



BOTSWANA
STOCK EXCHANGE



Rooted in Trust

Growing what matters

ROOTED
In strong
foundations

GROWING
Through sustainable
opportunity

WHAT MATTERS
Creating value for
generations

2025 | Integrated Report

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Report Theme:

Rooted in Trust

Growing what matters

The Botswana Stock Exchange Group's 2025 Integrated Report draws its inspiration from the morula tree (*Sclerocarya birrea*), an indigenous species deeply rooted in Botswana's landscape. Like the morula, which flourishes in local soil and bears abundant fruit for multiple uses, BSE is grounded in the trust of its stakeholders and committed to creating tangible value from the capital it manages. The tree's prolific fruiting reflects our purpose: to nurture growth, enable prosperity, and produce outcomes that matter - for our listed companies, our investors, our participants, and the broader financial ecosystem we serve. This report details how we have stayed rooted in trust while expanding what we grow and who benefits from that growth.

Navigation tools

The company's reporting suite provides an opportunity to discuss its achievements. It also includes various online publications and engagements and Annual Financial Results.



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Our reporting suite is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader



Rooted in Trust
Growing What Matters



**BOTSWANA
STOCK EXCHANGE**

Context & Leadership

- 1 - About this Report
- 2 - BSE at a Glance
- 3 - Chairperson's Statement
- 4 - Chief Executive Officer's Review





About this Report

WELCOME TO OUR FIRST INTEGRATED REPORT

This is the first Integrated Report of the Botswana Stock Exchange (BSE, the Group). It tells one connected story about how we create, preserve and, where relevant, erode value for our stakeholders over the short, medium and long term.

We have prepared this report because integrated thinking is now central to how we run the Group. Our strategy, 10X by 2030, commits the Group to a tenfold revenue increase by 2030 across five strategic pillars: Talent and Culture, Technology Modernisation, Product Innovation, Internationalisation, and Force for Good. Delivering on that ambition requires the Board, management and our wider stakeholders to see the business as a

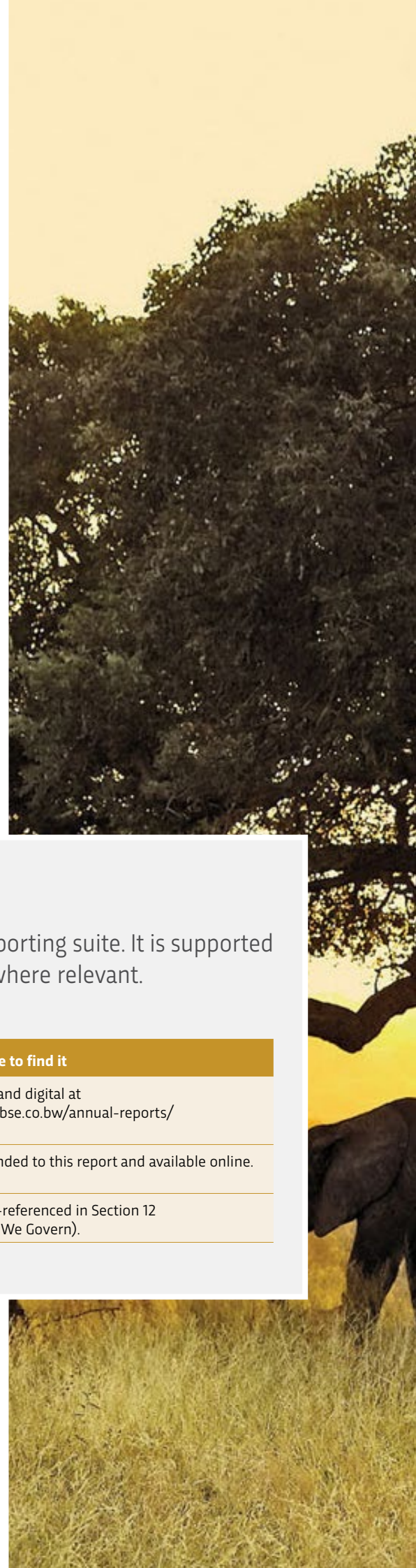
whole rather than as a set of disconnected reports. This Integrated Report is the first formal expression of that whole.

The report is intended primarily for providers of financial capital. It will also be useful to our regulators, listed issuers, brokers, employees, the Government of Botswana as our majority shareholder, and the broader public who depend on a sound capital market.

OUR REPORTING SUITE

This Integrated Report is the apex publication in our 2025 reporting suite. It is supported by the documents in the table below, which are referenced where relevant.

Publication	Purpose	Where to find it
Integrated Report 2025 (this document)	The Group's primary report on strategy, performance, governance and value creation across the six capitals.	Print and digital at www.bse.co.bw/annual-reports/
Consolidated and Separate Annual Financial Statements 2025	Audited financial position, performance and cash flows of the Group and BSE Limited.	Appended to this report and available online.
Governance Report 2025	Detailed disclosures on the Board, its committees and our application of King IV.	Cross-referenced in Section 12 (How We Govern).



REPORTING PERIOD AND BOUNDARY

Reporting period. This report covers the financial year from 1 January 2025 to 31 December 2025. Material events occurring after the reporting date and up to the date of Board approval are disclosed where they could reasonably be expected to influence the assessments of stakeholders.

