



MARKET PERFORMANCE REPORT

PERIOD: 1 JANUARY TO 31 DECEMBER 2025

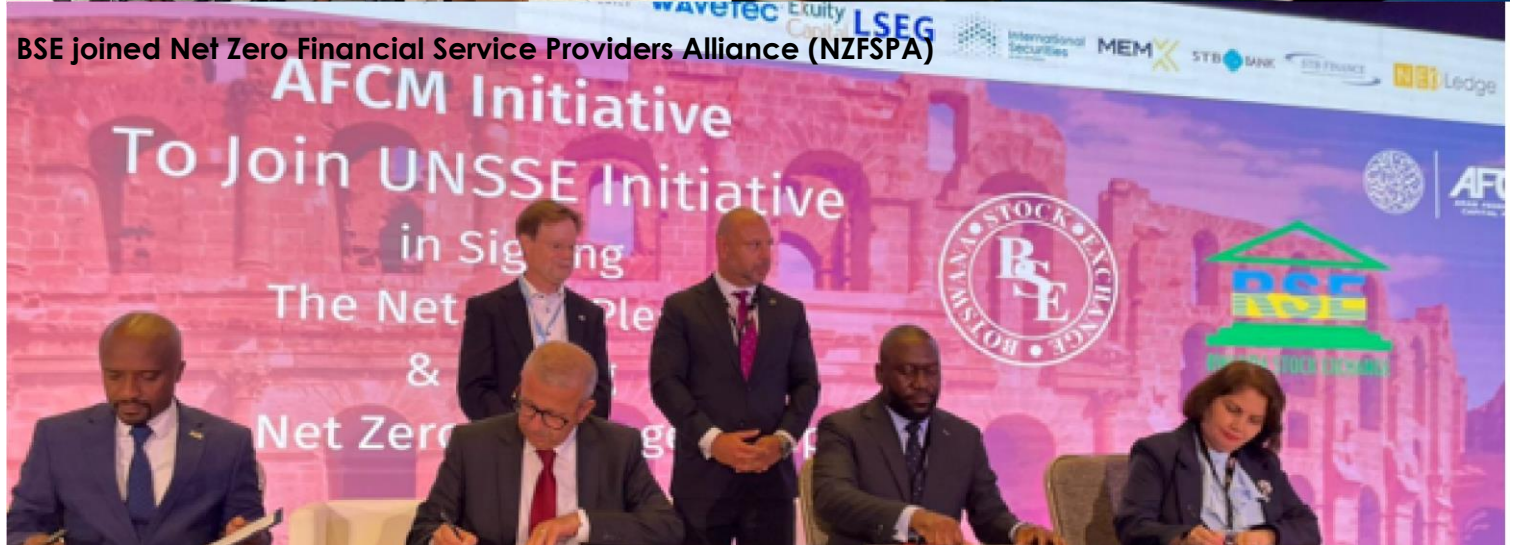
2025 HIGHLIGHTS



BSE-LSEG Collaboration



BSE joined Net Zero Financial Service Providers Alliance (NZFSPA)



1 | EXECUTIVE SUMMARY

1.1 HIGHLIGHTS

- BSE joined the Net Zero Financial Services Providers Alliance (NZFSPA), reinforcing its commitment to decarbonization and sustainable finance to support Botswana's net zero transition.
- Strengthened collaboration with the London Stock Exchange Group (LSEG), cementing a pathway for promoting dual listings across the two markets and elevating foreign investor participation.
- Launch of the Transformation Strategy, 10x by 2030, focused on talent and culture, product innovation, internationalization, technology modernization and position the Exchange as a force for good.
- Total market turnover of P9.3 Billion across all listed instruments, representing an 18.1% increase year-on-year and signifying both improved liquidity and market depth.
- Average daily equity turnover surged by 163.7%, to P24.0 Million per day, buoyed by broad-based participation across various sectors on the bourse.
- Innovative products listed – the GAIA Renewable 1's Class B Preference Shares and the Vunani Global Equity Fund.

1.2 HISTORIC MARKET PERFORMANCE – IMPROVED PARTICIPATION, MARKET DEPTH AND LIQUIDITY

Capital markets play a pivotal role in economic development by pooling domestic savings and mobilizing foreign capital for productive long-term investment by both private and public sectors. This key function has become increasingly important for supporting Botswana's economic transformation programme. In the period under review, the performance of the market was a reflection of both resilience and adaptability, reinforcing its position as a critical platform for capital formation and investment opportunities, and ample potential to anchor economic transformation.

Over the past five years, market activity has experienced periods of volatility, albeit with an overall upward trajectory. However, 2025 marked a distinct turnaround as equity turnover, average daily trading values, and volumes traded rebounded strongly. These indicators point to improved market depth, broader participation and high liquidity levels which are important attributes in gauging the health and the attractiveness of a market.

The recovery signalled renewed investor appetite across various listed sectors on the BSE, broad based market participation especially in terms of the value of monetary investments, underpinned by strategic reforms at the Exchange, the conversion of product pipeline, improved visibility of the market through market development initiatives and the efficiencies in operational performance.

Overall, the upward trajectory observed in 2025 highlights the BSE's ability to navigate economic headwinds and emerge as a stronger and more dynamic marketplace. Looking ahead, as the BSE pursues integration with global financial markets, modernizes its technology infrastructure, drives a high-performance culture, and continues to innovate and diversify its product offerings while and rising as a force for good, there is strong confidence that it is building on a strong footing laid in 2025. This positions the BSE to become Africa's premier capital-raising hub and to play a transformative role in Botswana's journey towards a high income and inclusive economy.

