: 2019 – 2024

Indicator	2019	2020	2021	2022	2023	2024
Liquidity						
Turnover (P'Mn)	1,810.9	698.6	1,816.0	1,177.6	4,085.8	1,660.1
Average Daily Turnover (P'Mn)	7.3	2.8	7.3	4.7	16.4	6.7
Volume (*Mn)	627.8	430.4	997.2	513.3	561.5	428.6
Volume/Shares Listed (%)*	4.4	3.1	7.2%	3.7%	3.9%	3.0%
Turnover/Domestic Market Cap (%)	4.5	1.9	4.9	2.9	8.5	3.3
Turnover/Total Market Cap (%)	0.4	0.2	0.5	0.3	0.7	0.2
Size of the Market						
Domestic Companies (P'Mn)	38,709.40	35,629.85	37,209.39	41,069.25	47,925.86	53,985.20
Foreign Companies (P'Mn)	369,164.80	355,592.27	353,156.37	353,134.11	550,249.99	632,850.89
Total Market Cap (P'Mn)	407,874.20	391,222.12	390,365.76	394,203.36	598,175.85	686,836.09
Relative Value						
Domestic Market Cap/GDP (%)	21.1	20.8	19.5	19.6	21.8	26.9
Total Market Cap/GDP (%)	211.9	218.9	208.5	197.1	292.9	259.3

Source: BSE



Market Performance Review

(continued)

Investor Contribution To Equity Turnover

In 2024, trading activity was predominantly driven by local investors with local companies accounting for 77.2% of the total equity turnover and local individuals contributing 11.6%. This marks a significant shift from the corresponding year in 2023, when foreign companies played a dominant role, contributing 54.4% to total equity turnover.

Figure 6 shows breakdown of investor contributions to turnover in 2024.

Figure 6: Investor Contribution to Turnover: 2020 to 2024

Investors	Turnover (%)				
	2020	2021	2022	2023	2024
Foreign Companies	35.0	36.8	30.1	54.4	9.5
Foreign Individuals	4.4	2.0	4.3	0.6	0.7
Local Individuals	9.5	2.5	4.3	1.1	11.6
Local Companies	50.9	58.7	61.3	44.0	77.2
Brokers	0.2	0.0	0.0	0.0	0.10
TOTAL	100.0	100.0	100.0	100.0	100.0

Source: BSE

Price Changes for Domestic Companies

Figure 7 shows the share price performance of listed companies during the period under review. Of the 32 listed companies, including BBS registered on the Serala OTC Board, 21 recorded positive share price movements, indicating strong market sentiments across majority of counters. The highest gainer was CA Sales at 77.8% share price appreciation, followed by Sechaba and Stanchart with gains of 41.4% and 32.3% respectively.

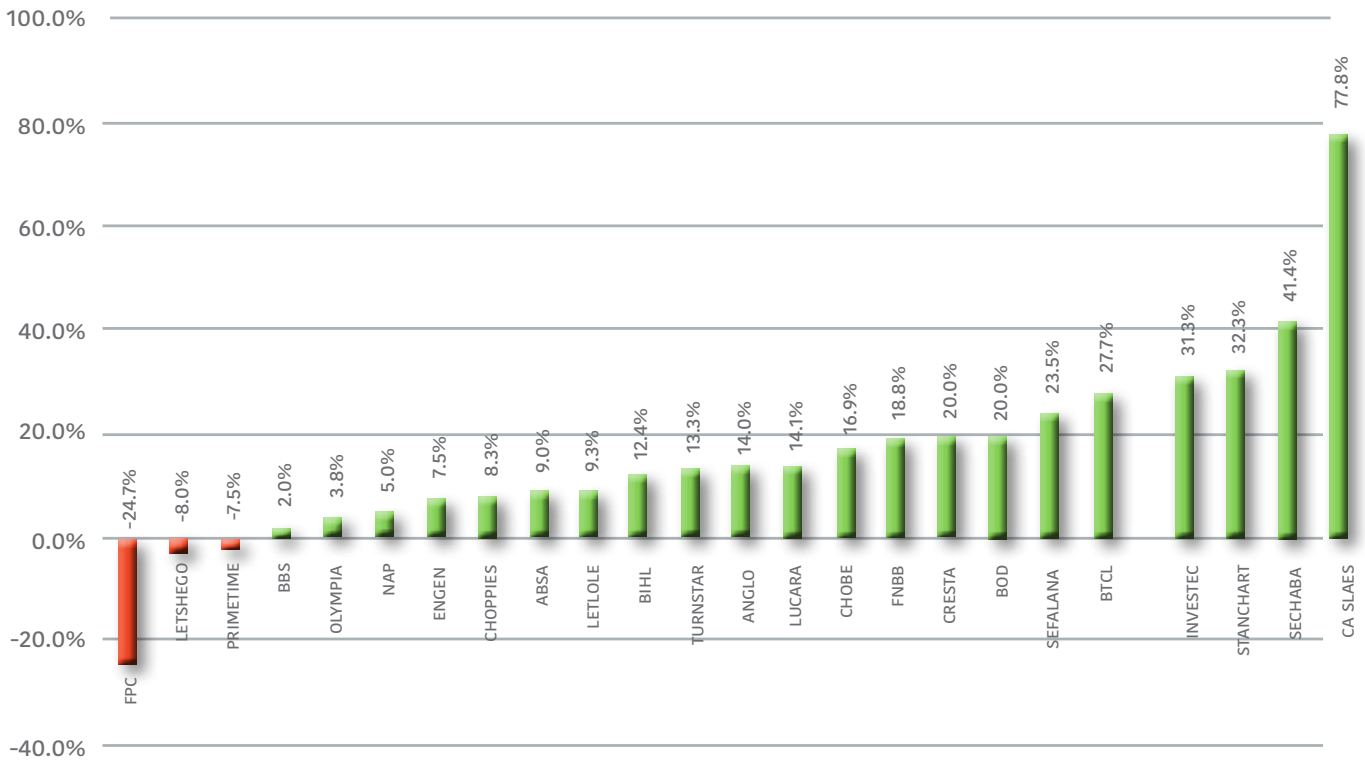
Conversely, 3 companies experienced share price declines, with FPC leading the losses at 24.7% decrease. Letshego and Primetime also recorded declines of 8.0% and 7.5% respectively. The remaining 8 counters showed no change in share price.



Market Performance Review

(continued)

Figure 7: Price Changes for Domestic Companies: 2024



Source: BSE

Companies whose share prices remained unchanged are not shown in the graph

Primary Market Activity / Capital Raising

Equity market primary activity decreased considerably in 2024 as fewer companies opted to finance their business operations through this avenue. Capital raised by domestic companies in 2024 amounted to P20.5 Million, relative to P419.1 Million in 2023, while that raised by foreign companies amounted to P260.6 Million, relative to P319.2 Million as presented in Figure 8. In total, P281.1 Million was raised through corporate actions in 2023 compared to P738.3 Million in 2023.



Market Performance Review

(continued)

Figure 8: Equity Market Primary Activity: 2024

Domestic Companies	Amount (P'Mn)	Foreign Companies	Amount (P'Mn)
Primetime	20.5	BOD	24.7
		Botala Energy	20.1
		CA Sales	13.6
		Lucara	17.4
		Shumba Energy	0.26
		Tlou Energy	184.1
		Seedco	0.41
TOTAL RAISED (2024)	20.5	TOTAL RAISED (2024)	260.6
TOTAL RAISED (2023)	419.1	TOTAL RAISED (2023)	319.2

Source: BSE

Bond Market Performance

Debt Market Turnover

The bond market continued to position the BSE as a platform for raising short-term and long-term capital.

Bond turnover reached P5.7 Billion, reflecting a significant increase of 93.8% from P3.0 Billion traded during the same period in 2023. As at December 2024, the listed debt instruments comprised of 7 Government Bonds, 97 Corporate Bonds, 15 Commercial Papers and 1 Sustainable Bond with a total market capitalisation of P38.2 Billion.



Market Performance Review

(continued)

Figure 9: Equity Market Primary Activity: 2024

Indicator	2024	Government	Corporates	Total
Turnover (P'Mn)		5,557.7	185.4	5,743.1
Contribution to Turnover (%)		96.8	3.2	100.0
Market Cap (P'Bn)		32.0	6.2	38.2
Contribution to Market Cap (%)		83.8	16.2	100.0
No. of Bonds Listed		7	113	120

Indicator	2023	Government	Corporates	Total
Turnover (P'Mn)		2,876.4	87.2	2,963.6
Contribution to Turnover (%)		97.0	3.0	100.0
Market Cap (P'Bn)		22.8	5.7	28.5
Contribution to Market Cap (%)		80.1	19.9	100.0
No. of Bonds Listed		7	114	121

Source: BSE

Primary activity on the bond market continued to be vibrant, with a total of 45 new instruments listed as follows: 20 corporate bonds, 1 foreign commercial paper, 23 commercial papers and 1 sustainable bond. The listing of re-openings of existing Government bonds raised P9.0 Billion while the listing of corporate bonds, commercial papers and sustainable bonds raised P858 Million, P1,2 Billion and P32.6 Million respectively in 2024. A total amount of P11.1 Billion was raised on the primary market in 2024, a phenomenal increase of 53.4 % from P7.3 Billion raised in the corresponding period in 2023.

Net of all redemptions and maturities in 2023, new listings and re-openings increased the size of the bond market by 36.2% to P39.1 Billion and 120 bonds were listed as at end of December 2024.

