

BOTSWANA STOCK EXCHANGE 2021 ANNUAL REPORT

EMERGING STRONGER TOGETHER





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Income

2021 HIGHLIGHTS



BSE awarded **Best Economic Impact Securities Exchange Africa 2021** Award by Capital Finance International



BSE breaks record of highest single trade since inception



BSE hosts second instalment of Tshipidi Mentorship Program



Historic single-day turnover of P1.07 billion on 11 October



Highest single-day trade by any counter of P1.07 billion by BancABC Botswana



BSE breaks record, listing two ETFs in one day, making it three ETFs in one year



Total securities turnover of P4.5 billion in 2021, compared to P3.6 billion in 2020



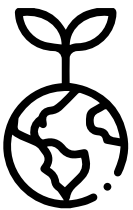
Equity turnover of P1.8 billion in 2021 compared to P698.6 million in 2020



BSE surpasses the target of 100,000 investors by end of 2021; 100,184 investor accounts as at 31 December 2021



MISSION, VISION & VALUE STATEMENTS



MISSION STATEMENT

To drive sustainable economic growth by providing a gateway for raising capital and accessing investment opportunities.



VISION STATEMENT

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

OUR VALUES

INNOVATION

We are committed to continually re-inventing products and services by adopting the best technology and practices.

INTEGRITY

We are professional and accountable for our actions, and uphold the highest ethical conduct in our execution and adhere to the highest standards of corporate governance.

SUSTAINABILITY

We will employ business methods that adhere to the proper use of financial and human resources as well as the environment we operate in.

EFFICIENCY

We endeavour to accomplish more with the available resources and time.


COMMERCIAL FOCUS

We are geared towards revenue maximization for the company and stakeholders.

TEAMWORK

We are collaborative with internal and external stakeholders to ensure excellent returns and delivery.





The BSE is an Affiliate of the World Federation of Exchanges (WFE), a Partner Exchange of UN's Sustainable Stock Exchange (SSE) initiative, a member of the African Securities Exchanges Association (ASEA), a member and Secretariat of the Committee of SADC Stock Exchanges (CoSSE) and a Recognized Stock Exchange under the UK's Her Majesty Revenue and Customs (HMRC)

BOTSWANA STOCK EXCHANGE LIMITED OVERVIEW

The BSE is pivotal to Botswana's financial system, and in particular the capital markets, 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 doing business in Botswana and across the world, including multinational companies.

Our inception

The Botswana Stock Exchange Limited (herein referred to as the "BSE" or the "Exchange") is Botswana's sole stock exchange given the responsibility to operate and regulate the securities market. 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 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 its members (stockbrokers), through ownership of Proprietary Rights, and the Government of Botswana through the provision of subventions. Government and brokers have played critical roles of developing various facets of the capital markets. The BSE's demutualization process commenced on the 1st of December 2015 and was completed with the conversion, on the 2nd of August 2018, from a member owned, not-for-profit, entity to a for-profit public company limited by shares under the Companies Act. The BSE is owned by the Government of the Republic of Botswana, the stock brokerage firms and the members of staff of the BSE.

Our International Affiliations

The BSE is an Affiliate of the World Federation of Exchanges (WFE), a Partner Exchange of UN's Sustainable Stock Exchange (SSE) initiative, a member of the African Securities Exchanges Association (ASEA), a member and Secretariat of the Committee of SADC Stock Exchanges (CoSSE) and a Recognized Stock Exchange under the UK's Her Majesty Revenue and Customs (HMRC). The BSE is also a member of the Association of National Numbering Agencies (ANNA) and is responsible for issuing International Securities Identification Numbers (ISIN) in Botswana. The Central Securities Depository Botswana Limited (CSDB), a subsidiary of the BSE, is a member

of the Africa & Middle East Depositories Association (AMEDA) and World Federation of CSDs (WFC).

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 markets, 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 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 2021, there were 31 listed companies comprising of 23 domestic companies, 7 foreign companies across the various boards and 1 registered company on Serala Over-The-Counter (OTC) Board. Further, there were 43 listed bonds and 6 ETFs at year end.

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 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.







BSE BOARD OF DIRECTORS



Lt. Gen. Tebogo C. Masire
Chairperson



Mr. Basimane Bogopa
Vice Chairperson



Mrs. Itumeleng Mareko
Director



Mr. Norman Moleele
Director



Mr. Ogone Mothooagae
Director



Prof. Onkutlwile Othata
Director



Mr. Kennedy Kgomanyane
Director



Mr. Davis Tele
Director



Mr. Thapelo Tsheole
Chief Executive Officer

CORPORATE GOVERNANCE REPORT

Corporate Governance Statement of Commitment

The BSE Group is dedicated to the implementation of effective structures, policies and practices that enhance corporate governance and create sustainable value for its shareholders and stakeholders.

As a capital markets regulator, the BSE Group strives to achieve and uphold the highest principles of business ethics, corporate governance and reporting. In fulfilling this, the BSE Group developed a corporate governance framework in line with the Companies Act, Botswana Accountancy Oversight Authority (BAOA) Guidelines, NBFIRA Draft Corporate Governance Guidelines and King IV Code of Corporate Governance (King IV). The corporate governance framework will be gradually implemented over a 5-year period as the Group transitions into its 2022-2026 corporate strategy. The BSE is committed to continually reviewing and improving its corporate governance processes by benchmarking against international best practices.

Corporate Governance Overview

The BSE Board serves as the focal point and custodian of corporate governance in the BSE. As a driver of sound business and governance principles, the Board exercises leadership by among other things, steering the BSE and setting its strategic direction. With over three decades of existence, the BSE prides itself in a strong corporate governance culture which has improved immensely since Demutualization in 2018.

In the spirit of good corporate governance and international best practice, the Board consists of a majority of independent non-executive directors and the role of the Chief Executive Officer (CEO) and Chairperson are separate. The CEO sits as an ex-officio Director.

Board of Directors

The Board of Directors this reporting period is constituted as follows:

DIRECTOR	POSITION	DATE OF RE-APPOINTMENT
Lt. Gen. Tebogo C. Masire [^]	Chairperson	27 May 2021
Mr. Basimane Bogopa [^]	Director	27 May 2021
Mrs. Itumeleng Mareko ^{>}	Director	27 May 2021
Mr. Norman Moleele [^]	Director	27 May 2021
Mr. Ogone Mothooagae [^]	Director	27 May 2021
Professor Onkutlwile Othata [^]	Director	27 May 2021
Mrs. Sethunya Makepe- Garebatho [*]	Director	27 May 2021
Mr. Davis Tele [^]	Director	27 May 2021
Mr. Kennedy Kgomanyane ^{**>}	Director	27 May 2021
Mr. Thapelo Tsheole ^{***}	Chief Executive Officer	1 January 2021

^{*}Resigned on the 5 October 2021

^{**}Initial appointment on the 18 May 2021

^{***}Executive Director/Ex-Officio Director



































































[^]Independent Non- Executive

[>]Non-Independent Non-Executive

CORPORATE GOVERNANCE REPORT Continued

Board Meeting Attendance

The Board meets a minimum of four times annually with additional special meetings scheduled to discuss any other urgent issues not discussed during scheduled meetings. For the year 2021, the Board convened seven Board meetings, and three meetings were Special Board Meetings (SBM). Attendance of the Board Meetings was as follows:

DIRECTOR	05 Feb 2021	26 Mar 2021	29 Apr 2021 (SBM)	21 Jun 2021 (SBM)	13 Aug 2021	14 Sep 2021 (SBM)	10 Dec 2021	TOTAL ATTENDANCE
Lt. Gen. T. C. Masire (Chairperson)								6/7
Mr. B. Bogopa (Vice Chairperson)								7/7
Mrs. I. Mareko								6/7
Mr. N. Moleele								6/7
Mr. O. Mothooagae								7/7
Prof. O. Othata								7/7
Mrs. S. Makepe-Garebatho*							-	6/6
Mr. D. Tele								7/7
Mr. K. Kgomanyane**	-	-	-					1/4
Mr. T. Tsheole								7/7

* Resigned on the 5 October 2021

**Initial appointment on the 18th May 2021



Not present at meeting



Present at meeting

Board Committees

Risk and Audit Committee (RAC)

The purpose of the RAC 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.

The members of the RAC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Mr. Davis Tele (Chairperson)	6/6
Mr. Ogone Mothooagae	6/6
Professor Onkutlwile Othata	4/6

CORPORATE GOVERNANCE REPORT Continued

Nominations and Governance Committee (NGC)

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

The members of the NGC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Mrs. Sethunya Makepe- Garebatho (Chairperson)*	3/3
Mr. Basimane Bogopa**	4/4
Mr. Davis Tele	4/4

* Resigned on the 5 October 2021

** Acting Chairperson

Admissions and Disciplinary Committee (ADC)

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

The members of the ADC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Mrs. Itumeleng Mareko (Chairperson)	1/1
Mr. Basimane Bogopa	1/1
Mr. Norman Moleele	1/1

Regulatory Committee (RC)

The purpose of the RC is to set policy and formulate rules with regard to listings and trading matters as well as Securities Brokers and participants.

The members of RC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Mr. Basimane Bogopa (Chairperson)	2/2
Mr. Ogone Mothooagae	2/2
Professor Onkutlwile Othata	2/2

Board Tender Committee (BTC)

The purpose of the BTC is to approve procurement of supplies, works & services and disposal of assets in line with the BSE procurement procedures promulgated by the Board from time to time.

CORPORATE GOVERNANCE REPORT Continued

The members of the BTC and meeting attendance for 2021 are as follows;

MEMBER	MEETING ATTENDANCE
Professor Onkutlwile Othata (Chairperson)	1/1
Mr. Kennedy Kgomanyane	1/1
Mrs. Itumeleng Mareko	1/1

Investor Compensation Fund (ICF) Board of Trustees

The Investor Compensation Fund Board of Trustees is a governing body established to provide regulatory oversight over the Investor Compensation Fund. The Fund, formally known as the Security Fund under the repealed Botswana Stock Exchange Act, is a Fund established to compensate securities investors who suffer loss as a result of the Securities Broker or Dealers' failure to meet their contractual obligations. The Board of Trustees comprises three Trustees, Two Non-Independent Trustees and One Trustee Independent from BSE Board of Directors. The Trustees meet on an annual basis.

The members of ICF Board of Trustees and meeting attendance for 2021 are as follows;

MEMBER	MEETING ATTENDANCE
Ms. Thato Lesejane (Chairperson)*	0/1
Mr. Ogone Mothooagae	1/1
Mr. Norman Moleele	1/1

*Trustee was undergoing vetting when the annual meeting convened

Attendance of Board Committee Meetings

DIRECTOR	RAC	NGC	ADC	BTC	RC	ICF
Lt. Gen. T. C. Masire (Chairperson)*	-	-	-	-	-	-
Mr. B. Bogopa	-	4	1	-	2	-
Mrs. I. Mareko	-	-	1	1	-	-
Mr. N. Moleele	-	-	1	-	-	1
Mr. O. Mothooagae	6	-	-	-	2	1
Prof. O. Othata	4	-	-	1	2	-
Mrs. S. Makepe- Garebatho **	-	3	-	-	-	-
Mr. D. Tele	6	4	-	-	-	-
Mr. K. Kgomanyane	-	-	-	1	-	-
Mr. T. Tsheole	6	4	1	1	2	1

*The Chairperson does not sit on any Board Committee

**Resigned on the 5 October 2021

Board and Committee Sitting Allowance

The BSE pays a sitting allowance of BWP4,500.00 for any member chairing a meeting and BWP3,800.00 for any member attending a meeting.



CSDB LIMITED BOARD OF DIRECTORS



Mr. Basimane Bogopa
Chairperson



Ms. Pascaline Sefawe
Vice Chairperson



Mr. Vincent Baituti
Director



Ms. Kelebogile Kewagamang
Director



Mr. Lame Gare
Director



Mr. Davis Tele
Director



Mr. Thapelo Tsheole
Chief Executive Officer



Mr. Kennedy Kgomanyane
Director



CSDB CORPORATE GOVERNANCE REPORT

Corporate Governance Overview

The Central Securities Depository Company of Botswana Limited (CSDB) was established as a BSE 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.

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. The Chairperson of the Board, the Vice Chairperson, the Chief Executive Officer, and the other non-executive directors are elected by the Shareholders of the CSDB.

Board of Directors

The current Board of Directors is constituted as follows:

DIRECTOR	POSITION	DATE OF RE-APPOINTMENT
Mr. Basimane Bogopa#^	Chairperson	23 June 2021
Ms. Pascaline Sefawe^	Director	23 June 2021
Mr. Lame Gare^	Director	23 June 2021
Ms. Kelebogile Kewagamang^	Director	23 June 2021
Mr. Vincent Baituti^	Director	23 June 2021
Mr. Davis Tele#^	Director	23 June 2021
Mr. Kennedy Kgomanyane*#>	Director	23 June 2021
Mr. Thapelo Tsheole**#	Chief Executive Officer	1 January 2021

* Initial appointment on the 18 May 2021

**CEO/Ex-Officio Director





















#Cross Membership

^Independent Non- Executive





















>Non-Independent Non-Executive

Board Meetings

The Board meets a minimum of four times annually with additional special meetings scheduled to discuss any other urgent issues not discussed during scheduled meetings. For the year 2021, the Board convened five Board meetings, one of which being a Special Board Meeting (SBM). Attendance of the Board Meetings were as follows:

DIRECTOR	04 Feb 2021	25 Mar 2021	28 Apr 2021 (SBM)	12 Aug 2021	09 Sep 2021 (SBM)	TOTAL ATTENDANCE
Mr. B. Bogopa						5/5
Ms. P. Sefawe						5/5
Mr. L. Gare						5/5
Ms. K. Kewagamang						5/5

CORPORATE GOVERNANCE REPORT Continued

Mr. V. Baituti						5/5
Mr. D. Tele						5/5
Mr. K. Kgomanyane*						1/5
Mr. T. Tsheole						5/5

*Initial appointment on the 19 May 2021

Not present at meeting



Present at meeting



Board Committees

Risk and Audit Committee (RAC)

The purpose of the RAC 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.

The members of the RAC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Mr. Davis Tele (Chairperson)	4/4
Mrs. Pascaline Sefawe	3/4
Mr. Lame Gare	3/4

Nominations and Governance Committee (NGC)

The NGC is responsible for all matters relating to corporate governance and practices of CSDB, nominations of members to be appointed to the Board of Directors as well as reviewing and recommending the CSDB's corporate governance guidelines.

The members of the NGC and meeting attendance for 2021 is shown below:

MEMBER	MEETING ATTENDANCE
Ms. Kelebogile Kewagamang (Chairperson)	1/1
Mr. Davis Tele	1/1
Mr. Vincent Baituti	1/1

Admissions and Disciplinary Committee

The purpose of the ADC is to provide oversight on matters relating to complaints made against any depository participant.

In the year 2021 the Members of the Admissions and Disciplinary Committee did not convene for any meeting.

CORPORATE GOVERNANCE REPORT Continued

Board Tender Committee

The purpose of the BTC is to approve procurement of supplies, works & services in line with the CSDB procurement procedures promulgated by the Board from time to time.

In the year 2021 the Members of the Board Tender Committee did not convene for any meeting.

Attendance at Board Committee Meetings

MEMBERS	RAC	NGC	ADC	BTC
Mr. B. Bogopa	-	-	-	-
Ms. P. Sefawe	3	2	-	-
Mr. L. Gare	3	-	-	-
Ms. K. Kewagamang	-	2	-	-
Mr. V. Baituti	-	-	-	-
Mr. K. Kgomanyane	-	-	-	-
Mr. T. Tsheole	4	2	-	-

Board and Committee Sitting Allowance

The CSDB pays a sitting allowance of BWP 4, 000.00 for any Member chairing a meeting and P3, 000 for any member that attends a meeting.

OUR MANAGEMENT TEAM



Thapelo Tsheole
Chief Executive Officer

Mr. Tsheole was appointed CEO of the BSE in January 2016. Prior to that, he was the Deputy CEO since February 2014. Mr. Tsheole joined the BSE February 2007 as Product Development Manager. He holds a Bachelor of Social Sciences (Single Major Economics) from University of Botswana and a Master of Commerce in Financial Markets from Rhodes University (RSA). Further, he holds a Master of Business Administration (MBA) from the Graduate School of Business, University of Cape Town (RSA). Mr. Tsheole has also completed several financial markets programmes which include Registered Person Examination (RPE) conducted by South African Institute of Financial Markets (SAIFM) and SAFEX, and the Enforcement and Market Oversight programme by the United States Securities and Exchange Commission (SEC), inter alia. He has also attended a Leadership Development Programme at the University of Stellenbosch Business School (RSA). Mr. Tsheole is the Chairman of the Committee of SADC Stock Exchanges (cosse) and the Vice-President of African Securities Exchanges Association (ASEA). Locally, he has chaired and sat on several Boards.



Thapelo Moribame
Head of Market Development

Ms. Moribame joined the BSE in August 2016 from Air Botswana where she was the Marketing Manager from November 2012 to July 2016. Prior to joining Air Botswana, she worked at the Local Enterprise Authority (LEA) as Market Access Specialist from January 2011 to October 2012. Her career began at the Ministry of Investments, Trade and Industry as Assistant Trade Officer on the Multilateral Trade Section between October 2006 and December 2010. Ms. Moribame holds a Master of Commerce in Economics and an Honours Degree in Economics, both from the Stellenbosch University in South Africa. She also has a Bachelor of Arts in Social Sciences Degree (Economics and Public Administration) from the University of Botswana. She has studied International Trade and the Multilateral Trading System at the United Nations University in Tokyo, Japan. She has completed a Management Development Programme at the University of Stellenbosch Business School (RSA).



Kopano Mogorosi
Head of Information Technology

Mr. Mogorosi joined the BSE in January 2008 as a System and Network Administrator. In June 2009, he was redeployed to the role of Database Administrator, a position that he held until October 2011, when he was appointed to the role of Acting IT Manager. He assumed the role of IT Manager in May 2012. Prior to joining the BSE, Mr. Mogorosi worked for Rural Industries Promotions Company Botswana (RIPCO) as Systems Administrator. He has also worked for DCDM Consulting as an Analyst/Programmer. Mr. Mogorosi holds a bsc in Computer Engineering from the University of Miami, FL (USA). He has completed a Management Development Programme (MDP) at University of Stellenbosch Business School (RSA).





Masego Pheto-Lentswe
Head of Clearing and Settlement

Mrs. Pheto-Lentswe joined the BSE in December 2007 as Central Securities Depository Company of Botswana (CSDB) Manager. Prior to joining the BSE, she was Market Risk Manager at Stanbic Bank, Botswana. Before then, she worked for Bank of Botswana on different units of the Financial Market Department as a Dealer, Settlement Officer and Portfolio Analyst. She graduated with a BA in Economics from the University of Botswana and holds a MA in Economics from University of Stellenbosch (RSA). Mrs. Pheto-Lentswe holds a Diploma in Chartered Institute of Management Accountants (CIMA). She has completed an Executive Development Program (EDP) at University of Stellenbosch Business School (RSA).



Tsametse Mmolai
Head of Listings and Trading

Mr. Mmolai started his career at Botswana Insurance Fund Management (BIFM) Limited as an Investment Accountant and joined the BSE in 2008. Mr. Mmolai graduated with a BCom (Finance) from Macquarie University in Sydney, Australia and is an Accredited Member of the Compliance Institute of Southern Africa. He has also attended Compliance and Financial Regulation courses at the U.S. Securities and Exchange Commission, the International Centre for Parliamentary Studies in London, England, as well as the University of Cape Town. Tsametse holds a Graduate Certificate in Capital Markets from the George Washington University (USA) attained under the IFC-Milken Institute Capital Markets Program. He also completed the Management Development Programme (MDP) and the Executive Development Programme (EDP) with the University of Stellenbosch Business School (RSA) in 2016 and 2018 respectively.



Mpho Mogasha
Head of Finance and Administration

Mrs. Mogasha joined the BSE in 2006 as Operations Officer – Finance & Admin, a position she held until July 2013, when she was appointed to the role of Acting Finance & Admin Manager. She assumed the role of Finance & Administration Manager in February 2014. Prior to joining the BSE, she worked for Motswedi Securities as Accountant. Before then, she worked for Grunwald Construction as Assistant Accountant. Mrs. Mogasha graduated with a BA in Accounting from the University of Botswana. She is ACCA qualified and a member of the Botswana Institute of Chartered Accountants (BICA). She has completed both the Management Development Programme (MDP) and Executive Development Programme (EDP) at University of Stellenbosch Business School (RSA). Mrs. Mogasha also holds a Post Graduate Certificate in Enterprise Risk Management from the Botswana Accountancy College.



OUR MANAGEMENT TEAM Continued



Kopano Bolokwe
Head of Product Development

Mr. Bolokwe joined the BSE in May 2011 as Product Development Operations Officer and was appointed to the current position in August 2016. Prior to joining the BSE, Mr. Bolokwe worked for STANLIB as an Investment Analyst and for Imara Capital Securities as a Private Clients Broker. He holds a Degree in Finance and a Master's in Business Administration (MBA), both from University of Botswana (UB). Further, he is CAIA qualified a member of the Chartered Alternative Investment Analyst Association and has completed Chartered Financial Analyst (CFA) Level II exams. Mr. Bolokwe is also a Registered Person (RPE) under the South African Institute of Financial Markets (SAIFM). Kopano holds a Graduate Certificate in Capital Markets from the George Washington University (USA) attained under the IFC-Milken Institute Capital Markets Program. He has completed a Management Development Programme (MDP) and an Executive Development Programme (EDP) at the University of Stellenbosch Business School (RSA).

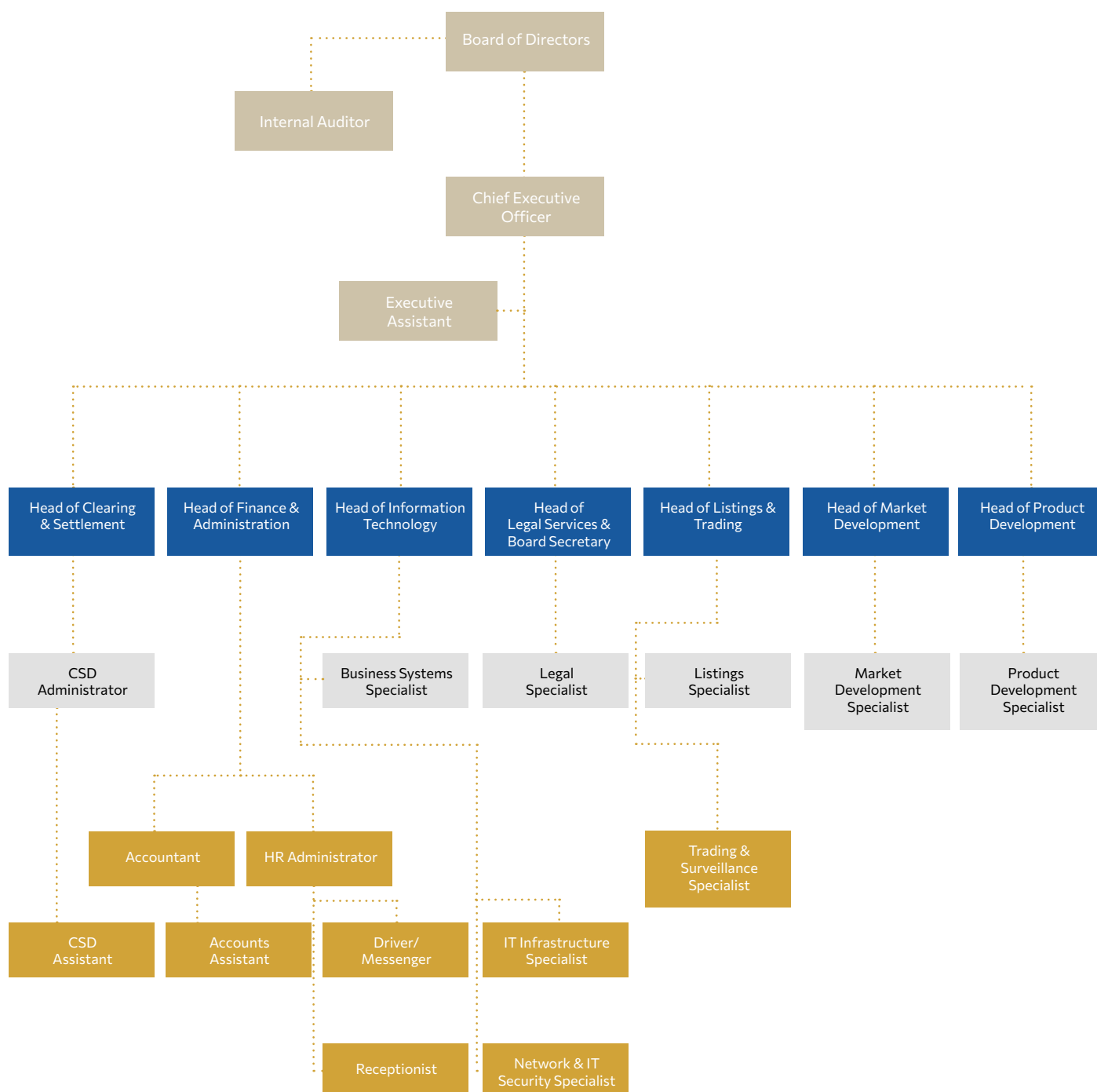


Gorata Tlhale Dibotelo
Head of Legal Services and Board Secretary

Ms. Dibotelo was appointed Head of Legal Services and Board Secretary in October 2019, having joined the BSE in August 2016 as a Legal & Corporate Affairs Officer. Prior to that she was an Associate Attorney at Armstrongs Attorneys from 2011. Through her experience, Ms. Dibotelo has amassed knowledge and experience in the commercial and regulatory area of law in our jurisdiction. Ms. Dibotelo graduated with a Bachelor of Laws Degree from the University of Botswana in 2011. She also completed a Master's Degree from the University of Cape Town in 2013.