Reporting boundary. The reporting boundary follows the IFRS Foundation's Integrated Reporting Framework (January 2021) and is anchored on the financial reporting entity. It comprises:

- **Botswana Stock Exchange Limited** (registration number BW00000451021), a public limited company incorporated in Botswana under the Companies Act (CAP 42:01) and demutualised in terms of the Botswana Stock Exchange Transition Act, 2017; and
- **its wholly-owned subsidiary, the Central Securities Depository Company of Botswana Limited (CSDB)**, incorporated under the Companies Act and licensed by the Bank of Botswana to operate clearing and settlement services in terms of the National Clearance and Settlement Systems Act, 2003.

For the purposes of integrated reporting, we have also considered the risks, opportunities and outcomes that arise from our wider sphere of influence. These include the issuers we list, the brokers and custodians who participate in our markets, our regulators, and the communities affected by our operations and our market-development activities. These wider relationships are reflected in the way we describe stakeholder engagement (Section 8), material matters (Section 9) and risks and opportunities (Section 11). They do not, however, form part of the financial reporting entity.

Our dual identity. Throughout this report, we describe BSE both as a corporate entity and as a national market infrastructure. The two roles are inseparable. The rules we set, the products we list and the disclosures we require shape the behaviour of issuers and the capital allocation decisions of investors, well beyond the boundary of our own income statement. We have made a deliberate effort to reflect that dual identity in our business model, our material matters and our outlook.

FRAMEWORKS APPLIED

The Integrated Report has been prepared in line with the IFRS Foundation's Integrated Reporting Framework (January 2021 revision). We apply its seven Guiding Principles and address the eight Content Elements throughout the document. In addition, we have drawn on the following frameworks, codes and authorities.

Domain	Frameworks, codes and authorities applied
Financial reporting	IFRS Accounting Standards as issued by the IASB; Companies Act (CAP 42:01).
Audit	International Standards on Auditing.
Corporate governance	King IV Report on Corporate Governance for South Africa, 2016 (King IV); BSE Equity Listings Requirements; Botswana Accountancy Oversight Authority (BAOA) requirements applicable to Public Interest Entities; the emerging Pula Code of Corporate Governance (where applicable).
Securities and market regulation	Securities Act, 2014; rules and directives of the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).
Clearing and settlement	National Clearance and Settlement Systems Act, 2003; Bank of Botswana directives; IOSCO Principles for Financial Market Infrastructures.
Sustainability disclosure	BSE Sustainability Disclosure Guidance (August 2024); selective alignment with IFRS S1, IFRS S2, GRI Standards, TCFD and TNFD recommendations as our data and systems mature.
Tax and statutory	Income Tax Act and other applicable Botswana legislation.

For this first report, we have prioritised consistency with the Integrated Reporting Framework and have begun building the data foundations needed for a credible climate-related disclosure in future reporting cycles. We discuss this further in Section 14 (Outlook).

The seven Guiding Principles of the IR Framework that have shaped this report are: strategic focus and future orientation; connectivity of information; stakeholder relationships; materiality; conciseness; reliability and completeness; and consistency and comparability. We refer to them at the relevant points in the report rather than restating them in full here.



About this Report

DETERMINING WHAT TO INCLUDE: MATERIALITY

Material matters are those that, in the Board’s judgement, substantively affect BSE’s ability to create, preserve or erode value over the short, medium or long term. They are also the matters most likely to influence the assessments and decisions of our providers of financial capital and other primary report users.

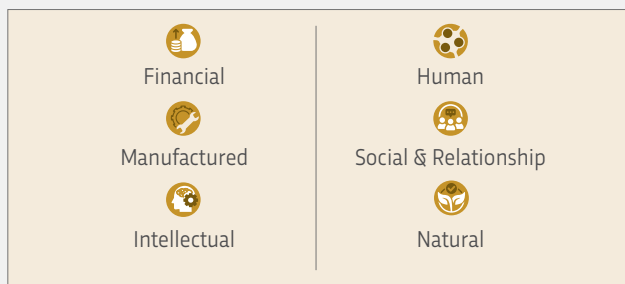
We have applied a **double-materiality lens**, consistent with the BSE’s own Sustainability Disclosure Guidance issued to the listed market in May 2024. This means we have considered both:

- the matters that affect BSE’s financial prospects (financial materiality); and
- the matters where BSE’s activities have, or could have, significant impacts on people, the economy or the environment (impact materiality).

The materiality determination process is described in full in Section 9 (Our Material Matters). The output is a refined set of material matters that has been reviewed by executive management and approved by the Board.

THE SIX CAPITALS

Following the IR Framework, we describe value creation through the lens of six capitals: **Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural**. Each capital is introduced in Section 7 (How We Create Value) and is then tracked through the report. Where one of our activities draws materially on a particular capital or generates a material outcome for it, this is signposted with the relevant icon in the margin.



1.7 CONNECTIVITY AND NAVIGATION

Integrated reporting is not a sequence of stand-alone sections. To help the reader follow the connections, we use the following conventions throughout the document:

- **Capital icons** (six in total) appear next to text that describes a meaningful trade-off, input or outcome for a particular capital.
- **Stakeholder icons** appear next to disclosures that respond to the legitimate needs of a particular stakeholder group.

- **Strategic pillar tags** (the five 10X by 2030 pillars) link performance and risk discussion back to strategy.

The full legend appears on the inside front cover.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about the Group’s strategy, plans and expectations. These statements relate to matters that are not historical fact and reflect the Board’s current view of future events. They are based on assumptions that we believe to be reasonable as at the date of approval, but they are subject to known and unknown risks, uncertainties and other factors, many of which are outside

our control. Actual results, performance and outcomes may therefore differ materially from those expressed or implied. Readers should not place undue reliance on these statements. The Group does not undertake to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law or by the BSE Equity Listings Requirements.