Figure 10 and 11 present a summary of bond market primary activity per bond category and per issuer.

Market Performance Review

(continued)

Figure 10: Bond Market Primary Activity [Issuances] By Category

	2023	2024
Bond Category	Amount (P'Mn)	Amount (P'Mn)
Government Bonds	4,709.0	9,003.7
Corporate Bonds	1,093.9	858.3
Commercial Paper	1,402.2	1,233.2
Sustainable Bonds	47.4	32.6
Total Raised	7,252.5	11,127.8

Source: BSE

Figure 11: Bond Market Primary Activity By Issuer

Bond Category	Issuer	2023	2024
		Amount (P'Mn)	Amount (P'Mn)
Government Bonds	Government of Botswana	4,709.0	9,003.7
Corporate Bonds	Botswana Savings Bank	232.1	12.0
	Stanbic Bank Botswana	150.0	300.0
	Letshego	484.1	496.3
	Access Bank Botswana	44.5	-
	Absa Bank Botswana	88.2	-
	RDC Properties	95.0	50.0
Commercial Paper	Letshego	949.7	700.2
	Botswana Savings Bank	-	12.0
	United Capital Fertilizer Zambia	USD 32.0 Mn	USD 32.0 Mn
	RDC Properties	23.0	85.0
Sustainable Bonds	Absa Bank Botswana	47.4	32.6
TOTAL RAISED		7,252.5	11,127.8

Source: BSE



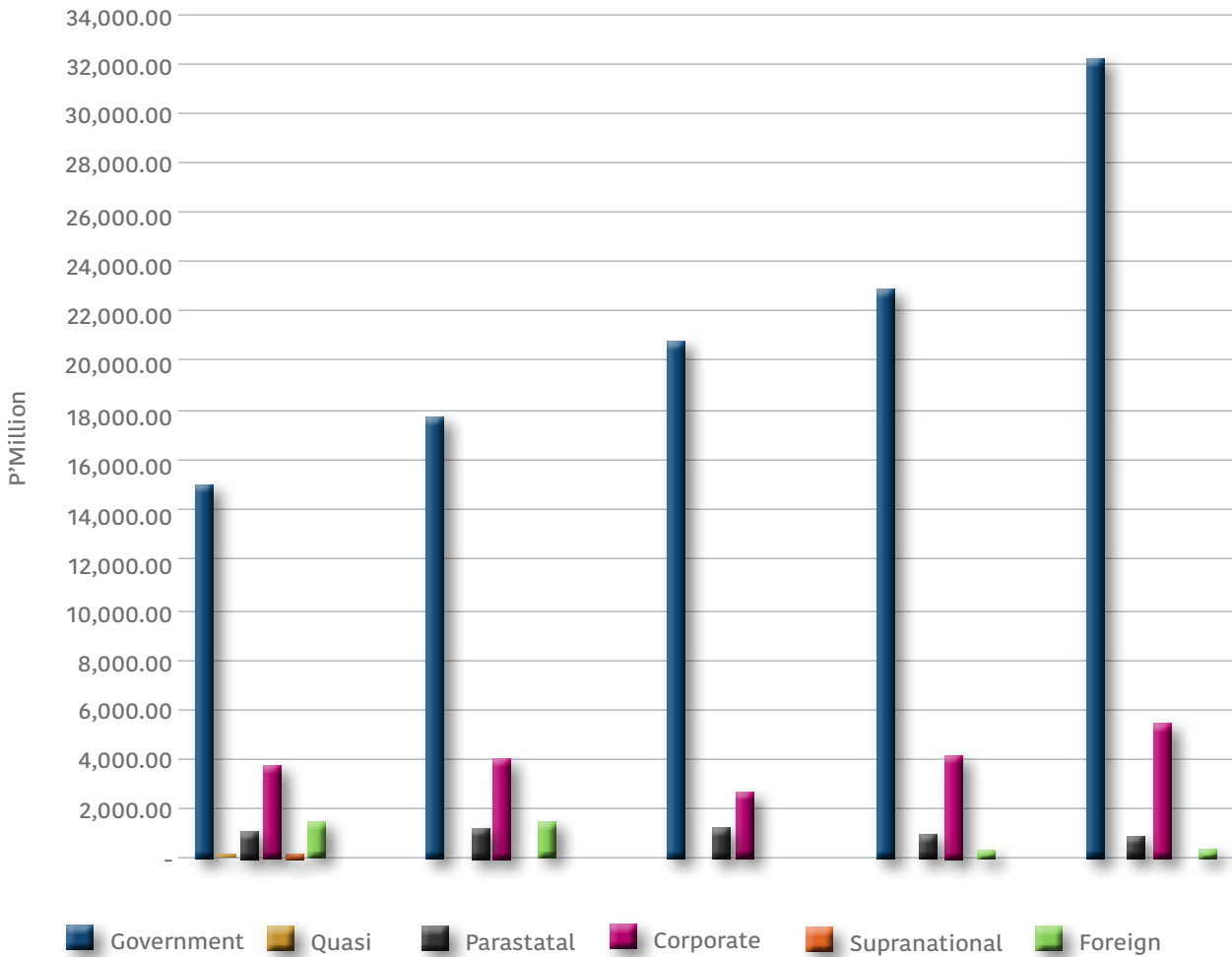
Market Performance Review

(continued)

Debt Market Capitalisation And Issuer Profile

Government bonds continued to dominate the size of the bond market, and accounted for 82.0% of market capitalization in 2024. Corporate bonds accounted for 14.0%, and within corporate we include the Quasi-Government (0.1%), Parastatals (2.7%), Corporates (14.0%) and Foreign (1.1%). The analysis and the growth trend in presented in Figure 12 by issuer profile for the years 2020 to 2024.

Figure 12: Debt Market Capitalisation and Issuer Profile



Source: BSE

Market Performance Review

(continued)

Exchange Traded Fund (ETF) Market

Performance Of ETFs

During the period under review, total ETF turnover amounted to P449.38 Million, a significant increase of 108.4% from P215.6 Million registered during the corresponding period in 2023. This was recorded from 2,134,568 units traded thus far in comparison to 1, 209 913 units during the same period in 2023. The comparative performance for 2024 and 2023 is shown in Figure 13.

Figure 13: Performance of ETFs on the BSE

ETF		Turnover (P'Mn)	Units Traded	Closing Price (P)	Price Change (%)	Minimum Price (P)	Maximum Price (P)	Market Cap (P'Mn)
NewGold	2024	305.0	981,971	331.70	33.5	248.50	341.70	978.5
NewPlat		144.4	1,152,499	125.75	4.8	119.0	137.5	383.5
NewPall		0.00	0.00	259.50	0.0	259.5	259.5	25.95
ADBF		8.5	98.00	86.02	(9.9)	86.02	95.49	0.96
Total		457.9	2,134,568					1,388.91
NewGold	2023	141.6	579,689	248.50	16.0	224.50	253.60	733.1
NewPlat		73.6	625,464	120.00	13.5	117.49	121.0	366.0
Satrix ILBI		0.06	1,005	60.48	(3.2)	60.48	63.69	6.05
NewPall		0.00	0.00	259.50	0.0	259.5	259.5	25.95
BASBI		0.00	0.00	83.69	0.0	83.69	83.69	251.07
BAMIB50		0.00	0.00	4.68	0.0	4.68	4.68	42.12
ADBF		0.36	3,755	95.49	(8.5)	94.33	104.33	1.1
Total		215.6	1,209,913					1,425.4

Source: BSE

Performance Of The Newgold ETF

NewGold ETF is backed by solid bars of the Gold bullion and tracks the price performance of the bullion. In 2024, the ETF turnover amounted to P305.0 Mn, a significant rise of 115.4% from P141.6 Mn in 2023. The ETF continued its trajectory of price gains from 2019 attributed to the consistently high trading unit price of the ETF in 2024 ranging between P341.70 and P248.50, relative to P224.50 and P253.60 in 2023.



Market Performance Review

(continued)

Performance Of The Newplat ETF

NewPlat ETF is backed by solid bars of Platinum bullion and therefore similarly benefits from the price performance of the bullion. The ETF recorded a 96.2% increase in turnover owing to the significant increase in units traded. Further, it registered a price increase of 4.8%, relative to an increase of 13.5% in 2023. The ETF traded at unit prices ranging between P137.5 and P119.00 both higher than the 2023 range of P117.49 and P121.00.

Performance Of The Newpall ETF

NewPall ETF is backed by actual Palladium and tracks the spot price of Palladium metal, offering one of the simplest and cost-effective methods for investors to invest in Palladium. Just like the NewGold and NewPlatinum ETFs, the NewPalladium ETF is compliant with Shariah Law. The price of NewPall remained unchanged in 2024 as there were no trades.

Performance Of The ADBF ETF

African Domestic Bond Fund ETF (ADBF ETF) tracks the performance of the AfDB Bloomberg African Bond Index 25% Capped, before fees and expenses providing access to local currency African fixed income markets in a cost-efficient, liquid and transparent manner. It is primary listed on the Stock Exchange of Mauritius denominated in USD and secondary listed on the BSE in BWP. The AfDB ETF price depreciated by 9.9% in 2024.