2 | EQUITY MARKET PERFORMANCE

2.1 TRADING IN EQUITIES REACHES A HISTORIC LEVEL OF P5.9 BILLION

Since its inception, the BSE registered the highest amount of turnover on the Exchange in respect of trading of shares in 2025, an amount of P5.9 Billion. This is an important statistic as it represents the amount of money that is being channeled into shares, but most importantly shows the role and importance of the Exchange in facilitating the formation, mobilization and allocation of capital for productive use within an economy. The closest comparable amount was recorded in 2023, total equity turnover reached P4.1 Billion, as can be noted in Figure 1.

Figure 1: Increased Levels of Liquidity: 2025 Compared to Other Years

Liquidity	2021	2022	2023	2024	2025
Equity Turnover (P' Million)	1,816.0	1,177.6	4,085.8	1,660.1	5,910.9
Average Daily Turnover (P' Million)	7.3	4.7	16.4	6.7	24.0
No. of Shares Traded (Million)	997.2	513.3	561.5	428.6	1,380.4

This amount of P5.9 Billion in the value of shares traded translates into P24.0 Million per day on average, being the money that moved daily from those buying shares to those selling shares and exiting or reducing their investment positions. It is also a significant amount in that higher levels of money exchanging hands daily show

deeper capacity by investors to support entrepreneurship and private sector development. It is more so an important figure that those willing to list companies on the Exchange watch closely, for the reasons that it indicates the extent to which their shares can be supported and the extent to which price discovery takes place in the market to unlock intrinsic valuations.

Figure 2: Levels of Liquidity in 2025, Quarterly

	Q1	Q2	Q3	Q4	FULL YEAR 2025
Liquidity					
Turnover (P' Million)	320.4	4,404.8	612.1	573.7	5,910.9
Average Daily Turnover (P' Million)	5.3	72.2	10.0	9.1	24.0
No. of Shares Traded (Million)	61.3	1,067.1	167.4	84.7	1,380.4

In line with this historic trading activity, the size of the market as represented by market capitalization also registered growth as can be seen in Figure 3. The total market capitalization grew by 3.4% from P686.8 Billion recorded in the corresponding period in 2024 to P710.0 Billion in 2025. As a percentage of the size of Botswana's economy, the BSE total equity market capitalization amounted to over 2.5 times the Gross Domestic Product of Botswana.

This growth was driven by the increases in both the domestic market capitalization and the foreign market capitalization which expanded by 10.7% and by 2.7% respectively. These increases reflect movements in share prices as well as changes in the number of securities issued over the year.

Figure 3: Consistent Growth in Market Capitalization, 2025

	Q1	Q2	Q3	Q4	FULL YEAR 2025
Market Capitalization					
Domestic Companies (P' Million)	54,212.9	55,885.3	57,461.2	59,750.9	59,750.9
Foreign Companies (P' Million)	632,874.9	563,601.6	565,480.2	650,199.0	650,199.0
Total (P' Million)	687,087.8	619,486.9	622,941.4	709,949.9	709,949.9

The size of the market, and also its growth, as represented by market cap is another indicator that entrepreneurs who want to list their companies on the Exchange watch closely, as it represents the potential to unlock and realize intrinsic enterprise valuations which influence the prospects for entrepreneurs to monetize the investments they have made in starting and grooming their companies to a point of listing. As the market cap of a company grows, so does the wealth of all shareholders, including the founders.

From a liquidity or cash availability perspective, a market that shows improving amounts of exchange of securities for cash is very attractive, not just signaling the ease of entry and exit into investment positions but also the ability to realize profits when expected returns are met or the ability to take advantageous investment positions when the investment case is very compelling.