ASSURANCE

We have followed a **combined assurance approach**, drawing on management oversight, internal audit, regulatory supervision and external audit. The assurance position for FY2025 is summarised below.

Information	Level of assurance	Provider
Consolidated and Separate Annual Financial Statements	Reasonable assurance under International Standards on Auditing.	Grant Thornton, Chartered Accountants. Unmodified audit opinion issued on 30 March 2026.
Governance disclosures and King IV application	Internal review by the Company Secretary, supported by Legal Services and the Nominations, Governance and Remuneration Committee.	Internal.
Risk and compliance disclosures	Internal review through the Enterprise Risk Management framework, with oversight by the Audit and Risk Committee.	Internal.
Operational and non-financial performance metrics	Internal review by departmental heads, with management sign-off; selected metrics drawn from the Management Scorecard 2025.	Internal.

COMPARABILITY

This is the first Integrated Report issued by the Group. As a result, prior-period comparatives are limited to the financial information in the Annual Financial Statements and to operational data drawn from the BSE Annual Reports of preceding years. Where comparatives are not available or are not on a like-for-like basis, this is stated. Going forward, the Group intends to maintain consistency in the metrics, definitions and structure used in this report, so that performance can be compared meaningfully across reporting periods.









BOARD RESPONSIBILITY AND APPROVAL

The Board is the highest governing body of the Group and is the owner of this Integrated Report. In accordance with the IR Framework, the Board acknowledges its responsibility to ensure the integrity of the report. The Board has applied its collective mind to the preparation and presentation of the Integrated Report, and is of the opinion that:

- the report addresses the matters that are material to the Group's ability to create value over the short, medium and long term;
- the information presented is reliable, balanced and complete in all material respects; and
- the report has been prepared in accordance with the IFRS Foundation's Integrated Reporting Framework (January 2021).

The signed Annual Financial Statements were approved by the Board on **30 March 2026**. The Audit and Risk Committee, which oversees the integrity of corporate reporting on behalf of the Board, has reviewed the report and recommended it to the Board for approval. The Nominations, Governance and Remuneration Committee has reviewed the governance content. The Board approved the Integrated Report for release on **27 May 2026**.

Signed by the Board of Directors:

 Neo Sesame Mooki Chairperson	 Boitshoko Keabofe-Medupe Non-Executive Director	 Norman Moleele Independent Non-Executive Director	 Gregory Matsake Non-Executive Director
 Professor Onkutlwile Othata Independent Non-Executive Director	 Boipelo Matenge Independent Non-Executive Director	 Segametsi Mafa Independent Non-Executive Director	 Lekono Phiri Independent Non-Executive Director

FEEDBACK

We will improve future reports through reader feedback. Please send comments, questions and suggestions to:

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Telephone +267 367 4400
Address Botswana Stock Exchange, Plot 70667, Fairgrounds, Gaborone, Botswana
Website www.bse.co.bw





BSE at a Glance

BOTSWANA'S CAPITAL MARKETS, IN ONE INSTITUTION.

The Botswana Stock Exchange Limited is the regulated platform on which government, parastatals and the private sector raise debt and equity capital, and on which Botswana and international investors take ownership in those issuers.

We were established in 1989 and formally constituted under the Botswana Stock Exchange Act of 1994. From our base in Gaborone, we operate the country's only securities exchange, the central depository for listed securities, and the post-trade infrastructure that allows capital to flow between the people who have it and the enterprises that need it.

We are a lean organisation by choice. Our scale sits not in our headcount, but in the markets we operate, the issuers we list, the capital we mobilise, and the role we play in Botswana's transformation to a high-income, inclusive economy.

 VISION	 MISSION	 PROMISE
To be Africa's premier capital raising hub.	To transform Botswana's economy and be the torchbearer of moving Botswana to a high-income and inclusive economy.	Your partner in wealth creation.

THE BSE GROUP

BSE comprises four entities, each with a defined role in the capital-markets value chain.

Domain	Entity / Role
Botswana Stock Exchange Limited (BSE)	Parent and regulated securities exchange. Operates the equity, debt and ETF markets. Primary listings, listed-issuer regulation and market surveillance sit here.
The Central Securities Depository Company of Botswana Limited (CSDB)	100% subsidiary. Operates the central depository, share register and clearing and settlement system for all BSE-listed securities. Linked to the Bank of Botswana's BISS for settlement and rated A- by Thomas Murray.
Botswana Mercantile Exchange Proprietary Limited (BMX)	100% subsidiary, incorporated in 2025. Vehicle for future commodity-market activity under the product-innovation pillar.
BSE Impact Funds Company Proprietary Limited	100% subsidiary, incorporated in 2025. Vehicle for impact-aligned market-development initiatives.