Consolidated and Separate Annual Financial Statements for the year ended 31 December 2023

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The following supplementary information does not form part of the consolidated and separate annual financial statement and is unaudited:

10. Detailed Statement of Profit or Loss and Other Comprehensive Income	113
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The reports and statements set out below comprise the consolidated and separate annual financial statement presented to the shareholders:



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

General Information

Country of incorporation and domicile

Botswana

Nature of business and principal activities

Regulating and promoting the listing and dealing in shares and other securities

Directors

Ms. Neo Mooki (Chairperson)
 Prof. Onkutlwile Othata (Vice Chairperson)
 Mrs. Lekono Phiri
 Mr. Kennedy Kgomanyane (resigned 17 January 2025)
 Mrs. Itumeleng Mareko (resigned 31 August 2024)
 Mr. Davies Tele
 Mr. Norman Moleele
 Mr. Basimane Bogopa (resigned 29 May 2024)
 Ms. Segametsi Mafa (appointed 23 July 2024)
 Ms. Boitshoko Keabofe-Medupe (appointed 30 August 2024)
 Ms. Boipelo Matenge (appointed 30 August 2024)

Chief Executive Officer

Mr. Thapelo Tsheole (resigned 31 May 2024)
 Mr. Kopano Bolokwe (Acting Chief Executive Officer
 1 June 2024 - 11 March 2025)
 Mr. Aobakwe Aupa Monyatsi (appointed 12 March 2025)

Committees of the BSEL Board

Risk and IT Committee

Prof. Onkutlwile Othata (Chairperson)
 Ms. Segametsi Mafa
 Ms. Boipelo Matenge

Nominations and Governance Committee

Mrs. Lekono Phiri (Chairperson)
 Mr. Norman Moleele
 Ms. Neo Mooki

Regulatory Committee

Mr. Norman Moleele (Chairperson)
 Prof. Onkutlwile Othata
 Ms. Boipelo Matenge

Admissions and Disciplinary Committee

Ms. Boitshoko Keabofe-Medupe (Chairperson)
 Mrs. Lekono Phiri
 Ms. Segametsi Mafa

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

General Information (continued)

Finance and Audit Committee

Mr. Davies Tele (Chairperson)
Mr. Kennedy Kgomanyane
Ms. Boitshoko Keabofe-Medupe

Postal address

Private Bag 00417
Gaborone

Bankers

Standard Chartered Bank of Botswana Limited
First National Bank of Botswana Limited

Auditors

Grant Thornton
Chartered Accountants
A Botswana member of Grant Thornton International Limited

Secretary

Mr. Thapelo Otukile

Functional currency

Botswana Pula

Regulator

Non-Bank Financial Institution Regulatory Authority



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act (CAP 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statement and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statement fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statement.

The consolidated and separate annual financial statement are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statement. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statement. The consolidated and separate annual financial statement have been examined by the group's external auditors and their report is presented on pages 67 to 69.

The consolidated and separate annual financial statement set out on pages 70 to 112, which have been prepared on the going concern basis, were approved by the Board of Directors on **2, April 2025** and were signed on their behalf by:



Director



Director



Chartered Accountants

Grant Thornton
Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

T +267 395 2313
F +267 397 2357

[linkedin.com/company/Grant-Thornton-Botswana](https://www.linkedin.com/company/Grant-Thornton-Botswana)
[facebook.com/GrantThorntonBotswana](https://www.facebook.com/GrantThorntonBotswana)

Independent Auditor's Report

To the Shareholders of Botswana Stock Exchange Limited

Opinion

We have audited the annual financial statements of Botswana Stock Exchange Limited and its subsidiary (the Group) set out on pages 70 to 112, which comprise the consolidated and separate statement of financial position as at 31 December 2024, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of, the consolidated and separate financial position of the Group as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated and separate annual financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1, 3 and 4) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. There were no key audit matters in the current period.

Other information

The directors are responsible for the other information. The other information comprises the general information and Statement of Responsibilities by the Board of Directors and the supplementary information, which we obtained prior to the date of this auditor's report, and other sections of the annual report, which are expected to be made available to us after that date.



Partners

Kalyanaraman Vijay (Managing), Aswin Vaidyanathan*, Madhavan Venkatachary*, Anthony Quashie, Sunny K
Mulakulam*, Aparna Vijay* (*Indian)

Other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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, 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 consolidated and separate annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and the performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters 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.

GRANT THORNTON

.....
Grant Thornton
Firm of Certified Auditors
Practising Member: Sunny Mulakulam (CAP 0034 2025)

04 APRIL 2025

.....
Gaborone

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Statement of Financial Position as at 31 December 2024

Figures in Pula	Note(s)	Group			Company	
		2024	2023 Restated *	1 January 2023 Restated *	2024	2023
Assets						
Non-Current Assets	3	10 956 745	12 147 051	11 361 775	10 598 141	11 682 795
Property, plant and equipment						
Right-of-use assets	4	1 396 149	2 985 158	4 542 632	1 396 149	2 985 158
Intangible assets	5	13 049 524	12 981 807	14 180 048	1 561 918	-
Investments in subsidiaries	6	-	-	-	100	100
Deferred tax	7	154 694	-	-	258 795	-
		25 557 112	28 114 016	30 084 455	13 815 103	14 668 053
Current Assets						
Financial assets	8	131 422 696	129 975 325	87 743 384	111 303 835	111 766 938
Trade and other receivables	9	22 209 889	5 768 375	4 338 568	22 983 186	6 074 918
Contribution to settlement guarantee fund	10	5 000 000	5 000 000	-	-	-
Cash and cash equivalents	11	10 027 472	1 476 264	24 979 061	8 717 656	835 372
		168 660 057	142 219 964	117 061 013	143 004 677	118 677 228
Total Assets		194 217 169	170 333 980	147 145 468	156 819 780	133 345 281
Equity and Liabilities						
Equity						
Stated capital	12	35 600 000	35 600 000	35 600 000	35 600 000	35 600 000
Reserves		2 201 620	2 201 620	2 201 620	2 201 620	2 201 620
Retained income		120 416 810	105 862 735	82 703 887	91 930 890	78 222 060
		158 218 430	143 664 355	120 505 507	129 732 510	116 023 680
Liabilities						
Non-Current Liabilities						
Lease liabilities	4	-	1 332 547	1 654 204	-	1 332 547
Deferred income	16	12 939 465	14 460 351	15 979 543	6 351 956	7 022 846
		12 939 465	15 792 898	17 633 747	6 351 956	8 355 393
Current Liabilities						
Trade and other payables	15	11 016 515	9 037 964	6 102 629	10 447 296	7 127 445
Lease liabilities	4	1 525 103	1 838 763	2 903 585	1 525 103	1 838 763
Current tax payable	17	10 517 656	-	-	8 762 915	-
		23 059 274	10 876 727	9 006 214	20 735 314	8 966 208
Total Liabilities		35 998 739	26 669 625	26 639 961	27 087 270	17 321 601
Total Equity and Liabilities		194 217 169	170 333 980	147 145 468	156 819 780	133 345 281

* See Note 31



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023
Revenue	18	67 347 105	64 012 970	54 791 441	50 970 332
Other operating income	19	6 451 769	3 643 763	5 601 573	2 793 767
Other operating gains (losses)	20	(15 935)	569 384	(15 935)	569 384
Movement in credit loss allowances	21	(49 503)	(833 578)	639 637	(704 797)
Other operating expenses		(55 542 492)	(50 513 142)	(43 592 962)	(41 474 216)
Operating profit	21	18 190 944	16 879 397	17 423 754	12 154 470
Finance income	22	8 115 712	8 327 069	7 074 174	7 185 588
Finance costs	23	(148 978)	(267 618)	(148 978)	(267 618)
Profit before taxation		26 157 678	24 938 848	24 348 950	19 072 440
Taxation	24	(10 362 962)	-	(8 504 120)	-
Profit for the year		15 794 716	24 938 848	15 844 830	19 072 440
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		15 794 716	24 938 848	15 844 830	19 072 440

* See Note 31



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Statement of Changes in Equity

Figures in Pula	Stated Capital	Share based reserve	Retained income	Total equity
Group				
Opening balance as previously reported	35 600 000	2 201 620	83 169 892	120 971 512
Adjustments				
Prior year adjustments	-	-	(466 005)	(466 005)
Restated* Balance at 01 January 2023 as restated	35 600 000	2 201 620	82 703 887	120 505 507
Profit for the year	-	-	24 938 848	24 938 848
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	24 938 848	24 938 848
Dividends	-	-	(1 780 000)	(1 780 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(1 780 000)	(1 780 000)
Opening balance as previously reported	35 600 000	2 201 620	107 356 934	145 158 554
Adjustments	-	-	(1 494 201)	(1 494 201)
Prior year adjustments				
Balance at 01 January 2024 as restated	35 600 000	2 201 620	105 862 733	143 664 353
Profit for the year	-	-	15 794 716	15 794 716
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	15 794 716	15 794 716
Transfers	-	-	895 361	895 361
Dividends	-	-	(2 136 000)	(2 136 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(1 240 639)	(1 240 639)
Balance at 31 December 2024	35 600 000	2 201 620	120 416 810	158 218 430
Note	12			
Company				
Balance at 01 January 2023	35 600 000	2 201 620	60 929 621	98 731 241
Profit for the year	-	-	19 072 440	19 072 440
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	19 072 440	19 072 440
Dividends	-	-	(1 780 000)	(1 780 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(1 780 000)	(1 780 000)
Balance at 01 January 2024	35 600 000	2 201 620	78 222 060	116 023 680

* See Note 31



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Statement of Changes in Equity (continued)