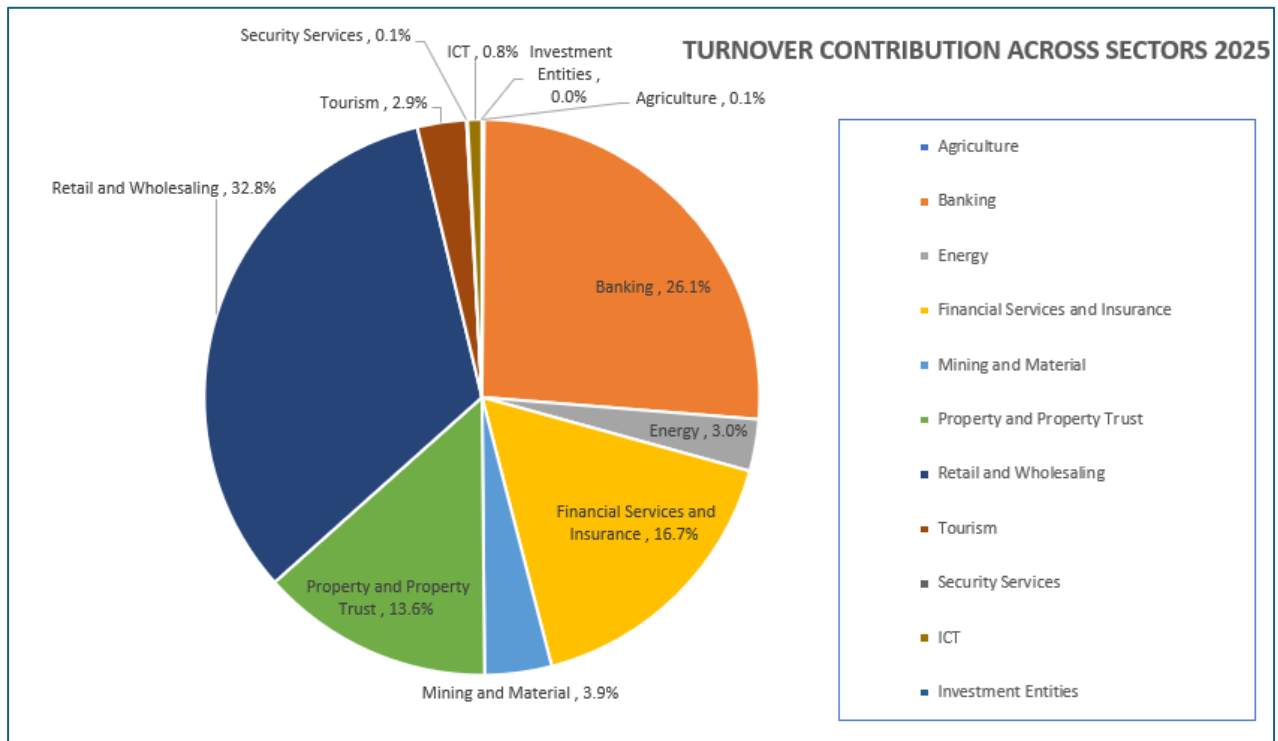
Breaking the P5.9 Billion turnover down into the economic sectors represented on the Exchange, our analysis indicates that 32.8% (or P1.9 Billion) of this amount was traded in the shares in the Retail and Wholesaling sector. This is the sector where you find three of the top five companies that traded the most in 2025, being Sefalana, Sechaba and CA Sales, and also features the company whose share price increased the most in 2025, being Choppies.

In 2025, the Banking sector received the second most investor attention, with trading activity amounting to P1.5 Billion or 26.1% of the total equity turnover. This turnover was dominated by FNBB whose share transactions alone accounted for nearly a billion (P920.8 Million), making it the most actively traded company in 2025. This underscored the Banking sector's central role in anchoring an economy that is experiencing headwinds as we would have seen in 2025. Further details in terms of the rankings of other companies are presented in Figure 5.

This significant inflow of investment is an expression of expectations of a healthy consumer buying power in these companies, that could potentially improve their profitability, with such ultimately reflecting in share price performance. It is important to understand that when investors buy shares in a company, they are expressing a sentiment in the operations and management of a company, just as they sell shares of such a company, which sentiment they expect to see filtering into the performance of the companies' shares in the market.

The contributions to total turnover by sectors is shown in Figure 4.

Figure 4: Sectorial Contribution To Equity Turnover



The ranking of the companies' value of traded shares is shown below.

Figure 5: Companies Ranked by Value of Shares Traded (BWP): 2025

COMPANY	Q1	Q2	Q3	Q4	1 JAN - 31 DEC 2025
FNBB	38,156,309.43	774,781,016.13	99,241,138.87	8,583,570.15	920,762,034.58
SECHABA	35,135,353.88	303,602,552.98	65,646,175.92	391,538,073.28	795,922,156.06
SEFALANA	39,428,895.97	484,491,462.66	67,553,625.00	28,641,206.90	620,115,190.53
CA SALES	20,469,120.00	354,511,449.99	61,846,837.55	7,316,407.80	444,143,815.34
BIHL	27,748,291.06	342,001,440.76	49,962,304.16	9,010,994.84	428,723,030.82
ABSA	22,651,106.07	328,953,193.08	51,279,845.87	2,436,094.46	405,320,239.48
LETSHEGO	17,351,963.10	245,108,337.60	52,858,697.85	26,776,751.05	342,095,749.60
NAP	16,471,072.06	183,027,100.25	25,183,845.00	12,754,969.07	237,436,986.38
INVESTEC	2,453,069.29	206,046,788.01	2,226,040.47	4,286,424.18	215,012,321.95
TURNSTAR	5,509,870.59	148,943,315.72	22,678,668.34	24,049,275.50	201,181,130.15
ENGEN	37,086,966.44	114,834,266.25	24,707,847.00	1,380,369.00	178,009,448.69
RDCP	20,579,412.00	129,648,477.60	11,148,578.40	6,240,074.40	167,616,542.40
CHOBE	6,967,571.59	129,775,605.23	8,941,548.57	19,516,566.50	165,201,291.89
ANGLO	1,720,857.86	137,006,319.85	-	2,069,904.78	140,797,082.49
LETLOLE	6,314,784.75	103,081,552.05	10,101,481.05	718,332.95	120,216,150.80
ACCESS	6,153,113.28	87,563,177.04	12,226,650.24	1,958,349.00	107,901,289.56
STANCHART	5,601,419.74	88,926,443.17	7,819,677.65	4,400,513.15	106,748,053.71