AT A GLANCE

Established	1989 (BSM)
Statutory basis	Companies Act (2018)
Group composition	1 parent, 3 wholly-owned subsidiaries
Headquarters	Gaborone, Botswana
Regulator	Non-Bank Financial Institutions Regulatory Authority (NBFIRA)
Chairperson	Neo Mooki
Chief Executive Officer	Aobakwe Monyatsi (appointed 12 March 2025)
Group company secretary	Thapelo Otukile
Headcount	30

FY2025 IN NUMBERS: FINANCIAL

Metric	FY2025	FY2024	Movement	Capital
Group revenue	P78.8m	P67.3m	+17.1%	Financial
Group operating profit	P12.2m	P18.2m	-33.1%	Financial
Group profit before tax	P26.5m	P26.2m	+1.2%	Financial
Group profit for the year	P20.6m	P15.8m	+30.3%	Financial
Group finance income	P14.4m	P8.1m	+77.7%	Financial
Total comprehensive income	P20.6m	P15.8m	+30.3%	Financial

AN HONEST READING

Revenue grew by 17.1%, lifted by record equity activity, new listings and growth in commissions. Operating profit fell because operating expenses rose faster than revenue, partly because of the IT-modernisation programme and the cost of the October 2025 outage response. Profit for the year still finished higher than 2024 because finance income increased sharply and the effective tax charge was lower. The pattern, revenue up, operating profit down, profit for the year up, is consistent with a year of build-phase spending rather than steady-state operation.

> Cross-reference: *Performance Review (Section 13)*.

FY2025 IN NUMBERS: THE MARKET

Indicator	FY2025	FY2024	Movement
Total market turnover	P9.3bn	P7.9bn	+18.1%
Equity turnover	P5.9bn	P1.7bn	record level
Average daily equity turnover	P24.0m	P6.7m	+258.2%
ETF turnover	P582.5m	P449.4m	+29.6%
Total nominal value of listed bonds	P40.0bn	P38.2bn	+4.7%
Equity market capitalisation	P710.0bn	P686.8bn	+3.4%
Listed equity issuers	32 (23 domestic, 9 foreign)	32	unchanged
Listed ETFs	5	4	+1
Listed debt instruments (year-end)	122	120	+2 net (54 listings, 57 maturities)
Market capitalisation to GDP	>250%	>250%	stable

FIVE-YEAR EQUITY TURNOVER TREND (P MILLIONS)

2021	2022	2023	2024	2025
1,816	1,178	4,086	1,660	5,911

AN HONEST READING

2025 was the highest year for equity turnover in our history. Some of that lift came from a small number of large institutional transition trades. Strip those out and turnover sits closer to prior years. The job ahead is therefore to convert a record year into a regular pattern of broader, more frequent trading by both retail and institutional participants.

> Cross-reference: *Our Material Matters (Section 9)*.



BSE at a Glance (continued)

THE CAPITALS WE DEPLOY AND RENEW

We work across the six capitals defined by the Integrated Reporting Framework. The grid below names the capitals and anchors each to the FY2025 evidence.

Financial	Manufactured
Funds, reserves and surplus that allow us to operate, invest in technology and absorb shocks. <i>FY2025: revenue P78.8m, profit for the year P20.6m</i>	The Automated Trading System, the CSD platform, our Tier III data centre and the hybrid multi-cloud estate rolled out in 2025. <i>CSD rated A- by Thomas Murray; next-generation firewall migration completed Q4 2025</i>
Intellectual	Human
BSE Listings Requirements, market-surveillance methodology, the BSE Sustainability Disclosure Guidance (2024) and our market data and indices. <i>Annual Rules review approved by the Board, submitted to NBFIRA in December 2025</i>	A small, specialist team led by the Chief Executive Officer. Lean by design. <i>Headcount unchanged YoY; retention 100% management, 97% specialist and clerical; culture score 3.6/5</i>
Social and relationship	Natural
Issuers, brokers, custodians, regulators, government, retail investors and the public. <i>Global Expo, Investor Month, World Investor Week, AFSIC London</i>	Our operational footprint and, more materially, the climate-related capital flows we enable. <i>Joined the Net Zero Financial Service Providers Alliance, May 2025</i>



BSE Limited Group Picture

THE YEAR IN MOMENTS

Date	Event
12 March 2025	Aobakwe Monyatsi assumed the role of Chief Executive Officer.
18 March 2025	BSE hosts Business Engagement Forum 2025 with President Advocate Gideon Duma Boko
2 April 2025	Director Davies Tele resigned, triggering succession planning by the Nominations, Governance and Remuneration Committee.
24 April 2025	Secondary listing of GAIA Renewable 1's Class B Preference Shares, giving Botswana investors access to a renewable-infrastructure vehicle.
13-14 May 2025	Admitted to the Net Zero Financial Service Providers Alliance at the AFCM-ASEA Joint Conference, Tunis. Joined a coalition of 35 global financial-service providers, including 23 stock exchanges.
28 May 2025	BSE, Debswana and Stanbic Bank partner to educate CEEP Companies on Capital Market opportunities.
June 2025	Approval of BSE Strategy 10X by 2030
15 July 2025	BSE-Stanbic Bank Finance and Investment Competition national awards. Over 80 students competed nationally; secondary-school finals later in the year.
12 August 2025	BSE and Gaborone City Council sign an MoU on Municipal Bond Issuances
2-3 September 2025	BSE facilitates Inaugural Domestic Investor Roadshow in collaboration with Bank of Botswana and Ministry of Finance
6-12 October 2025	World Investor Week. Internal opening-bell ceremony as part of IOSCO's global initiative.
8-11 October 2025	BSE participated at Global Expo Botswana 2025
13 October 2025	BSE and Vice President and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe advance Capital Markets Agenda at the London Stock Exchange Group.
14 October 2025	The BSE CEO, Aobakwe Monyatsi, joined by the Vice President and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe participate at AFSIC 2025, London.
14-15 October 2025	AFSIC 2025, London. The CEO joined Vice President and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe in representing Botswana.
21 October 2025	Four-day market outage. A network firewall failure caused the longest outage in BSE history. Trading resumed within four business days. Manual processes preserved settlement continuity. The Board established a committee to oversee IT resilience and an emergency migration to a next-generation firewall was completed.
30 October 2025	BSE hosts Prospective Issuers at an event officiated by Vice President Hon. Ndaba Nkosinathi Gaolathe
October 2025	Investor Month. Annual flagship retail-engagement campaign in collaboration with all licensed brokers.
26-29 November 2025	28th ASEA Annual Conference. The Group participated under the theme "Adapting to Global Market Shifts and Events."
2 December 2025	Secondary listing of the Vunani Global Equity Prescient Feeder Actively Managed ETF on the BSE Exchange Traded Funds Board.
18 December 2025	BSE hosts a High-level Capital Markets Dinner hosted by President Advocate Duma Gideon Boko
31 December 2025	By end of year equity listings requirements as well as debt and exchange traded funds (ETF's) listings rules approved.