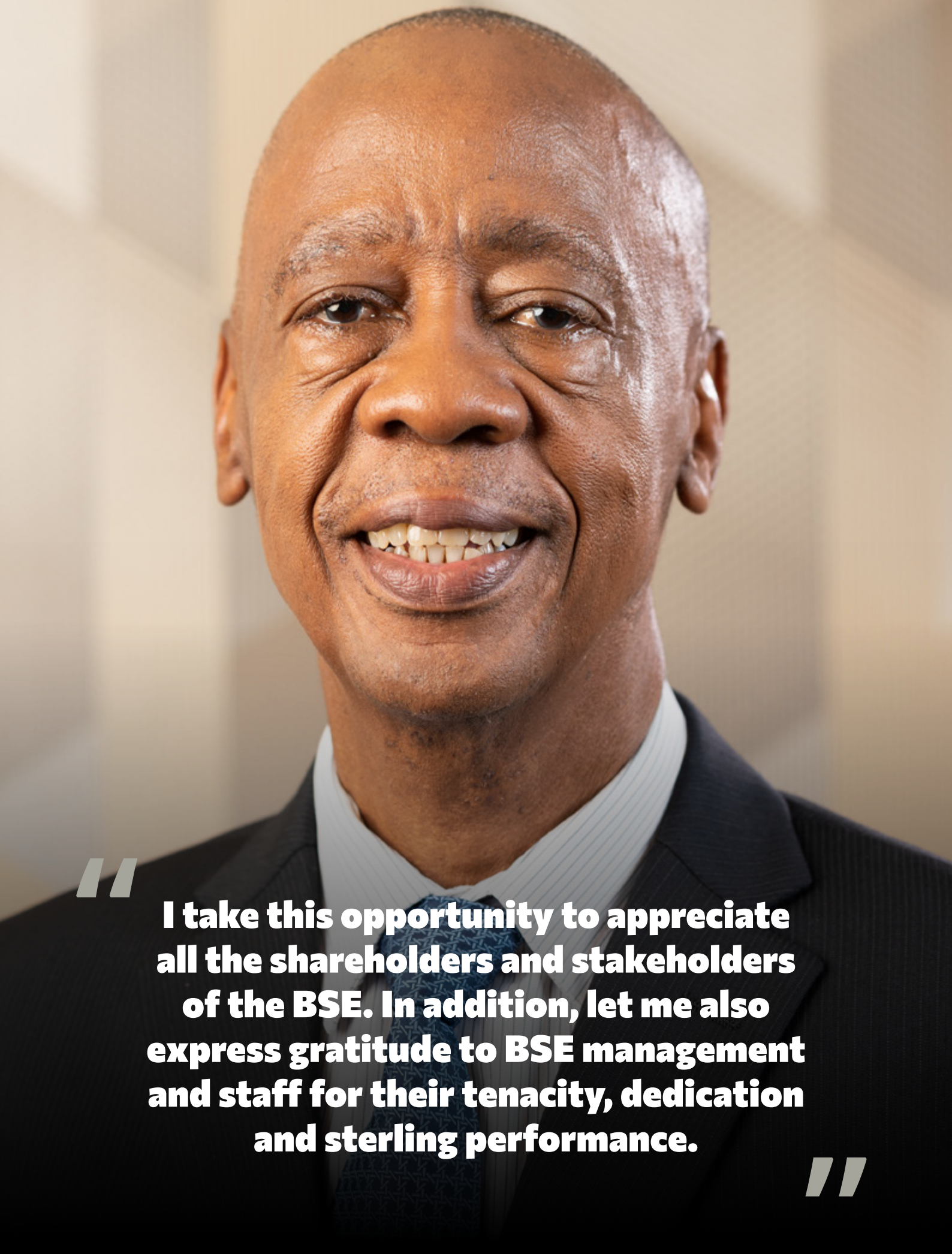


ORGANISATIONAL STRUCTURE









I take this opportunity to appreciate all the shareholders and stakeholders of the BSE. In addition, let me also express gratitude to BSE management and staff for their tenacity, dedication and sterling performance.

CHAIRPERSON'S STATEMENT

In formulating this new strategy, we have ensured that it contributes to economic transformation and addresses the priorities of the Reset Agenda.

Dear Valued Stakeholder,

It was indicated in the reports from the International Monetary Fund (IMF) early in the year that global recovery is expected, but this would vary significantly across countries. Considerably, we were emerging from a period of severe slump in economic activity in 2020 that was attributable to the outbreak of the COVID-19 pandemic. A turnaround would be imminent as developed countries were gaining traction in gaining vaccines but the risks of new variants continued to linger, creating uncertainty around the projected outlook.

Fast forward to October 2021, IMF reassured of the continuing recovery, despite the resurgences of the pandemic. It emerged during the year that the recovery would be powered by access to vaccines and policy support. Access to vaccines posed significant risks to the containment of the pandemic in developing countries, but this was offset by some strong prospects among some commodity-exporting emerging market and developing countries, such as Botswana.

Notably, for Botswana, the Government prioritised the containment of COVID-19, through funding and a myriad of policy responses. Propelled by the rebound in the diamond sector, the domestic economy is anticipated to emerge stronger than it was in 2020 with growth of 9.7% compared to the decline of 8.5% in 2020. Largely, this would be a reflection of the broad-based resurgence in local business activity following the re-opening of the economy, but most importantly a reflection of our compliance to vaccination rollout and to COVID-19 protocols. Our indirect collective impact as compliant citizens has, to some extent, helped with the return of the bulls to the stock market. Summarily, if we reflect about 2021, it is befitting to theme this annual report **"Emerging Stronger Together"**.

While we note that the BSE finished the year on the green in terms of market returns, we are similarly impressed with overall performance of the company (BSE) including the financial performance. An era of crisis has once again re-affirmed the potency of a stock exchange in capital formation and capital allocation, and generally in being the gateway for sustainable capital.

In the year, it was heart-warming to witness the dedication and competency that was afforded us the regulator, in particular. This has been a remarkable year in terms of turning around all our regulatory submissions. From a Board perspective, as the BSE Group we have adopted King IV as our corporate governance framework. We deem it very important that we walk the talk both as a company and as a regulatory institution. Our latest statistics indicate that 52% of the listed companies have adopted King IV, while 48% are still reporting on King III. To our delight, most of these entities produce integrated reports. On an ongoing basis, we capacitate and assist listed entities

towards full progression to King IV so that we all comply with the highest standards of governance.

Our 5-year strategic plan which we commenced in 2017 came to an end in 2021 and the performance review of the past years was impressive. Needless to say, this achievement did not come about without challenges, systemic and idiosyncratic, some of which could not be predicted in advance. Gladly, we manoeuvred and delivered, including the last two years of the strategic plan which were largely characterised by the ramifications of the pandemic.

From our past experiences, we have taken forward a lot of lessons to guide the delivery of the newly formulated 2022-2026 strategic plan. In formulating this new strategy, we have ensured that it contributes to economic transformation and addresses the priorities of the Reset Agenda. We also anticipate that the strategy will benefit immensely from, and equally support, the Government commitment to implementing projects under the National Development Plan 11 (NDP 11) using innovative ways such as Public Private Partnerships (ppps), and sourcing domestic borrowings as well as from some of the Government's reforms such as rationalisation and restructuring of State Owned Enterprises (soes) as outlined in the 2022 Budget Speech.

Needless to say, the support from our shareholders and stakeholders has propelled us to where we are now. In these difficult times we have lifted one another the most and are emerging out of what looks like a post-pandemic era a lot stronger. Thus, I take this opportunity to appreciate all the shareholders and stakeholders of the BSE. In addition, let me also express gratitude to BSE management and staff for their tenacity, dedication and sterling performance. Often times, our national leaders decry the lack of implementation of the good strategies and policies we have as one of the elephants in the room in so far as development is concerned. I speak with confidence and say **"you make things happen"** and I challenge you to continue to raise the bar as we aspire to be a world class securities exchange.

On behalf of the Board, let me welcome Mr. Kennedy Kgomanyane who joined the Board in May 2021 and Ms. Thato Lesejane who has been nominated to the Board of Trustees of the Investor Compensation Fund. Mrs. Sethunya Makepe-Garebatho resigned from the Board in October 2021, and I take this opportunity to thank her for her selfless service and wish her well in her current and future endeavours.

Thank you.



Lieutenant General Tebogo Carter Masire
Chairperson of the Board of Directors



“ For the next 5 years, we intend to focus on four main strategic intents; increase profitability, grow listed securities, increase market liquidity and create an enabling environment. ”

CHIEF EXECUTIVE OFFICER'S REVIEW

We have completed our 2017-2021 strategy period, whose strategic plan was transformational in many facets, such as financial performance, technology infrastructure, regulatory environment, governance, and human capital, to mention but a few.

“Emerging Stronger Together”

The foundation and principles we laid in 2020 played an important role in guiding us throughout 2021. Much of our resilience to this point is anchored on the strength of our business continuity plans, the market infrastructure and the culture within the organisation. We have traversed a period of uncertainty, all in one piece and no words other than “emerging stronger together” can better describe this. Over and above psycho-social strength, we have become stronger in other areas; the health of the business, the relations with our stakeholders and the quality of service to our clients.

The vaccine-powered global economic recovery has been instrumental in bringing the confidence back to the financial markets. Thus, the growth trajectory that we observed at the end of 2020 was sustained in 2021. Data from the World Federation of Exchanges (WFE) painted a picture of recovery in global securities markets. The WFE First Half 2021 Market Highlights indicated that in comparison to the first half of 2020, the value of shares traded and the volumes of shares traded increased 16.9% and 18.8% respectively; global domestic market capitalisation was up 34.3% and capital raised through ipos recorded an increase of 426.9%. The first half of 2021 also compared favorably in relation to the second half of 2020.

We have witnessed a similar trajectory on the BSE where the value of shares traded and the volumes of shares traded increased by 160.0% and 131.7% respectively in 2021. Similarly, capital raising continued to improve in 2021 both on the equity and debt market. While there were no ipos, listed companies leveraged corporate actions to raise additional capital on the Exchange, registering a four-fold increase in capital raising in 2021. Notwithstanding the lack of ipos, there are tangible prospects that could materialize in the short term, mainly owing to the vigorous drive through our listings value proposition.

We have completed our 2017-2021 strategy period, whose strategic plan was transformational in many facets, such as financial performance, technology infrastructure, regulatory environment, governance, and human capital, to mention but a few. Midway through 2021 we commenced the formulation of the new strategic plan for 2022-2026, and in this process we engaged an external consultant to undertake an extensive review of the performance of the our 2017-2021 strategy. It was pleasing, albeit not surprising, that an independent assessor reached an overall performance score of 91% on the overall strategy. On a yearly basis and bi-annually, we report our performance to the Board thus our progression regarding the delivery of the strategy has been under diligent watch, guidance and appraisal.

I highlighted 5 years back that our strategy required a drastic change in mindset and culture, and on that note it is only fair that I recognize the positive relentless contribution from our

stakeholder and from the ecosystem at large. Clearly, as the Board, staff and stakeholders in the industry, we have evolved over the past 5 years and this was fundamental in ensuring we perform to the highest standards.

One of the emphasis of the ended strategy was leveraging the demutualization of the BSE to transform into a world class securities exchange. Several milestones have been achieved in this regard as we have reported in the previous annual reports. In the new strategy, this emphasis continues as we look to complete the process of demutualization by undertaking self-listing on the BSE. We expect this to elevate the BSE into an elite group of stock exchanges operating with the highest international standards, especially when coupled with the prospects of graduating from affiliate to full member of the WFE.

For the next 5 years, we intend to focus on four main strategic intents; increase profitability, grow listed securities, increase market liquidity and create an enabling environment. These elements include in them a balance of being a public good as a stock exchange whilst also pursuing commercial value creation for shareholders, an in-depth focus on digitization and digital value services, lobbying for reforms and supportive policies, world class corporate governance, creative platforms for engagements with investors and for streamlining access to capital as well as world class regulatory environment that promotes integrity, investors protection and is equally attractive to issuers. In implementing the new strategy, we will leverage the experiences of the past years, especially the recent 2 years of the pandemic; 2020 and 2021.

It is evident that the BSE as a business has prospered over the past year. As already acknowledged, this is in part as a result of the concerted effort and a function of the many elements in the industry and for that I am thankful for the continued support afforded the BSE. Even though this era is not yet over, I am confident that we are “emerging stronger together” as we devise innovative processes of doing business and I trust that we look to the future with enthusiasm and immense will-power to raise the bar even higher.

1.1 Global and Domestic Economic Highlights

The global economy is estimated to have grown by 5.9% in 2021, compared to a 3.1% decline in 2020, according to the IMF's World Economic Outlook (WEO) published in January 2022. Advanced economies' growth is estimated at 5.0% relative to a 4.5% slowdown in 2020. The report further estimates that emerging markets and developing economies grew by 6.5% compared to a 2.1% decline in 2020. On a similar note, economic output in Sub-Saharan Africa expanded by 4.0% in 2021 in comparison to a contraction of 1.7% in the prior year.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Soaring levels of inflation persisted in 2021 and the IMF expects pro-longed elevated levels than previously envisioned in the October 2021 WEO due to the ongoing supply chain disruptions and energy price volatility. However, IMF projects that economic output will expand at 4.4% (global), 3.9% (advanced economies), 4.8% (emerging market and developing economies) and 3.7% (Sub-Saharan Africa) in 2022. Risks to these growth projections include the enormous disparities in vaccines access as well as the emergence of more transmissible and deadly variants of COVID-19, which have proven to inspire re-imposition of mobility restrictions and episodes of volatility in global financial markets.

In the continent, Botswana is anticipated to be one of the leading African economies in terms of economic output in 2021, with growth rate of more than 9.0%, according to reports from Reuters. The real gross domestic product (GDP) for the first quarter of 2021 grew by 0.7%, compared to a contraction of 4.6 during the corresponding 2020 period. The GDP for the second and third quarters of 2021 followed a similar trajectory registering growth rates of 36.0% and 8.4%, compared to a deep contraction of 26.0% and 4.5% in the same periods in 2020, respectively. The improved performance of the economy reflected continued efforts to reopen businesses and relaxation of COVID-19 regulations, amidst the rollout of vaccination, according to Statistics Botswana. The Ministry of Finance and Economic Development (MFED) projects Botswana's economy to grow by 9.7% in 2021, from a contraction of 8.5% in 2020, driven mainly by a healthy rebound in diamonds sales.

In 2021, global equities performance was phenomenal, fueled by the vaccine-powered global economic recovery over the year. The MSCI World Growth Index went up by 21.4% in USD terms. African stock markets followed suit with the FTSE ASEA Pan Africa Index ex. South Africa rising 20.9% also in USD terms. The effects of the global recovery became observable on the domestic equity market, with the stronger pace of growth in BSE indices. The Domestic Company Total Return Index (DCTRI) appreciated by 11.1% while the Domestic Company Index (DCI) grew by 1.9%. In USD terms, the DCTRI appreciated by 2.1% while the DCI depreciated by 6.4%, mainly as a result of the depreciation of the Pula against the USD by 8.1% in the period under review.

In terms of market activity, the BSE closed the year in a better position than 2020; the number of listed instruments increased to 80 from 79 in 2020; total turnover went up to P4.5 Bn from P3.6 Bn in 2020; total average daily turnover across all instruments went up by 26.6%, from P14.3 Mn to P18.1 Mn. In particular, the domestic equity market experienced remarkable recovery with the average daily turnover rising almost three-fold from P2.8 Mn a day to P7.3 Mn a day. This was mainly attributable to the record single day turnover of P1.1Bn on account of the acquisition of bancabc Botswana Limited by Access Bank Limited.

The year 2021 can be credited with a lot of positives, even amid the challenges posed by COVID-19. Luckily, we have never had to close the market at any point in time since the pandemic began. Thus, we did not experience any disruption in market

operations and we did not encounter any adverse issues of compliance on account of this pandemic. We managed to set new records two of which are the highest single day turnover and the two etfs being listed in one day as well as a total of three etfs being listed in any given year. These are new milestones in the history of the BSE and we intend to build on these to improve the status of the market. During the year, we formulated a new 5-year strategic plan that seeks to make the BSE a world class securities exchange, particularly in the frontier markets space.

In 2022, we anticipate to materially reap the benefits of the investment in technology. We intend to launch the new CSD system, new ATS and a stock market simulator in 2022, and these will transform the landscape in major ways especially in terms of investor activity and participation across various products, the reach of the market and overall education levels about the stock market. While we still operate in an uncertain environment of COVID-19 and new economic risks that could disrupt recovery, we anticipate an increasingly enabling environment that would be supportive of our new 2022 – 2026 strategy.

2.0 EQUITY MARKET PERFORMANCE

2.1 Analysis of Equity Indices

The performance of local equities reflects, to a larger extent, the trajectory of the local economy's growth projections. The State of Emergency (SOE) ended in September 2021 resulting in the re-opening of the economy, and following careful measures to curb the spread of the virus and to adequately roll out vaccinations. The re-opening of the economy filtered into an improved business environment which was reflected in the positive sentiments in the Bank of Botswana's Business Expectations Survey (September 2021), the improved business environment for listed entities in general and the subsequent pickup in investor activity on the Exchange.

From a return perspective, the DCTRI appreciated by 11.1% while the DCI gained 1.9%. This compared to a decline of 3.6% in the DCTRI and 8.2% in the DCI in 2020, an indication that the stock market recovered from its lows of 2020 that were influenced by the pandemic. Evidently, majority of the companies sustained dividend payouts and this supported the bullish sentiments in share prices that we observed in 2021, particularly from April 2021. It is pleasing to note that the recovery was also reflected in foreign companies as the Foreign Company Index (FCI) registered a marginal 0.2% growth in 2021 compared to a 1.0% decline in 2020.

The Domestic Financial Sector Index (DFSI), comprising of financial services companies and the banking sector, and also a total return index appreciated by 21.7% in comparison to a 4.0% depreciation in 2020. Similarly, the Foreign Resources Sector Index (FRSI), which tracks the performance of the mining and minerals companies the foreign equity board registered a significant rise of 15.0% in comparison to 4.5% during the corresponding period in 2020. The FRSI continues to greatly benefit from constituents' consistent dividend payouts at a time that other constituents are in various stages of intensive cash deployment projects.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

The last of the six BSE equity indices – the LASI (Local Asset Sector Index), grew at a rate of 14.0% in comparison to a contraction of 0.2% registered in 2020. The LASI comprises of all domestic and foreign companies awarded the local asset status by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

Information presented in Figure 1 shows the performance of all equity market indices which collectively painted a picture of positive business sentiment that developed into recovery of the stock market in 2021.

Figure 1: Analysis of Equity Indices

Indices of Domestic Companies		
Index	2020	2021
Domestic Company Index	6,879.35	7,009.61
% Change	(8.2)	1.9
Domestic Company Total Return Index	1,664.72	1,850.01
% Change	(3.6)	11.1
Domestic Financial Sector Index	1,013.09	1,233.03
% Change	(4.0)	21.7
Indices of Foreign Companies		
Index	2020	2021
Foreign Company Index	1,547.29	1,549.65
% Change	(1.0)	0.2
Foreign Resources Sector Index	779.62	896.48
% Change	0.2	15.0
Indices of Local Asset Status Companies		
Index	2020	2021
Local Asset Status Index	842.43	960.26
% Change	(0.2)	14.0

Source: BSE

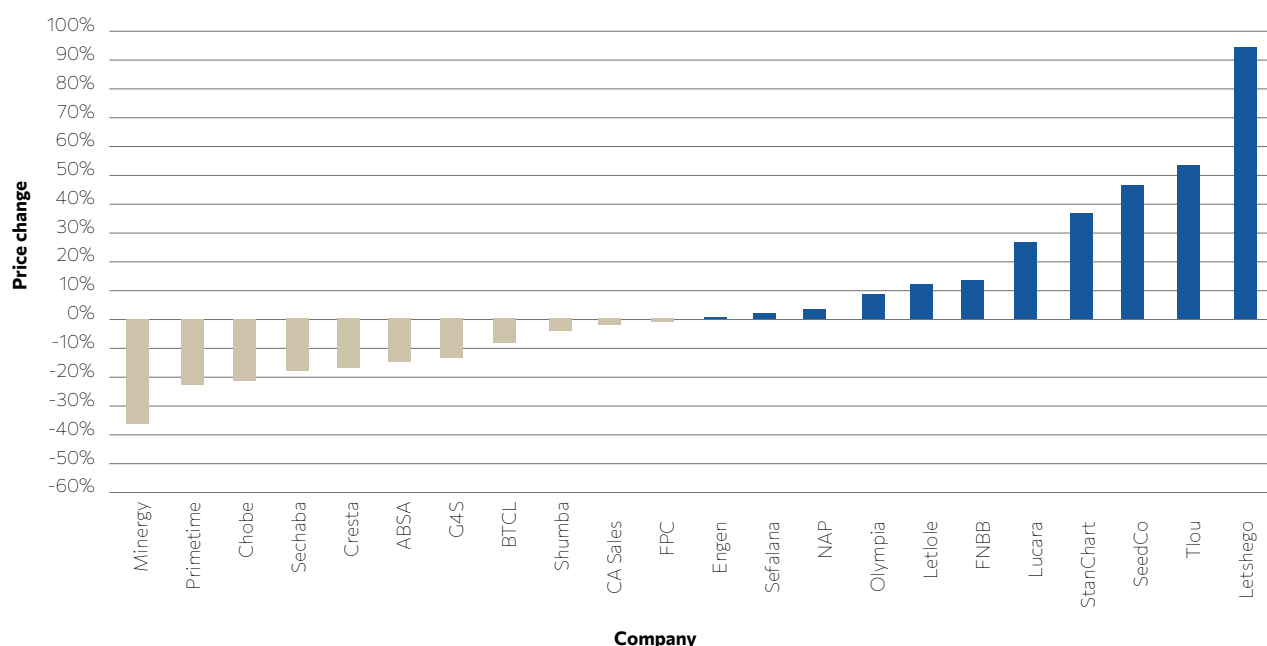
CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

In 2021, 11 domestic companies (compared to 4 in 2020) registered positive price changes, 11 (compared to 8 in 2020) registered negative price movements and 8 (compared to 2 in 2020) closed the year with share prices back to their end of 2020 levels. This information is shown in Figure 2.

From Figure 2, we could deduce that the market in terms of price movements displayed almost a symmetric distribution between the upward and downward share price movements.

