



A GUIDE
TO LISTING
ON THE
BOTSWANA
STOCK
EXCHANGE

(EQUITY SECURITIES)

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INTRODUCING THE BSE

The Botswana Stock Exchange (BSE) is the country's national stock exchange established in 1989 and tasked with the responsibility to operate and regulate the securities market in Botswana. The BSE demutualised in August 2018 to become a company limited by shares and is regulated by the Non-Bank Financial Institutions Regulator Authority (NBFIRA). Its subsidiary, the Central Securities Depository of Botswana Limited (CSDB) operates as a central depository to the BSE. The BSE provides a platform for various types of entities to raise capital from the public by issuing shares or debt securities whilst giving the public the opportunity to invest and trade in the issued securities.

Our strategic thrust is premised on the following;

Our Mission

- To Transform Botswana's economy and be the torchbearer of moving Botswana to a high income and inclusive economy.

Our Vision

- To be Africa's Premier Capital Raising Hub.

Our strategic pillars are:

- World class talent and a high performance culture
- Internationalization of the BSE – linking Botswana to the world
- Modernization of our technology – technology as our advantage
- Product innovation – BMX, derivatives, digital assets, etc
- A force for good – Green revolution (Net Zero Alliance, SME Fund, job creation, democratization of wealth)

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 endeavor 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.

WHY SHOULD A COMPANY LIST?

THE ADVANTAGES OF LISTING

Ability To Raise To Capital	Listing give a companies the opportunity to raise funds from a large pool of diverse investors for ongoing business expansion.
Owner Equity Release	Founders of a company can disinvest or "cash-in" by selling a portion of their shareholding in the business.
Enhanced Corporate Governance Practices	Listed companies have to adhere to listings requirements on a continuing basis and these include high standards of corporate governance, disclosure of information to investors and regulators, provision of audited financial statements, etc.
Improved Liquidity And Marketability Of Securities	Listing eases, the buying and selling of securities in a public market, thus shareholders can liquidate their holdings with relative ease.
Enhanced Credibility	By virtue of being a listed company, a company's stakeholders such as banks, suppliers and other entities become more amicable to doing business due to good governance practices.
Increased Public Awareness	A listings leads to increased corporate profile and brand visibility.
Employee Retention/ Attraction	Opportunity to create Employee Share Option Plans (ESOPs) that can help retain and attract high caliber employees.
Price Revelation And Price Discovery	Trading of listed shares unlocks and reveals the true value of the share by promoting price discovery. As such, a listed company can determine its worth by referring to the market price of its share.
Technology And Infrastructure	Trading of securities on the BSE is electronic and conducted through the Automated Trading System (ATS). The clearing and settlement of securities is done through the Central Securities Depository (CSD) system.
Investor Base	There is access to a broad base of investors ranging from various institutional and retail investors, both local and international.
Large Pool Of Capital	Botswana has a large pool of long term contractual savings especially by pension funds.
Internationalization	The BSE continually pursues strategies to align with international best practice in the global securities and exchange industry and adapt to the evolving and fast changing global investment environment.
International Affiliations	<p>The BSE is affiliated with the following international institutions:</p> <ul style="list-style-type: none">• Member of the World Federation of Exchanges (WFE). WFE represents 63 regulated exchanges across the world, and acts on behalf of a total of 99 organizations including affiliate members and clearing houses.• Partner Exchange of the United Nations Sustainable Stock Exchanges (SSE) Initiative.• Member of the African Securities Exchanges Association (ASEA).• Member and Secretariat of the Committee of SADC Stock Exchanges (CoSSE).• Recognized stock exchange by the United Kingdom's His Majesty's Revenue and Customs.• Member of the Net Zero Financial Service Providers Alliance.

WHY INVEST IN BOTSWANA?

No Exchange Controls

Botswana does not have restrictions on the inflow and outflow of capital and this makes the country the ideal destination to raise capital and expand to the rest of the world.