Figures in Pula	Stated Capital	Share based reserve	Retained income	Total equity
Profit for the year	-	-	15 844 830	15 844 830
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	15 844 830	15 844 830
Dividends	-	-	(2 136 000)	(2 136 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(2 136 000)	(2 136 000)
Balance at 31 December 2024	35 600 000	2 201 620	91 930 890	129 732 510
Note	12			

* See Note 31



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Statement of Cash Flows

Figures in Pula	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023
Cash flows from operating activities					
Cash generated from operations	25	8 366 244	16 305 701	6 775 114	16 629 694
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(2 431 263)	(2 798 668)	(2 377 993)	(2 394 664)
Proceeds on sale of property, plant and equipment		24 313	625 240	24 313	625 240
Purchase of other intangible assets	5	(217 514)	(295 960)	(217 514)	-
Interest income	22	8 115 712	8 327 069	7 074 174	7 185 588
Net cash from investing activities		5 491 248	5 857 681	4 502 980	5 416 164
Cash flows from financing activities					
Dividends paid	23	(2 136 000)	(1 780 000)	(2 136 000)	(1 780 000)
Payment on lease liabilities		(1 573 935)	(1 386 479)	(1 573 935)	(702 811)
Finance costs	23	(148 978)	(267 618)	(148 978)	(267 618)
Net cash from financing activities		(3 858 913)	(3 434 097)	(3 858 913)	(2 750 429)
Total cash movement for the year		9 998 579	18 729 285	7 419 181	19 295 428
Cash and cash equivalents at the beginning of the year		131 451 589	112 722 304	112 602 310	93 306 882
Total cash and cash equivalents at end of the year	11	141 450 168	131 451 589	120 021 491	112 602 310

*Cash and cash equivalents include the financial assets of the entity. Refer to note 11.

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these annual financial statements.

1.1 Basis of preparation

The annual consolidated financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (“IFRS”) and International Financial Reporting Standards Interpretations Committee (“IFRS IC”) interpretations issued and effective at the time of preparing these annual financial statements.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Pulas, which is the group’s functional currency and is rounded to the nearest pula.

These accounting policies are consistent with the previous period, except for changes set out in note 2.

1.2 Consolidation

Basis of consolidation

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

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

The results of subsidiaries are included in the consolidated consolidated and separate annual financial statement from the effective date of acquisition to the effective date of disposal.

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

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

Investments in subsidiaries in the separate financial statements

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

1.3 Significant judgements and sources of estimation uncertainty

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



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option: or not exercise a termination option.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value estimation

Certain assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values. Observable market data is used as inputs to the extent that it is available.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

1.4 Property, plant and equipment

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

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

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

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

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

Item -Value of Asset (P) *	Depreciationmethod	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Computer and office equipment (0 - 50,000) *	Straight line	4 years
Computer and office equipment (50,001 and above)	Straight line	10 years
* Leasehold improvements	Straight line	the lower of period of lease and ten years

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

1.5 Intangible assets

Intangible assets are initially recognised at cost.

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

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

Item	Depreciation method	Average useful life
Computer software	Straight line	10 years

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.6 Financial instruments

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

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the group are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

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

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment - Expected credit losses and write offs

Loss allowances are measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk (risk of default) since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments. This means that at each reporting date, the ECL for a specific instrument will either be based on lifetime ECL or 12 month ECL depending on the credit risk at reporting date compared to the credit risk at initial recognition.

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

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

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

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument 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 are recognised in profit or loss.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

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

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

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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

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

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.8 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is “identified”, which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 21) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

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

Details of leasing arrangements where the group is a lessee are presented in note 14 Leases (group as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 23).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

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

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

Botswana Stock Exchange Limited

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Accounting Policies (continued)

Right-of-use assets

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

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

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

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

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

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

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

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

1.9 Impairment of assets

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

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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

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

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

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

Botswana Stock Exchange Limited

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Accounting Policies (continued)

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

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

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

1.10 Stated capital

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

1.11 Share based payments

The fair value of the share options granted during the year ended 31 December 2020 was P 1 889 961, of which the company recognised a share option expense of P 1 759 976 during the year ended 31 December 2021. At the end of the reporting period, all share options under the Scheme were exercised.

Services received or acquired in a share-based payment transaction are recognised when the services are received. A corresponding increase in is recognised if the services were received in an equity-settled share-based payment transaction or a liability if the services were acquired in a cash-settled share-based payment transaction.

When the services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

For equity-settled share-based payment transactions the services received and the corresponding increase in are measured, directly, at the fair value of the services received provided that the fair value can be estimated reliably.

If the fair value of the services received cannot be estimated reliably, or if the services received are employee services, their value and the corresponding increase in , are measured, indirectly, by reference to the fair value of the equity instruments granted.

Vesting conditions which are not market related (i.e. service conditions and non-market related performance conditions) are not taken into consideration when determining the fair value of the equity instruments granted. Instead, vesting conditions which are not market related shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Market conditions, such as a target share price, are taken into account when estimating the fair value of the equity instruments granted. The number of equity instruments are not adjusted to reflect equity instruments which are not expected to vest or do not vest because the market condition is not achieved.

If the share based payments granted do not vest until the counterparty completes a specified period of service, group accounts for those services as they are rendered by the counterparty during the vesting period, (or on a straight line basis over the vesting period).

If the share based payments vest immediately the services received are recognised in full.



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

1.12 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

Payments made to Fiducia Services (Pty) Ltd who administers a pension plan for the group. Retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.13 Provisions and contingencies

Provisions are recognised when:

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

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

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

Provisions are not recognised for future operating losses.

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

Contingent assets and contingent liabilities are not recognised.

1.14 Government grants

Government grants are recognised when there is reasonable assurance that:

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

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



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

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

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

Grants related to income are presented as a credit in the profit or loss.

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

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

1.15 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Provision of Exchange related services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

The Group meets all performance obligations at a point in time when the services are rendered.

Botswana Stock Exchange fees

In terms of the Botswana Stock Exchange Listing Rules, 0.12% - 0.15% of the transaction value for trades on the Stock Exchange is due to the Exchange on both the buy and sell sides. Revenue is recognised on trading date unless collectability is in doubt.

Listing fees

Listing fees and documentation fees are billed as and when the services are provided. Revenue is recognised on invoicing or on listing of the relevant security and recognised in profit or loss at a point in time.

Annual sustaining fees

Annual sustaining fees are invoiced in advance for the year unless collection is in doubt, and recognised in profit or loss overtime on a straight line basis over the year.

Member fees

Annual member/dealer fees are invoiced in advance for the year unless collection is in doubt, and recognised in profit or loss overtime on a straight line basis over the year.

Central Securities Depository (CSD) fees

CSD fee is charged on the transactions (for both the buyer and the seller) at 0.12% on the transaction value. Revenue is recognised on the trading date unless collectability is in doubt.



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Accounting Policies (continued)

Custodian fee is the annual membership fee charged to the custodian banks. Revenue is recognised on invoicing.

CSD levy fees are invoiced in advance for the year, unless collection is in doubt, and recognised in profit or loss overtime on a straight line basis over the year.

Withdrawal fees are charged when investors withdraw their shares from the CSD. Revenue is recognised at a point in time, at the time of withdrawal and when it is probable that withdrawal fees will be collectible.

Other income

Revenue is recognised on an accrual basis in accordance with the substance of the underlying transaction.

X News Publication revenue

X News publication revenue is recognised when the publication is received from the members listed on the Stock Exchange. Revenue is recognised on the trading date unless collectability is in doubt

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Supplier finance arrangements - amendments to IAS 7 and IFRS 7 	01 January 2024	The impact of the amendments is not material.
<ul style="list-style-type: none"> Non-current liabilities with covenants - amendments to IAS 1 	01 January 2024	The impact of the amendments is not material.
<ul style="list-style-type: none"> Lease liability in a sale and leaseback 	01 January 2024	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 January 2025 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 	Still to be determined	Unlikely there will be a material impact
<ul style="list-style-type: none"> IFRS 19 Subsidiaries without Public Accountability: Disclosures 	01 January 2027	Unlikely there will be a material impact
<ul style="list-style-type: none"> IFRS 18 Presentation and Disclosure in Financial Statements 	01 January 2027	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards. 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IFRS 7 Financial Instruments: Disclosures 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IFRS 9 Financial Instruments 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IFRS 10 Consolidated Financial Statements 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IAS 10 Statement of Cash flows 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments. 	01 January 2026	Unlikely there will be a material impact
<ul style="list-style-type: none"> Lack of exchangeability - amendments to IAS 21 	01 January 2025	Unlikely there will be a material impact



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

3. Property, plant and equipment

Group	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 790 250	-	2 790 250	2 790 250	-	2 790 250
Furniture and fixtures	2 291 287	(1 660 035)	631 252	2 266 398	(1 461 180)	805 218
Motor vehicles	1 987 496	(696 126)	1 291 370	1 987 496	(253 368)	1 734 128
Computer and office equipment	11 570 638	(8 330 170)	3 240 468	13 267 661	(7 515 391)	5 752 270
Leasehold improvements	2 635 225	(1 833 561)	801 664	2 635 225	(1 570 040)	1 065 185
Capital - Work in progress	2 201 741	-	2,201,741	-	-	-
Total	23 476 637	(12 519 892)	10 956 745	22 947 030	(10 799 979)	12 147 051
Company	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 790 250	-	2 790 250	2 790 250	-	2 790 250
Furniture and fixtures	2 248 580	(1 619 391)	629 189	2 225 955	(1 420 737)	805 218
Motor vehicles	1 987 496	(696 126)	1 291 370	1 987 496	(253 368)	1 734 128
Computer and office equipment	9 695 764	(6 811 837)	2 883 927	11 118 628	(5 830 614)	5 288 014
Leasehold improvements	2 635 225	(1 833 561)	801 664	2 635 225	(1 570 040)	1 065 185
Capital - Work in progress	2 201 741	-	2 201 741	-	-	-
Total	21 559 056	(10 960 915)	10 598 141	20 757 554	(9 074 759)	11 682 795