CHOPPIES	829,649.73	49,353,175.80	18,673,068.40	11,687,963.69	80,543,857.62
BTCL	4,258,403.72	34,566,404.34	6,338,864.77	3,677,468.28	48,841,141.11
PRIMETIME	3,029,781.72	33,046,265.91	4,096,641.78	2,758,809.64	42,931,499.05
SHUMBA	9,239.40	33,076,776.60	649,273.50	-	33,735,289.50
FPC	169,470.00	28,807,723.80	3,076,927.20	255,232.80	32,309,353.80
MINERGY	50,293.20	21,999,187.20	1,147,930.80	-	23,197,411.20
LUCARA	106,902.35	19,130,990.55	1,505,381.60	2,221,342.10	22,964,616.60
TLOU	20,056.00	9,086,507.00	39,704.00	-	9,146,267.00
SEED Co	42,679.00	7,649,281.50	58,656.50	54,246.50	7,804,863.50
G4S	273,780.40	2,806,765.00	442,346.00	556,252.97	4,079,144.37
BBS	939,238.53	564,247.21	2,130,508.10	442,310.40	4,076,304.24
CRESTA	789,349.48	1,790,126.08	424,334.72	287,046.63	3,290,856.91
OLYMPIA	-	274,489.02	54,875.61	35,966.93	365,331.56
BOD	12,448.76	282,137.20	138.00	1,155.80	295,879.76
BOTALA	40,298.90	44,694.70	32,899.25	5,926.44	123,819.29
GAIA	-	-	-	-	-
TOTAL	320,370,768.30	4,404,781,270.28	612,094,512.17	573,661,599.19	5,910,908,149.94
TOTAL NUMBER OF COMPANIES					33

The listing of GAIA Renewables 1's Class B Preference Shares in April 2025 was transformative for the BSE, being the only preference shares currently listed on the BSE. This shows the potential universe of products that can be listed under the prevailing regulatory frameworks, which include Investment Funds, Depository Receipts, Asset-Backed Securities, Special Acquisition Companies, among others.

GAIA Renewables is part of the GAIA Climate Fund which utilizes preference shares (Class A and Class B) to raise capital for investing in African renewable energy and infrastructure projects. The BSE-listed Class B Preference Shares allow investors, including institutional investors, pension funds and retail investors, to gain indirect exposure to operational, income-generating infrastructure projects (e.g., wind farms in South Africa and Kenya). These shares are primary listed on the Cape Town Stock Exchange. Preference shares generally entitle holders to fixed, preferential dividends before ordinary shareholders. The fund operates investment model where it buys already built and operational projects to ensure stable, predictable cash flows and focuses on over 13 African countries for diversification.

2.2 INCREASED MONETARY INVESTMENTS BY RETAIL INVESTORS

The investor base on the BSE, that is housed at the share registry at the Central Securities Depository Company of Botswana (CSDB), is segmented across different categories of investors. At the highest level, investors are classified as either

domestic or foreign, reflecting the origin of capital investment. Each of these primary categories are further segmented into institutional and retail investors.

Institutional investors are entities that pool and manage large sums of money on behalf of clients, members and shareholders. On the BSE, they form a key segment of the investor base and include asset managers who are managing pension fund assets, insurance companies, retirement funds for private companies that are offering collective savings schemes. They also include organised saving groups such as Metshelo and Societies.

Retail investors are individual investors who buy and sell securities for their personal accounts and financial goals rather than for an organisation or institution. They are a vital component of the BSE investor base and are classified according to the origin of capital; foreign retail investors include foreign individuals, foreign residents and foreign minors, while domestic retail investors comprise of resident Batswana and Batswana in the diaspora, including minors. This explains the categorisation in Figure 6

During the year, a number of large trades came through as portfolio rebalancing and transition mandates, where a pension fund would re-assign their assets to one manager from another. On this basis, as a percentage of total turnover, domestic institutional investors dominated the trading activity.

While retail investors' share of trading activity was lower compared to the previous year, it was higher in monetary terms. In other words, as the turnover increased, along with the ease of entry and exit, retail investors grabbed more and more of those orders that came into the market, particularly coming from institutional investors. Their monetary investment amounted to P386.8 Million in comparison to P192.3 Million in 2024, signalling an increase. This shows that as levels of trading increase, individual investors are encouraged to invest more, and these levels are in part driven by asset managers availing to the market the shares they are managing on behalf of pension funds.

Figure 6: Investor Trading Activity, represented by Contribution to Turnover

Investor Category	Turnover (Pula)	Equity Turnover Contribution	
		2025	2024
Foreign Institutional Investors	96,087,004.96	1.63%	9.50%
Domestic Institutional Investors	5,382,121,051.70	91.05%	77.20%
Domestic Retail Investors	386,777,370.65	6.54%	11.60%
Foreign Retail Investors	43,831,457.72	0.74%	1.70%
Brokers	2,091,264.93	0.04%	9.50%
Total	5,910,908,149.94	100.00%	100.00%

2.3 MARKET RETURNS THAT BEAT INFLATION

One of the elements that investors watch closely is whether the returns in the market are real returns, meaning that they exceed the level of inflation that is being reported. In December 2025, the annual inflation rate was 3.9% and it averaged 2.7% over the year 2025.

The aggregate returns from the price movement of domestic companies, which is measured by the Domestic Companies Index (DCI) was 9.8% in 2025. This implies that, in overall, domestic companies delivered real-returns with market returns exceeding annual inflation and average inflation by 5.9% and 7.1%.

If the dividend distributions are taken into account, as measured by the Domestic Companies Total Return Index (DCTRI) these figures are even higher by double digits. The importance of measuring market returns against inflation, or the overall change in the cost of goods and services, is to gauge the extent to which investing in shares maintains purchasing power, which is one of the primary goals of investing.