Figure 2: Price Changes of Domestic Companies: 2021



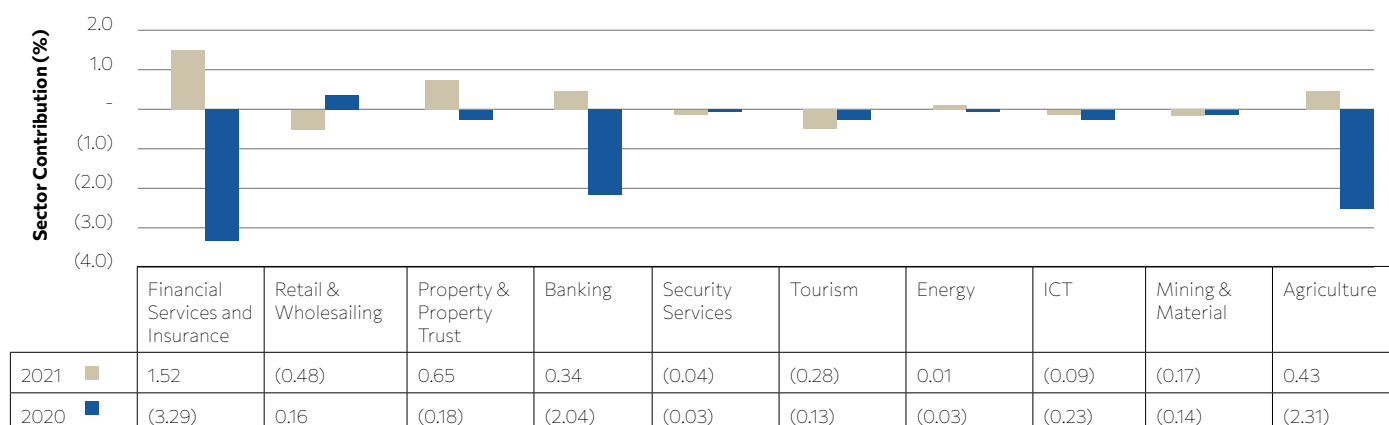
Source: BSE

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

2.1.1 Sector Contributions to Performance of the DCI

Figure 3 illustrates the extent of the contribution of the ten sectors on the performance of the DCI. During 2021, the 1.9% appreciation of the DCI was attributable to the positive performance of five of the ten sectors. Our analysis reveals that the Financial Services and Insurance, Property and Agriculture sectors had the largest positive contribution to the DCI, contributing 1.5, 0.7 and 0.4 percentage points to the overall 1.9% increase. This was a significant improvement in comparison to 2020 where only one sector positively contributed to the annual DCI performance (Financial Services and Insurance sector).

Figure 3: Sector Contributions to Performance of the DCI



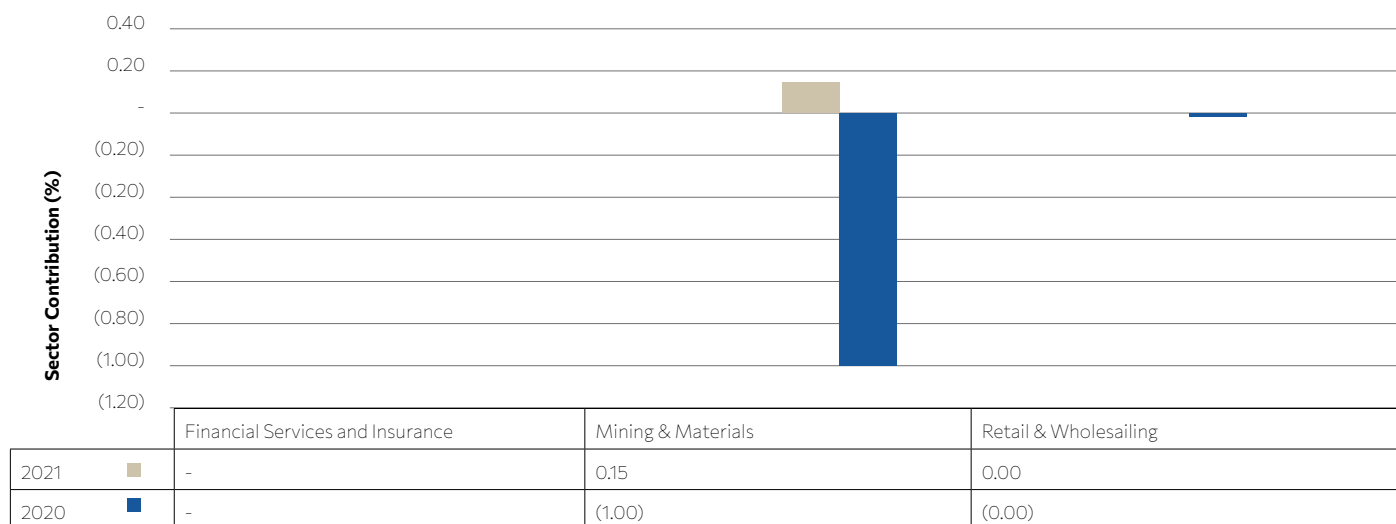
Source: BSE

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Figure 4 shows the sector contribution to performance of the FCI. The Mining & Minerals sector continued to dominate the foreign equity board. This sector accounted for 94.7% of the foreign companies' market capitalisation in 2021 and contributed 0.2 percentage points to the FCI's appreciation of 0.2%.

Figure 4: Sector Contributions to Performance of the FCI



Source: BSE

3.0 MARKET INDICATORS

3.1 Indicators of Value

Figure 5 presents the relative value indicators for the market and their 5-year averages.

Figure 5: Market Indicators for Domestic Companies: 2017 to 2021

Indicator	5 - YR AVG	2017	2018	2019	2020	2021
P/E Ratio (x)	12.1	13.3	11.2	12.4	10.8	12.7
Dividend Yield (%)	4.9	5.1	5.5	4.8	4.1	5.2
Price/Book Value (x)	1.5	1.7	1.5	1.5	1.6	1.3

Source: BSE

3.2 Equity Market Capitalisation

The BSE's domestic companies' market capitalisation registered an increase of 4.5% from P35.6 Bn in 2020 to P37.2 Bn at the end of 2021. Relative to the size of the economy, the ratio of domestic market capitalisation to GDP was 19.5% in 2021 in comparison to 20.8% in 2020. This implies that domestic companies listed on the BSE represented 19.5% of domestic economic output in 2021 or GDP. Overall, all listed companies, domestic and foreign, were 2.1 times bigger than Botswana's GDP.

The ratio of turnover to domestic market capitalisation, also called the turnover velocity, increased from 1.9% in 2020 to 4.9% in 2021. Liquidity levels rose tremendously in 2021 relative to other years as noted from the indicators in Figure 6.

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

Figure 6: Market Capitalisation and Relative Performance: 2017 to 2021

Indicator	2017	2018	2019	2020	2021
Liquidity					
Turnover (P'Mn)	2,476.70	1,862.20	1,810.90	698.60	1,816.04
Average Daily Turnover (P'Mn)	10	7.5	7.3	2.8	7.3
Volume ('Mn)	775	582.5	627.8	430.4	997.2
Volume/Shares Listed (%)*	5.9	4.2	4.4	3.1	7.2%
Turnover/Domestic Market Cap (%)	5.4	4.3	4.5	1.9	4.9
Turnover/Total Market Cap (%)	0.6	0.4	0.4	0.2	0.5
Size of the Market					
Domestic Companies (P'Mn)	44,408.06	42,420.95	38,709.40	35,629.85	37,209.39
Foreign Companies (P'Mn)	373,735.71	370,747.33	369,164.80	355,592.27	353,156.37
Total Market Cap (P'Mn)	418,143.76	413,168.28	407,874.20	391,222.12	390,365.76
Relative Value					
Domestic Market Cap/GDP (%)	26.4	23.8	21.1	20.8	19.5
Total Market Cap/GDP (%)	240.3	226.9	211.9	218.9	208.5

*** For Domestic Companies and based on average shares listed**
Source: BSE, Statistics Botswana

As the market capitalisation is a function of price and the quantity of shares in the manner it is calculated, its movement could result from either the changes in share prices or changes in the number of issued securities, or both. Our analysis indicated that both elements had an impact, with the changes in share price contributing a positive effect of 2.5 percentage points while the change in number of securities in issue had a positive effect of 1.9 percentage points. These effects explain the 4.5% expansion of domestic companies' market capitalisation outlined above.

3.3 Analysis of Liquidity

There are many variables to gauge the liquidity on the Exchange. Two such variables include the value of shares traded (turnover) and the number of shares traded (volume). Figure 7 presents the trends in liquidity over the past four years.

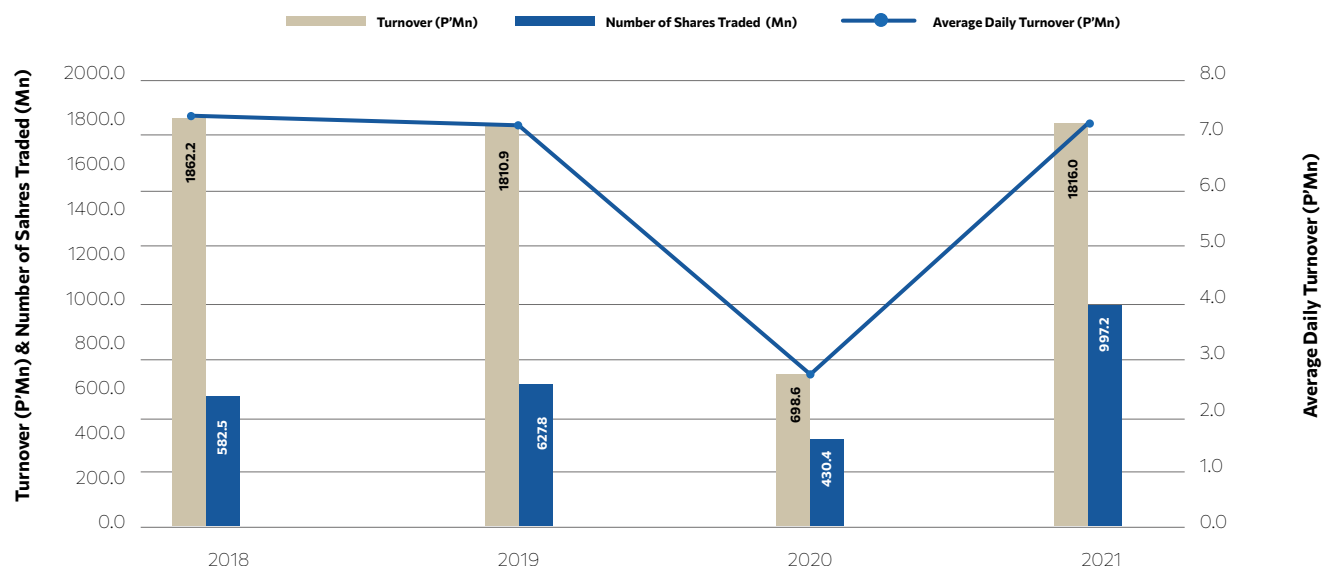
During 2021, the BSE registered a 159.9% increase in turnover from P698.6 Mn in 2020 to P1,816.0 Mn. This translated into an average daily turnover of P7.3 Mn compared to P2.8 Mn in 2020.

On account of volume, 997.2 Mn shares were traded in comparison to 430.4 Mn shares in 2020. The phenomenal rise in liquidity as noted from these indicators is mainly attributable to the acquisition of a majority stake of 78.15% in BancABC Botswana by Access Bank Limited, a Nigerian Bank with an international footprint. Access Bank Limited is listed on the Nigerian Stock Exchange. The value of the acquisition amounted to approximately P1.07 Bn which amounts to 59.1% of the total equity turnover. The trade which took place on 11th October 2021, represented a historic moment as the BSE recorded the highest turnover ever to be recorded in a day since inception (P1.07 Bn).

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Figure 7: Liquidity: 2018 to 2021



Source: BSE

3.4 Companies Contribution to Liquidity

Figure 8 ranks listed companies by their contribution to turnover in 2021. The top 5 most traded companies (Access, Letshego, FNBB, Sefalana and Absa) accounted for 82.5% of turnover, whereas in 2020 the top 5 most traded companies (Letshego, FNBB, Sechaba, Sefalana and Absa) accounted for 63.2% of turnover. Notably, Access accounted for the majority at 59.1% while the top Letshego in 2020 accounted for 24.4%. Overall, turnover in 2021 turnover was concentrated on a few counters in comparison to the previous year.

Figure 8: Companies Contribution to Liquidity: 2021

COMPANY	Q1	Q2	Q3	Q4	Total	Contribution
ACCESS	20,825.64	360,223.38	716,742.18	1,072,107,157.68	1,073,204,948.88	59.1%
LETSHEGO	40,190,885.58	11,305,171.38	30,002,380.86	81,235,760.40	162,734,198.22	9.0%
FNBB	3,421,008.39	36,927,433.95	28,080,808.73	26,663,734.31	95,092,985.38	5.2%
SEFALANA	7,658,579.67	18,627,842.81	32,135,506.59	30,658,956.30	89,080,885.37	4.9%
ABSA	1,642,100.59	20,686,577.06	14,136,961.22	41,639,165.76	78,104,804.63	4.3%
BIHL	2,992,463.55	31,064,932.50	12,909,347.50	30,656,605.00	77,623,348.55	4.3%
SECHABA	3,604,632.51	14,094,794.40	30,344,000.30	4,192,573.40	52,236,000.61	2.9%
TURNSTAR	7,584,426.09	3,255,745.03	4,096,323.26	12,650,482.16	27,586,976.54	1.5%
STANCHART	15,476,283.50	3,496,289.55	2,510,644.39	5,466,973.75	26,950,191.19	1.5%
PRIMETIME	18,026,687.92	1,123,130.75	162,599.81	4,682,053.85	23,994,472.33	1.3%
NAP	2,946,049.86	7,833,621.09	2,155,627.50	8,002,307.55	20,937,606.00	1.2%
CRESTA	30,309.90	-	-	20,117,727.09	20,148,036.99	1.1%
AFINITAS	-	14,637,026.08	-	-	14,637,026.08	0.8%
BTCL	3,172,301.05	3,827,396.83	2,013,167.73	2,829,836.60	11,842,702.21	0.7%

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

Figure 8: Companies Contribution to Liquidity: 2021 (Continued)

COMPANY	Q1	Q2	Q3	Q4	Total	Contribution
CHOBE	304,922.58	1,142,724.86	4,597,651.70	1,334,794.52	7,380,093.66	0.4%
RDCP	45,526.25	4,800,086.52	703,758.22	1,225,519.35	6,774,890.34	0.4%
ENGEN	1,089,176.71	445,537.66	1,016,866.76	3,528,160.69	6,079,741.82	0.3%
CA SALES	3,123,954.68	594,342.10	868,746.00	1,302,159.40	5,889,202.18	0.3%
CHOPPIES	608,990.40	3,888,219.60	322,759.20	623,607.00	5,443,576.20	0.3%
LETLOLE	975,300.22	224,805.13	1,632,846.05	1,408,692.37	4,241,643.77	0.2%
FPC	98,625.43	81,403.70	948.15	2,306,726.45	2,487,703.73	0.1%
G4S	59,511.00	-	678,870.00	792,330.80	1,530,711.80	0.1%
LUCARA	38,207.03	105,083.00	566,337.34	25,805.10	735,432.47	0.0%
SEED Co	69,126.80	344,494.00	213,030.00	-	626,650.80	0.0%
MINERGY	212,709.60	3,066.40	-	80,645.73	296,421.73	0.0%
OLYMPIA	253,806.24	1,476.68	2,118.22	6,119.36	263,520.50	0.0%
TLOU	77,447.00	-	7,500.00	-	84,947.00	0.0%
SHUMBA	-	-	17,516.70	1,785.60	19,302.30	0.0%
BOD	3,449.52	-	3,740.56	1,752.53	8,942.61	0.0%
A-CAP	-	-	-	-	-	0.0%
ANGLO	-	-	-	-	-	0.0%
INVESTEC	-	-	-	-	-	0.0%
TOTAL	113,727,307.71	178,871,424.46	169,896,798.97	1,353,541,432.75	1,816,036,963.89	100.0%

Source: BSE

3.5 Sector Contributions to Liquidity

In 2021, 99.6% of the total equity turnover was accounted for by domestic counters. On the domestic board, the Banking sector traded the highest number of shares and accounted for the highest turnover velocity ratio (0.33%). Increases in shares traded were registered across the Financial Services, Property, Banking, Security Services, Tourism and ICT sectors on the domestic board and the Retail sector on the Foreign Board.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Figure 9: Sector Contributions to Liquidity: 2020 and 2021

Sector	2020				2021			
	Turnover/Avg Market Cap (%)		Shares Traded	Shares Traded/ Avg Shares Listed (%)	Turnover/Avg Market Cap (%)		Shares Traded	Shares Traded/ Avg Shares Listed (%)
			(Mn)				(Mn)	
	Note 1	Note 2A	Note 1	Note 2B	Note 1	Note 2A	Note 1	Note 2B
DOMESTIC								
Financial Services	0.57	0.05	244.45	9.26	0.70	0.07	255.66	10.54
Retail	0.46	0.04	68.37	3.42	0.40	0.04	22.77	1.32
Property	0.20	0.02	28.35	1.14	0.24	0.02	36.01	1.23
Banking	0.38	0.04	51.03	1.15	3.50	0.33	642.75	14.54
Security Services	0.00	0.00	0.06	0.07	0.00	0.00	0.51	0.64
Tourism	0.05	0.00	2.83	0.72	0.08	0.01	19.79	7.22
Energy	0.03	0.00	1.20	0.76	0.02	0.00	0.59	0.37
ICT	0.03	0.00	11.07	1.05	0.03	0.00	16.44	1.57
Mining	0.02	0.00	11.32	2.51	0.00	0.00	0.43	0.09
Agriculture	0.04	0.00	7.18	1.88	0.00	0.00	0.24	0.06
FOREIGN								
Financial Services	-	-	-	-	-	-	-	-
Mining	0.00	0.00	4.18	0.01	0.00	0.00	0.39	0.00
Retail	0.00	0.00	0.33	0.93	0.00	0.00	1.59	0.00

Note 1: Computed separately for the domestic & foreign board.

Note 2A: Computed for all shares listed on the BSE

Note 2B: Computed for separately for each sector

Source: BSE

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

3.6 Investor Contribution to Equity Turnover

The heterogeneity of a market is one of the factors to look at in determining the level of development of a market. Ideally, a market should enjoy the participation of both domestic and foreign investors, institutional and retail. It takes a number of initiatives to attract mostly foreign investors and the BSE continuously deploys various strategies to attract foreign investors, ranging from affiliations with international bodies that publish our market information and statistics, international vendors, and international roadshows to sell the BSE investing and listing value proposition, among others.

Foreign investors generally are very active on the BSE, accounting for more than a third of trading activity over the years as can be noted from Figure 10. In 2021, they accounted for 36.8% of trading activity. Further analysis indicates that foreign investors were net buyers of domestic equities, a positive and bullish sentiment on our market. Local companies contributed 58.7% to trading activity in 2021, emerging as the net sellers of domestic equities. Local individual investors contributed 2.5% to trading activity and were net sellers of equities.

As at the end of 2021, the BSE had 100,184 investor accounts in the CSD system majority of which were for individuals. This compares favorably with the 96,136 accounts in 2020 and was a remarkable achievement for the BSE as 100,000 investor accounts was the target for 2021 in accordance with the 5-year 2017-2021 strategy.

Figure 10: Investor Contribution to Turnover: 2017 to 2021

Investors	Turnover (%)				
	2017	2018	2019	2020	2021
Foreign Companies	34.4	40.6	32.1	35.0	36.8
Foreign Individuals	1.3	1.3	1.2	4.4	2.0
Local Individuals	5.7	4.5	9.9	9.5	2.5
Local Companies	58.3	53.2	56.7	50.9	58.7
Brokers	0.3	0.3	0.1	0.2	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0

Source: CSDB

Figure 11 presents a quarterly analysis of investor contribution to turnover in 2020 and 2021. As presented, local institutional investors consistently dominated trading activity across all quarters.

Figure 11: Investor Contribution to Equity Turnover on a Quarterly Basis (%)

Investors	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Foreign Companies	28.3	24.5	43.7	44.9	39.9	24.1	22.0	36.8
Foreign Individuals	0.9	3.0	9.8	4.2	12.8	5.9	5.7	2.0
Local Individuals	7.3	5.4	6.5	19.7	7.0	7.4	6.9	2.5
Local Companies	63.3	66.9	39.8	30.9	40.1	62.4	65.2	58.7
Brokers	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: CSDB

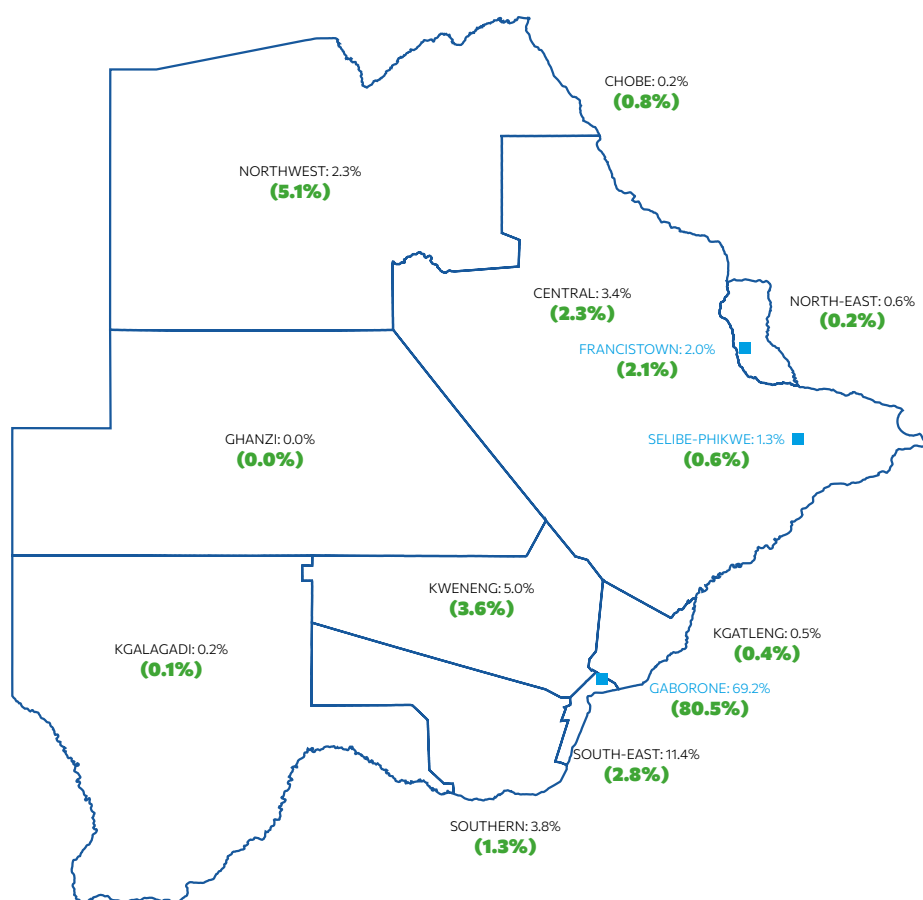
CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

3.7 Geographical Distribution of Retail Investor Turnover

The heterogeneity of a market is one of the factors to look at in determining the level of development of a market. Ideally, a market Figure 12 presents the distribution of retail investor turnover by districts and major towns and cities across Botswana in 2021 and 2020. Investors based in Gaborone contributed to majority of trading activity in 2021. Districts such as the Cental, Southern, South-East and Kweneng experienced increases in retail investor participation.