Botswana Stock Exchange Limited

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Notes to the Consolidated and Separate Annual Financial Statement

Figures in Pula

	Group		Company				
	2024	2023	2024	2023			
3. Property, plant and equipment (continued)							
Reconciliation of property, plant and equipment - Group - 2024							
	Opening balance	Additions	Disposals	Transfers	Disposal - Accumulated depreciation	Depreciation	Total
Land	2 790 250	-	-	-	-	-	2 790 250
Furniture and fixtures	805 218	24 889	-	-	-	(198 855)	631 252
Motor vehicles	1 734 128	-	-	-	-	(442 758)	1 291 370
Computer and office equipment	5 752 270	204 633	(24 313)	(1 549 168)	(75 208)	(1 067 746)	3 240 468
Leasehold improvements	1 065 185	-	-	-	-	(263,521)	801 664
Capital - Work in progress	-	2 201 741	-	-	-	-	2 201 741
	12 147 051	2 431 263	(24 313)	(1 549 168)	(75 208)	(1 972 880)	10 956 745
Reconciliation of property, plant and equipment - Group - 2023							
	Opening balance	Additions	Disposals	Transfers	Disposals	Depreciation	Total
Land	2 790 250	-	-	-	-	-	2 790 250
Furniture and fixtures	1 006 430	-	-	-	-	(201 212)	805 218
Motor vehicles	393 736	1 771 022	(47 420)	-	-	(383 210)	1 734 128
Computer and office equipment	4 867 463	1 027 646	-	975 191	(1 118 030)	(263 520)	5 752 270
Leasehold improvements	1 328 705	-	-	-	-	-	1 065 185
Capital - Work in progress	975 191	-	-	(975 191)	-	-	-
	11 361 775	2 798 668	(47 420)	-	(1 965 972)	-	12 147 051

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Notes to the Consolidated and Separate Annual Financial Statement

Figures in Pula

	Group		Company	
	2024	2023	2024	2023

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	2 790 250	-	-	-	-	2 790 250
Furniture and fixtures	805 218	22 625	-	-	(198 654)	629 189
Motor vehicles	1 734 128	-	-	-	(442 758)	1 291 370
Computer and office equipment	5 288 014	153 627	(24 313)	(1 549 168)	(984 233)	2 883 927
Leasehold improvements	1 065 185	-	-	-	(263 521)	801 664
Capital - Work in progress	-	2 201 741	-	-	-	2 201 741
	11 682 795	2 377 993	(24 313)	(1 549 168)	(1 889 166)	10 598 141

Reconciliation of property, plant and equipment - Company - 2023

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	2 790 250	-	-	-	-	2 790 250
Furniture and fixtures	1 003 806	-	-	-	(198 588)	805 218
Motor vehicles	393 736	1 771 022	(47 420)	-	(383 210)	1 734 128
Computer and office equipment	4 719 603	623 642	-	975 191	(1 030 422)	5 288 014
Leasehold improvements	1 328 705	-	-	-	(263 520)	1 065 185
Capital - Work in progress	975 191	-	-	(975 191)	-	-
	11 211 291	2 394 664	(47 420)	-	(1 875 740)	11 682 795

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Notes to the Consolidated and Separate Annual Financial Statement

4. Right of use asset

Figures in Pula	Group		Company	
	2024	2023	2024	2023

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Buildings	1 396 149	2 985 158	1 396 149	2,985,158
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 21).

Buildings	1 485 802	1 557 474	1 485 802	1 557 474
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The table below describes the nature of the company's leasing activities by type of right of use asset recognised on balance sheet. There were no leases with variable payments linked to an index and option to purchase.

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options 1	No of leases with termination option 1
Buildings	1	23 months	23 months	1	1

Other disclosures	2024	2023	2024	2023
Interest expense on lease liabilities	148 978	267 618	148 978	267 618
Expenses on short term leases included in operating expenses	549 492	533 344	255 347	249 269
Total cash outflow from leases	1 573 935	1 386 479	1 573 935	702 811

5. Intangible assets

Group	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	16 708 695	(3 659 171)	13 049 524	14 942 013	(1 960 206)	12 981 807

Company	2024			2023		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 766 682	(204 764)	1 561 918	-	-	-

Reconciliation of intangible assets - Group - 2024

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	12 981 807	217 514	1 549 168	(1 698 965)	13 049 524



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Notes to the Consolidated and Separate Annual Financial Statement

5. Intangible assets (continued)

	Group		Company	
	2024	2023	2024	2023
Reconciliation of intangible assets - Group - 2023				
Computer software	Opening balance	Additions	Amortisation	Total
	14 180 048	295 960	(1 494 201)	12 981 807

Reconciliation of intangible assets - Company - 2024

	Opening balance	Additions	Transfers	Amortisation	Total
Computer software	-	217 514	1 549 168	(204 764)	1 561 918

6. Interests in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company Name of company	% voting power 2024	% voting power 2023	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Central Securities Depository Company of Botswana Limited	100.00 %	100.00 %	100.00 %	100.00 %	100	100

7. Deferred tax

Deferred tax liability

Property plant and equipment	(284 044)	-	-	-
Right-of-use asset	(307 153)	-	(307 153)	-
Total deferred tax liability	(591,197)	-	(307 153)	-

Deferred tax asset

Loss allowance	194 278	-	14 335	-
Lease liability	335 523	-	335 523	-
Property plant and equipment	216 090	-	216 090	-
	745 891	-	565 948	-
Deferred tax liability	(591 197)	-	(307 153)	-
Deferred tax asset	745 891	-	565 948	-
Total net deferred tax asset	154 694	-	258 795	-

Reconciliation of deferred tax asset / (liability)

Taxable / (deductible) temporary difference movement on tangible fixed assets	(67 954)	-	216 090	-
Deductible temporary difference on right-of-use asset	(307 153)	-	(307 153)	-
Taxable temporary difference on lease liability	335,523	-	335,523	-
Taxable / (deductible) temporary difference movement investment property at fair value	194,278	-	-14,335	-
	154 694	-	258 795	-



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Notes to the Consolidated and Separate Annual Financial Statement

8. Financial assets

Figures in Pula	Group		Company	
	2024	2023	2024	2023

Financial assets are presented at amortised cost, which is net of loss allowance, as follows:

Short-term investments	131 422 696	129 975 325	111,303,835	111,766,938
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The short term investments are unsecured, earns average interest of 6.6% (2023: 6.6%) per annum and has no fixed maturity date. The investments can be liquidated subject to an average notice period of 48 hours to the investee company

Current portions

Current assets	131 422 696	129 975 325	111,303,835	111,766,938
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Exposure to credit risk

Financial assets inherently exposes the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories.

As at the reporting date, the investments in money markets are considered to have a low credit risk and can be assessed by reference to historical information about counterparty default rates.

Credit rating -None of the counterparties below are rated;

Vunani Fund Managers	-	-	-	-
Vunani Fund Managers	28 810 455	15 016 180	26 310 289	11 884 404
Botswana Savings Bank	8 453 181	9 063 722	8 453 181	9 083 548
African Alliance Asset Management	6 905 564	6 583 255	5 756 098	5 487 918
Botswana Insurance Fund Management	15 550 867	14 658 255	14 288 269	13 468 129
iPro Botswana Fund Management	27 560 292	13 714 479	19 669 236	12 162 027
Bank Gaborone Limited	-	24 491 092	-	13 808 120
Morula Capital partners	32 883 796	18 158 560	25 568 221	17 664 972
Standard Chartered Botswana	-	17 652 451	-	17 652 451
Kgori Capital Proprietary Limited	11 258 541	10 636 756	11 258 541	10 555 369
	131 422 696	129 975 325	111 303 835	111 766 938

Fair value of financial assets

The group does not hold any collateral as security.

The fair values of the financial assets is estimated using techniques applicable to level 2 category of fair value measurement under IFRS 13. These approximate to the carrying value due to their short term nature.



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Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

9. Trade and other receivables

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Financial instruments				
Trade receivables	7 072 850	2 010 672	5 375 597	1 360 806
Loss allowance	(817 921)	(777 458)	-	(648 677)
Trade receivables at amortised cost	6 254 929	1 233 214	5 375 597	712 129
Deposits	380 194	380 194	380 194	380 194
Central Securities Depository Company of Botswana	-	-	2 237 945	1 602 387
Other receivable	9 948 066	1 799 865	9 915 441	1 767 280
Non-financial instruments:				
Value added tax	1 240 399	667 105	1 240 399	613 942
Prepayments	4 386 301	1 687 997	3 833 610	998 986
Total trade and other receivables	22 209 889	5 768 375	22 983 186	6 074 918
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	16 583 189	3 413 273	17 909 177	4 461 990
Non-financial instruments	5 626 700	2 355 102	5 074 009	1 612 928
	22 209 889	5 768 375	22 983 186	6 074 918

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, 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. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, 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 has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:



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Notes to the Consolidated and Separate Annual Financial Statement

9. Trade and other receivables (continued)

Group	2024	2024	2023	2023
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due	3 303 812	-	1 430 066	470 382
Less than 30 days past due	53 740	-	110 474	45 846
31 - 60 days past due	312 131	-	392 830	211 796
61 - 90 days past due	537 142	(284 722)	-	-
91 days past due	12 540	-	10 589	7 777
More than 120 days past due	2 853 486	(533 199)	66 713	41 657
Total	7 072 851	(817 921)	2 010 672	777 458

Company	2024	2024	2023	2023
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due	2 925 226	-	903 156	374 140
31-60 days past due	2 280	-	62 870	37 715
61 - 90 days past due	115 265	-	312 374	187 388
91 - 120 days past due	12 540	-	12 964	7 777
More than 120 days past due	2 320 287	-	69 442	41 657
Total	5 375 598	-	1 360 806	648 677

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

10. Contribution to settlement guarantee fund

During the year, the group contributed an amount of P 5 000 000 towards the Settlement Guarantee fund established for meeting settlement risk.