It is noted that even foreign companies delivered positive and inflation-beating returns as the Foreign Company Index (FCI) appreciated by 15.6% in 2025. These details are presented in Figure 7.

Figure 7: Equity Market Returns: 2025

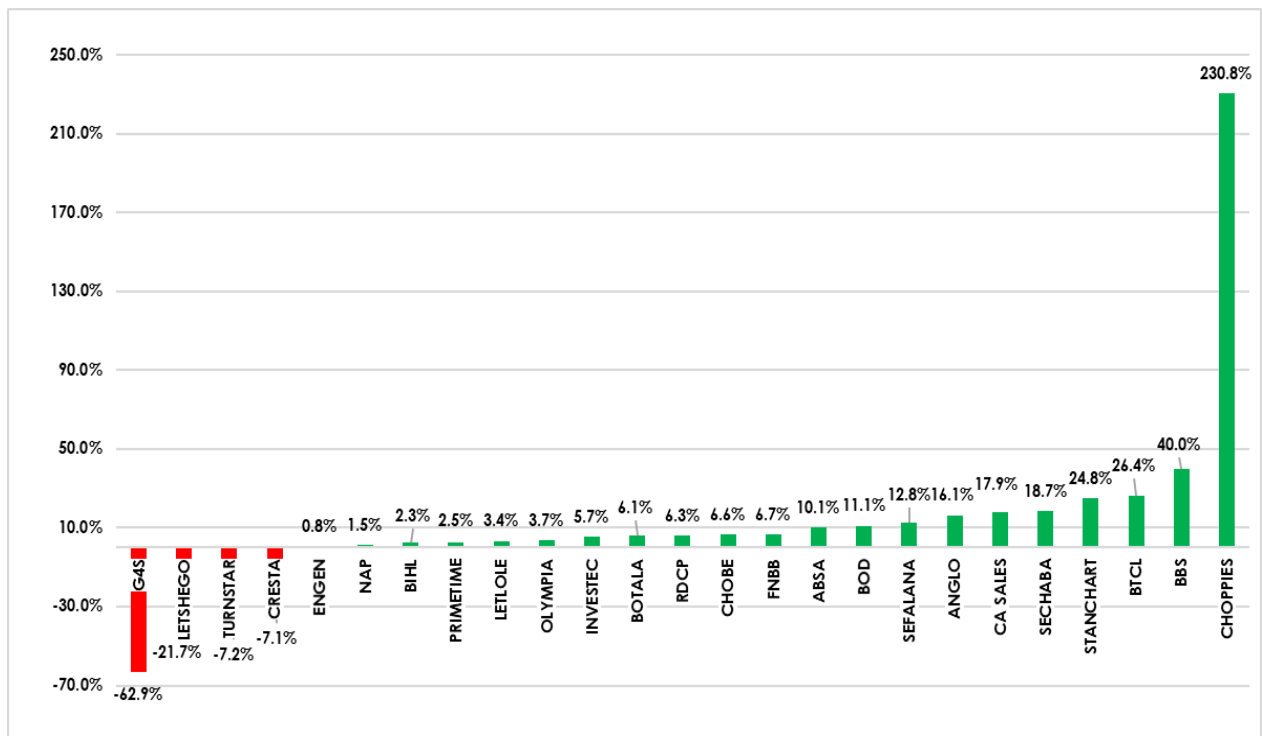
	Q1	Q2	Q3	Q4	FULL YEAR 2025
Index Performance					
DCI	10,078.7	10,402.8	10,610.5	11,030.0	11,030.0
<i>% Change</i>	0.3	3.2	2.0	4.0	9.8
DCTRI	3,412.5	3,622.7	3,719.2	3,914.0	3,914.0
<i>% Change</i>	1.2	6.2	2.7	5.2	16.1
FCI	2,834.3	2,837.1	2,845.5	3,276.1	3,276.1
<i>% Change</i>	0.0	0.1	0.3	15.1	15.6

Figure 8 shows the growth in share price of listed companies as at 31 December 2025. As can be noted, majority of the companies, or 21 companies of the 33 listed, experienced positive share price movements. Share prices reflect the sentiment that investors attach to the value company, and therefore its shares, using both qualitative and quantitative factors. This sentiment is then expressed by either buying or selling the shares, creating forces of supply and demand for the shares which also influence the movement, as well as the quantum of that movement, in the share price.

In this illustration in Figure 8, it is noted that shares of Choppies gained the most in the year, rising by 230.8%, followed by BBS and BTCL with gains of 40.0% and 26.4% respectively.

Conversely, 4 companies experienced share price declines, with shares of G4S shedding 62.9%, and Letshego and Turnstar declining by 21.7% and 7.2% respectively. The other 8 counters showed no change in share price as at the end of 2025.

Figure 8: Share Price Movements: 2025



Note: Companies that did not experience share price movement are excluded from graph

3 | EXCHANGE TRADED FUNDS (ETFs) MARKET

Exchange Traded Funds (ETs) are notably one of the innovative products on the Exchange. By design, ETFs are like shares as investors can purchase them throughout the trading day. Structurally, these are a collection of securities in a fund, which fund has been designed to track a particular benchmark, or to track the price of physical commodities.