Chairperson's Statement

In 2025, we addressed challenges directly, strengthened the Botswana Stock Exchange's foundations, and positioned the organisation for long-term impact. The year was both demanding and significant. We achieved strong revenue growth, experienced a four-day trading outage in October, welcomed a new Chief Executive, and refined the strategy that will guide the BSE's next decade.

Throughout these events, the Board remained focused on building and protecting trust. Capital markets everywhere depend on trust for liquidity and for meaningful democratisation of wealth. The BSE is no different.

I encourage you to consider this Report through the lens of "Trust."



Confronting reality with clarity

Our performance is clear from our financials - revenue increased by 17%, driven by higher volumes of listings, trading activities, and subsidiary business activities. However, there has been a reduction in operating profit from P18.2 million to P12.2 million. The Board recognises this drop, which reflects the intentional investments made during this phase. We invested in systems, governance, and capabilities essential for a modern, resilient exchange. These are long-term foundations, not short-term expenses.

We prioritised the quality of our earnings over short-term fluctuations, and we believe today's investments will drive stronger operating performance over time. So, as your Board, we accept the current margin pressures, because building the institution Botswana needs requires deliberate and substantial investment.



The BSE will become much more than a place where trades are executed. It will be an engine of opportunities

October outage

Our trading platform was down for four days in October. This, in my opinion, is one of those moments in the history of the Exchange that will define us.

This is how we responded to this incident - we worked with utmost urgency to ensure the maintenance of market integrity and missed business opportunities.

In the aftermath of the event, significant improvements were made in three main operational areas. The first of those is resilience; there has been an increased emphasis on redundancy and robustness in our operations to prevent any possible single point of failure in the system. The second improvement relates to our corporate governance processes, where we improved our approach to overseeing risks in our operations. Lastly, we improved our crisis management and stress testing process to avoid failures. The Board's role is to ensure the organisation learns, adapts, and becomes more resilient when challenges arise. This work will continue into 2026 with sustained urgency and focus.

Our new Strategy, 10X by 2030

The Board supported the adoption of a new strategy, 10X by 2030, because it reflects the scale of our opportunity and the urgency of our role. Botswana's economic diversification depends on deeper capital markets. Democratisation of wealth means opening investment opportunities to many, not just a select few. This is our mandate.

We are much more than an exchange - we are an institution of trust which connects capital to opportunity with transparency and inclusion. The Board believes there is strong alignment between the commercial mandate of the BSE and its broader public purpose. A stronger commercial BSE enables better infrastructure, more innovation and broader investor participation.

A stronger national exchange helps in capital formation, financial inclusion, and economic resilience. All three of these goals reinforce each other. It is our responsibility to bridge the gap between our aspirations and action through clearly laid out milestones, responsible capital deployment, and accountability.

Leadership & Governance

The year was significant in terms of leadership changes. In March 2025, we brought on board Aobakwe Monyatsi as our CEO. He brings energy, focus, and execution skills, which are vital for this stage. Gregory Matsake is another addition to our board, who adds value and perspective to our deliberations. We would also like to mention the exit of Davies Tele from our board, where he served us with dedication and professionalism during the important evolution stage of our organisation.

Holding the regulatory and commercial balance

Much of the Board's work this year focused on managing the BSE's dual role as regulator and commercial entity. This balance is not a tension to eliminate, but one to manage daily. A credible exchange must be commercially viable and uncompromising on market integrity. These responsibilities are interdependent. Our commercial success depends on trust, which is built on strong regulation, transparency, and fairness.

We prioritised market integrity, investor protection and supported product innovation. We strengthened governance to manage conflicts, and explored how Botswana's strong

fundamentals can help internationalise the Exchange and attract capital to Africa.

Looking ahead, the Board will focus even more on enabling growth. Market development, regional positioning, internationalisation, and capital market deepening will be priorities in 2026. Our regulatory standards will not be compromised.

Materiality and Stewardship

The Integrated Report highlights the material matters that impact the BSE's ability to generate value over the short-, medium-, and long-term horizons. Whatever the terminology used, be it good governance, integrity, transparency, and stakeholder confidence, they all amount to one and the same thing - trust, which is essential in any discussion. Different stakeholders have different priorities, and we cannot expect to fulfil everyone's aspirations. What we must do is work in the best interest of the Botswana capital market ecosystem in the long run - for investors, issuers, regulators, our own people, and the economy of Botswana as a whole.

Outlook

By the end of 2026, the Board will regard the year as successful if four outcomes become evident. First, we must demonstrate meaningful progress in the implementation of the 10X by 2030 strategic plan. Second, we become more resilient and improve our systems. Third, there should be signs of increased trading activity in the Botswana capital market. Finally, we must demonstrate improvement in terms of our governance and discipline. In our view, what would matter outside the BSE itself is better regulation and policy alignment to deepen the Botswana capital market.