Macro-Economic Fundamentals

Botswana has strong macroeconomic fundamentals that positively affect the economy at-large. Monetary policy in Botswana has an increasing focus on the goal of price stability and a framework for forecasting inflation, which has been stable overtime.

Political Environment

Botswana has a stable political environment with a multi-party democratic tradition that dates back to 1966 when the country first held its general elections. The last electoral cycle was held in 2024 making Advocate Duma Gideon Boko as the 6th President of the Republic of Botswana.

Abundant Capital

Botswana continues to benefit from a large pool of long-term savings held by pension funds, which creates strong demand for investable instruments. More recently, Bank of Botswana

figures reported in **November 2024** show that total pension fund assets stood at **P151.3 billion**, with **42.6% (P64.4 billion)** invested domestically and **57.4% (P86.9 billion)** invested offshore. This analysis reinforces the view that there is significant capital seeking a pipeline of local assets, strengthening the case for companies and issuers to raise equity and debt capital through the BSE.

Efficiency At The BSE

The BSE has a young agile team that is experienced to work with prospective issuers from the time when companies are interested to list. The BSE is always available to make presentations to prospective issuers and observes the strict timelines in engaging with companies following the submission of an application.

Commitment To Capital Market Development

The BSE is continuously looking to develop the local capital markets by promoting initiatives and pioneering projects aimed at increasing the number of listed financial instruments, increase investor participation and ultimately improving market liquidity.

The BSE has a young agile team that is experienced to work with prospective issuers from the time when companies are interested to list.

P151.3 Billion

As at November 2024, total pension assets stood at P151.3 Billion

57.4%

Invested offshore

42.6

Invested domestically

Botswana does not have restrictions on the inflow and outflow of currency and this makes the country the ideal destination to raise capital and expand to the rest of the world.

The BSE is continuously looking to develop the local capital markets by promoting initiatives and pioneering projects aimed at increasing the number of listed financial instruments

VARIOUS METHODS OF LISTING

The main methods of listing a company on the BSE are;

Introduction

This is a method of listing a company without the company offering new or existing shares to the public. A company will use this method if the required number of shareholders already complies with the BSE Equity Listings Requirements. With this method, there is no inflow of capital to the company or to its shareholders arising from the listing.

Offer For Sale

An offer for sale is a method of listing where existing shareholders of the company invite the public to subscribe to their shares which are already in issue. An offer for sale does not result in new issuance of shares, rather already existing shareholders re-sell some of the shares they hold. This is usually done to restructure the shareholding of the company so that the company can meet the public float or shareholding requirements of the BSE. It can also be used as an avenue for founding shareholders to cash-in on their investment by reducing their shareholding in the company.

Offer For Subscription

This is an invitation by the company to the public to subscribe for shares in the company. With this method, the company issues new shares and sells them to new investors other than its existing shareholders. This way the shareholding structure of a company is adjusted and the proceeds from the transaction accrue to the company as equity capital. This is employed by companies that list in order to raise capital to expand their operations.

Placing

Placing is a method of listing a company that involves the marketing of shares already in issue but not listed, to specified investors, and does not involve an offer to the public or to existing

shareholders. It differs with Offer for Sale and Offer for Subscription in that the shares are offered to a select group of investors and not to the general public. Usually, placing is undertaken through private placement with institutional investors as opposed to an Initial Public Offering (IPO).

Private Placement

Private placement is an offer of securities to a small number of select and private investors as a way of raising capital.

Initial Public Offering

An IPO is when the securities of a company are offered to the public for the first time.

Timetable for IPO Listing

DAY	EVENT
Day	Publication of the abridged disclosure document and opening of the offer. Circulation of the disclosure document and application forms.
Day +21	Offer closes.
Day +23	Results of the offer submitted to the BSE.
Day +26	Formal decision by the BSE.
Day +27	Results announcement published by the applicant.
Day +33	Last date for refund cheques to be returned.
Day +34	Last date for uploading securities into the CSDB System based on the allocation list submitted to the BSE
Day +40	Securities listed on the BSE. Ownership of allocated shares recognized on opening of trading on the listing day (this must be stated in the subscription/offer forms)
Day +60	Latest date by which the Issuer should have sent written notification to individual applicants informing them of their allocations.