The fund or the commodity is then unitised or broken into fractions or units to make them easy to purchase through the Exchange. Gold bullion, for example, has been unitized into 100 units to create the NewGold ETF, meaning that 100 units of the NewGold ETF represent 1 ounce of a Gold bullion, or 1 unit of NewGold ETF represents 1 percent of a Gold Bullion. This gives investors direct exposure to the

price performance of Gold without the challenge of having to have large amounts of money to buy the physical Gold.

For all ETFs on the BSE, there is a market-maker, and currently our licensed brokers perform this responsibility of standing in the middle of a trade to buy from sellers when there are no buyers, and sell to buyers when there are no sellers, such that orders are filled instantly and there no concerns around availability of the units or having to wait for several days for the orders to get filled and executed.

This special dispensation in ETFs is the main reason we are seeing improvement in trading activity in ETFs, coupled with increased awareness through webinars and publications, and the attraction that these are low-cost instruments from a transaction fees perspective.

In the period under review, a total amount of P582.5 Million was invested in ETFs on the BSE, a significant increase of 29.6% from P449.38 Million registered during the corresponding period in 2024.

The comparative performance for 2025 and 2024 is shown in Figure 9.

Figure 9: Performance of ETFs: Year-to-31 December

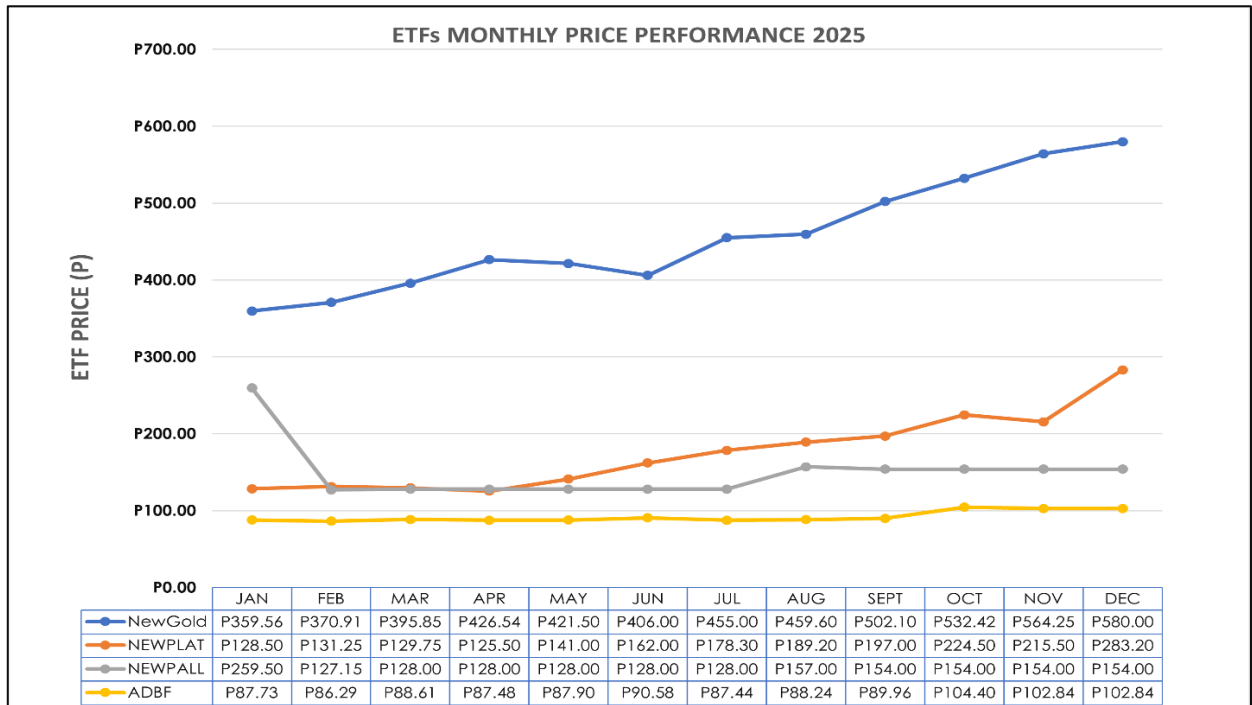
ETF		Turnover (P'Mn)	Units Traded	Price Change (%)
NewGold	2025	372.74	837,804	74.9
NewPlat		184.56	1,103,452	125.2
NewPall		0.23	1,496	(40.7)
ADBF		24.92	238,359	19.6
VGE (listed in Dec)				-
Total		582.46	2,181,111	
NewGold	2024	304.96	981,971	33.5
NewPlat		144.41	1,152,499	4.8
NewPall		-	-	-
ADBF		0.01	98	(9.9)
Total			449.38	2,134,568

One of the advantages of this product is that it brings diversification to investor portfolios as commodities tend to behave differently from shares. If you look at the equity market returns, and the individual ETFs' returns, this feature comes alive.

While equities returned 16.1% overall, NewGold ETF rose by 74.9%, NewPlat ETF by 125.2%, ADBF ETF by 19.6% and the NewPall ETF lost 40.7%. For those that gained substantially such as NewGold and NewPlat ETFs, which follow Gold and Platinum prices respectively, the returns far exceed some of the gains in individual companies. What this implies is that by adding ETFs into their portfolios, investors could augment the overall portfolio returns with the returns generated by other assets that behave differently to equities or bonds.

The monthly price performance of these ETFs is depicted below in Figure 10.