Figure 12: Geographical Distribution of Retail Investor Turnover by Districts



Source: CSDB

Note 1: The contribution to turnover in 2020 is indicated in parenthesis

Note 2: Blue box depicts major cities/towns

4.0 EXCHANGE TRADED FUND MARKET PERFORMANCE

According to ETFGI, an independent research and consultancy firm covering trends in the global Exchange Traded Products (ETPs) such as Exchange Traded Funds (ETFs), the global ETFs industry ended 2021 with a record of \$10.3 Tn in assets and record net inflows of \$1.29 Tn, a 28.5% increase from \$762.8 Bn in 2020. As at end of 2021, the Global ETFs industry had 9,877 products with 20,007 listings from 608 providers listed on 79 stock exchanges in 62 countries.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

The BSE also had a record-breaking year on the local ETFs market, listing three new ETFs with the following details:

- i) **S&P African Sovereign Bond ETF (BASBI)** – A Cloud Atlas ETF that tracks the S&P Africa Hard Currency Sovereign Bond Select Index (USD) consisting of African Sovereign Bonds denominated in Euros, Japanese Yen and US Dollars from the African countries with a credit rating above B- currently: Egypt, Ghana, Kenya, Morocco, Namibia, Nigeria, and South Africa.
- ii) **AMI Big50 ex. South Africa ETF (BAMIB50)** – A Cloud Atlas ETF that tracks the AMI Big50 ex-South Africa Index and offers investors exposure to the top 50 primary listed companies in various African countries except South Africa. The portfolio is designed to reflect a liquid basket of constituents for investors looking for Pan African exposure without the hassles of deciding what to buy. It provides investors the exposure to Africa's growth potential and gives investors attractive valuations in Africa's equity markets. The portfolio consists of stocks in Botswana, BRVM (Ivory Coast), Egypt, Ghana, Kenya, Mauritius, Morocco, Nigeria and Tunisia.
- iii) **NewPalladium ETF (NewPall)** – An Absa ETF that tracks the spot price of Palladium metal and is one of the simplest and cost-effective methods for investors to invest in actual Palladium. Just like the NewGold and NewPlatinum ETFs, the NewPalladium ETF is compliant with Shariah Law.

The new listings brought the total number of ETFs listed on the BSE to 6 from 3 in 2020. The three other ETFs on the BSE are NewGold ETF, NewFunds Inflation-Linked Bond Index (ILBI) ETF and NewPlat ETF.

During the period under review ETF turnover generated on the local market amounted to P132.1 Mn in comparison to P136.7 Mn in 2020. Despite the slight decline of 3.3% in turnover, all traded ETFs registered positive price performance as outlined in Figure 15. NewPlat ETF had the largest positive unit price movement of 16.0% followed by NewFunds ETF (12.7%) and BASBI ETF, BAMIB50 ETF and NewGold ETF with positive price movements of 6.1%, 5.5% and 4.3% respectively.

Figure 13: Performance of ETFs on the BSE

Indicator	2020			2021					
	NewGold	NewPlat	NewFunds	NewGold	NewPlat	NewFunds	NewPall	BASBI	BAMIB50
Turnover (Mn)	60.3	76.8	0.013	120.3	11.6	0.042	-	0.045	0.1
Units Traded	349,574	759,483	371	618,199	97,049	726	-	565	18,497
Closing Price	191.80	96.35	52.34	200.00	111.75	58.98	243.59	79.70	6.33
Price Change (%)	29.7	(4.4)	4.3	4.3	16.0	12.7	-	6.1	5.5
Minimum Price	147.90	92.80	44.81	174.50	96.35	50.10	243.59	75.10	5.70
Maximum Price	217.83	104.00	52.40	201.00	132.00	59.33	243.59	79.70	6.45
Market Cap (Mn)	413.3	236.2	5.2	590.0	340.8	5.9	24.4	239.1	57.0

Source: BSE
Prices are in Pula

4.1 Analysis of Performance of the ETFS

NewGold ETF is backed by solid bars of the Gold bullion and it tracks the price performance of the bullion. In 2021, the ETF turnover significantly appreciated by 56.6% continuing its streak of positive gains from 2019 and 2020. This was attributed to the consistently high trading unit price of the ETF in 2021 ranging between P174.50 and P201.00 in comparison to a range of P147.90 and P217.83 in 2020.

NewPlat ETF is backed by the solid bars of Platinum bullion and therefore similarly benefits from the price performance of the bullion. Despite registering the highest price increase of 16.0%, the ETF experienced a decrease in inflows owing to fewer units traded.

NewFunds Inflation-Linked Bond Index (ILBI) ETF extended the good performance from 2019 and 2020 registering an appreciation of 12.7% in 2021 relative to 4.3% in 2020. The ETF continued to experience inflows with turnover increasing significantly over three-

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

fold from P13,000 in 2020 to P45,000. One of the major benefits of the NewFunds ILBI ETF is that the distribution from the coupons of the underlying bonds in the fund, which occurs monthly, is re-invested in the fund and this helps to increase the net asset value of the ETF and proportionately increases the value of each ETF unit. The re-investment into the fund represents a notional distribution even though it is paid in additional units instead of cash.

The BSE continues to be one of the best performing markets in Africa excluding the JSE in terms of the trading activity of ETFs in general, owing to the continued sensitization of market participants about the importance of adding ETFs to their portfolios. In September 2021, the BSE held a Listings Ceremony for the two new Cloud Atlas ETFs to provide a formal and in-depth introduction of the products to the market, in an effort to support and encourage uptake. In the same month, the BSE virtually participated at the ETFIGI Global ETFs Insight Summit (ETF Landscape in Africa) and showcases the BSE competencies and enabling environment for ETFs to thrive. Additionally, in November 2021, the BSE hosted an educational webinar in partnership with Absa and Cloud Atlas themed, "Understanding BSE Exchange Traded Funds" to draw attention to the ETFs on the BSE and promote a deeper understanding about ETFs in general and how their use can enhance portfolio performance and hedge against risk.

From a strategy point of view, the BSE continues to lobby potential issuers in order to expand the universe of listed ETFs and in order to bring to the market ETFs that track various asset classes and give exposure to Africa, Emerging Markets as well as Developed Markets. The demand for ETFs continues to rise locally as investor awareness and knowledge rises and this has encouraged the BSE to vigorously sell the proposition for listing ETFs in Botswana, as we saw with the record number of listings in 2021. In the year ahead, we expect this trend to continue as we attract more diverse ETFs to the bourse.

5.0 BOND MARKET PERFORMANCE

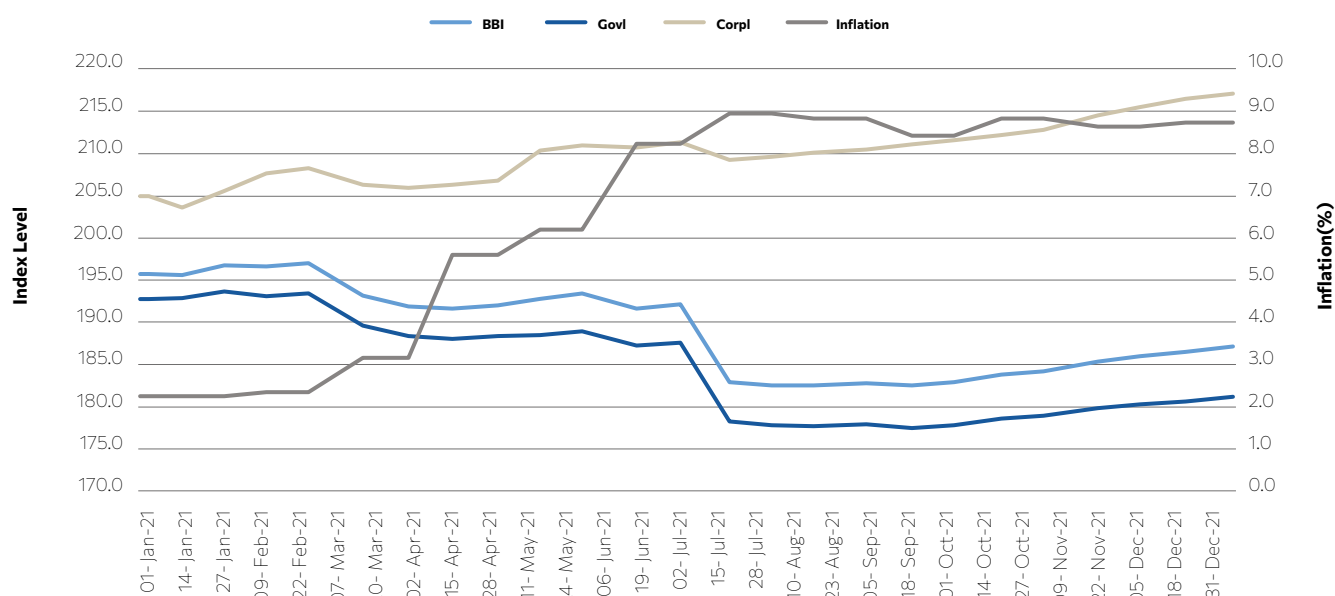
5.1 Performance of the Botswana Stock Exchange Bond Index Series (BBIS)

The BBI and Govt depreciated by 4.0% and 6.3% respectively whereas the Corpl registered returns of 5.8%. The BBIFixed shrunk by 5.2% while inflation averaged 6.7% in 2021. Following an easing monetary position in 2020, where the Bank Rate was reduced twice, the Bank of Botswana (BoB) maintained the Bank Rate constant at 3.75% throughout 2021.

For the last eight months of the year, inflation registered above the upper bound of the central bank's objective range of 3%-6% with the first breach of the upper bound taking place in May 2021 for the first time since June 2013. The rate of inflation closed the year at 8.7%. According to the BoB's December Statement of the Monetary Policy Committee, inflation is expected to revert to within the objective range in the third quarter of 2022 on account of the dissipating impact of the upward adjustments, during 2021, of value added tax (VAT) and administered prices.

The performance of the bond indices is detailed in Figure 14.

Figure 14: Performance of the BBIS versus Inflation: 2021



Source: BSE, BoB

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

5.2 Renaming of Government Bonds

During the month of May 2021, the Ministry of Finance and Economic Development and Bank of Botswana Technical Bond Auction Committee decided to change the official names (bond codes) for all BSE listed Government bonds. The change was effected to align the names with best international practice and was as follows:

Old Code	New Code
BW007	BOTSGB0325
BW011	BOTSGB0931
BW012	BOTSGB0640
BW013	BOTSGB0623
BW014	BOTSGB0929
BW015	BOTSGB0943
BW016	BOTSGB0527

5.3 Turnover in the Bond Market

The bond market continued to be active during the 2021 year, raising the profile of the BSE as a platform for raising long term capital. Trading activity during the year under review amounted to approximately P2.6 Bn in comparison to P2.7 Bn traded during the corresponding period in 2020. This was mainly on account of the BOTSGB0931 bond, previously known as BW011. The bond accounted for 45.8% of the trades in Government bonds and 37.5% of total turnover in the bond market. In addition, it raised the most capital for Government through re-openings, an indication of stronger demand for the bond which tends to positively affect its liquidity.

Corporate bond trading activity increased by 96.8% during the period under review to P440.9 Mn from P224.0 Mn in 2020. This was concentrated on an increased number of bonds (33 of the 42 listed corporate bonds traded) in comparison to 2020 (22 of the 37 listed bonds traded). Trading was more concentrated on LHL006 which accounted for 15.2% of the total trades in corporate bonds. Net of all redemptions and maturities in 2021, new listings and re-openings increased the size of the bond market by 13.8% to P23.1 Bn and 43 bonds were listed as at end of December 2021.

Figure 15: Analysis of Bond Market Performance

Indicator		Government	Corporates	Total
Turnover (P'Mn)	2021	2,109.8	440.9	2,550.7
Contribution to Turnover (%)		82.7	17.3	100.0
Market Cap (P'Bn)		17.7	5.4	23.1
Contribution to Market Cap (%)		76.6	23.4	100.0
No. of Bonds Listed		6	37	43
Indicator		Government	Corporates	Total
Turnover (P'Mn)	2020	2,503.00	224	2,727.00
Contribution to Turnover (%)		91.8	8.2	100
Market Cap (P'Bn)		15	5.3	20.3
Contribution to Market Cap (%)		73.9	26.1	100
No. of Bonds Listed		6	37	43

Source: BSE

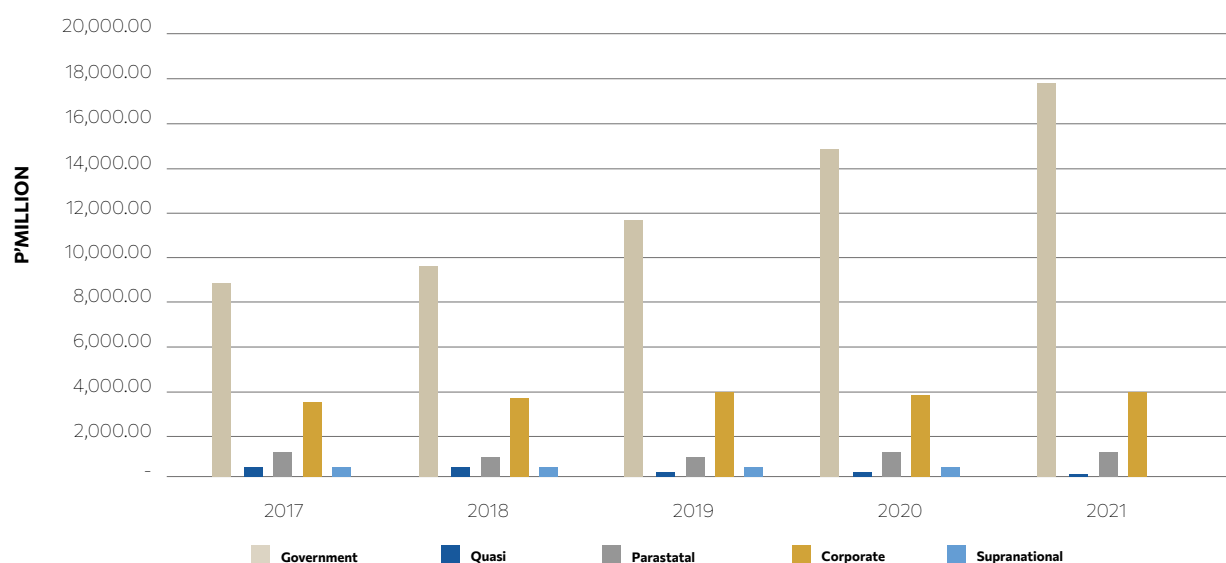
CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

5.4 Bond Market Capitalisation and Issuer Profile

Government bonds continue to dominate the size of the bond market, accounting for 76.6% of market capitalization in 2021. Corporate bonds accounted for 23.4%, and within corporate we include the Quasi-Government (0.4%), Parastatals (5.8%), Corporates and (17.2%). The analysis and the growth trend is presented in Figure 16 by issuer profile for the years 2017 to 2021.

Figure 16: Bond Market Capitalisation by Issuer Category: 2017 – 2021



Source: BSE

6.0 COMPARISON WITH SELECTED MARKETS

6.1 Relative Valuations

A comparison with select market indices is presented in Figure 17 to provide the BSE's valuation relative to the valuations of other markets. The relative valuations are on the basis of P/E ratio to gauge whether one market is overvalued or undervalued relative to the other, while performance is on the basis of the index change. The conclusion from a P/E ratio point of view is that the BSE was comparatively undervalued than the other markets but also lagged the performance of other markets from a return perspective. The returns are indicated in local currency.

Figure 17: Comparative Performance with Other Markets: 2020 and 2021

	Index Change (%)		P/E Ratio Times	
	2020	2021	2020	2021
Johannesburg Stock Exchange	4.1	24.1	29.1	16.3
Stock Exchange Mauritius	(24.3)	27.3	11.7	14.0
Botswana Stock Exchange	(8.2)	1.9	10.8	12.7
MSCI Emerging Markets	15.8	(4.6)	21.3	14.0

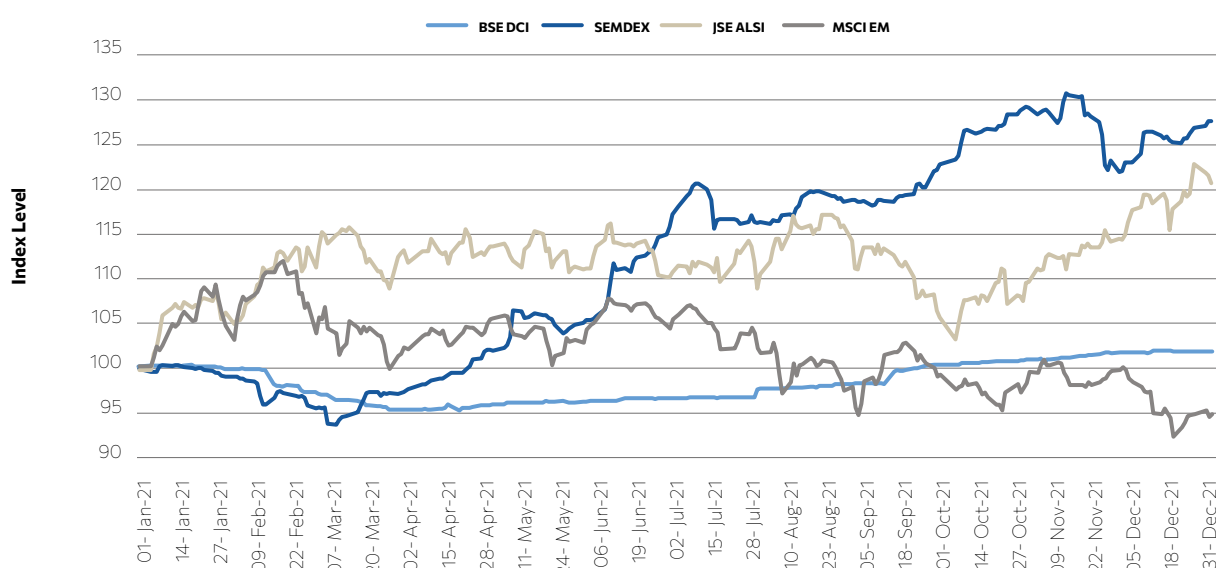
Source: BSE, WFE, Iress

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Figure 18 presents an interesting picture of the response of various indices to the re-opening of economies amidst vaccination rollouts and easing of COVID-19 regulations, including the BSE in domestic currencies. During 2021, the DCI alongside other domestic equity indices embodied a stronger pace of recovery and growth appreciating by 1.4%, 4.2% and 1.6% during the second, third and fourth quarters respectively. As presented in Figure 18, the SEMDEX outperformed the other three indices during 2021 as it appreciated by 27.3% followed by the JSE ALSI and the DCI which experienced gains of 24.1% and 1.9% respectively.

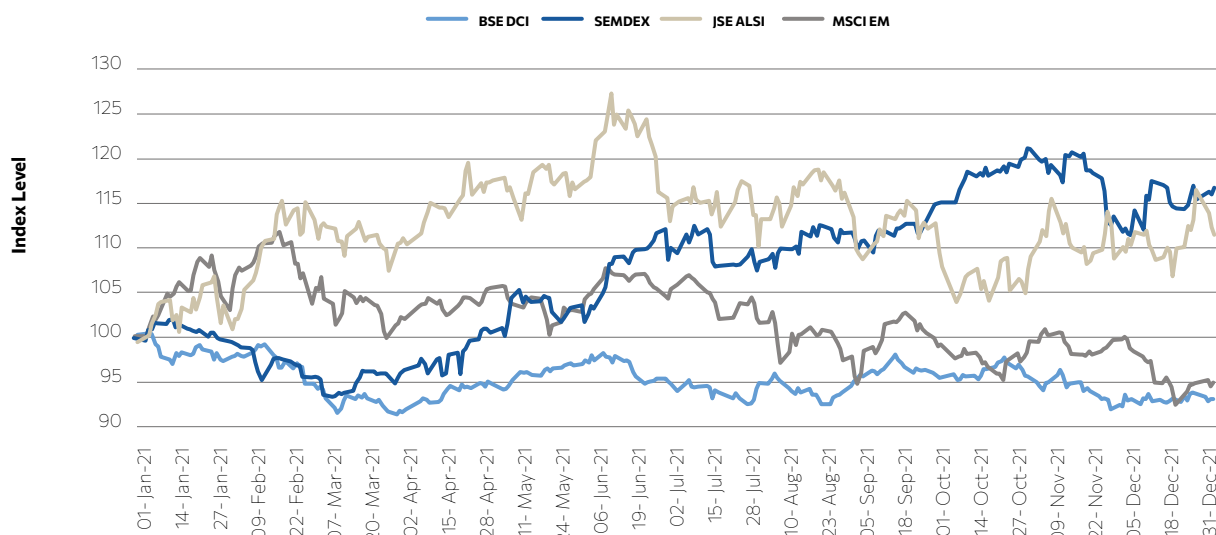
Figure 18: Comparative Performance of DCI and Other Markets: standardised as at 1 January 2021 (Domestic Currencies)



Source: BSE, JSE, SEM

Figure 19 outlines the comparative performance, in US dollar terms, of the BSE and other markets. Owing to the Pula's 8.1% depreciation against the US dollar in 2021, the DCI registered a 6.4% decline in US Dollar terms. The JSE ALSI and SEMDEX appreciated by 14.8% and 16.3% respectively in US Dollar terms.

Figure 19: Comparative Performance of DCI and Other Markets: standardised as at 1 January 2021 (US Dollar Terms)



Source: BSE, JSE, SEM

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

6.2 Footprints

In order to assess the development of the BSE over time and in comparison to peer markets the BSE has plotted its “footprint” from 2017 by making reference to 4 variables.

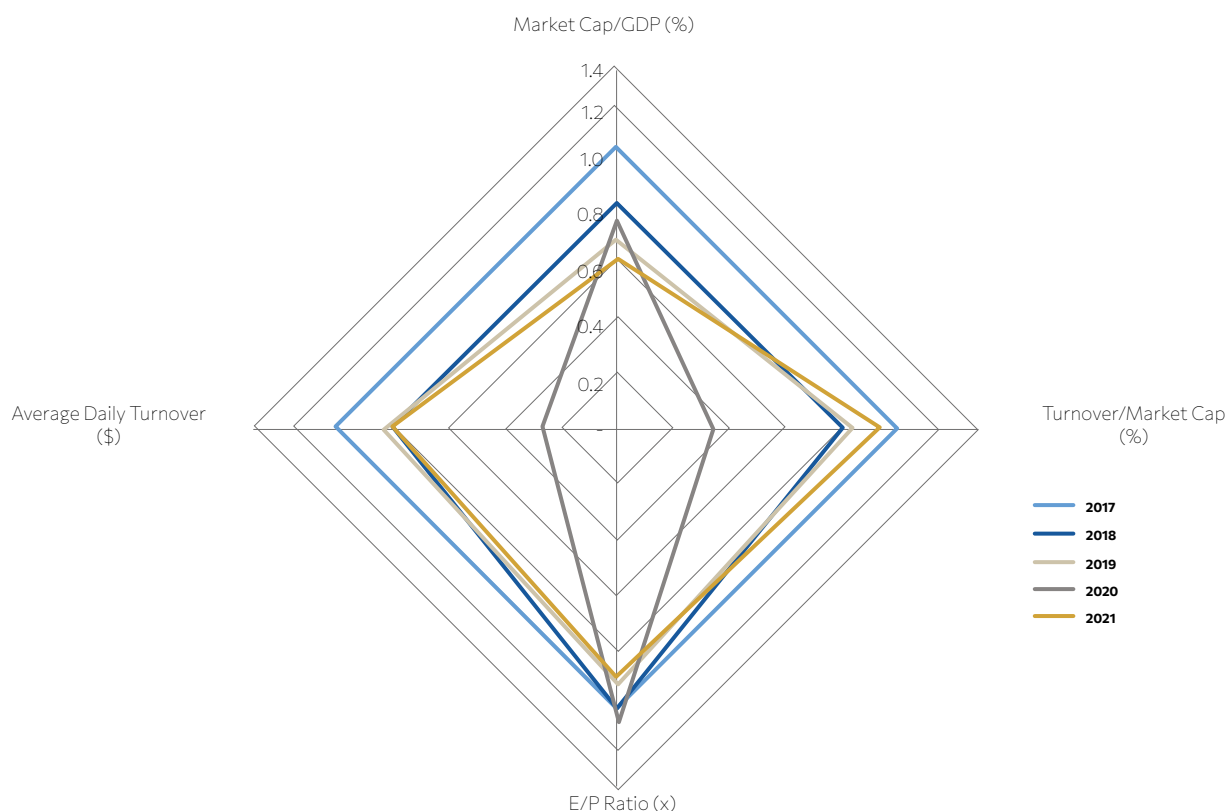
The footprint for the purpose of the analysis takes into account the relative size of the market (measured by Domestic Market Capitalisation/GDP), turnover (measured by Average Daily Turnover), liquidity (measured by Turnover/Domestic Market Capitalisation) and value (measured by the Earnings Yield – the reciprocal of the P/E ratio).