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Contribution to settlement guarantee fund	5 000 000	5 000 000	-	-

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	427	4 500	427	4 500
Bank balances	10 027 045	1 471 764	8 717 229	830,872
Total	10 027 472	1 476 264	8 717 656	835 372

*For purpose of cash flows, cash and cash equivalents consist of;



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Notes to the Consolidated and Separate Annual Financial Statement

11. Cash and cash equivalents (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Cash and cash equivalents	10 027 472	1 476 264	8 717 656	835 372
Financial assets (note 8)	131 422 696	129 975 325	111 303 835	111 766 938
	141 450 168	131 451 589	120 021 491	112 602 310

Fiduciary held bank accounts	1 191 667	1 264 892	-	-
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The group, through its subsidiary Central Securities Depository Company of Botswana Limited, is a custodian of brokers liquidity bank accounts. Brokers liquidity bank accounts are used to mitigate the systematic risk of transactions carried out on the Botswana Stock Exchange.

For the purposes of cash flow statement, financial assets are also included as cash and cash equivalents due to its short term maturity, readily convertibility, insignificant risk of change in value and liquidity position and the business model for which the company uses these financial assets.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates. Banks in Botswana are not rated, but are subsidiaries of rated institutions in Republic of South Africa and United Kingdom. Details of all the financial institutions where the financial assets are placed in included in note 8.

Credit rating- None of the financial institutions below are rated

Standard Chartered Bank of Botswana Limited	3 080 175	998 976	1 861 798	372 980
First National Bank of Botswana Limited	4,749,256	5,472,802	4 749 256	457 892
	7 829 431	6 471 778	6 611 054	830 872

12. Stated capital

Issued				
35 600 000 Ordinary shares of no par value	35 600 000	35 600 000	35 600 000	35 600 000

13. Share options reserve

The share option reserve comprises the fair value of share options granted, which have been exercised. The amount was transferred to the share capital account when the related options were exercised.

Employee Share Reserve	2 201 620	2 201 620	2 201 620	2 201 620
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Notes to the Consolidated and Separate Annual Financial Statement

14. Lease liabilities

	Group		Company	
	2024	2023	2024	2023
Minimum lease payments due				
- within one year	1 575 115	1 727 891	1 575 115	1 727 891
- in second to fifth year inclusive	-	1 656 194	-	1 656 194
	1 575 115	3 384 085	1 575 115	3 384 085
less: future finance charges	(50 012)	(212 775)	(50 012)	(212 775)
Present value of minimum lease payments	1 525 103	3 171 310	1 525 103	3 171 310
Present value of minimum lease payments due				
- within one year	1 525 103	1 555 214	1 525 103	1 555 214
- in second to fifth year inclusive	-	1 616 096	-	1 616 096
	1 525 103	3 171 310	1 525 103	3 171 310
Non-current liabilities	-	1 332 547	-	1 332 547
Current liabilities	1 525,103	1,838,763	1 525 103	1 838 763
	1 525 103	3 171 310	1 525 103	3 171 310

15. Trade and other payables

Financial instruments:				
Trade payables	495 951	986 658	236 153	269 984
Other payables	7 037 938	2 407 510	6 784 294	2 012 619
Non-financial instruments:				
Payroll accruals	3 426 849	5 643 796	3 426 849	4 844 842
Value added tax	55,777	-	-	-
	11 016 515	9 037 964	10 447 296	7 127 445

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

16. Deferred income

Deferred income				
Opening balance	14 460 351	15 979 543	7,022,846	7,692,042
Amounts received in the current period	-	-	-	180,800
Amounts transferred to Statement Of Profit or Loss and Other Comprehensive Income	(1 520 886)	(849 996)	(670 890)	(849 996)
Amount spent during the period	-	(669 196)	-	-
	12 939 465	14 460 351	6,351,956	7,022,846

The company and group recognises the unspent government assistance which was received towards the upgrade, acquisition and installation of technological hardware and software detailed below.

Breakdown of Deferred Income

Internet trading system	4 050 197	4 050 197	4 050 197	4 050 197
Ticker Screen at Fairscape	811 294	970 894	811 294	970 894
Subscriptions	68 306	35 000	68 306	35 000
Securities Borrowing and lending system	6 587 509	7 437 505	-	-
ATS System	704 465	1 127 165	704 465	1 127 165
Website and mobile app	717 694	839 590	717 694	839 590
	12 939 465	14 460 351	6 351 956	7 022 846



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17. Current tax receivable (payable)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Normal tax	(10 517 656)	-	(8 762 915)	-
Net current tax receivable (payable)				
Current liabilities	(10 517 656)	-	(8 762 915)	-

18. Revenue

Revenue from contracts with customers

Listing and sustaining fees	47 663 912	38 032 481	47 663 912	38 032 481
Members fee income	12 250	12 500	12 250	12 500
Corporate actions fees	9 242 647	4 421 479	1 231 388	1 319 434
Commissions received	9 151 296	20 166 635	4 606 891	10 226 042
News publications	1 277 000	1 379 875	1 277 000	1 379 875
	67 347 105	64 012 970	54 791 441	50 970 332

The entity meets all performance obligations at a point in time upon completion of each service which is immediately when the service task is undertaken.

19. Other operating income

Registered advisors	153 199	152 500	153 199	152 500
Amortisation of capital grants	850 196	849 996	-	-
Training income	287 026	120 755	287 026	120 755
Other income	5 161 348	2 520 512	5 161 348	2 520 512
	6 451 769	3 643 763	5 601 573	2 793 767

20. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements

Property, plant and equipmen	3	-	577 820	-	577,820
Foreign exchange gains (losses)					
Net foreign exchange loss		(15 935)	(8 436)	(15 935)	(8 436)
Total other operating gains (losses)		(15 935)	(569 384)	(15 935)	569 384

21. Operating loss

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external

Audit fees	272 998	257 152	150 487	154 291
Auditor's remuneration - internal	266 338	297 145	194 596	201 206

Employee costs

Salaries, wages, bonuses and other benefits	24 781 787	26 889 720	19 405 231	21 138 959
Retirement benefit plans: defined contribution expense	573 725	801 706	573 725	801 706
Total employee costs	25 355 512	27 691 426	19 978 956	21 940 665



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Notes to the Consolidated and Separate Annual Financial Statement

21. Operating loss (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Depreciation and amortisation				
Depreciation of property, plant and equipment	1 972 880	1 965 972	1 889 166	1 875 740
Depreciation of right-of-use assets	1 485 802	1 557 474	1 485 802	1 557 474
Amortisation of intangible assets	1 698 965	1 494 201	204 764	-
Total depreciation and amortisation	5 157 647	5 017 647	3 579 732	3 433 214
Movement in credit loss allowances				
Trade and other receivables	49 503	833 578	(639 637)	704 797



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Notes to the Consolidated and Separate Annual Financial Statement

21. Operating loss (continued)

	Group		Company	
	2024	2023	2024	2023
Expenses by nature				
The total general and administrative expenses and other operating expenses are analysed by nature as follows:				
Employee costs	25 355 512	27 691 426	19 978 956	21 940 666
Lease expenses	549 492	247 135	255 347	249 269
Depreciation, amortisation and impairment	5 157 647	5 017 647	3 579 732	3 433 214
Other expenses	2 749 602	2 776 831	1 294 931	2 272 359
Advertising	4 231 318	2 847 017	4 231 318	2 847 017
Board training, seminars and conferences	1 059 775	312 933	705 890	159 849
Communication expenses	221 426	244 286	207 102	226 407
Computer expenses	7 072 056	4 409 879	5 285 597	4 269 407
Consulting and professional fees	206 894	508 502	206 144	483 502
Insurance	300 204	321 906	229 247	126 769
License fees	238 763	267 705	-	-
Members sitting allowances	2 123 850	629 850	1 564 500	441 850
Office expenses	292 412	343 761	223 076	268 741
Sale of advertising space	269 268	320 750	269 268	320 750
Staff welfare	913 690	662 930	913 690	662 930
Subscriptions	1 170 867	1 236 832	1 107 458	1 195 204
Technical service fees	1 456 627	1 567 801	1 456 627	1 567 801
Training expenses	127 073	125 646	62 765	28 176
Travel and accommodation	2 046 016	980 305	2 021 314	980 305
	55 542 492	50 513 142	43 592 962	41 474 216

22. Finance income

Interest income

Investments in financial assets:

Interest income	8 115 712	8 327 069	7 074 174	7 185 588
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23. Finance costs

Lease liabilities	148 978	267 618	148 978	267 618
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24. Taxation