Figure 10: Performance of ETFs: 2025



As part of our Product Innovation Roadmap and Listings Value Proposition, we are constantly seeking ways to broaden our risk-return offerings on the Exchange. Thus, there is a pipeline of new types of ETFs that were being worked on over the year, and had progressed significantly in the pre-listing processes, with conversion by way of listing expected to take place in 2026.

However, in December 2025, an Actively Managed ETF, the first of its kind on the BSE was listed – the Vunani Global Equity Actively Managed ETF. Traditionally, ETFs are passive securities, they follow an index or benchmark and they seek to replicate its performance. New innovations have led to actively managed ETFs, where the objective of the manager of the fund behind the ETF is to outperform a particular benchmark index.

With respect to the Vunani Global Equity Actively Managed ETF, the objective is to outperform the MSCI World Net Total Return Index. The ETF gives exposure to companies in developed and developing economies, companies such as Microsoft, Visa, Unilever, Nvidia, Amazon, and in geographies such as USA, Europe, UK, Japan, among others. Thus, it provides ample sector diversification given the number of sectors and companies that are included in the benchmark, the MSCI World, and subsequently in the fund, although with disproportionate weightings relative to the benchmark in order to pursue outperformance.

As an investor in Botswana, you are now able to get access to companies that are not listed on the BSE, using just a single enter point – this ETF. On the day of its listing, investors could buy this ETF at P8.88 thebe per unit.

4 | BOND MARKET PERFORMANCE

The bond market is another avenue that provides investors with a different risk-return profile. Bonds, being debt instruments, pay interest or coupon periodically and then the principal amount is returned upon maturity. They provide steady cash flows with minimal volatility, but they also carry the risk that the lender can default and honour payments when they are due.

On the Exchange, various types of bonds are listed to raise capital from individuals and institutional investors, and these includes bonds issued by private sector companies, parastatals and Government, and of various structures in relation to the loan period, the amount of interest attached to the loan, the structure of the interest such as fixed interest or floating interest rates.

Compared to equities, bonds are deemed to carry less risk because should a company be liquidated bondholders are usually paid first from any amounts that can be recovered while shareholders are paid last.

One key thing that the BSE is solving for is to promote the inclusion and participation of retail investors in the bond market, particularly in Government Bonds, and there are certain initiatives to be unveiled in 2026 to this effect.

The year 2025 closed with a net total of 117 bonds compared to 120 bonds in 2024, and this takes into account the number of bonds at the beginning of the year, the new bonds that listed, the bonds that matured during the year or were redeemed by the issuers. Over the year, 54 new debt instruments were listed and 57 matured. The majority of the new listings were Commercial Paper, which is an instrument that solves for short-term capital needs, with a maturity of less than 1 year. In this regard, 34 Commercial Papers were listed, followed by 19 Corporates Bonds and 1 new Government Bond.

One the maturities included the Sustainable Bond by Absa Bank that was listed in December 2023. The interest to list Sustainable Bonds, whether Green or Social Bonds, is very high and preparations have been done in terms of revising Programme Memorandum and undertaking investor roadshows, but it is inevitably hampered by the prevailing high interest rate environment which makes issuers to delay the listings until the cost of borrowing becomes optimal.

The bond market is driven fundamentally by the interest rates environment, meaning that when interest rates are relatively high, borrowings slow down as the cost is high, or bonds are restructured or redeemed to cope with the cost of borrowing, and therefore listings slow down. However, investors would benefit more in a high interest rate environment when interest rates are higher.

Figure 11 below presents the indicators of the performance of the bond market in detail.

Figure 11: Analysis of Bond Market Performance

CATEGORY	2022	2023	2024	2025
LIQUIDITY (P'Mn)				
Government Bonds	1,771.4	2,876.4	5,557.7	2,427.7
Corporate Bonds	124.0	87.6	181.0	305.8
Commercial Paper	-	-	-	42.0
Sustainable Bonds	-	-	4.5	7.2
TOTAL	1,895.4	2,964.0	5,743.1	2,782.6
MARKET CAPITALIZATION (P'Bn)				
Government Bonds	20.7	22.8	32.0	35.0
Corporate Bonds	3.9	4.4	5.0	4.1
Commercial Paper	0.1	1.2	0.9	0.9
Sustainable Bonds	-	0.05	0.08	0.0
TOTAL	24.7	28.5	38.2	40.0
NUMBER OF BONDS LISTED				
Government Bonds	7	7	7	7
Corporate Bonds	35	86	97	93
Commercial Paper	2	28	15	17
Sustainable Bonds	-	1	1	0
TOTAL	44	122	120	117

Against this backdrop of reduced number of bonds as at year end, the nominal value of all listed bonds nonetheless closed the year at P40.0 Billion, an increase of 4.7%, mainly driven by a net increase in the value of Government bonds listed.