THE DIFFERENT LISTING BOARDS

There are four boards on the BSE being the Main Board, the Venture Capital Board, Tshipidi SME Board and Serala OTC Board. These can be further subdivided into domestic and foreign boards. The boards are described as follows:

The Main Board

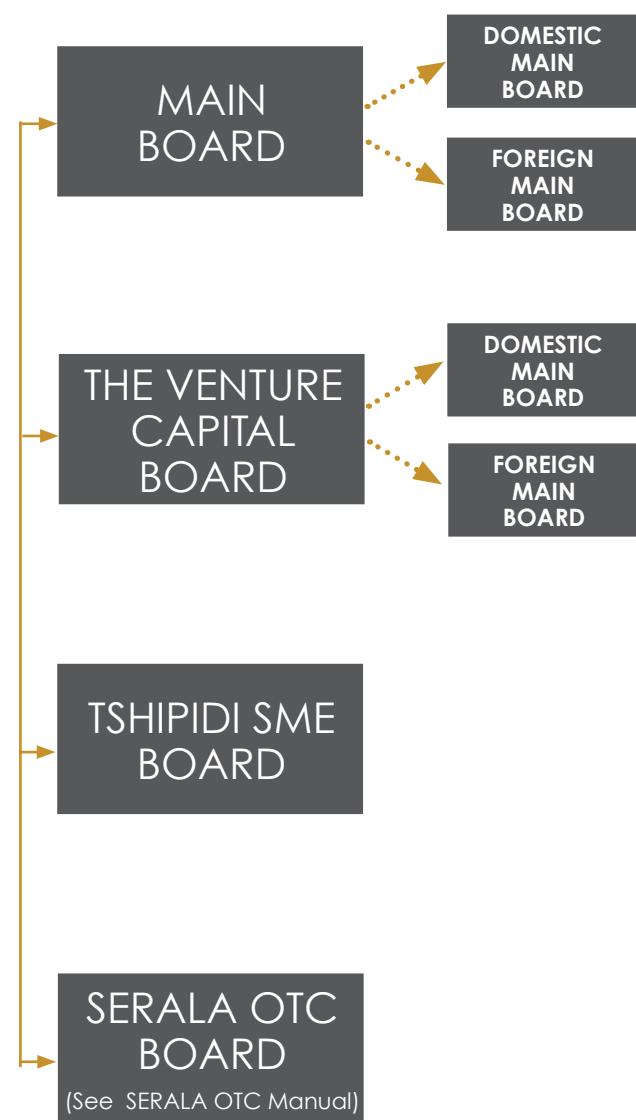
The Main Board comprises of the Domestic Main Board which is for the companies incorporated in Botswana and the Foreign Main Board comprises of companies incorporated outside Botswana. Most companies that intend to list on the Main Board have an operational history of more than 5 years as at the point of listing.

The Venture Capital Board

The Venture Capital (VC) Board is dedicated to companies who are still in the early growth stage or have no operational history and may not meet the minimum criteria of the Main Board. These include start-ups and "infant" companies. The Venture Capital Board has less stringent listing requirements in comparison to the Main Board and it is also subdivided into the Domestic VC Board and the Foreign VC Board.

Tshipidi SME Board

Tshipidi SME (TSME) Board is a new listing board on the BSE that is dedicated for small and medium enterprises and serves as a platform for them to raise capital. The board has a panel comprising of three industry experts that make independent recommendation to the BSE on the suitability of the applicant to list on the board or lack thereof. A company that applies to list on the TSME board must appoint a Nominated Advisor which is fundamental to listing on the board and must be retained for the duration of the observation period. In addition, the directors of companies applying to list on the TSME Board must attend an Induction Workshop prior to listing date of the company.