Figures in Pula	Group		Company	
	2024	2023	2024	2023

Major components of the tax expense

Current

Local income tax - current period	10 517 656	-	8 762 915	-
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Deferred

Originating and reversing temporary differences	(154 694)	-	(258 795)	-
	10 362 962	-	8 504 120	-

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	26 157 678	24 938 848	24 348 950	19 072 440
Tax at the applicable tax rate of 22% (2023: 22%)	5 754 689	5 486 547	5 356 769	4 195 937
Tax effect of adjustments on taxable income				
Permanent differences	4 608 273	-	3 147 351	-
Exempt income	-	(5 486 547)	-	(4 195 937)
	10 362 962	-	8 504 120	-

25. Cash generated from operations

Profit before taxation	26 157 678	24 938 848	24 348 950	19 072 440
Adjustments for:				
Depreciation and amortisation	5 157 647	5 017 647	3 579 732	3 433 214
Gains on disposals of property, plant and equipment	-	(577 820)	-	(577 820)
Finance income	(8 115 712)	(8 327 069)	(7 074 174)	(7 185 588)
Finance costs	148 978	267 618	148 978	267 618
Net impairments and movements in credit loss allowances	49 503	833 578	(639 637)	704 797
Other non-cash item in property, plant and equipment	75 208	-	-	-
Lease modification	30 935	-	30 935	-
Changes in working capital:				
Trade and other receivables	(16 491 017)	(2 263 385)	(16 268 631)	(871 089)
Contribution to settlement guarantee fund	-	(5 000 000)	-	-
Trade and other payables	2 873 910	2 935 476	3 319 851	2 455 318
Deferred income	(1 520 886)	(1 519 192)	(670 890)	(669 196)
	8 366 244	16 305 701	6 775 114	16 629 694

26. Tax refunded

Current tax recognised in profit or loss	(10 517 656)	-	(8 762 915)	-
Balance at end of the year	10 517 656	-	8 762 915	-
	-	-	-	-

27. Dividends paid

Dividends	(2 136 000)	(1 780 000)	(2 136 000)	(1 780 000)
Dividend per share	0.060	0.050	0.060	0.050



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

28. Related parties

	Group		Company	
	2024	2023	2024	2023
Relationships				
Subsidiaries		Refer to note 6		
Related parties		Stockbrokers Botswana Limited Imara Capital Securities (Proprietary) Limited Motswedi Securities (Proprietary) Limited		
Members of key management		Mr Thapelo Tsheole (resigned 31 May 2024) Mr Kopano Bolokwe (Acting Chief Executive Officer) Mr Aupa Monyatsi (appointed 12 March 2025)		
Senior management		T Otukile M Mogasha K Mogorosi M Pheto - Lentswe T Mmolai K Bolokwe B Mokoka T Moribame		
Related party balances				
Amounts included in Trade and other receivables (Trade and other payables) regarding related parties				
Central Securities Depository Company of Botswana”	-	-	2 237 945	1 602 387
Related party transactions				
Commission fees to (received from) related parties				
Imara Capital Securities (Proprietary) Limited	(608 733)	(1 508 305)	(318 064)	(1 288 230)
Motswedi Securities (Proprietary) Limited	(941 966)	(16 280 236)	(486 586)	(9 034 446)
Stock Brokers Botswana Limited	(80 414)	(755 087)	(44 791)	(670 591)
	(1 631 113)	(18 543 628)	(849 441)	(10 993 267)
Membership fees				
Stockbrokers Botswana Limited	13 750	10 000	3 750	4 000
Imara Capital Securities (Proprietary) Limited	14 500	10 500	4 500	4 500
Motswedi Securities (Proprietary) Limited	14 000	10 000	4 000	4 000
	42 250	30 500	12 250	12 500
Listing and annual sustaining fees				
Government bonds (at 0.125% on nominal value of Government bonds)	40 171 973	31 196 250	40 171 973	31 196 250
Transfer fees				
Imara Capital Securities (Proprietary) Limited	83 192	26 475	-	-
Stockbrokers Botswana Limited	16 000	17 435	-	-
Motswedi Securities (Proprietary) Limited	38 039	18 785	-	-
	137 231	62 695	-	-

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

28. Related parties (continued)

Figures in Pula	Group		Company	
	2024	2023	2024	2023
Board Sitting allowances	2 123 850	629 850	1 564 500	441 850
Remuneration for senior management				
Salaries	15 487 931	16 051 296	12 027 667	12 677 598
Terminal benefits	1 032 546	2 137 268	1 032 546	2 137 268
	16 520 477	18 188 564	13 060 213	14 814 866



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	131 422 696	131 422 696	131 422 696
Trade and other receivables	9	16 583,189	16 583,189	16 583 189
Cash and cash equivalents	11	10 027 472	10 027 472	10 027 472
		158 033 357	158 033 357	158 033 357

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	129 975 325	129 975 325	129 975 325
Trade and other receivables	9	3 413 273	3 413 273	3 413 273
Cash and cash equivalents	11	1 476 264	1 476 264	1 476 264
		134 864 862	134 864 862	134 864 862

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	111 303 835	111 303 835	111 303 835
Trade and other receivables	9	17 909 177	17 909 177	17 909 177
Cash and cash equivalents	11	8 717 656	8 717 656	8 717 656
		137 930 668	137 930 668	137 930 668

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	111 766 938	111 766 938	111 766 938
Trade and other receivables	9	4 461,990	4 461 990	4 461 990
Cash and cash equivalents	11	835 372	835 372	835 372
		117 064 300	117 064 300	117 064 300

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Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	7 533,888	7 533,888	7 533 888
Lease liabilities	14	1 525 103	1 525 103	1 525 103
		9 058 991	9 058 991	9 058 991

Group - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	3 394 172	3 394 172	3 394 172
Lease liabilities	14	3 171 311	3 171 311	3 171 311
		6 565 483	6 565 483	6 565 483

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	7 020 446	7 020 446	7 020 446
Lease liabilities	14	1 525 103	1 525 103	1 525 103
		8 545 549	8 545 549	8 545 549

Company - 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	2 282 604	2 282 604	2 282 604
Lease liabilities	14	3 171 310	3 171 310	3 171 310
		5 453 914	5 453 914	5 453 914



Botswana Stock Exchange Limited

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Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

Capital risk management

The group's objective when managing capital (which includes share capital, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk)

The board has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.



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Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

Group	2024			2023			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Financial assets	8	131 422 696	-	131 422 696	129 975 325	-	129 975 325
Trade and other receivables	9	17 401 110	(817 921)	16 583 189	4 190 731	(777 458)	3 413 273
Cash and cash equivalents	11	10 027 472	-	10 027 472	1 476 264	-	1 476 264
		158 851 278	(817 921)	158 033 357	135 642 320	(777 458)	134 864 862

Company	2024			2023			
	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	
Financial assets	8	111 303 835	-	111 303 835	111 766 938	-	111 766 938
Trade and other receivables	9	17 909 177	-	17 909 177	5 110 667	(648 677)	4 461 990
Cash and cash equivalents	11	8 717 656	-	8 717 656	835 372	-	835 372
		137 930 668	-	137 930 668	117 712 977	(648 677)	117,064,300

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	15	7 533 888	7 533 888	7 533 888
Lease liabilities	14	1 525 103	1 525 103	1 525 103
		9 058 991	9 058 991	9 058 991

Group - 2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	14	-	1 332 547	1 332 547	1 332 547
Current liabilities					
Trade and other payables	14	3 394 172	-	3 394 172	3 394 172
Lease liabilities	14	1 838 763	-	1 838 763	1 838 763
		5 232 935	1 332 547	6 565 482	6 565 482

Company - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	14	7 020 446	7 020 446	7 020 446
Lease liabilities	14	1 525 103	1 525 103	1 525 103
		8 545 549	8 545 549	8 545 549



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

29. Financial instruments and risk management (continued)

Company - 2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	14	-	1 332 547	1 332 547	1 332 547
Current liabilities					
Trade and other payables	15	2 282 604	-	2 282 604	2 282 604
Lease liabilities	14	1 838 763	-	1 838 763	1 838 763
		4 121 367	1 332 547	5 453 914	5 453 914

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	2024	2024	2023	2023
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
Interest income from Financial assets and bank balances (50 basis points)	812 494	(812 494)	125 085	(125 085)
Company	2024	2024	2023	2023
Increase or decrease in rate				
Impact on profit or loss:				
Interest income from Financial assets and bank balances (50 basis points)	721 452	(721 452)	107 764	(107 764)

Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

30. Fair value information

Figures in Pula	Group		Company	
	2024	2023	2024	2023

Fair value hierarchy

The levels below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets

Financial assets at amortised cost

Short-term investments	131 422 696	129 975 325	111 303 835	111 766 938
Total	131 422 696	129 975 325	111 303 835	111 766 938

Short-term investments

The fair value estimate has been determined from the perspective of a market participant that holds these short-term investments as assets at 31 December 2024.



Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Notes to the Consolidated and Separate Annual Financial Statement

31. Prior period errors

During the year, the group reclassified certain assets from Property, Plant, and Equipment to Intangible Assets. This reclassification pertains to computer software that was previously included under computer equipment in the prior year. The reclassification was made to better reflect the nature of the assets in accordance with IAS 38, which requires that computer software not integral to the related hardware be classified as an intangible asset.