In September 2025, the BSE working closely with Standard Bank, Ministry of Finance, Bank of Botswana (BoB) and the Botswana Bond Market Association, orchestrated Botswana's first Non-Deal Domestic Government Bonds Roadshow. The Roadshow, which is a series of engagements between investors (asset managers, pension funds, insurance companies, banks) and the borrower, being Government, was solving for the diminishing levels of subscriptions for Government bonds and the dwindling capital raise and cashflow to Government, by trying to align expectations between the lender and the borrower, such as the type of bonds investors find attractive, their duration, their pricing and most importantly promote

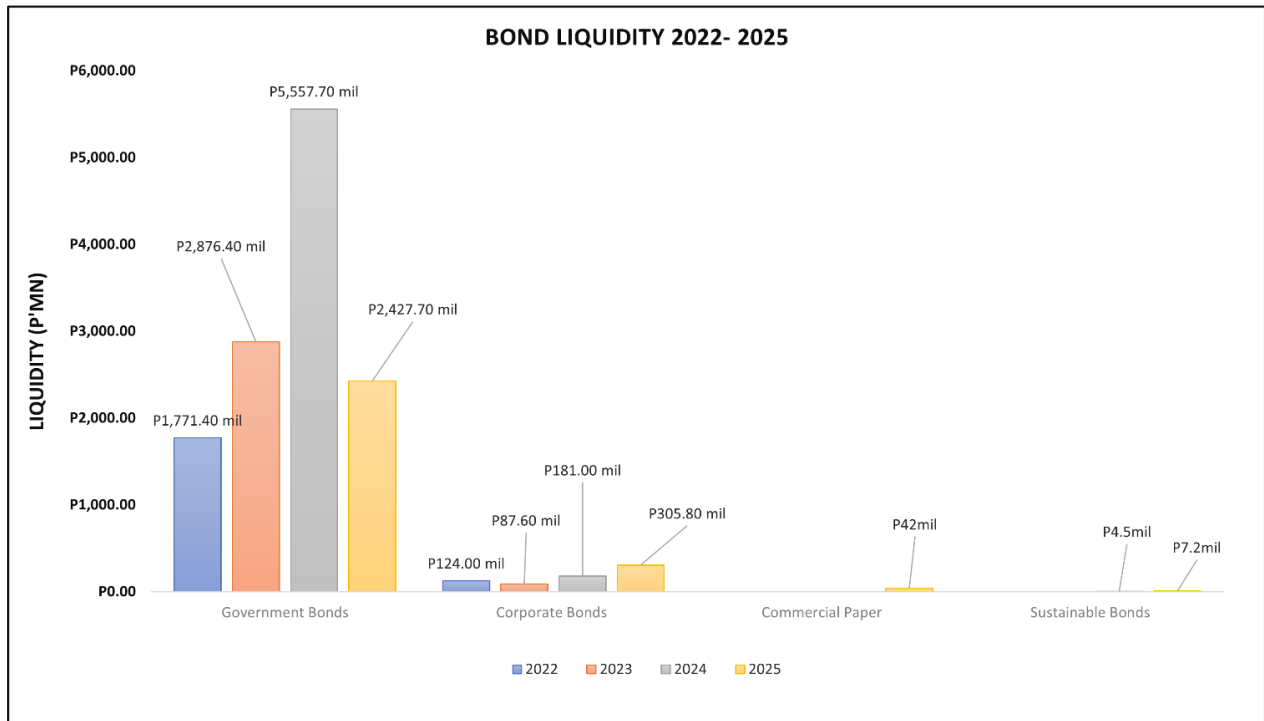
continued engagement between investors, Government and its advisor, BoB, on micro and macroeconomic developments and how they affect the bond market. This was a successful undertaking that resulted in improved subscription levels and capital raise at the Government bonds primary auction following the Roadshow.

Subsequently, a new Government Bond was issued and listed in October 2025, the BOTSGB1150, a 25 years bond maturing in 2050, that debuted with a nominal value of P237.0 Million and pays a coupon of 11.8%, payable semi-annually, which was believed to much aligned to investor expectations. When the bond was offered, Government was looking to raise P200 Million, but the bids came out 1.3 times more that was offered meaning that investors were willing to lend P257Million. Ultimately, Government allotted P237.0 Million of this bond to the investors. This shows the importance of the Roadshow, as it was at the Roadshow that the demand for a longer dated bond was repeatedly sounded out by insurance companies, pension funds and asset managers, who need such long-dated bonds to match their long-dated liabilities.

It is evident that, the liquidity or the level of trading activity in Government Bonds remained significantly low, and much of this was due to the low levels of participation due to lengthy periods of misalignment on expectations between the lender and the borrower, the liquidity constraints in the market where there wasn't readily available cash to be deployed to bonds and the competition from other investment instruments, such as bank deposits, who were offering higher interest rates in the year.

The evolution of liquidity in the bond market is presented in Figure 12 below, illustrating improving inflows into Sustainable Bonds, Commercial Paper and Corporate Bonds as compared to Government Bonds, over the past 4 years.

Figure 12: Evolution of Liquidity in the Bond Market



5 | CONCLUSION

The performance of the BSE during the period under review demonstrates a resilient, adaptive, and progressively maturing capital market that continues to play a critical role in Botswana's economic development. The significant increase in market turnover, record equity trading activity, strong inflation-beating returns, and continued product innovation collectively highlight improving liquidity, deeper market participation, and growing investor confidence. Strategic milestones, including strengthened international collaborations, expansion of sustainable finance initiatives, and the successful introduction of new investment products, further reinforce the Exchange's commitment to diversification and long-term market development.

While global and domestic economic headwinds continue to present challenges, the foundations laid during 2025 position the BSE for sustained growth. The Exchange's focus on technological modernization, internationalization, product innovation, and enhanced stakeholder engagement will remain central to unlocking new capital-raising opportunities and broadening investor participation. As the BSE advances its Transformation Strategy – 10X by 2030 – it is well-positioned to strengthen its role as a catalyst for capital formation, support national economic

transformation objectives, and advance its ambition of becoming a leading capital markets hub in Africa.