SUMMARY OF LISTINGS REQUIREMENTS

Requirements	Main Board	Venture Capital Board	Tshipidi SME Board
Financial History	Profit history for the preceding three financial years, with profit of at least P1 000 000 before taxation	Profit history is not necessary	Profit history not necessary
Minimum Capital	Subscribed capital of at least P5 000 000 No less than 1 000 000 shares in issue	Subscribed capital of at least P2 500 000 No less than 1 000 000 shares in issue	Subscribed capital of at least P500,000 No less than 1 000 000 shares in issue
Minimum Share Price	Minimum initial issue price of 100 thebe per share	Minimum initial issue price of 50 thebe per share	Minimum initial issue price of 50 thebe per share
Minimum Number Of Public Shareholders	300 for ordinary shares 100 for the other classes of equity	100 for ordinary shares 50 for preference shares	5 for ordinary shares 5 for preference shares
Minimum Free Float	30%	10%	5%

SOME RECENT LISTINGS

Far Property Company (2016) – Main Board	Botswana Telecommunications Corporation (2016) – Main Board
<ul style="list-style-type: none"> • Raised over P200 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Attract potential partners and provide a liquid investment; • Reduction of debt; • Future developments and acquisitions. 	<ul style="list-style-type: none"> • Raised P462 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Raise the company profile and investor awareness; • Raise equity capital for the company; • Enable Government to privatize BTCL.
Afinitas (2015) – Venture Capital Board	Shumba Energy (2013) – Venture Capital Board
<ul style="list-style-type: none"> • Raised P93.9 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Facilitate future capital raising for investment expansion; • Facilitate the acquisition of stakes in other companies by future issuance of stock; • Provide market exposure and indirect advertising through the listing which may facilitate future deals across Africa. 	<ul style="list-style-type: none"> • Raised P7.1 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • To establish a platform for the future raising of development capital; • To realize Shumba's growth plans; • To raise the regional profile of Shumba and its brand.
Choppies (2012) – Main Board	New African Properties (2011) – Main Board
<ul style="list-style-type: none"> • Raised P350 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Raise capital to fund the Group's growth expansion into Southern Africa; • Provide capital to allow the Group to take advantage of opportunities for acquisitions as and when these arise; • Raise the Group profile and investor awareness of Choppies, and its brand, locally and internationally. 	<ul style="list-style-type: none"> • Raised P150 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • To facilitate the leveraging of finance for on-going expansion; • To provide to its partners, who have supported its projects in the past, the opportunity of a liquid investment.
Letlolo La Rona (2011) – Main Board	Cresta Marakanelo (2010) – Main Board
<ul style="list-style-type: none"> • Raised P211.7 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Obtain access to various forms of capital to pursue opportunities; • Enhance investor awareness of the Company; • To pay for listing costs and working capital requirements of the Company. 	<ul style="list-style-type: none"> • Raised P91.2 Million <p>Reasons for listing:</p> <ul style="list-style-type: none"> • Dilution of holdings by shareholder; • Facilitate future growth through the use of capital sources not available to private companies e.g. listing additional units to fund mergers or acquisitions.

METHODS OF RAISING ADDITIONAL CAPITAL

A listed company may need to raise additional capital to fund expansion and other strategic investments. There are various corporate actions that may be undertaken to achieve this.

Rights Issue

A right issue is an offer by the issuer to existing shareholders to subscribe for additional shares in the company, usually at a discount to the prevailing market price, in proportion to their existing shareholdings. A rights issue can be renounceable or non-renounceable. In a renounceable rights issue the existing shareholders can take one of 3 following actions:

- 1) Exercise the rights and take up the extra shares;
- 2) Sell their rights on the BSE; or
- 3) Or forgo exercising their rights to take up more shares.