For this reason, the Board will continue to engage policymakers actively and constructively to advance this agenda.

To our stakeholders

To Botswana's investing public: I hope this Report assures you that the BSE is becoming a stronger and more trusted platform for wealth creation.

To prospective issuers: this is a clear signal that the Exchange is open for business and committed to supporting your growth.

To our employees: we sincerely recognise your role in navigating a demanding year and building the institution we are becoming.

To our regional peers: this Report demonstrates that the BSE is evolving into a credible, ambitious, and international institution.

On behalf of the Board, I thank my fellow Directors and the Executive team for their leadership during a complex year. I also thank Davies Tele for his contribution and Aobakwe Monyatsi for stepping into leadership at a critical moment.

In closing

The goal that we have set for ourselves for the coming period is clear. It is to build an Exchange that is not just bigger but more relevant. An Exchange that will strengthen capital markets, increase participation, and contribute to the resilience of the economy of Botswana. The BSE will become much more than a place where trades are executed. It will be an engine of opportunities, enabling wealth democratisation underpinned by trust.

Neo Mooki
Chairperson
Botswana Stock Exchange Limited



Rooted in Trust
Growing What Matters

Chief Executive Officer's Review



**2025 was the year
Botswana Stock Exchange
got ready to do what the
country now needs it to do**

On taking office, and reading the year

When I joined the BSE on 12 March 2025, the brief I received was clear in some places and not in others. The bones of a strategic conversation were already on the table. What was less clear was the national context that gave that strategy its real weight. National Development Plan 12 was still being shaped, and the Botswana Economic Transformation Programme (BETP) had not yet been articulated in the form we now know it. Both landed during my first months in office, and once they did, the role this Exchange has to play in Botswana's economic story came into sharp focus.

The Vice President and the Minister of Finance has been explicit, the next phase of our economic life will be private-sector led. That is a deliberate pivot, and it places capital markets at the heart of the work. If the private sector is to lead, the private sector needs capital. The most efficient instrument we have for mobilising long-term, productive capital at scale is a functioning, trusted, well-governed exchange. We are that exchange.

“2025 was the year the Botswana Stock Exchange got ready to do what the country now needs it to do.”

Reading the year through this lens changes how I describe 2025. It was not simply a good or bad year by the usual financial measures, it was the year the Botswana Stock Exchange got ready to do what the country now needs it to do.

The shape of 2025

I would describe 2025 as a pivotal year. That word has earned its place. We delivered a record performance on market activity, with strong total return on the Domestic Company Index, an even stronger total return on the Foreign Company Index, and material growth in our exchange-traded fund and bond businesses. We became the second exchange on the African continent to list actively managed ETFs, and our gold ETF continued to outperform. Total market capitalisation grew, and the companies that have chosen to list with us were rewarded with the price action that comes with a deeper, more active market.

Equally, 2025 was the year we signalled, with a commitment that goes beyond words, where we stand on sustainability. We signed the United Nations Sustainable Stock Exchanges Initiative protocol, and at the AFCM-ASEA joint conference in Tunisia we committed to the Net Zero Financial Service Providers Alliance. The Net Zero commitment came with an eight-point framework that will shape both how we report and how we engage our issuers. It also gave us a seat at the table where global capital flows for the green transition are being priced and structured. That matters for Botswana and Africa, because our industrial story is still being written. We will need to run the green economy and the brown economy in parallel for some time, and transition capital is what makes that possible. Botswana's Integrated Resource Plan, released in 2025, sets a target of fifty per cent renewable energy generation. The Exchange is now positioned to help finance that transition, not merely to comment on it.

It was also the year we opened up to the world. We led international roadshows. We hosted the Vice President of Botswana and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe at the London

Stock Exchange and signed a partnership that opens a path to remote trader membership between London Stock Exchange and BSE. We presented the BETP investment thesis at AFSIC in London, and a meaningful pipeline of investors is now in active assessment, some directly with the Ministry of Finance and some through the Exchange. We initiated strategic partnerships with African and global exchanges. We went live on the African Exchanges Linkages Project, which connects our trading systems to a network of African exchanges and creates the technical foundation for cross-border participation.

It was also the year we began the work of becoming a high-performance organisation. We completed an organisational design review against the new strategy. We commissioned a culture baseline to understand the prevailing values and the values we will need. We launched a partnership with Udemy to give every member of staff structured access to learning. That is what 2025 looked like through my eyes. Pivotal, and earned.

The shape of the financials

The signed financial statements tell a story that needs reading carefully. Group revenue grew 17 per cent, from P673 million to P78.8 million. Operating profit fell from P18.2 million to P12.2 million. Profit for the year rose to P20.6 million on the strength of finance income.

I want to be direct about both halves of that picture. The drop in operating profit is the result of deliberate decisions, not of weak markets. We inherited a business carrying real structural risk in its technology platforms. We had not invested meaningfully in our IT for close to a decade. That under-investment caught up with us in 2025, and I will return to it shortly. We also added competence across the business: in product, in market development, in IT, and in finance. We strengthened our advisory and consulting spend on capabilities the strategy requires us to build. None of these are run-rate increases for their own sake. They are an investment in the long term, calculated against the cost of standing still. The Board interrogated each line and approved it on that basis.