The footprint of the BSE relative to 2017 is presented in Figure 20 and Figure 21.

Figure 20: BSE Footprint in Relation to 2017

	2017	2018	2019	2020	2021
Market Cap/GDP (%)	1.00	0.81	0.70	0.74	0.58
Turnover/Market Cap (%)	1.00	0.79	0.82	0.33	0.94
E/P ratio (x)	1.00	1.19	1.07	1.23	1.05
Average Daily Turnover (P)	1.00	0.75	0.73	0.28	0.73
Area of Footprint	2.00	1.54	1.38	0.60	1.36
Relative Area of Footprint in Relation to 2017 (x)	1.00	0.77	0.69	0.30	0.68

Figure 21: BSE Footprint: 2017 to 2021



Note: Domestic Market Capitalisation/ GDP, Turnover/ Domestic Market Capitalisation.

E/P ratio and Average daily turnover for 2017 were standardized to 1 and the BSE's footprint for 2017 to 2021 was compared to the standardized footprint for 2017

Source: BSE, Statistics Botswana

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

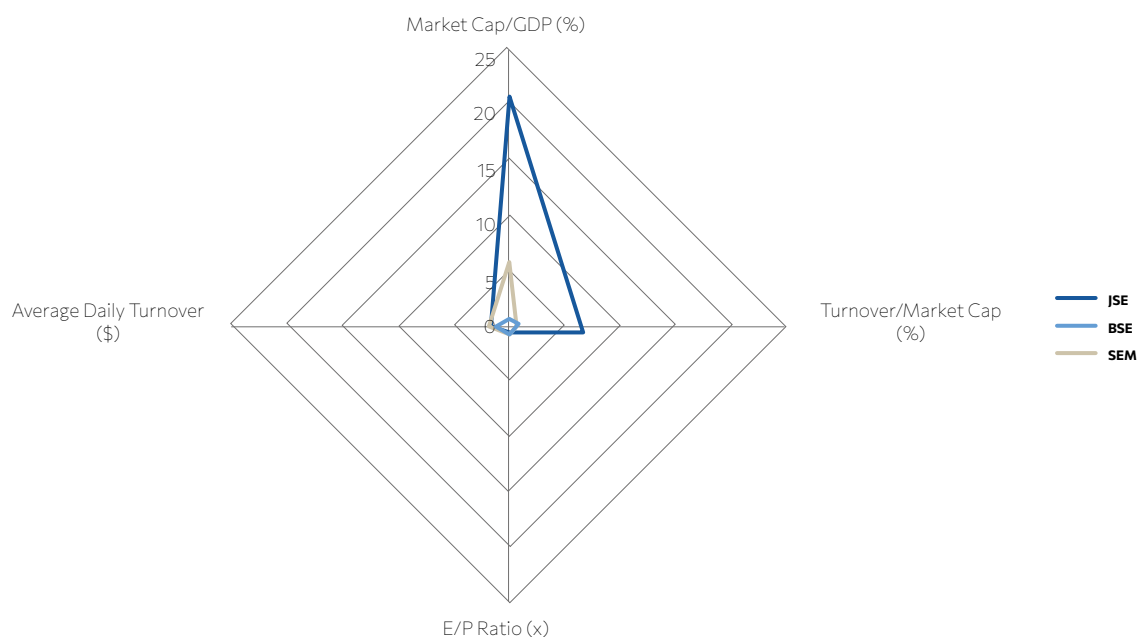
Figure 22 and Figure 23 detail the footprint of the BSE in relation to the footprint of the JSE and SEM in 2021.

Figure 22: BSE Footprint Relative to JSE & SEM: 2021

2021	BSE	JSE	SEM
Market Cap/GDP (%)	1.00	20.71	5.30
Turnover/Mkt Cap (%)	1.00	6.62	0.67
E/P Ratio (x)	1.00	0.44	0.91
Average Daily Turnover (\$)	1.00	2,142.43	1.90
Area of Footprint	2.00	22,720.55	7.96
BSE Footprint in relation to JSE and SEM (%)	100.00	0.01	25.14

Source: Statistics Botswana, BSE, IMF, Iress

Figure 23: BSE Footprint Relative to JSE and SEM: 2021



Note 1: Scale; Turnover/Mkt Cap 1:1, Avg Daily Turnover 1:1000, Mkt Cap/GDP 1:1, E/P Ratio 1:1

Note 2: Market Capitalisation/GDP, Turnover/Market, E/P ratio and Average daily turnover for the BSE were standardized to 1 and the footprint for SEM and JSE was computed relative to the BSE's footprint

Note 3: The computations use the total market capitalisation for SEM and JSE, and the total market capitalisation for the BSE

Source: Statistics Botswana, BSE, IMF, Iress

As illustrated in Figure 24 below, the percentage footprint of the BSE was 8.0% in 2021 relative to the footprint of SEM.

Figure 24: BSE Footprint in Relation to JSE & SEM: 2017 to 2021

	2017	2018	2019	2020	2021
BSE relative to SEM (%)	17.5	30.2	23.4	8.5	8.0
BSE relative to JSE (%)	0.01	0.01	0.01	0.00	0.01

Source: BSE

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

7.0 PRIMARY MARKET

7.1 Equity Market

Primary market activity has risen phenomenally in 2021 with Domestic and Foreign Companies raising capital 2.5 times more and 5.7 times more than capital raised in 2020, respectively. This amounted to P752.9 Mn in 2021, in comparison to P190.4Mn in 2020. This was raised through corporate actions such as rights issues, scrip dividends and issue for cash.

Figure 25: Equity Primary Market Activity: 2021

Domestic Companies	Amount (P'Mn)	Foreign Companies	Amount (P'Mn)
Olympia	8.6	CA Sales	34.1
RDCP	187.4	BOD	7.5
SeedCo	32.9	Shumba	1.0
Far Property	30.9	Tlou Energy	43.5
		Lucara	407.0
TOTAL RAISED (2021)	259.8	TOTAL RAISED (2021)	493.1
TOTAL RAISED (2020)	103.9	TOTAL RAISED (2020)	86.5

Source: BSE

7.2 Bond Market

Despite the reduction in Government bond primary activity during the year, Government was able to raise P2.7 Bn in 2021 relative to P5.3 Bn in 2020. This comprised of P2.1 Bn raised through additional issuances of bonds and P582.0 Mn from a newly listed bond (BOTSGB0527 or BW016). Corporates raised P563.0 Mn in 2021 in comparison to P464.9 Mn in 2020 through five new bond listings.

Figure 26: Fixed Income Primary Market Activity: 2021

Government Bonds	Amount (P'Mn)	Corporate Bonds	Amount (P'Mn)
BOTSGB0527	582.0	BHC028	100.0
BOTSGB0943	405.0	SCBB009	93.6
BOTSGB0623	664.0	SCBB010	229.9
BOTSGB0640	75.0	BBS012	64.5
BOTSGB0931	921.0	RDCP004	75.0
BOTSGB0325	81.0		
TOTAL RAISED (2021)	2,728.0	TOTAL RAISED (2021)	563.0
TOTAL RAISED (2020)	5,245.0	TOTAL RAISED (2020)	464.9

Source: BSE

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

8.0 DEPARTMENTAL REVIEWS

8.1 CENTRAL SECURITIES DEPOSITORY (CSD)

8.1.1 Securities Borrowing and Lending (SBL) Rules

The Securities Borrowing and Lending (SBL) Rules and Guidelines were approved by NBFIRA in December 2021. These Rules and Guidelines are aligned to the functionalities of the new CSD system and will support increased participation in the market and the development of new products and services to further grow the market.

8.1.2 Progress on Account Opening

The number of accounts opened by investors (excluding joint accounts and multiple registrations) as at 31 December 2021 stood at 100,184, an increase of 4.2% year-on-year. 4,048 new CSDB accounts were opened in 2021, 94% more than the accounts opened in 2020.

Figure 27: Status of CSD Accounts as at December: 2020 and 2021

Client Classification	2020		2021	
	Total	% Total	Total	% Total
Foreign Companies	4,345	4.5	4,519	4.5
Foreign Residents	1,682	1.7	1,745	1.7
Foreign Individuals	987	1	1034	1.0
Foreign Juniors	63	0.1	60	0.1
Local Companies	1212	1.3	1,328	1.3
Local Individuals	80,809	84.1	85,302	85.1
Local Juniors	7,038	7.3	6,196	6.2
Total	96,136	100	100,184	100

Source: CSDB

8.1.3 CSDB Client Holdings

Figure 28 illustrates that local companies which are largely local institutional investors continue to dominate the holdings on the CSD. As at the end of 2021 local company and local individual holdings were 62.9% and 11.5% respectively. Foreign companies and other clients recorded increases in their holdings in 2021: the former increased to 22.0% from 19.1% in 2020 while the latter increased to 3.5% from 3.1% in 2020.

Figure 28: CSDB Client Holdings by Client Category

Client Suffix	2020	2021
Local Company	66.3	62.9
Foreign Company	19.1	22.0
Local Individual	11.5	11.5
Other Clients	3.1	3.5
Total	100.0	100.0

Source: CSDB

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

As detailed in Figure 29, local citizens dominated the overall holdings on the CSD.

Figure 29: CSDB Client Holdings by Client Geography

Client Domicile	2020	2021
Local Citizens	78.0	74.6
US Citizens	1.2	1.1
UK Citizens	1.7	1.7
SADC Region	8.8	8.6
Other Regions	10.3	13.9
Total	100.0	100.0

Source: CSDB

8.2 MARKET DEVELOPMENT

8.2.1 Opening Bell Ceremonies

The BSE continued its initiative of hosting the monthly Opening Bell Ceremonies as has been the tradition and these were conducted from February to October. The ceremonies were held under various targeted topics that aimed to uphold and address topical notions and disciplines important to the mandate of the BSE, its role in society and in deepening the capital market with themes such as: **“Supporting the Growth of the Financial Sector Amid the COVID-19 Pandemic”**, **“Women in Leadership: Achieving an Equal Future in a COVID-19 World”**, among others. In total, the BSE hosted 10 Opening Bell Ceremonies in 2021, 3 of which were virtual.



CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

8.2.2 BSE Quarterly Magazine

During the year, the BSE published 4 editions of BSE News which is a quarterly magazine that disseminates domestic and global information about the capital markets. The magazine primarily serves to generate revenue for the BSE through advertisement and to promote the visibility of the domestic capital market to enhance information flow and investor participation. The publication is accessible across various platforms such as retail outlets, book shops, hotels, events, embassies in Botswana, government offices, corporate offices as well as the BSE website.



8.2.3 Tshipidi Mentorship Program (TMP)



As a strategic initiative, the BSE introduced the Tshipidi Mentorship Program (TMP) in 2019 as a way of grooming companies that could potentially raise capital, improve governance and leverage from increased publicity through the stock market in the short to medium term. The inception of this program is largely attributed to the fact that SMEs in Botswana do not operate as corporates across various elements and structures. As such, there is an opportunity within the private sector to assist SMEs to “corporatize” thus preparing them to leverage off platforms such as the Exchange for growth. During the 2021 TMP sessions, 13 companies were selected from a pool of 65 applications. These companies represented a wide array of sectors including hospitality, financial services, property, security, energy and so forth.

8.2.4 Corporate Social Investment (CSI) Initiatives

The BSE Corporate Social Investment (CSI) Policy: **The Dipolelo Program**, focuses on education, entrepreneurship, community development, health and environmental/sustainability issues. It is designed to drive the BSE closer to the people, generate the much-needed brand equity and reflect the BSE’s commitment to the community in which it operates. Following the three-year adoption of two schools in 2020 in line with the CSI Policy and under the Government driven Adopt-a-School initiative effective 1st January, 2021, the BSE hosted adoption ceremonies for Kareng Primary School in Ngamiland District and Metsimantsho Primary School in Ghanzi District. Both ceremonies were held during the month of February 2021.

Shortly after, the BSE donated twenty-two high performance computers to the two schools to provide educational equipment necessary to capacitate the teachers with tools to better deliver the quality of education to the learners. Further, with the assistance of the internet provided by the BSE, the learners now have access to global libraries such as online video tutorials, free e-books, and FAQ forums where they can grasp concepts easily.



CHIEF EXECUTIVE OFFICER'S REVIEW

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8.2.5 Educational Webinars

In line with the BSE strategic objective of improving market development through educating market participants on BSE products, listings requirements and improving the low level of financial literacy persisting in the community, the BSE hosted several workshops and educational webinars. These targeted listings requirements, global depository receipts, commercial paper, exchange traded funds and general financial literacy.

8.3 INFORMATION TECHNOLOGY

8.3.1 Implementation of New CSD System and Upgraded ATS

The BSE continued its initiative of hosting the monthly Opening Bell Ceremonies as has been the tradition and these were conducted. The implementation of a new CSD system was nearing completion as at the end of 2021 with go-live earmarked for the first half of 2022. The system will be commissioned simultaneously with an upgraded Automated Trading System (ATS). This milestone project will pave the way for the trading of government bonds in the ATS, and their clearing, settlement and custody in the new CSD system.

8.4 PRODUCT DEVELOPMENT

8.4.1 Rules for Listings Commercial Paper and Depository Receipts

The BSE is consistently working towards the further advancement of the Botswana capital market through product diversification. In a bid to continue to deliver this mandate the BSE developed the Botswana Depository Receipts (BDRs) Listings Requirements and these were approved by NBFIRA in December 2021 for implementation in January 2022. In addition, NBFIRA also approved the revised Debt Securities Listings Requirements in December 2021 and these included the rules for listing Commercial Paper. These also were for implementation in January 2022.

8.4.2 Market Participants Training Seminars

The BSE hosted a Global Depository Receipts and Commercial Paper Workshop in February 2021 to sensitise the market, improve market knowledge and promote the listing and trading of BDRs and CP.

In June 2021, the BSE collaborated with Norsad Capital formerly known as Norsad Finance to host a workshop themed "Promoting Sustainable Finance in Enterprise Development in Botswana". The workshop featured a climate finance and ESG specialists from Norsad Capital, FSD Africa, V.E. (part of Moody's) and Aequalitas Capital Partners, an ESG advisory firm.

To close the year, following the listing of three Exchange Traded Funds (ETFs), the BSE held an ETF centred webinar on "Understanding BSE Exchange Traded Funds". This was conducted in partnership with Absa and Cloud Atlas and was geared towards teaching market participants and the general public about the fundamentals of ETFs listed on the BSE and their use in enhancing portfolio performance.

8.4.3 Bond Market Roundtable 2021

On 18th August 2021, the Botswana Bond Market Association (BBMA) hosted the 2021 Bond Market Roundtable virtually under the theme, "Deepening the Bond Market to Support Economic Recovery and Transformation". The Roundtable featured a keynote address by the Deputy Governor of Bank of Botswana, Dr. Kealeboga Masalila. There were two panel discussions that covered topics on raising capital in the bond market and the process and requirements to issue bonds. Panellists included experts in the bond market ecosystem.

8.5 LEGISLATION AND REGULATION

8.5.1 Corporate Governance Framework

As a capital markets regulator, the BSE strives to achieve and uphold the highest principles of business ethics, corporate governance and reporting. In fulfilling this, the BSE developed a corporate governance framework in line with the Companies Act, Botswana Accountancy Oversight Authority (BAOA) Guidelines, NBFIRA Draft Corporate Governance Guidelines and King IV Code of Corporate Governance (King IV). The corporate governance framework was approved in 2021 and will be gradually implemented over a 5-year period as the BSE transitions to the new BSE 2022-2026 corporate strategy.

8.5.2 Investor Compensation Fund (excludes custodian banks and institutional investors)

The BSE is in the process of establishing an Investor Compensation Fund (ICF), which shall among other things grant compensation to investors for loss suffered as a result of non-fulfillment of contractual obligations by securities brokers who are members of the BSE, special members of the BSE, CSDB, CSD participants, etc. In the pursuit of the aforementioned initiative, the BSE drafted the ICF Rules to guide the establishment of the Fund and published them to solicit comments from market participants.

CHIEF EXECUTIVE OFFICER'S REVIEW

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8.5.3 New Members Rules

The BSE implemented the new Members Rules in July 2021. The rules have been modernized in an effort to attract more brokers to participate on the bourse and to enable primary dealers (commercial banks) to trade bonds on the BSE. The rules are accessible on the BSE website.

8.5.4 BSE's Sustainability Reporting Framework

In 2016, the BSE became a signatory to the United Nations Sustainable Stock Exchange's initiative thus committing to lobby listed entities to incorporate ESG factors in their reporting. To this end, the BSE deemed it imperative to lead by example and incorporate ESG factors into its own reporting mechanism. This is especially relevant in line with the BSE's demutualization and global trends encompassing best practice.

8.6 HUMAN CAPITAL

During the reporting period, the largest shareholder in BSE Limited being Government of the Republic of Botswana approved the BSEL Employee Share Ownership and Participation Plan (ESSOP) and allocated 5% from its shareholding of 81.3% for the benefit of members of staff. This was an important milestone in strengthening the BSE's human capital as the Plan is critical for retaining and attracting high calibre personnel. In addition, the BSE enrolled its staff member on various training programs as part of the annual staff development plans.

8.7 INTERNATIONAL PARTICIPATION

8.7.1 CEO Re-Elected Vice-President of ASEA

The BSE CEO, Mr. Thapelo Tsheole was re-elected the Deputy President of the African Securities Exchanges Association (ASEA) (ASEA) for the second consecutive year. ASEA comprises of 27 member Exchanges serving 32 economies in Africa. This development is critical to advancing the BSE's global presence.

8.7.2 International, Regional and Domestic Conferences

The BSE staff participated at various local and international forums during the year and these included the Virtual Africa Financial Industry Summit 2021, ETFGI Global ETFs Insights Summit, Green Bond Africa Conference, The Network Forum and the Dubai Expo 2020, to name a few.

8.7.3 Partnerships to Promote Internalisation Strategy

During 2021, the BSE entered into a partnership with CNBC Africa to profile the market with BSE listed companies and derive value from their vast network. This involved a comprehensive media campaign that aims to bring vibrancy to the local capital market and listed companies were invited to participate thus leveraging off this campaign, boosting liquidity of their stocks and showcasing their brands on the various CNBC Africa platforms. The rollout of this initiative was facilitated by CNBC Africa Editor-in-Chief, Mr. Godfrey Mutizwa, and it featured the BSE CEO, Mr. Thapelo Tsheole, Rand Merchant Bank Botswana Director, Ms. Olebile Makhube and Letshego Holdings Limited Botswana CEO, Mr. Fergus Ferguson.

The second phase of the partnership involved an insightful interview with current sponsors Absa Bank Botswana Limited and Sefalana Holding Company Limited in which the main discussion was primarily focused on Botswana's investment environment, value proposition of the BSE and economic outlook. The decision to select CNBC Africa was attributed to the fact that they are a world leader in business news and real-time financial market coverage with presence in Europe, Asia, Africa, Middle East, & Americas.

On a similar note, the BSE partnered with Bloomberg to further advance the internalisation strategy and leverage off their vast network, bringing the spotlight on the Exchange and listed companies in order to attract potential issuers and investors to Botswana's market. The BSE has floated content on the Bloomberg website which will redirect visitors to the BSE website to ensure they are provided with easy access of information on BSE products and services, listing rules, market development initiatives and information on listed companies.

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

9.0 CEO's APPRECIATION

The evolution of the COVID-19 pandemic continues to throw a spanner in the works, heightening uncertainty from time to time. Progressively, the containment measures globally will determine the severity of this crisis on the domestic economy. Notwithstanding, there has been a couple of positive developments that bode well for optimism in the short to medium term in the local environment. The lifting of Botswana from the Financial Action Task Force (FATF) grey list in October 2021 was certainly a welcome development, one that will once again stimulate capital flows into the markets. As it stands, Botswana is well poised to exit the European Union's blacklist as the Government has adequately addressed the deficiencies in her legal and operational framework with respect to anti-money laundering and countering the financing of terrorism. In the past 2 years, being on the grey and black lists tainted our attractiveness as an investment destination, presented difficulties in doing business across the world, contributed to low trading activity and inspired some level of sell off of some local securities by foreigners. Hence, these developments should bring the confidence back to our market.

We welcome the Economic Recovery and Transformational Plan (ERTP) as an instrument to stimulate economic activity. This, along with the financial support we received from multi-lateral institutions will underpin the implementation of infrastructure projects that will support business activity and improve the ease of doing business environment. It is pleasing to note that the Government recognises the lack of structural reforms as a major challenge in the attainment of NDP 11 and that she is committed to strengthening accountability within Government for the implementation of agreed policies and reforms. We expect this to increase private sector participation in the economy, with positive spill over effects into financial markets.

From the BSE's standpoint, 2021 and the four years' prior have certainly crystallised our vision of becoming a world class securities exchange. The new strategy, 2022-2026, as already alluded to, encapsulates transformational projects that will radically impact every participant in the market and elevate access to markets. This will be made even more possible to achieve by the collegiality within the ecosystem that we have seen gain traction over the past year.

As a token of appreciation, I would like to sincerely thank my fellow colleagues at the African Securities Exchanges Association (ASEA) for re-electing me the Vice President of ASEA in November 2021. The development of African securities exchanges remains high on the ASEA's agenda and it is the collective effort of exchange members to collaborate and work together to foster synergies that will serve to develop the continent.

Let me also express gratitude to the Board of Directors of BSE Limited and CSDB Limited, and to the shareholders. The Board was very agile to respond to one of the key calls from our broker community brought about by the hardships of COVID-19 on their operations, by implementing the Brokers COVID-19 Relief Programme. This was an important highlight of the year as we have never encountered this before. We recognise that the continuity of our various businesses in this market lingers on our duty to be there for one another when circumstances demand so.

Furthermore, I would like to congratulate Mr. Oduetse Andrew Motshidisi for his appointment as Chief Executive Officer of NBFIRA. I have worked closely with Mr. Motshidisi before, as my senior colleague at Bank of Botswana. In addition, I extend my gratitude to the Regulatory Authority for their seamless service to the BSE over the year.

In closing, I thank the BSE Staff for their tenacity during a challenging period. I thank the market participants for their continued support. I trust that we are standing on solid ground now as we continue to forge robust relationships. This, we must carry forward in order to continue to bring results for the betterment of our institutions and of the nation at large. On that note, I pray that we sail again in the coming years and continue to be cautious of COVID-19 and do our best to protect ourselves, colleagues and loved ones.

Thank you.