In a non-renounceable rights issue, rights to take up more shares by existing shareholders must be exercised and are not transferable. Therefore, in a non-renounceable rights issue the existing shareholders can either exercise the rights to take up more shares or forgo their rights altogether.

Issue For Cash

An issue for cash is an issue of securities in exchange for cash. This includes an issue of shares to settle a liability, settle expenses (e.g. advisor's fee), obligations or commitments and excludes an issue of shares to make an acquisition. An issue for cash has to take into account the shareholders pre-emptive rights and as such it has to be preceded by an approval by the existing shareholders through a special resolution.

A rights issue can be renounceable or non-renounceable.

In a non-renounceable rights issue, rights to take up more shares by existing shareholders must be exercised and are not transferable.

An issue for cash has to take into account the shareholders pre-emptive rights and as such it has to be preceded by an approval by the existing shareholders through a special resolution.

THE PROCESS OF LISTING

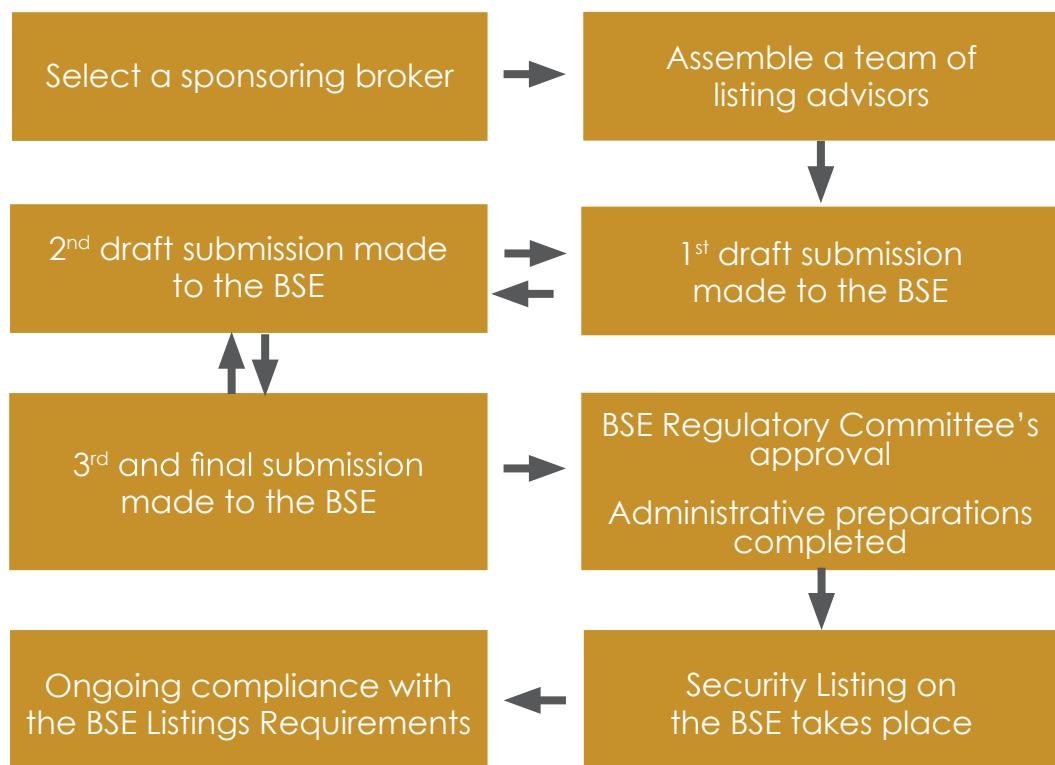
Listing Submission And Approval Process

The process of listing a company on the BSE begins with appointing a Sponsoring Broker among one of the licensed brokers. All submissions and applications to the BSE for a listing are submitted through a Sponsoring Broker.