On the top line, I want to address a point that came up in our material matters workshop and which deserves to be on the page. A large institutional book-over within the year created an unusually high equity turnover figure, close to P4 billion. That single transaction inflated turnover velocity. It did not, however, flatter the underlying quality of earnings. The Domestic Company Index delivered total return of 9.8 per cent and the Foreign Company Index delivered total return of at 15.6 per cent. Bonds and ETFs grew without the help of any extraordinary transaction. The price action and the product depth tell the same story the listing fees and the commissions tell. Strip out the book-over and the underlying business still grew.

So this is what I would say about the shape of 2025. Revenue is genuinely up. Operating profit is genuinely down. Both are by design.

On 21 October the trading platform went down. The market was offline for four trading days. It was preceded by three or four shorter outages earlier in the year. The pattern was not an accident. We had a structurally vulnerable database environment, and a decade of deferred investment had finally come due.



Issuers, investors, brokers and the regulator were all affected, and the Exchange's reputation took a hit. The Board convened. We escalated. We communicated openly with NBFIRA, with our member firms, and with the market. We restored services and we then did the harder work of fixing the cause. By year-end we had replaced the obsolete database and end-point infrastructure that had failed us. We brought new IT competence into the team. We commissioned next-generation firewall capability and stood up the design for a modern data centre with disaster recovery. The migration to the BoFiNet Digital Delta facility, the adoption of cloud platforms, and the rebuilding of our DR posture are now being executed.

The work to maintain operational resilience is the single largest internal priority I am personally tracking in 2026. The architecture is approved. The migration is underway. The proof point will be uptime, integrity of the audit trail, and the speed and confidence of our recovery if we are tested again.

Progress against the five pillars of 10X by 2030

The strategy we developed and that the Board reaffirmed in 2025 is built around five pillars.

Talent and Culture

We ran the organisational design review against the strategy. We completed the culture baseline. We gave every employee access to Udemu. We are not yet where we need to be on the employee value proposition. A refreshed performance management system with incentives clearly linked to the strategic KPIs is the deliverable for 2026, and the team is on track to land it.

Technology Modernisation

We replaced obsolete infrastructure, integrated to the African Exchanges Linkages Project, and locked in the architecture. The work to migrate from on-premise to cloud, to stand up a world-class disaster recovery environment, and to introduce APIs that let global and regional partners integrate with us is the immediate priority for 2026.

Product Innovation

We became the second stock exchange to list actively managed ETFs on the continent. We listed the first ESG-themed preference share secondary listing from the Cape Town Stock Exchange, demonstrating the strength of our listing framework on sustainability instruments. The pipeline for 2026 includes commodities trading at the back of the Botswana Mercantile Exchange, virtual assets, carbon credits, and derivatives. The intent is to give issuers and investors more vehicles, not more noise.

Internationalisation

We delivered the LSE partnership, formed partnerships with three exchanges, presented the BETP to international investors, and went live on the African Exchanges Linkages Project. The work for 2026 is to commercialise these foundations. Signed MOUs do not raise capital. Active flows do.

Force for Good

We worked with issuers on ESG disclosure, signed the Net Zero Financial Services Providers Alliance Pledge and continued our partnership with Mmea Primary School, including donations of spectacles and learning materials to differently abled children. Our most consequential force-for-good achievement was the lobbying and policy work that delivered legislative amendments allowing local councils and municipalities to raise bonds directly through the Exchange. That capability did not exist before 2025. In 2026 we will execute the first municipal bond issuances and prove that decentralised, productive borrowing can be done well in this country.

The structural conversation

There are issues that keep me awake. I want to put them on the record because the credibility of this report depends on saying what is true, not just what is comfortable.

We have a concentration problem in domestic capital. A large share of the activity on this Exchange is intermediated by a small number of pension fund mandates, with a thin and reactive broker layer in front of them. The asset managers who hold these mandates have, on the whole, been buying to hold rather than trading. That dynamic compresses liquidity and, in turn, distorts price discovery. Some of our leading counters are likely trading at meaningful discounts to net asset value as a consequence. This is a structural issue, not a critique of any single participant. It will not be solved by any one party acting alone.

What we will do about it is concrete. We will introduce market-making frameworks to incentivise consistent two-way flow. We will work with the regulator and with asset owners to encourage mandates that are more prescriptive about active management of holdings. We will widen the broker community, including digital and regional brokers, to reduce concentration in distribution. We will launch a retail mobile and USSD platform that lowers the friction of opening, funding and trading an account, so that ordinary Batswana can participate. We will tokenise selected instruments, beginning with bonds. A government bond should not require close to one million pula to access. If a citizen with a modest wallet can fractionalise that exposure, we have built something genuinely democratic.

The country has demonstrated that it has appetite and that it has wallets, even in a tight macro environment. Our job is to give that appetite a productive home.

People and capability

Group employee costs grew from P25.4 million to P35.7 million. That increase tracks the deliberate addition of capability across product, market development, IT and finance, and the appointment of a new executive layer including the Chief Executive. The Board approved each step and reviewed the trajectory against the requirements of the strategy. We are building the team we need to be by 2027, not protecting the team we were in 2024. Education and awareness work, including our long-running partnership with Stanbic on the Senior Secondary Schools Finance and Investment Competition on the Stock Market Simulator for secondary school learners, is part of this same project. We are widening the funnel of people who understand what a capital market is, and what it can do for a household, a business and a country.

What 2026 should be measured against

If I am being held to account by the market, I would offer three commitments for the year ahead.

1. Continued good governance and the safeguarding of trust in our infrastructure. The integrity of the capital market we operate is the foundation on which everything else stands.