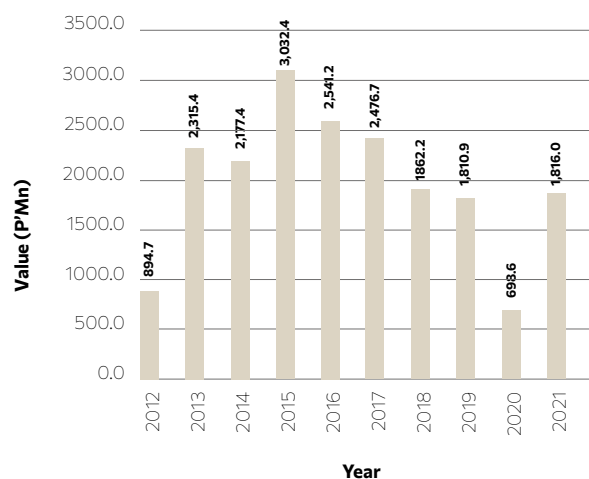
THAPELO TSHEOLE
CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER'S REVIEW

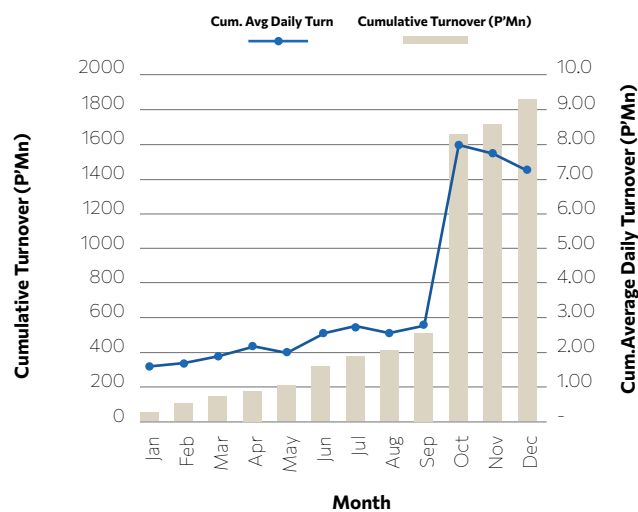
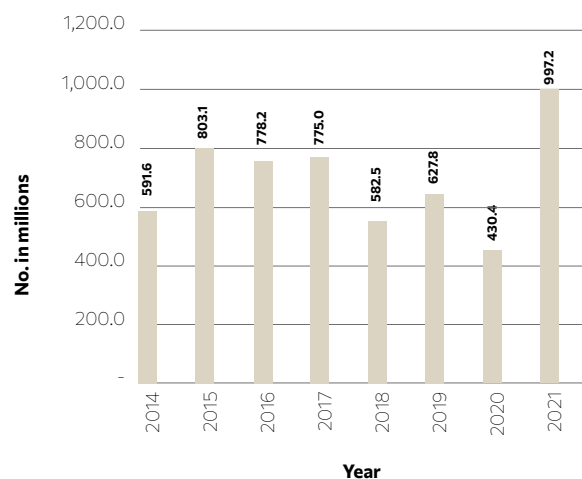
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10.0 GRAPHICAL REVIEW

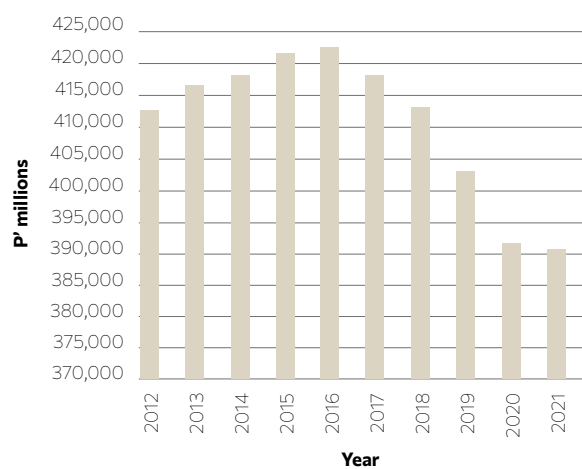
Value of Shares Traded



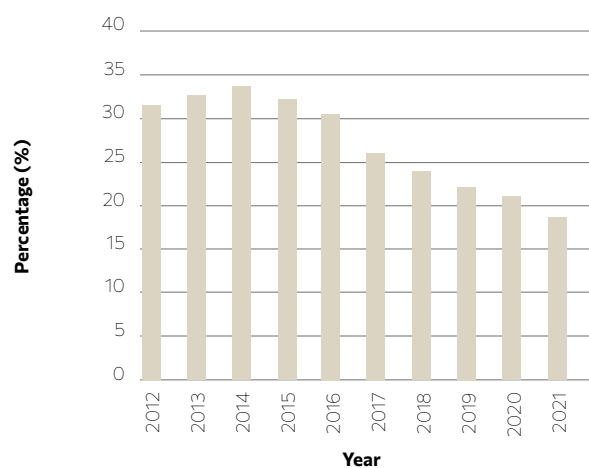
Volume of Shares Traded



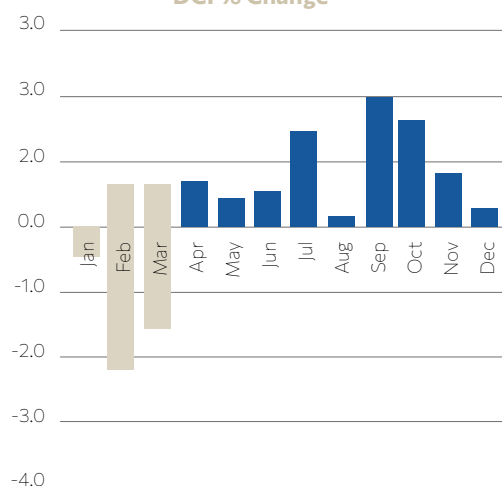
Total Equity Market Capitalization



Domestic Market Capitalization as % of GDP



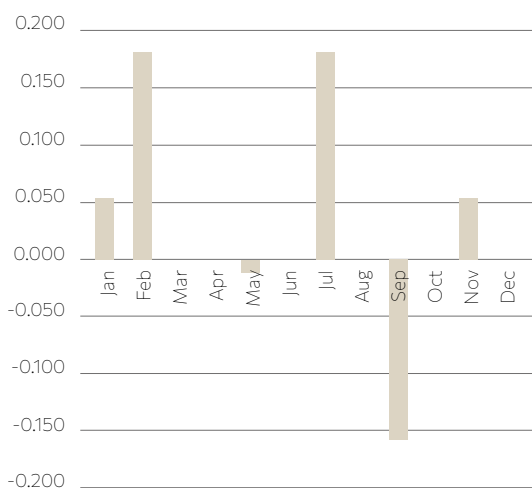
DCI % Change



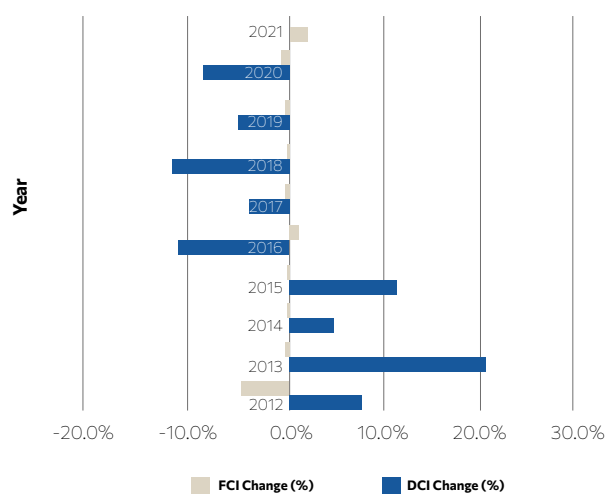
CHIEF EXECUTIVE OFFICER'S REVIEW

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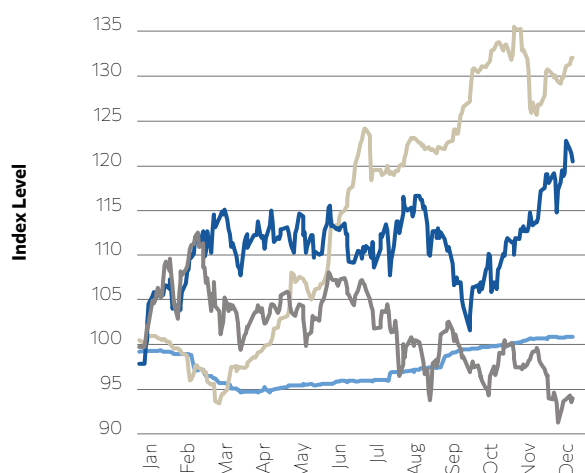
FCI % Change



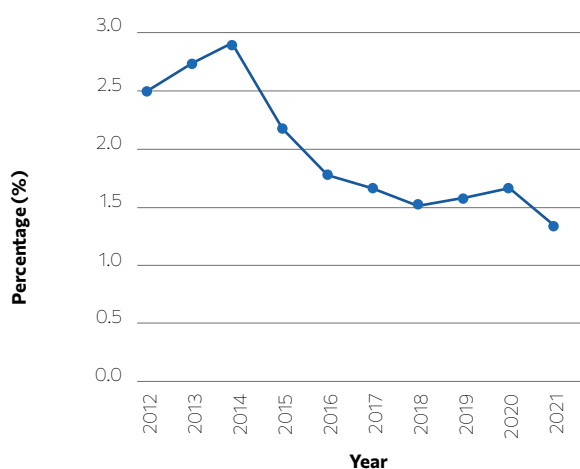
DCI & FCI Yearly % Change



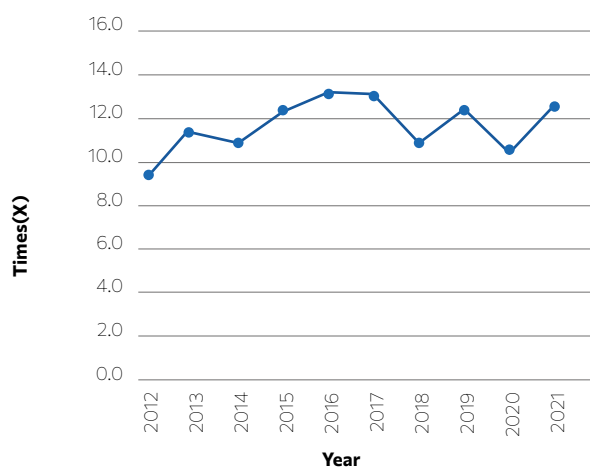
Index Level



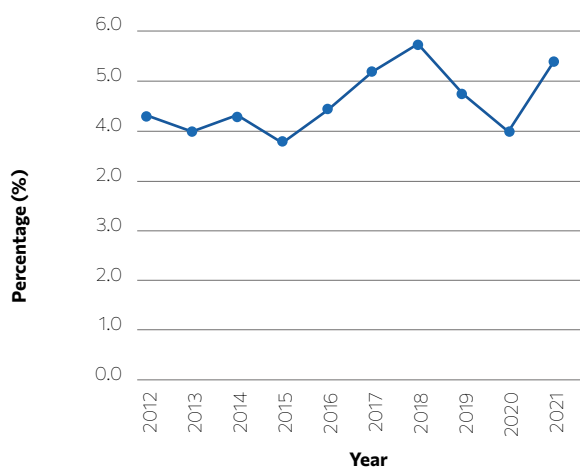
Market Price to Book Value



Price Earnings Ratio



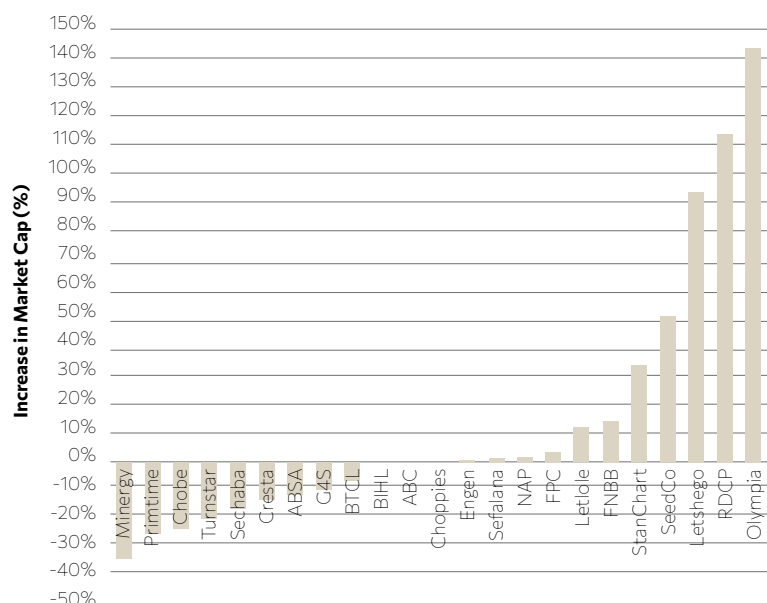
Dividend Yield



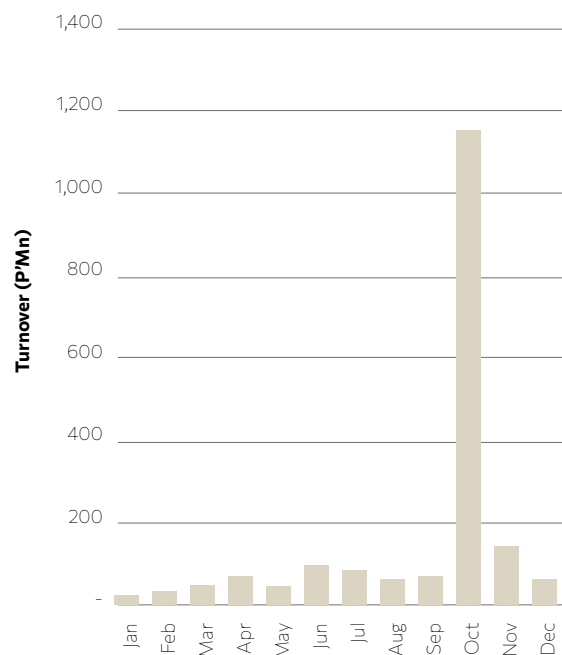
CHIEF EXECUTIVE OFFICER'S REVIEW

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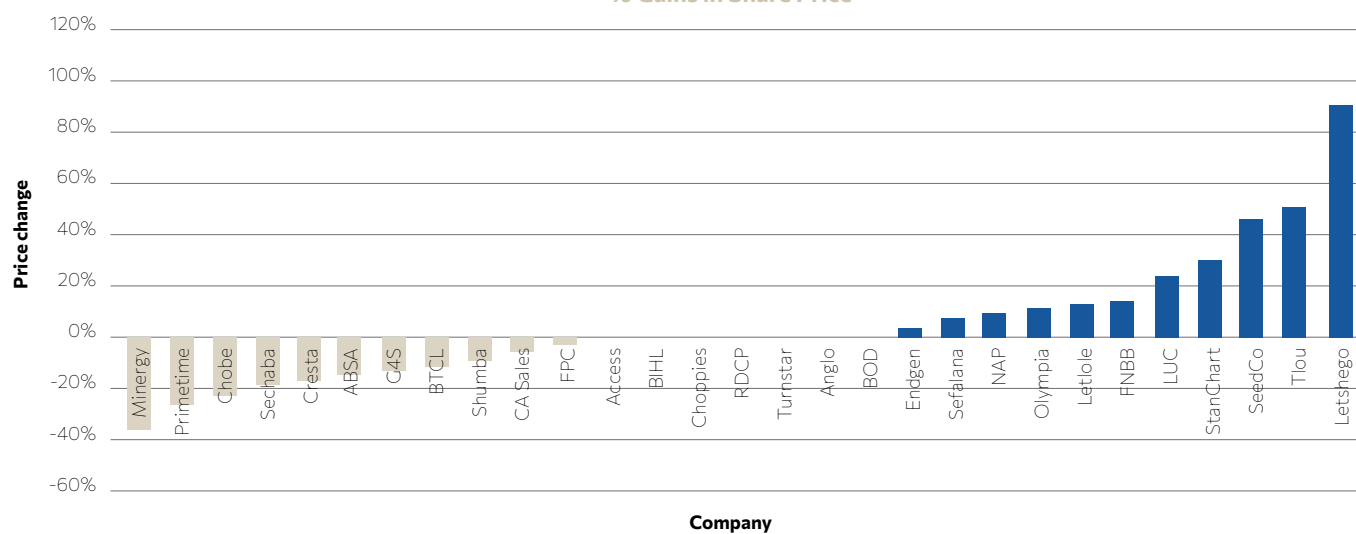
Domestic Companies: % Gains in Market Capitalisation



Monthly Turnover (P'Mn)



% Gains in Share Price



CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

11.0 MARKET STATISTICS

Table 1: Number of Companies Listed

	2014	2015	2016	2017	2018	2019	2020	2021
Number of New Listings	1	1	2	3	2	0	0	0
Number of De-listings	1	4	0	2	2	3	0	2
Foreign Listings	12	10	10	11	9	8	8	7
Domestic Listings	23	22	24	24	26	25	25	24
Total	35	32	34	35	35	33	33	31

Table 2: BSE Market Capitalization as at Year ended December (P'000,000)

	2015	2016	2017	2018	2019	2020	2021
Domestic Market Capitalisation	50,213.85	46,571.96	44,408.06	42,420.95	38,709.40	35,629.85	37,209.39
Foreign Market Capitalisation	370,885.33	374,741.23	373,735.71	370,747.33	369,164.84	355,592.27	353,156.37
Total Market Capitalisation	421,099.19	421,313.19	418,143.76	413,168.28	407,874.24	391,222.12	390,365.76

Table 3: Market Capitalization as at Quarter ended (P'000,000)

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21
Domestic Market Capitalisation	38,715.81	37,025.32	36,207.56	35,629.85	33,820.25	34,272.56	35,921.57	37,209.39
Foreign Market Capitalisation	356,917.86	356,421.48	355,594.19	355,592.27	356,140.87	356,252.89	355,386.93	353,156.37
Total Market Capitalisation	395,633.67	393,446.81	391,801.75	391,222.12	389,961.12	390,525.45	391,308.50	390,365.76

Table 4: Market Capitalization by sector as at Year ended December (P'000,000)

	2014	2015	2016	2017	2018	2019	2020	2021
Banking	17,815.3	17,005.4	14,195.7	12,705.1	13,264.1	13,899.2	12,048.9	12,333.5
Financial Services & Insurance	27,087.9	29,222.2	28,967.5	28,772.5	25,755.1	23,791.2	23,791.2	25,058.8
Retailing & Wholesaling	11,859.5	13,322.2	10,381.0	10,002.3	7,345.6	7,285.8	7,106.1	6,699.8
Property & Property Trust	4,022.4	5,321.7	6,727.9	7,010.4	6,655.0	6,751.8	6,550.2	7,089.0
Mining & Materials	354,005.3	352,642.5	355,972.3	353,374.8	352,393.3	350,829.9	337,161.6	334,591.5
Security Services	229.2	289.6	326.4	319.2	291.2	280.0	272.0	239.2
Information Technology	0.0	0.0	1,029.0	1,932.0	997.5	997.5	861.0	787.5
Funeral Services	285.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Energy	1,517.4	1,357.6	1,565.3	1,693.1	1,661.1	1,656.3	1,641.9	1,653.1
Tourism	1,264.5	1,938.1	2,148.2	2,334.5	2,719.1	1,240.2	1,083.4	850.5
Agriculture	0.0	0.0	0.0	0.0	2,086.3	1,142.4	705.7	1,062.8

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

Table 5: Market Capitalization by sector as at Quarter ended (P'000,000)

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21
Banking	13,644.81	12,613.87	12,470.19	12,048.88	11,042.09	11,335.22	12,216.50	12,333.55
Financial Services & Insurance	24,091.35	23,769.74	23,683.98	23,791.20	23,726.91	23,943.86	24,587.08	25,058.77
Retailing & Wholesaling	7,303.82	7,277.06	7,197.81	7,106.05	6,762.92	6,676.60	6,671.95	6,699.81
Property & Property Trust	6,754.53	6,736.41	6,494.37	6,550.25	6,233.40	6,182.05	6,319.61	7,088.99
Mining & Materials	338,625.66	338,000.80	337,173.14	337,161.65	337,709.98	337,822.97	336,979.86	334,591.51
Security Services	272.00	272.00	272.00	272.00	240.00	240.00	240.00	239.20
Information Technology	903.00	934.50	808.50	861.00	735.00	735.00	714.00	787.50
Energy	1,656.32	1,656.32	1,654.72	1,641.94	1,617.99	1,617.99	1,645.14	1,653.12
Tourism	1,277.81	1,188.37	1,093.39	1,083.44	1,053.64	941.84	888.18	850.47
Agriculture	1,104.37	997.74	953.63	705.69	839.20	1,029.92	1,062.85	1,062.85

Table 6: Trading Statistics as at Year ended December

	2014	2015	2016	2017	2018	2019	2020	2021
Volume Traded (Mn)	591.60	803.10	778.23	0.00	0.00	627.80	0.00	0.00
Value Traded (P'Mn)	2,177.40	3,032.40	1.80	1.72	1.48	1,810.90	1.56	1.30
No. of Deals	11,139	12,730	13,707	13,707	9,198	7,880	5,346	5,346
Liquidity Ratio	4.9	6.3	5.3	5.4	4.3	4.5	1.9	1.9

Table 7: Trading Statistics as at Quarter ended

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21
Volume Traded (Mn)	81.8	71.7	136.2	140.7	87.5	153.2	59.7	696.8
Value Traded (P'Mn)	185.0	178.7	173.2	161.6	113.7	178.9	169.9	1353.5
No. of Deals	1,757	1,044	1,177	1,368	1,215	1,377	1,362	1,621

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Table 8: BSE Indices as at Year ended December

	2014	2015	2016	2017	2018	2019	2020	2021
DCI	9,501.6	10,602.3	9,400.7	8,860.1	7,851.9	7,494.6	6,879.4	7,009.6
FCI	1,577.6	1,572.4	1,585.8	1,574.9	1,570.3	1,562.4	1,547.3	1,549.7
DCTRI	1,705.9	1,988.1	1,842.9	1,824.1	1,712.6	1,727.6	1,664.7	1,850.0
LASI	781.0	797.3	786.0	794.6	804.3	843.8	842.4	960.3
DFSI	1,090.4	1,212.4	1,094.5	1,078.0	1,058.2	1,054.8	1,013.1	1,233.0
FRSI	729.2	726.3	734.1	729.7	744.2	777.9	779.6	896.5

Table 9: BSE Indices as at Quarter ended

	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21
DCI	7,487.6	7,159.7	7,001.2	6,879.4	6,528.4	6,622.4	6,900.7	7,009.6
FCI	1,551.3	1,551.2	1,547.3	1,547.3	1,550.9	1,551.3	1,548.8	1,549.7
DCTRI	1,737.3	1,702.2	1,682.6	1,664.7	1,591.4	1,654.8	1,796.3	1,850.0
LASI	838.8	837.1	843.3	842.4	863.7	866.9	957.2	960.3
DFSI	1,064.7	1,026.0	1,024.6	1,013.1	963.3	1,026.1	1,182.9	1,233.0
FRSI	772.1	772.0	779.6	779.6	806.1	806.3	896.0	896.5

Table 10: Top Ten Domestic Companies by Volume Traded (Mn)

2020		2021	
Company	Volume	Company	Volume
Letshego	241.7	Access	567.8
Choppies	58.1	Letshego	159.7
FNBB	31.4	Afinitas	91.5
Minergy	11.3	FNBB	41.3
BTCL	11.1	Cresta	18.8
StanChart	9.1	ABSA	17.3
ABSA	9.1	BTCL	16.4
Seed Co.	7.2	StanChart	16.4
Sefalana	6.7	Turnstar	14.2
Letlole	6.3	Sefalana	9.5

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

Table 11: Top Ten Domestic Companies by Value Traded (P' Mn)

2020		2021	
Company	Value	Company	Value
Letshego	170.7	Access	1,073.2
FNBB	81.2	Letshego	162.7
Sechaba	78.0	FNBB	95.1
Sefalana	61.5	Sefalana	89.1
ABSA	49.9	ABSA	78.1
BIHL	47.6	BIHL	7.6
Choppies	35.6	Sechaba	52.2
Chobe	17.9	Turnstar	27.6
NAP	17.8	StanChart	27.0
Seed Co.	16.6	Primetime	24.0

Table 12: Top Ten Foreign Companies by Volume Traded (Mn)

2020		2021	
Company	Volume	Company	Volume
CA Sales	4.177	CA Sales	1.600
Tlou	0.165	Tlou	0.172
Shumba	0.111	Lucara	0.114
BOD	0.057	BOD	0.076
Lucara	0.004	Shumba	0.021

Table 13: Top Ten Foreign Companies by Value Traded (P' Mn)

2020		2021	
Company	Value	Company	Value
CA Sales	15.732	CA Sales	5.889
Shumba	0.105	Lucara	0.735
Tlou Energy	0.056	Tlou	0.085
Lucara	0.024	Shumba	0.019
BOD	0.007	BOD	0.007

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Table 14: Top Ten Domestic Companies by Market Capitalization (P' Mn)

2020		2021	
Company	Market Cap	Company	Market Cap
FNBB	5,596.1	FNBB	6,359.3
BIHL	4,941.5	BIHL	4,941.5
ABSA	4,584.6	ABSA	3,954.0
Sefalana	2,341.8	Letshego	3,001.7
Sechaba	2,284.2	Sefalana	2,369.4
NAP	1,940.1	NAP	1,970.3
Engen	1,641.9	Sechaba	1,847.3
Letshego	1,543.7	Engen	1,653.1
ABC	1,435.5	RDCP	1,630.2
Turnstar	1,430.4	Access	1,435.5