Statement of Financial Position 2023	Previously audited balance	adjustment	Restated balance
Property, plant and equipment	27 089 065	(14 942 014)	12 147 051
Intangible assets	-	12 981 807	12 981 807
	27 089 065	(1 960 207)	25 128 858

Impact on equity

Retained income	107 822 940	(1 960 207)	105 862 733
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Statement of Profit or Loss and Other Comprehensive Income 2023	Initial balance	adjustment	Restated
Other operating expenses	49 018 941	1 494 201	50 513 142

Statement of Financial Position 2022	Previously audited balance	Previously audited balance	Restated balance
Property, plant and equipment	26 007 828	(14 646 053)	11 361 775
Intangible assets	-	14 180 048	14 180 048
	26 007 828	(466 005)	25 541 823

Impact on equity

Retained income	83 169 895	(466 005)	82 703 890
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Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	Group		Company	
		2024	2023	2024	2023
			Revenue*		
Revenue					
Listing and annual sustaining fees		47 663 912	38 032 481	47 663 912	38 032 481
Member fees income		12 250	12 500	12 250	12 500
Miscellaneous revenue		9 242 647	4 421 479	1 231,388	1 319 434
Commissions income		9 151 296	20 166 635	4 606 891	10 226 042
X-News Publications		1 277,000	1 379,875	1 277,000	1 379 875
	18	67 347 105	64 012 970	54 791 441	50 970 332
Other operating income					
Registered advisors		153 199	152 500	153 199	152 500
Amortisation of capital grants		850 196	849 996	-	-
Training income		287 026	120 755	287 026	120 755
Other income		5 161 348	2 520 512	5 161 348	2 520 512
	19	6 451 769	3 643 763	5 601 573	2 793 767
Other operating gains (losses)					
Profit (losses) on disposal of assets		-	577 820	-	577 820
Foreign exchange losses		(15 935)	(8 436)	(15 935)	(8 436)
	20	(15 935)	569 384	(15 935)	569 384
Movement in credit loss allowances-Bad Debts	21	(49 503)	(833 578)	639 637	(704 797)
Other operating expenses					
Advertising		(4 231 318)	(2 826 591)	(4 231 318)	(2 826 591)
Amortisation		(1 698 965)	(1 494 201)	(204 764)	-
Auditor's remuneration - external audit	21	(272 998)	(257 152)	(150 487)	(154 291)
Auditor's remuneration - internal audit	21	(266 338)	(297 145)	(194 596)	(201 206)
Bank charges		(43 018)	(51 592)	(39 779)	(44 244)
Board training, seminars and conferences		(1 059 775)	(312 933)	(705 890)	(159 849)
Cleaning		(107 971)	(89 489)	(91 775)	(82 412)
Communication expenses		(221 426)	(246 963)	(207 102)	(229 084)
Computer expenses		(8 248 585)	(4 409 879)	(5 282 588)	(4 269 983)
Consulting and professional fees		(206 894)	(508 502)	(206 144)	(483 502)
Depreciation		(3 458 682)	(3 523 446)	(3 374 968)	(3 433 214)
Electricity charges		(135 225)	(150 248)	(135 225)	(150 248)
Entertainment		(50 240)	(126 769)	(50 240)	(126 769)
Sale of advertising space		(269 268)	(320 750)	(269 268)	(320 750)
Fines and penalties		(9 800)	(34 525)	-	(16 435)
Insurance		(295 132)	(32 906)	(229 247)	(256 441)
Lease		(549 492)	(533 344)	(255 347)	(249 269)
Members sitting allowances		(2 123 850)	(629 850)	(1 564 500)	(441 850)
Motor vehicle expenses		(100 897)	(133 443)	(100 897)	(133 443)
Office expenses		(325 412)	(373 462)	(223 076)	(270 398)
Printing and stationery		(37 422)	(49 192)	(37 422)	(49 192)
Recruitment expenses		(407 937)	(51 029)	(407 937)	(51 029)
Repairs and maintenance		(58 128)	(49 300)	(58 128)	(49 300)
Salaries and wages		(25 355 512)	(27 691 426)	(19 978 956)	(21 940 665)
Staff welfare		(913 690)	(66 930)	(913 690)	(662 930)
Subscriptions		(1 409 630)	(1 515 037)	(1 107 458)	(1 205 704)

* See Note 31

The supplementary information presented does not form part of the consolidated unaudited

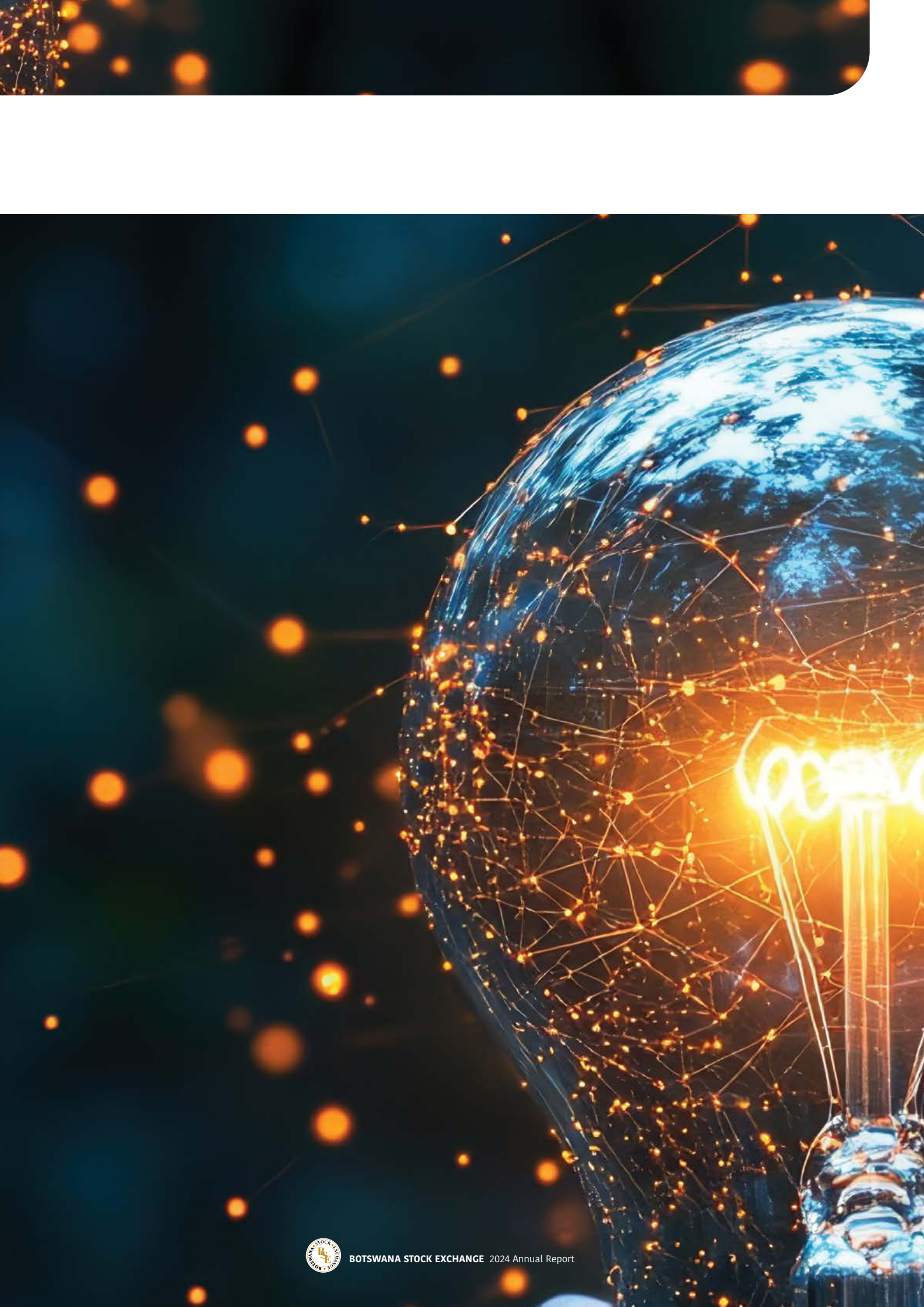


Botswana Stock Exchange Limited

Consolidated and Separate Annual Financial Statement for the year ended 31 December 2024

Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	Group		Company	
		2024	2023 Restated*	2024	2023
Technical service fees		(1 456 627)	(1 567 801)	(1 456 627)	(1 567 801)
Training expenses		(151 774)	(309 739)	(62 765)	(146 194)
Training levies		(55 172)	(61 469)	(31 454)	(38 393)
Travel and accomodation		(2 021 314)	(1 913 029)	(2 021 314)	(1 913 029)
		(55 542 492)	(50 513 142)	(43,592 962)	(41 474 216)
Operating profit	21	18 190 944	16 879 397	17 423 754	12 154 470
Interest income	22	8 115 712	8 327 069	7 074 174	7 185 588
Finance costs	23	(148 978)	(267 618)	(148 978)	(267 618)
Profit before taxation		26 157 678	24 938 848	24 348 950	19 072 440
Taxation	24	(10 362 962)	-	(8 504 120)	-
Profit for the year		15 794 716	24 938 848	15 844 830	19 072 440



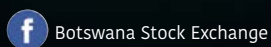


Gaborone Head Office

Plot 70667 | Fairscapc Precinct | 4th Floor,
Fairgrounds, Gaborone
Private Bag 00417 | Gaborone, Botswana

BSE Contact Details

Tel: +267 367 4400 | Fax: +267 318 0175
Email: info@bse.co.bw | Web: www.bse.co.bw



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