The Sponsoring Broker also assists the applicant with assembling a team of advisors who will be involved in the process of listing and these include:

- Lawyers;
- Reporting accountants;
- Corporate finance experts;
- Auditors.

A simplified depiction of the submission and approval process is illustrated below;



THE PROCESS OF LISTING

Continued

Step 1

- Issuer meets with and appoints a Sponsoring Broker whose duty is to facilitate the listing process, acting as a conduit between the Issuer and the BSE.

Step 2

- Sponsoring Broker assists the issuer in appointing a team of advisors on the transaction being, lawyers, reporting accountants, auditors, corporate finance advisers etc.

Step 3

- Issuer makes the first submission to the BSE, through the Sponsoring Broker.
- BSE evaluates the submission and responds within 5 working days.

Step 4

- If there are amendments to be made to the first submission, the Issuer is required to re-submit the application with amendments. Again, the BSE responds within 5 working days from the date of each re-submission.
- If the Issuer applies for waivers in respect of the Equity Listings Requirements, the application and recommendation shall be made to the BSE Regulatory Committee and a response from the BSE Regulatory Committee will be provided within an additional 5 working days.
- This submission and evaluation process is repeated until the submission is compliant with the BSE Listings Requirements.

Step 5

- Once the submission is fully compliant, the Issuer submits the final documents for formal consideration. BSE responds within 2 working days of the submission with a formal approval to list.

- BSE Regulatory Committee's provisional approval is obtained. A provisional listing approval is a "green light" for the applicant to commence the offer process while working towards satisfying conditional requirements, if any, in order to earn a permanent listing.

- After a provisional approval of listing has been granted, the applicant will have to undertake a series of events in order to issue the shares. The applicant is expected to adhere to the time table of events which are outlined in the BSE Equity Listings Requirements. A sample process for an equity listing is illustrated below.

Simultaneously, following provisional approval, the administrative processes are instituted in preparation for the listing. These include, but are not limited to, transfer secretary administration and internal BSE system administration to create the security and prepare for listing.

Step 6

The listing takes place on the BSE and the security begins to trade on the effective listing date.

Step 7

The Issuer is required to maintain compliance with the BSE Listings Requirements on an ongoing basis once listed.

CONTINUING OBLIGATIONS

BSE regards the timely disclosure of relevant information as of prime importance in the operation of an efficient market. There is a general requirement to disclose to the market any information that is material. A listed entity must immediately disseminate to the market via the BSE Exchange News Services (X-News) any information that it becomes aware of, which a reasonable person would expect to have material effect on the price or value of the entity's securities. This information might reasonably influence investment decisions.

Some of the required disclosures are as follows (list not exhaustive):

- 1. Cautionary Announcements-** An issuer must publish, by way of a cautionary announcement as soon as possible after it is in possession of any price sensitive information
- 2. Dividend Declarations**
- 3. Corporate Governance**
- 4. Annual reports and Annual General Meeting details**
- 5. Information on Transactions and Related Party Transactions**
- 6. Disclosure of Periodic Financial statements**
 - a. Interim Financial Statements**
 - b. Audited Financial Statements**
 - c. Preliminary Financial Statements (In the event a listed company has not published its Audited Financial Statements within the stipulated timeliness)**

FEES

Fees related to initial listing, maintaining a listing and raising additional capital on the BSE are available on the BSE website (www.bse.co.bw) or you may contact the Listings & Trading Department via email on listings@bse.co.bw. These fees are subject to periodic review.

There are other costs associated with listing which include the fees charged by advisors and intermediaries and marketing costs that a company can encounter periodically.

BROKERS CONTACTS

Stock Broker	Telephone	Physical Address	Email
Imara Capital Securities	(+267) 318 8886	Unit 1E Ground Floor Peelo Place Plot 54366 Western Commercial Rd New CBD Gaborone	icssales@imara.com
Motswedi Securities	(+267) 318 8627	Plot 113, Unit 30, Kgale Mews, Gaborone	motswedi@motswedi.co.bw



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