Table 15: Top Ten Foreign Companies by Market Capitalization (P' Mn)

2020		2021	
Company	Market Cap	Company	Market Cap
Anglo	333,883.4	Anglo	330,753.2
Investec	17,115.6	Investec	17,115.6
Lucara	2,028.1	Lucara	2,944.7
CA Sales	1,691.0	CA Sales	1,684.2
A Cap	340.0	Tlou	300.1
Shumba	278.2	Shumba	264.5
Tlou	169.4	BOD	94.0
BOD	86.5	-	-

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Table 16: Bond Market Statistics: 2021

Bond Code	Maturity Date	Nominal Amount (P)	Coupon Rate %	Trade (P)
BOTSGB0325	10-Mar-2	3,394,000,000	8.00	81,442,091.90
BOTSGB0931	10-Sep-31	3,524,000,000	7.75	955,352,477.21
BOTSGB0640	13-Jun-40	2,229,000,000	6.00	281,543,795.72
BOTSGB0623	7-Jun-23	3,006,000,000	4.50	38,287,518.43
BOTSGB0929	5-Sep-29	3,716,000,000	4.80	254,017,388.54
BOTSGB0943	2-Sep-43	1,234,000,000	5.30	298,804,672.78
BOTSGB0527	5-May-27	582,000,000	5.50	200,344,214.97
CGL001	8-Apr-24	128,510,000	Floating	14,378,178.86
DPCF006	2-Jun-22	55,000,000	10.75	3,409,165.79
DPCF007	2-Jun-25	35,000,000	10.90	4,614,890.61
IFC001	20-Sep-24	260,000,000	Floating	-
BBS005	3-Dec-23	150,000,000	11.20	11,414,253.03
BHC025	10-Dec-25	300,000,000	Floating	15,662,961.75
BHC028				1,883,975.36
BDC001	9-Jun-29	82,030,000	Floating	299,880.47
BDCL002	16-Aug-22	131,500,000	Floating	39,219,937.75
BDC003	9-Jun-29	142,530,000	Floating	415,521.93
WUC002	26-Jun-26	205,000,000	10.60	29,573,607.66
BBB017	14-Nov-23	97,410,000	Floating	2,919,609.04
BBB018	14-Nov-23	102,590,000	Floating	11,338,965.78
FML025	23-Oct-25	150,000,000	8.20	13,739,036.24
FNBB006	11-Nov-20	112,120,000	Floating	6,299,244.80
FNBB007	6-Dec-26	161,840,000	Floating	18,549,932.38
FNBB008	6-Dec-26	40,000,000	7.48	12,756,363.03
FNBB009	8-Dec-24	126,350,000	Floating	7,629,987.21
FNBB010	2-Dec-29	196,802,000	Floating	19,628,908.08
GBL001	31-Dec-21	50,000,000	18.00	-
GBL004	10-Apr-21	25,000,000	15.00	-
INB001	30-Dec-27	USD113,376,758.07	Floating	-
LHL006	8-Nov-23	220,680,000	10.50	66,971,689.49
LHL007	8-Nov-25	75,000,000	10.50	-
LHL008	8-Nov-27	28,500,000	11.00	106,366.70
SBBL066	15-Jun-27	140,000,000	Floating	36,324,759.42
SBBL067	16-Jun-27	60,000,000	7.80	8,801,941.45

CHIEF EXECUTIVE OFFICER'S REVIEW

Continued

Table 16: Bond Market Statistics: 2021 (continued)

Bond Code	Maturity Date	Nominal Amount (P)	Coupon Rate %	Trade (P)
SBBL068	28-Nov-29	212,000,000	Floating	24,495,480.49
SBBL069	28-Nov-29	88,000,000	7.75	2,195,016.22
SBBL070	9-Oct-25	132,520,000	6.30	11,540,650.39
SBBL071	9-Oct-25	118,200,000	Floating	11,698,453.79
SCBB009	2-Jun-25	93,603,000	6.50	17,354,995.57
SCBB010	2-Jun-28	229,963,000	Floating	2,220,081.60
PTP021	10-Jun-21	96,000,000	Floating	562,600.54
PTP024	10-Jun-24	59,000,000	8.50	42,275.43
PTP026	29-Nov-26	70,000,000	9.00	-
RDCP001	29-Mar-26	47,350,000	Floating	5,103,936.10
RDCP002	24-Mar-27	40,000,000	Floating	1,422,704.73
RDCP003	24-Mar-24	12,000,000	Floating	-
RDCP004	9-Dec-22	75,000,000	7.40	-
BDC004	25-Sep-31	162,140,000	8.00	37,892,457.34
				2,550,659,988.58

Table 17: Bond Market Capitalization by Sector: 2021

Bonds	Maturity Date	Issue Size (P)
Government		
BOTSGB0325	10-Mar-25	3,394,000,000
BOTSGB0931	10-Sep-31	3,524,000,000
BOTSGB0640	13-Jun-40	2,229,000,000
BOTSGB0623	7-Jun-23	3,006,000,000
BOTSGB0929	5-Sep-29	3,716,000,000
BOTSGB0943	2-Sep-43	1,234,000,000
BOTSGB0527	5-May-27	582,000,000
		17,685,000,000
Quasi		
DPCF006	2-Jun-22	55,000,000
DPCF007	2-Jun-25	35,000,000
		90,000,000
Parastatals		
BBS005	3-Dec-23	150,000,000

CHIEF EXECUTIVE OFFICER'S REVIEW Continued

Table 17: Bond Market Capitalization by Sector: 2021 (continued)

Bonds	Maturity Date	Issue Size (P)
BBS012	9-Aug-26	64,470,000
BHC025	10-Dec-25	300,000,000
BHC028	16-Feb-28	100,000,000
BDC001	9-Jun-29	82,030,000
BDCL002	16-Aug-22	131,500,000
BDC003	9-Jun-29	142,530,000
BDC004	25-Sep-31	162,140,000
WUC002	26-Jun-26	205,000,000
		1,337,670,000
Corporate		
BBB017	14-Nov-23	97,410,000
BBB018	14-Nov-23	102,590,000
CGL001	8-Apr-24	128,510,000
FML025	23-Oct-25	150,000,000
FNBB006	11-Nov-22	112,120,000
FNBB009	8-Dec-24	126,350,000
FNBB010	2-Dec-29	196,802,000
INB001	30-Dec-27	USD113,376,758.07
LHL006	8-Nov-23	220,680,000
LHL007	8-Nov-25	75,000,000
LHL008	8-Nov-27	28,500,000
SBBL066	15-Jun-27	140,000,000
SBBL067	16-Jun-27	60,000,000
SBBL068	28-Nov-29	212,000,000
SBBL069	28-Nov-29	88,000,000
SBBL070	9-Oct-25	132,520,000
SBBL071	9-Oct-25	118,200,000
PTP024	10-Jun-24	59,000,000
PTP026	29-Nov-26	70,000,000
RDCP001	29-Mar-26	47,350,000
RDCP002	24-Mar-27	40,150,000
RDCP003	24-Mar-24	12,000,000
RDCP004	9-Dec-22	75,000,000
SCBB009	2-Jun-25	93,603,000

CHIEF EXECUTIVE OFFICER'S REVIEW

[Continued](#)

Table 17: Bond Market Capitalization by Sector: 2021 (continued)

Bonds	Maturity Date	Issue Size (P)
SCBB010	2-Jun-28	229,963,000
		3,946,461,123
TOTAL		23,059,131,122.89



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Directors' Responsibilities and Approval

Group Annual Financial Statements for the year ended 31 December 2021

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 group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group annual financial statements 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the group annual financial statements.

The group annual financial statements are prepared in accordance with International Financial Reporting Standards 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour 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 group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

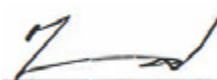
The directors have reviewed the group's cash flow forecast for the year to 31 December 2022 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's group annual financial statements. The group annual financial statements have been examined by the group's external auditors and their report is presented on pages 68 to 71.

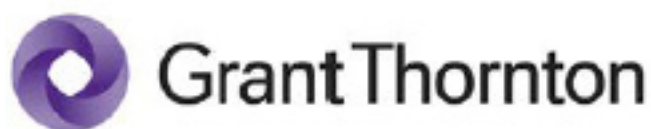
The group annual financial statements set out on pages 72 to 112, which have been prepared on the going concern basis, were approved by the Board of Directors on 25 March 2022 and were signed on their behalf by:



Director



Director



Chartered Accountants
Grant Thornton Acumen
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Independent Auditor's Report

To the shareholders of Botswana Stock Exchange Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Botswana Stock Exchange Limited and its subsidiary (the Group) set out on pages 72 to 110, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.



Botswana Accountancy Oversight Authority registration number: FAP 006 2016 (Audit Firm of Public Interest Entity) Botswana Institute of Chartered Accountants membership number: MeFBW11013 (Audit and Non-Audit)

Member of Grant Thornton international Ltd
Office in Gaborone & Francistown

5 Partners Kalyanaraman Vijay (Managing), Dinesh R Mallon (Deputy Managing), Aswin Vaidyanathan, Madhavan Venkatochory, Anthony Quashie, Sunny K Mulokulam*, Aparna Vijay* (*Indian)

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Key audit matter	Why considered significant.	How the matter was addressed.
Revenue recognition	<p>The principle of revenue recognition under IFRS 15</p> <p>‘Contract with Customers’ are inherently complex and requires judgement to ascertain whether the group and company have discharged their performance obligations. Hence this matter is considered key.</p>	<p>We gained an understanding of different process and controls established by the group towards recording revenue.</p> <p>Our audit procedures included the testing of the appropriateness of the application of the revenue recognition criteria in line with the requirements of International Financial Reporting Standard 15: Revenue from contracts with customers (IFRS 15) for all the significant revenue streams.</p> <p>For each revenue stream considered significant, we selected a random sample of transactions to verify that the revenue recognition criteria is being properly applied.</p> <p>No exceptions were noted</p>

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

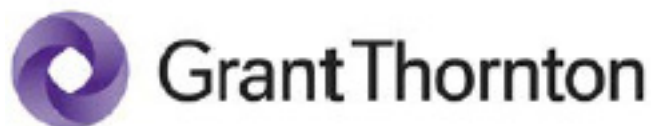
Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated 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 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 Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the consolidated 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.

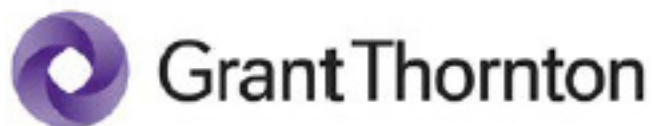
Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the consolidated 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 annual financial statements. We are responsible for the direction, supervision and the performance of the company 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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the consolidated 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,

**Chartered Accountants
Certified Auditor: Madhavan Venkatachary
(Member No: 20030049) Certified Auditor
of Public Interest Entity Certificate No: CAP
0017 2022**

25 MAR 2022
Gaborone



Statement of Financial Position as at 31 December 2021

		Group		Company	
Figures in Pula	Notes	2021	2020	2021	2020
Assets					
Non-Current Assets					
Property, plant and equipment	3	20 312 814	17 933 191	12 454 278	10 346 854
Right-of-use assets	4	1 221 620	2 574 720	1 038 377	2 169 109
Investments in subsidiaries	5	-	-	100	100
		21 534 434	20 507 911	13 492 755	12 516 063
Current Assets					
Financial assets	6	104 251 628	99 006 882	81 551 388	74 461 310
Trade and other receivables	7	3 904 616	1 668 231	3 496 384	1 863 088
Cash and cash equivalents	8	5 624 007	1 867 685	3 617 945	1 531 504
		113 780 251	102 542 798	88 665 717	77 855 902
Total Assets		135 314 685	123 050 709	102 158 472	90 371 965
Equity and Liabilities					
Equity					
Stated capital	9	35 600 000	35 600 000	35 600 000	35 600 000
Reserves		1 889 961	-	1 889 961	-
Retained income		74 196 258	63 052 186	50 574 807	39 998 455
		111 686 219	98 652 186	88 064 768	75 598 455
Liabilities					
Non-Current Liabilities					
Lease liabilities	11	-	1 498 023	-	1 273 320
Deferred income	13	16 896 238	17 810 992	8 396 238	9 310 992
		16 896 238	19 309 015	8 396 238	10 584 312
Current Liabilities					
Trade and other payables	12	5 571 058	3 823 968	4 779 883	3 147 926
Lease liabilities	11	1 161 170	1 265 540	917 583	1 041 272
		6 732 228	5 089 508	5 697 466	4 189 198
Total Liabilities		23 628 466	24 398 523	14 093 704	14 773 510
Total Equity and Liabilities		135 314 685	123 050 709	102 158 472	90 371 965

Statement of Profit or Loss and Other Comprehensive Income as at 31 December 2021

Figures in Pula	Notes	Group		Company	
		2021	2020	2021	2020
Revenue	14	42 004 847	33 997 808	34 822 715	30 981 941
Other operating income	15	2 691 299	1 509 169	2 691 299	1 500 240
Other operating gains (losses)	16	1 212	228 151	1 212	228 151
Movement in credit loss allowances	17	(125 955)	(2 500)	(116 280)	-
Other operating expenses		(38 142 254)	(31 770 341)	(30 392 507)	(24 808 410)
Operating profit	17	6 429 149	3 962 287	7 006 439	7 901 922
Finance income	18	4 855 862	4 370 964	3 689 711	3 237 043
Finance costs	19	(140 939)	(238 166)	(119 798)	(203 079)
Profit for the year		11 144 072	8 095 085	10 576 352	10 935 886
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		11 144 072	8 095 085	10 576 352	10 935 886

Statement of Changes in Equity

Figures in Pula	Stated Capital	Share based reserve	Retained income	Total equity
Group				
Balance at 01 January 2020	35 600 000	-	54 957 101	90 557 101
Profit for the year	-	-	8 095 085	8 095 085
Total comprehensive income for the year	-	-	8 095 085	8 095 085
Balance at 01 January 2021	35 600 000	-	63 052 186	98 652 186
Profit for the year	-	-	11 144 072	11 144 072
Total comprehensive income for the year	-	-	11 144 072	11 144 072
Employees share option scheme	-	1 889 961	-	1 889 961
Total other movements	-	1 889 961	-	1 889 961
Balance at 31 December 2021	35 600 000	1 889 961	74 196 258	111 686 219
Note	9			

Statement of Changes in Equity

Figures in Pula	Stated Capital	Share based reserve	Retained income	Total equity
Company				
Balance at 01 January 2020	35 600 000	-	29 062 569	64 662 569
Profit for the year	-	-	10 935 886	10 935 886
Total comprehensive income for the year	-	-	10 935 886	10 935 886
Balance at 01 January 2021	35 600 000	-	39 998 455	75 598 455
Profit for the year	-	-	10 576 352	10 576 352
Total comprehensive income for the year	-	-	10 576 352	10 576 352
Employees share option scheme	-	1 889 961	-	1 889 961
Total other movements	-	1 889 961	-	1 889 961
Balance at 31 December 2021	35 600 000	1 889 961	50 574 807	88 064 768
Note	9			

Statement of Cash Flows

Figures in Pula	Note	Group		Company	
		2021	2020	2021	2020
Cash flows from operating activities					
Cash generated from operations	21	10 474 410	6 149 836	11 039 753	4 969 638
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(4 588 953)	(5 285 252)	(4 039 221)	(3 994 687)
Sale of property, plant and equipment		3 083	230 500	3 083	230 500
Interest Income		4 855 862	4 370 964	3 689 711	3 237 043
Net cash from investing activities		269 992	(683 788)	(346 427)	(527 144)
Cash flows from financing activities					
Payment on lease liabilities		(1 575 395)	(1 497 286)	(1 397 009)	(1 307 130)
Finance costs		(140 939)	(238 166)	(119 798)	(203 079)
Net cash from financing activities		(1 716 334)	(1 735 452)	(1 516 807)	(1 510 209)
Total cash movement for the year		9 028 068	3 730 596	9 176 519	2 932 285
Cash and cash equivalents at the beginning of the year		100 847 567	97 143 971	75 992 814	73 060 529
Total cash and cash equivalents at end of the year	8	109 875 635	100 874 567	85 169 333	75 992 814

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate group annual financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate group annual 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 Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group annual financial statements and the Companies Act (CAP 42:01).

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

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

1.2 Consolidation

Basis of consolidation

The consolidated group annual financial statements incorporate the group annual financial statements 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 group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements 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 group annual financial statements 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.

Critical judgments in determining the lease term

management considers all facts and circumstances that create an economic incentive to exercise extension option: or not exercise a termination option.

Accounting Policies

Continued

1.3 Significant judgements and sources of estimation uncertainty (continued)

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

The company and its subsidiary are exempt from tax for a period of 5 years since the Botswana Stock Exchange was demutualised to form Botswana Stock Exchange Limited, the reporting company in the year 2018.

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 high are stated at revalued amounts. The revalued amount is fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Accounting Policies

Continued

1.4 Property, plant and equipment (continued)

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	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Computer and office equipment	Straight line	4 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.

1.5 Financial instruments

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

Financial assets which are debt instruments:

- Amortised cost

Financial liabilities:

- Amortised cost

Note 23 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Accounting Policies

Continued

1.5 Financial instruments (continued)

Financial assets at amortised cost

Classification

Short-term investments are classified as financial assets and are measured at amortised cost.

They have been classified in this manner because the contractual terms of these financial assets give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these financial assets.

Recognition and measurement

Financial assets are recognised when the group becomes a party to the contractual provisions of the financial asset. The financial assets are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset 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.

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

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days e unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Accounting Policies

Continued

1.5 Financial instruments (continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the financial asset at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Financial assets are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the financial asset, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all financial assets in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 17).

Credit risk

Details of credit risk related to financial assets are included in the specific notes and the financial instruments and risk management (note 23).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition. Any gains or losses arising on the derecognition of a financial assets is included in profit or loss.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

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

Accounting Policies

Continued

1.5 Financial instruments (continued)

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 18).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables and other financial assets, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 17).

Write off policy

The group writes off a receivable 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. Receivables written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 23).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition. Derecognition of trade and other receivables is included in profit or loss in the derecognition ins (losses) on financial assets at amortised cost line item.

Accounting Policies

Continued

1.5 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 19).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 23 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalents comprises cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

1.6 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 17) on a straight-line basis over the term of the another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting Policies

Continued

1.6 Leases (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 4 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 19).

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 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.

Accounting Policies

Continued

1.6 Leases (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.

1.7 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.

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.

Accounting Policies

Continued

1.7 Impairment of assets (continued)

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.

1.8 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.

1.9 Share based payments

The fair value of the share options granted during the year ended 31 December 2020 was P1 889 961, of which the company recognised a share option expense of P1 759 976 during the year ended 31 December 2021. At the end of the reporting period, the Company had 153 482 share options outstanding under the Scheme.

Services received or acquired in a share-based payment transaction are recognised when the services are received. A corresponding increase in equity 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 equity 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 equity, 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.

1.10 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.

Accounting Policies

Continued

1.10 Employee benefits (continued)

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.

1.11 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.

1.12 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.

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.

Accounting Policies

Continued

1.13 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 group 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.

Annual sustaining fees

Annual sustaining fees are invoiced in advance for the year unless collection is in doubt.

Member fees

Annual member/dealer fees are invoiced in advance for the year unless collection is in doubt.

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.

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

Accounting Policies

Continued

1.14 Translation of foreign currencies 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 group annual financial statements 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.

Notes to the Group Annual Financial Statements

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:
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	01 January 2021	The impact of the amendments is not material.
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	01 January 2021	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 2022 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1 Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	01 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2023	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2023	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2023	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2023	Unlikely there will be a material impact

Notes to the Group Annual Financial Statements

3. Property, plant and equipment

Group	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 790 250	-	2 790 250	-	-	-
Furniture and fixtures	2 266 398	(1 058 193)	1 208 205	2 188 058	(859 016)	1 329 042
Motor vehicles	1 962 712	(1 137 060)	825 652	1 943 945	(709 836)	1 234 109
Computer and office equipment	13 144 568	(7 926 910)	5 217 658	13 096 184	(6 885 326)	6 210 858
Leasehold improvements	2 635 225	(1 043 000)	1 592 225	2 635 225	(779 480)	1 855 745
Capital - Work in progress	8 678 824	-	8 678 824	7 303 437	-	7 303 437
Total	31 477 977	(11 165 163)	20 312 814	27 166 849	(9 233 658)	17 933 191

Company	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 790 250	-	2 790 250	-	-	-
Furniture and fixtures	2 225 955	(1 023 117)	1 202 838	2 147 615	(827 984)	1 319 631
Motor vehicles	1 962 712	(1 137 060)	825 652	1 943 945	(709 836)	1 234 109
Computer and office equipment	9 140 058	(3 922 400)	5 217 658	9 091 674	(3 154 305)	5 937 369
Leasehold improvements	2 635 225	(1 043 000)	1 592 225	2 635 225	(779 480)	1 855 745
Capital - Work in progress	825 655	-	825 655	-	-	-
Total	19 579 855	(7 125 577)	12 454 278	15 818 459	(5 471 605)	10 346 854

Notes to the Group Annual Financial Statements

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Depreciation	Total
Land	-	2 790 250	-	2 790 250
Furniture and fixtures	1 329 042	78 340	(199 177)	1 208 205
Motor vehicles	1 234 109	18 767	(427 224)	825 652
Computer and office equipment	6 210 858	326 209	(1 319 409)	5 217 658
Leasehold improvements	1 855 745	-	(263 520)	1 592 225
Capital - Work in progress	7 303 437	1 375 387	-	8 678 824
	17 933 191	4 588 953	(2 209 330)	20 312 814

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Transfers	Depreciation	Total
Furniture and fixtures	1 527 472	-	-	(198 430)	1 329 042
Motor vehicles	274 854	1 492 427	-	(533 172)	1 234 109
Computer and office equipment	4 120 798	2 502 260	780 552	(1 192 752)	6 210 858
Leasehold improvements	2 119 265	-	-	(263 520)	1 855 745
Capital - Work in progress	6 793 424	1 290 565	(780 552)	-	7 303 437
	14 835 813	5 285 252	-	(2 187 874)	17 933 191

Reconciliation of property, plant and equipment - Company - 2021

	Opening balance	Additions	Depreciation	Total
Land	-	2 790 250	-	2 790 250
Furniture and fixtures	1 319 631	78 340	(195 133)	1 202 838
Motor vehicles	1 234 109	18 767	(427 224)	825 652
Computer and office equipment	5 937 369	326 209	(1 045 920)	5 217 658
Leasehold improvements	1 855 745	-	(263 520)	1 592 225
Capital - Work in progress	-	825 655	-	825 655
	10 346 854	4 039 221	(1 931 797)	12 454 278

Reconciliation of property, plant and equipment - Company - 2020

	Opening balance	Additions	Transfers	Depreciation	Total
Furniture and fixtures	1 514 017	-	-	(194 386)	1 319 631
Motor vehicles	274 854	1 492 427	-	(533 172)	1 234 109
Computer and office equipment	3 547 369	2 502 260	780 552	(892 812)	5 937 369
Leasehold improvements	2 119 265	-	-	(263 520)	1 855 745
Capital - Work in progress	780 552	-	(780 552)	-	-
	8 236 057	3 994 687	-	(1 883 890)	10 346 854

Notes to the Group Annual Financial Statements

3. Property, plant and equipment (continued)

Figures in Pula	Group		Company	
	2021	2020	2021	2020

Capital work in progress

Capital work in progress represents the capital payments made towards the acquisition and implementation of a new IT system.

Fully depreciated assets still in use;

Furniture and fixtures	235 655	-	235 655	-
Motor vehicles	235 043	235 043	235 043	235 043
Computer and office equipment	299 264	465 934	299 264	465 934

4. Right of use asset

Net carrying amounts of right-of-use assets

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

Buildings	1 221 620	2 574 720	1 038 377	2 169 109
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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 17).

Buildings	1 353 099	1 346 546	1 130 731	1 142 769
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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	No of leases with termination option
Buildings	1	11 months	11 months	1	1

5. 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	Held by	% voting power 2021	% voting power 2020	% Holding 2021	% Holding 2020	Carrying amount 2021	Carrying amount 2020
Central Securities Depository Company of Botswana Limited		100.00 %	100.00 %	100.00 %	100.00 %	100	100

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
6. Financial assets				
Short-term investments	104 251 628	99 006 882	81 551 388	74 461 310
The short term investments are unsecured, earns average interest of 4.1% (2020: 4.1%) 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	104 251 628	99 006 882	81 551 388	74 461 310

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	10 459 374	104 189	10 402 602	50 017
Standard Chartered Bank of Botswana Limited	-	12 106 521	-	12 106 521
African Alliance Asset Management	51	50	32	32
Botswana Insurance Fund Management	23 353 067	33 388 416	21 323 477	31 443 857
iPro Botswana Fund Management	24 718 922	3 255 857	17 530 716	2 192 343
Bank Gaborone Limited	21 632 011	31 365 187	12 049 523	15 209 422
Morula Capital partners	24 088 203	18 786 662	20 245 038	13 459 118
	104 251 628	99 006 882	81 551 388	74 461 310

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.

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
7. Trade receivables				
Financial instruments:	2 161 574	501 468	1 373 893	396 860
Loss allowance	(125 955)	-	(116 280)	-
Trade receivables at amortised cost	2 035 619	501 468	1 257 613	396 860
Deposits	380 194	380 194	380 194	380 194
Central Securities Depository Company of Botswana	-	-	418 670	375 763
Other receivable	150 000	12 605	150 000	12 605
Non-financial instruments:				
Value added tax	183 925	150 754	183 925	150 754
Employee costs in advance	189 756	18 500	189 756	18 500
Prepayments	965 122	604 710	916 226	528 412
Total trade and other receivables	3 904 616	1 668 231	3 496 384	1 863 088
Financial instrument and non-financial instrument components of trade and other receivables				
At amortised cost	2 565 813	894 267	2 206 477	1 165 422
Non-financial instruments	1 338 803	773 964	1 289 907	697 666
	3 904 616	1 668 231	3 496 384	1 863 088

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:

Notes to the Group Annual Financial Statements

7. Trade and other receivables(continued)

Group	2021	2020	2021	2020
	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	1 697 323	-	179 264	-
31-60 days past due	207 159	-	321 004	-
31 - 60 days past due	140 812	-	-	-
61 - 90 days past due	116 280	116 280	-	-
91 days past due	-	-	1 200	-
Total	2 161 574	116 280	501 468	-

Company	2021	2021	2020	2020
	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	1,168,294	-	145,215	-
31-60 days past due	32 320	-	250 445	-
91 days past due	57 000	-	1 200	-
61 - 90 days past due	116 280	116 280	-	-
Total	1 373 894	116 280	396 860	-

Fair value of trade and other receivables

Cash and Cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4 500	631	4 500	631
Bank balances	5 619 507	1 867 054	3 613 445	1 530 873
	5 624 007	1 867 685	3 617 945	1 531 504

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

Cash and cash equivalents	5 624 007	1 867 685	3 617 945	1 531 504
Short-term investments	104 251 628	99 006 882	81 551 388	74 461 310
	109 875 635	100 874 567	85 169 333	75 992 814
Fiduciary held bank accounts	1 870 551	1 061 007	-	-

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.

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020

8. Cash and cash equivalents (continued)

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.

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 6.

Credit rating - None of the financial institutions below are rated

Standard Chartered Bank of Botswana Limited	3 455 308	566 260	1 449 264	230 080
First National Bank of Botswana Limited	2 186 119	1 339 837	2 186 119	1 339 836
	5 641 427	1 906 097	3 635 383	1 569 916

9. Stated capital

Issued

35 600 000 Ordinary shares of no par value	35 600 000	35 600 000	35 600 000	35 600 000
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10. Share based reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised. The amount will either be transferred to the share capital account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

Employees share option scheme	1 889 961	-	1 889 961	-
Share Option Group	Number	Exercise price	Total value	
Granted during the year	890 000	2.12	1 886 800	
Exercised during the year	736 518	2.12	1 564 035	
Outstanding at the end of the year	153 482	2.12	325 927	

The average share price at exercise date of options was P 2.12

Outstanding options	Exercise date within one year	Exercise date from two to five years	Total
Options with exercise price of P2.21	35 419	118 063	153 482

Information on options granted during the year

Fair value per share was determined by using the next book value of the company as at 31 December 2020. Book value per share (BVPS) is the ratio of equity available to shareholders divided by the number of outstanding shares. This figure represents the minimum value of a company's equity and measures the book value of the company on a per-share basis.

Total expenses of P 1 759 976 related to equity-settled share based payments transactions were recognised in 2021.

Fair value of services received

The fair value of the services received was measured based on the book value of the company as at 31 December 2020. Book value is based on the value of total assets less the value of total liabilities – it attempts to measure the net assets a company has built up until the present time. In theory, this is the amount that the shareholders would receive if the company were to be completely liquidated.

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
11. Lease liabilities				
Minimum lease payments due				
- within one year	1 210 294	1 415 181	959 338	1 168 468
- in second to fifth year inclusive	-	1 547 147	-	1 315 075
	1 210 294	2 962 328	959 338	2 483 543
less: future finance charges	(49 124)	(198 765)	(41 755)	(168 951)
Present value of minimum lease payments	1 161 170	2 763 563	917 583	2 314 592
Present value of minimum lease payments due				
- within one year	1 161 170	1 265 540	917 583	1 041 272
- in second to fifth year inclusive	-	1 498 023	-	1 273 320
	1 161 170	2 763 563	917 583	2 314 592
Non-current liabilities	-	1 498 023	-	1 273 320
Current liabilities	1 161 170	1 265 540	917 583	1 041 272
	1 161 170	2 763 563	917 583	2 314 592
12. Trade and other payables				
Financial instruments:				
Trade payables	519 340	669 449	319 169	294 409
Other payables	1 315 973	600 064	1 315 120	599 211
Non-financial instruments:				
Payroll accruals	3 590 375	2 509 139	3 145 594	2 254 306
Value added tax	145 370	45 316	-	-
	5 571 058	3 823 968	4 779 883	3 147 926
Fair value of trade and other payables				
The fair value of trade and other payables approximates their carrying amounts				
13. Deferred income				
Deferred income				
Opening balance	17 810 992	18 410 465	9 310 992	9 910 465
Amounts transferred to Statement Of Profit or Loss and	(704 196)	(599 473)	(704 196)	(599 473)
Other Comprehensive Income	(210 558)	-	(210 558)	-
Amount spent during the period	16 896 238	17 810 992	8 396 238	9 310 992
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	4 853 701	4 050 197	4 261 174
Ticker Screen at Fairscape	1 290 095	2 062 026	1 290 095	1 449 695
Securities Borrowing and lending system	8 500 000	8 500 000	-	-
ATS System	1 972 565	2 395 265	1 972 565	2 395 265
Website and mobile app	1 083 381	-	1 083 381	1 204 858
	16 896 238	17 810 992	8 396 238	9 310 992

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
14. Revenue				
Revenue from contracts with customers				
Listing and sustaining fees	28 927 126	27 886 801	28 927 126	27 886 801
Commissions received	9 188 720	3 753 837	4 795 177	2 041 640
News publications	1 087 850	1 037 000	1 087 850	1 037 000
Miscellaneous other revenue	2 707 014	1 303 670	-	-
Members fee income	94 137	16 500	12 562	16 500
	42 004 847	33 997 808	34 822 715	30 981 941
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.				
15. Other operating income				
Registered advisors	137 500	142 501	137 500	142 501
Amortisation of capital grants	704 196	599 474	704 196	599 474
Training income	179 453	40 982	179 453	40 982
Other income	1 670 150	726 212	1 670 150	717 283
	2 691 299	1 509 169	2 691 299	1 500 240
16. Other operating gains (losses)				
Gains (losses) on disposals, scrapings and settlements				
Property, plant and equipment	3 083	230 500	3 083	230 500
Foreign exchange gains (losses)				
Net foreign exchange loss	(1 871)	(2 349)	(1 871)	(2 349)
Total other operating gains (losses)	1 212	228 151	1 212	228 151
17. Operating loss				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	200 774	160 080	157 344	124 012
Auditor's remuneration - internal	306 468	318 060	179 015	191 393
Employee costs				
Salaries, wages, bonuses and other benefits	20 179 021	18 589 104	15 413 149	14 280 291
Share based compensation expense	1 759 977	-	1 759 977	-
Total employee costs	21 938 998	18 589 104	17 173 126	14 280 291
Leases				
Operating lease charges				
Premises	248 708	244 610	215 828	212 537

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
17. Operating loss (continued)				
Depreciation and amortisation				
Depreciation of property, plant and equipment	2 209 330	2 187 874	1 931 797	1 883 890
Depreciation of right-of-use assets	1 353 099	1 346 546	1 130 731	1 142 769
Total depreciation and amortisation	3 562 429	3 534 420	3 062 528	3 026 659
Movement in credit loss allowances				
Trade and other receivables	125 955	2 500	116 280	-
Expenses by nature				
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:				
Employee costs	21 938 998	18 589 104	17 173 126	14 280 291
Lease expenses	248 708	244 610	215 828	212 537
Depreciation, amortisation and impairment	3 562 429	3 534 420	3 062 528	3 026 659
Other expenses	3 697 571	700 730	2 962 102	469 763
Computer expenses	4 330 630	3 916 044	3 020 964	2 699 157
Consultancy fees	238 912	286 650	238 912	275 504
Members sitting allowances	594 900	495 800	417 900	321 800
Office expenses	315 556	236 145	212 588	191 485
Insurance	297 900	275 280	218 390	183 946
Advertising expenses	1 757 657	944 452	1 745 097	924 452
Seminars and conferences	28 167	33 503	28 167	33 503
Printing and stationery	40 564	26 353	40 235	25 853
Staff welfare	431 205	504 360	431 205	504 360
Communication expenses	194 283	200 814	178 681	188 938
Training expenses	13 096	479 888	1 090	188 317
Travelling and accommodation expense	451 678	1 302 188	445 694	1 281 845
	38 142 254	31 770 341	30 392 507	24 808 410
18. Finance income				
Interest income				
Interest income Investments in financial assets:				
Interest income	4 855 862	4 370 964	3 689 711	3 237 043
19. Finance costs				
Lease liabilities	140 939	238 166	119 798	203 079
20. Taxation				

As per the Botswana Stock Exchange Transition Act, the income of the exchange shall be exempt from income tax for the period of 5 years from the year of demutualization which was in 2018.

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
21. Cash generated from operations				
Profit before taxation	11 144 072	8 095 085	10 576 352	10 935 886
Adjustments for:				
Depreciation and amortisation	3 562 429	3 534 420	3 062 528	3 026 659
Gains on disposals of property, plant and equipment	(3 083)	(230 500)	(3 083)	(230 500)
Finance income	(4 855 862)	(4 370 964)	(3 689 711)	(3 237 043)
Finance costs	140 939	238 166	119 798	203 079
Net impairments and movements in credit loss allowances	125 955	2 500	116 280	-
Share based payment	1 889 962	-	1 889 962	-
Changes in working capital:				
Trade and other receivables	(2 362 340)	1 438 380	(1 749 576)	1 033 413
Trade and other payables	1 747 092	(1 957 778)	1 631 957	(6 162 383)
Deferred income	(914 754)	(599 473)	(914 754)	(599 473)
	10 474 410	6 149 836	11 039 753	4 969 638

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
22. Related parties				
Relationships				
Subsidiaries	Central Securities Depository Company of Botswana			
Related parties	Government Of The Republic Of Botswana Stockbrokers Botswana Limited Imara Capital Securities (Proprietary) Limited African Alliance Botswana Securities (Proprietary) Limited Motswedi Securities (Proprietary) Limited			
Members of key management- CEO	T Tsheole			
Senior management	M Mogasha K Mogorosi M Pheto-Lentswe T Mmolai K Bolokwe T Moribame G Dibotelo			
Related party balances				
Amounts included in Trade and other receivables (Trade and other payables) regarding related parties				
Central Securities Depository Company of Botswana	-	-	418 670	375 762
Related party transactions				
Commission fees to (received from) related parties				
African Alliance Botswana Securities (Proprietary)	-	(18 229)	-	(10 132)
Limited Imara Capital Securities (Proprietary) Limited	(496 566)	(398 432)	(265 835)	(214 309)
Motswedi Securities (Proprietary) Limited	(5 432 799)	(282 434)	(2 724 496)	(150 192)
Stock Brokers Botswana Limited	(204 704)	(239 900)	(110 114)	(129 544)
	(6 134 069)	(938 995)	(3 100 445)	(504 177)
Membership fees				
Stockbrokers Botswana Limited	10 063	8 000	4 063	4000
Imara Capital Securities (Proprietary) Limited	10 000	9 000	4 000	4 500
Motswedi Securities (Proprietary) Limited	10 500	7 500	4 500	4 000
African Alliance Botswana Securities (Proprietary) Limited	-	8 000	-	4 000
	30 563	32 500	12 563	16 500
Listing and annual sustaining fees				
Government bonds (at 0.125% on nominal value of Government bonds)	22 106 250	14 823 750	22 106 250	14 823 750
Transfer fees				
Imara Capital Securities (Proprietary) Limited	97 850	-	-	-
Stockbrokers Botswana Limited	21 850	-	-	-
Motswedi Securities (Proprietary) Limited	15 575	-	-	-
	135 275	-	-	-

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020
22. Related parties (continued)				
Brokers Covid-19 relief				
Stockbrokers Botswana Limited	350 000	-	350 000	-
Imara Capital Securities (Proprietary) Limited	350 000	-	350 000	-
Motswedi Securities (Proprietary) Limited	350 000	-	350 000	-
	1 050 000	-	1 050 000	-
Board Sitting allowances	594 900	495 800	417 900	321 800
Remuneration for senior management				
Salaries	10 017 294	8 658 213	7 715 089	6 509 364
Terminal benefits	2 891 282	3 624 134	2 598 327	3 470 672
	12 908 576	12 282 347	10 313 416	9 980 036

Notes to the Group Annual Financial Statements

23. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2021

	Note(s)	Amortised cost	Total
Financial assets	6	104 251 628	104 251 628
Trade and other receivables	7	2 565 813	2 565 813
Cash and cash equivalents	8	5 645 927	5 645 927
		112 463 368	112 463 368

Group - 2020

	Note(s)	Amortised cost	Total
Financial assets	6	99 006 882	99 006 882
Trade and other receivables	7	894 267	894 267
Cash and cash equivalents	8	1 906 728	1 906 728
		101 807 877	101 807 877

Company - 2021

	Note(s)	Amortised cost	Total
Financial assets	6	81 551 388	81 551 388
Trade and other receivables	7	2 206 477	2 206 477
Cash and cash equivalents	8	3 639 865	3 639 865
		87 397 730	87 397 730

Company - 2020

	Note(s)	Amortised cost	Total
Financial assets	6	74 461 310	74 461 310
Trade and other receivables	7	1 165 422	1 165 422
Cash and cash equivalents	8	1 570 547	1 570 547
		77 197 279	77 197 279

Notes to the Group Annual Financial Statements

23. Financial instruments and risk management (continued)

Categories of financial instruments

Categories of financial assets

Company - 2021

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	1 835 309	-	1 835 309
Lease obligations	11	-	1 161 170	1 161 170
		1 835 309	1 161 170	2 996 479

Company - 2020

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	1 269 509	-	1 269 509
Lease obligations	11	-	2 763 563	2 763 563
		1 269 509	2 763 563	4 033 072

Company - 2021

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	1 634 289	-	1 634 289
Lease obligations	11	-	917 583	917 583
		1 634 289	917 583	2 551 872

Company - 2020

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	893 617	-	893 617
Lease obligations	11	-	2 314 592	2 314 592
		893 617	2 314 592	3 208 209

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.

Notes to the Group Annual Financial Statements

23. Financial instruments and risk management (continued)

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 group 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.

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.

Notes to the Group Annual Financial Statements

23. Financial instruments and risk management (continued)

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.

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

Group		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial assets	6	104 251 628	-	104 251 628	99 006 882	-	99 006 882
Trade and other receivables	7	2 691 768	(125 955)	2 565 813	894 267	-	894 267
Cash and cash equivalents	8	5 645 927	-	5 645 927	1 906 728	-	1 906 728
		112 589 323	(125 955)	112 463 368	101 807 877	-	101 807 877

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial assets	6	81 551 388	-	81 551 388	74 461 310	-	74 461 310
Trade and other receivables	7	2 322 757	(116 280)	2 206 477	1 165 422	-	1 165 422
Cash and cash equivalents	8	3 639 865	-	3 639 865	1 570 547	-	1 570 547
		87 514 010	(116 280)	87 397 730	77 197 279	-	77 197 279

Notes to the Group Annual Financial Statements

23. 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 - 2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	12	1 835 309	1 835 309	1 835 309
Lease liabilities	11	1 161 170	1 161 170	1 161 170
Bank overdraft	8	21 920	21 920	21 920
		3 018 399	3 018 399	3 018 399

Group - 2020

		Less than 1 year	1 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	11	-	1 498 023	1 498 023	1 498 023
Current liabilities					
Trade and other payables	11	1 269 509	-	1 269 509	1 269 509
Lease liabilities	11	1 265 540	-	1 265 540	1 265 540
Bank overdraft	8	39 043	-	39 043	39 043
		2 574 092	1 498 023	4 072 115	4 072 115

Company - 2021

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	11	1 634 289	1 634 289	1 634 289
Lease liabilities	11	917 583	917 583	917 583
Bank overdraft	8	21 920	21 930	21 920
		2 573 802	2 573 802	2 573 792

Notes to the Group Annual Financial Statements

23. Financial instruments and risk management (continued)

Company - 2020

		Less than 1 year	1 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	11	-	1 273 320	1 273 320	1 273 320
Current liabilities					
Trade and other payables	12	893 617	-	893 617	893 617
Lease liabilities	11	1 041 272	-	1 041 272	1 041 272
Bank overdraft	8	39 043	-	39 043	39 043
		1 973 932	1 273 320	3 247 252	3 247 252

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	2021	2021	2020	2020
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss and equity				
Interest income from Financial assets and bank balances (50 basis points)	592 178	(592 178)	671 862	(671 862)

Company	2021	2021	2020	2020
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss and equity				
Interest income from Financial assets and bank balances (50 basis points)	449 965	(449 965)	486 043	(486 043)

Notes to the Group Annual Financial Statements

Figures in Pula	Group		Company	
	2021	2020	2021	2020

24. Fair value information

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.

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets

Note(s)

Financial assets designated at fair value through profit (loss)

Short-term investments	104 251	628	99 006 882	81 551 388	74 461 310
Total	104 251 7	628	99 006 882	81 551 388	4 461 310

Valuation techniques used to derive level 2 fair values

Short-term investments

25. Assessment of going concern

PERIOD OF ASSESSMENT- 12 MONTHS

The financial statements of the Botswana Stock Exchange (BSE) for the financial year ended 31 December 2021 have been prepared on a going concern basis as management do not intend to liquidate the company nor cease operations.

In assessing the going concern status of the BSE, Management has considered the following:

1. Liquidity and cash flow projections

As at 31 December 2021, BSE held P85.2Mn in cash and cash equivalents. Average cash balances increased by 14.4%, largely driven by the vigorous cash surplus management. With the current cash reserves, BSE is able to continue for more than three years using reserves and assuming no income is generated. On average, the BSE incurs operational expenses of P27Mn annually. The BSE has sufficient cash to meet its short and long-term needs and to continue to meet its obligations as they fall due.

2. Profitability

BSE has a history of profitable operations and ready access to financial resources. Future budgets project this to continue in the near future. BSE has no debt and as such no financial obligations to third parties. The budgets for 2022 and indicative budgets for 2023 and 2024 show a surplus for BSE. These budgets have incorporated the economic effects of the Covid-19 pandemic.

3. Financial position

The asset base of the BSE grew by 12% in 2021, from P90.5Mn in 2020 to P101.5Mn in 2021. BSE has a healthy balance sheet that serves as a good contingency in the event that economic performance is poor.

Conclusion

On the basis of the assessment above, Management is of the view that there are no events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

26. Events after the reporting period

We are not aware of any events which occurred after the reporting date and up to the date of the report.

Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	Group		Company	
		2021	2020	2021	2020
Revenue					
Listing and annual sustaining fees	14	28 927 126	27 886 801	28 927 126	27 886 801
Member fees income		94 137	16 500	12 562	16 500
Miscellaneous revenue		2 707 014	1 303 670	-	-
Commissions income		9 188 720	3 753 837	4 795 177	2 041 640
X-News Publications		1 087 850	1 037 000	1 087 850	1 037 000
		42 004 847	33 997 808	34 822 715	30 981 941
Other operating income					
Registered advisors	15	137 500	142 501	137 500	142 501
Amortisation of capital grants		704 196	599 474	704 196	599 474
Training income		179 453	40 982	179 453	40 982
Other income		1 670 150	726 212	1 670 150	717 283
		2 691 299	1 509 169	2 691 299	1 500 240
Other operating gains (losses)					
Profit (losses) on disposal of assets	16	3 083	230 500	3 083	230 500
Foreign exchange losses		(1 871)	(2 349)	(1 871)	(2 349)
		1 212	228 151	1 212	228 151
Movement in credit loss allowances-Bad Debts	17	(125 955)	(2 500)	(116 280)	-
Other operating expenses					
Advertising	17	(1 758 173)	(944 452)	(1 745 613)	(924 452)
Auditors remuneration - Internal audit		(306 468)	(318 060)	(179 015)	(191 393)
Auditors remuneration -external auditors		(200 774)	(160 080)	(157 344)	(124 012)
Bank charges		(32 882)	(29 598)	(29 057)	(27 617)
Brokers Covid-19 relief		(1 050 000)	-	(1 050 000)	-
Cleaning		(84 023)	(67 898)	(70 566)	(58 548)
Communication expenses		(194 283)	(200 814)	(178 681)	(188 938)
Computer expenses		(4 799 621)	(4 330 630)	(3 204 937)	(3 020 964)
Consulting and professional fees		(238 912)	(286 650)	(238 912)	(275 504)
Depreciation and impairments		(3 562 429)	(3 534 420)	(3 062 528)	(3 026 659)
Electricity charges		(150 000)	(105 000)	(126 750)	(84 000)
Entertainment		(41 498)	(14 023)	(41 498)	(14 023)

Detailed Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	Group		Company	
		2021	2020	2021	2020
Insurance		(297 900)	(275 280)	(218 390)	(183 946)
Lease expenses		(248 708)	(244 610)	(215 828)	(212 537)
Library expenses		-	(22 600)	-	(22 600)
License fees		(400 700)	(200 100)	(200 100)	-
Members sitting allowances		(594 900)	(495 800)	(417 900)	(321 800)
Motor vehicle expenses		(106 503)	(93 025)	(106 503)	(93 025)
Office expenses		(320 986)	(236 145)	(218 018)	(191 485)
Printing and stationery		(40 564)	(26 353)	(40 235)	(25 853)
Recruitment expenses		(750)	-	(750)	-
Salaries and wages		(21 938 998)	(18 589 104)	(17 173 126)	(14 280 291)
Sale of advertising space		(340 019)	-	(340 019)	-
Security		(6 322)	(7 442)	(6 322)	(7 442)
Seminars and conferences		(28 167)	(33 503)	(28 167)	(33 503)
Staff welfare		(434 345)	(504 360)	(434 345)	(504 360)
Subscriptions		(546 829)	(564 101)	(503 399)	(532 037)
Training expenses		(18 874)	(13 096)	(18 874)	(1 090)
Training levies		(39 693)	(19 386)	(26 697)	(14 504)
Travel and accommodation		(358 493)	(451 678)	(358 493)	(445 694)
Water expenses		(440)	(2 133)	(440)	(2 133)
		(38 142 254)	(31 770 341)	(30 392 507)	(24 808 410)
Operating profit	17	6 429 149	3 962 287	7 006 439	7 901 922
Interest income	18	4 855 862	4 370 964	3 689 711	3 237 043
Finance costs	19	(140 939)	(238 166)	(119 798)	(203 079)
Profit for the year		11 144 072	8 095 085	10 576 352	10 935 886

Notes

[illegible]