2. Visible progress on democratisation. The Serala OTC Board needs to be populated, retail participation needs to grow, and SMEs need to find a real path to capital through our markets. Some of this requires regulatory change, which we are actively pursuing.

3. A tangible contribution to the economic turnaround. We will deliver this through the BETP pipeline, through municipal bonds, through transition finance, and through our Force for Good pillar. The test is whether capital raised on this Exchange shows up in productive sectors of the economy.

Behind those public commitments, we are running scenarios that the report's risk section names but which I want to flag explicitly here.

The first is cybersecurity. As we digitise and integrate more deeply with global counterparts through APIs, the surface area we must defend grows. We safeguard systems through which a value close to thirty per cent of Botswana's GDP flows. A hostile event would not just be reputational. It would be national. We are investing accordingly.

The second is issuer concentration. Our top issuers carry a large share of total market capitalisation. A delisting at the top of the table would be material to our metrics and to our ability to attract new issuers. We are addressing this through new listings, through cross-border inflows, and through the broader product set.

The third is the war for talent. Capital markets, banks and money markets are competing for a small pool of skilled people. We are running active retention interventions and we will need to keep doing so.

What I want the reader to take away

If you finish this Review with one belief, I would like it to be this. Botswana stands at a pivotal point in its development journey. The conventional engines of growth are under pressure. The capital markets, well governed and well used, can unlock the resurgence we need. Not as a substitute for the rest of the economy, but as the connective tissue between savers, public ambition and private enterprise.

The BSE is here to anchor that resurgence. We are also positioning Botswana, deliberately, as a capital-raising hub for Africa. The

fundamentals of this country, its institutions, its currency, its rule of law, its long record of macroeconomic discipline, remain genuinely competitive on the continent and beyond. We intend to use that advantage in service of the country and the region.

“Signed MOUs do not raise capital. Active flows do.”

We will do it in a way that respects what makes Botswana what it is. The Kalahari, the Tsodilo Hills, the Tuli Block, the Makgadikgadi Pans, the Okavango Delta. These are not a backdrop. They are an inheritance and a responsibility. When we speak of green capital and sustainable finance, this is what we are stewarding.

I am cautiously optimistic about Botswana and about the region. That phrase is chosen carefully. We see the headwinds. We are not pretending. But we have seen, in 2025, what this institution and this country can do when they are pointed in the right direction.

Acknowledgments

I want to thank the Board for the strategic clarity and rigour they brought to a year that asked a great deal of all of us. The strategy we now execute has collective ownership, and we believe it will help transform our country.

I want to thank the staff of the Botswana Stock Exchange. The energy, the passion and the discipline I saw in this team across 2025 made everything that follows in this Report possible. I see what each of you brought, and I encourage you to stay driven by the purpose that brings us together as we chart this journey.

I want to thank the Government of Botswana and our regulator, the Non-Bank Financial Institutions Regulatory Authority, for the policy and regulatory engagement that allowed us to amend laws, deepen markets, and prepare to do more. I want to thank the issuers, brokers, investors and counterparties who chose to be on this Exchange in 2025. You make this market what it is.

The work continues.

Aobakwe Monyatsi
Chief Executive Officer
Botswana Stock Exchange Limited



Our Board of Directors

BSE BOARD OF DIRECTORS



Ms Neo Mooki
Chairperson, Independent
Non-Executive Director



Prof. Onkutlwile Othata
Vice Chairperson,
Independent Non-Executive
Director



Ms. Segametsi Mokobi
Independent Non-Executive
Director



Ms. Boipelo Matenge
Independent Non-Executive
Director



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



Mr. Norman Moleele
Independent Non-executive
Director



Mr. Gregory Matsake
Non-Executive Director



Ms. Lekono V. Phiri
Independent Non-Executive
Director



Mr. Aobakwe Monyatsi
Group Chief Executive Officer,
Executive Director

CSDB BOARD OF DIRECTORS



Ms. Pascaline Sefawe
Chairperson, Independent
Non-Executive Director



Ms. Kelebogile Kewagamang
Vice-Chairperson
Non-Executive Director



Mr. Tebogo Mogaleemang
Independent Non-Executive
Director



Mr. Kabo Kebitsang
Independent Non-Executive
Director



Mr. Vincent Baituti
Independent Non-Executive
Director



Mr. Lame Gare
Independent Non-Executive
Director



Ms. Tsholofelo Bogosi
Independent Non-Executive
Director



Mr. Aobakwe Monyatsi
Group Chief Executive Officer,
Executive Director



Management Team



Kopano Bolokwe
Head of Product Development

Prior Roles:

Product Development Operations Officer (BSE); Investment Analyst (STANLIB); Dealer and Private Clients Broker (Imara Capital Securities)

Education:

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



Masego Pheto-Lentswe
Head of Clearing and Settlement

Prior Roles:

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

Education:

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



Mpho Mogasha
Head of Finance and Administration

Prior Roles:

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

Education:

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



Kopano Mogorosi
Head of Information
Technology

Prior Roles:

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

Education:

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



Tsametse Mmolai
Head of Listings and Trading

Prior Roles:

Listings Operations Officer (BSE); Investment Accountant (Botswana Insurance Fund Management).

Education:

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



Thapelo Moribame
Head of Market Development

Prior Roles:

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

Education:

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



Management Team (continued)



Thapelo Otukile
Head of Legal Services and Board Secretary

Prior Roles:

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

Education:

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



Boikobo Mokoka
Head of Risk and Compliance

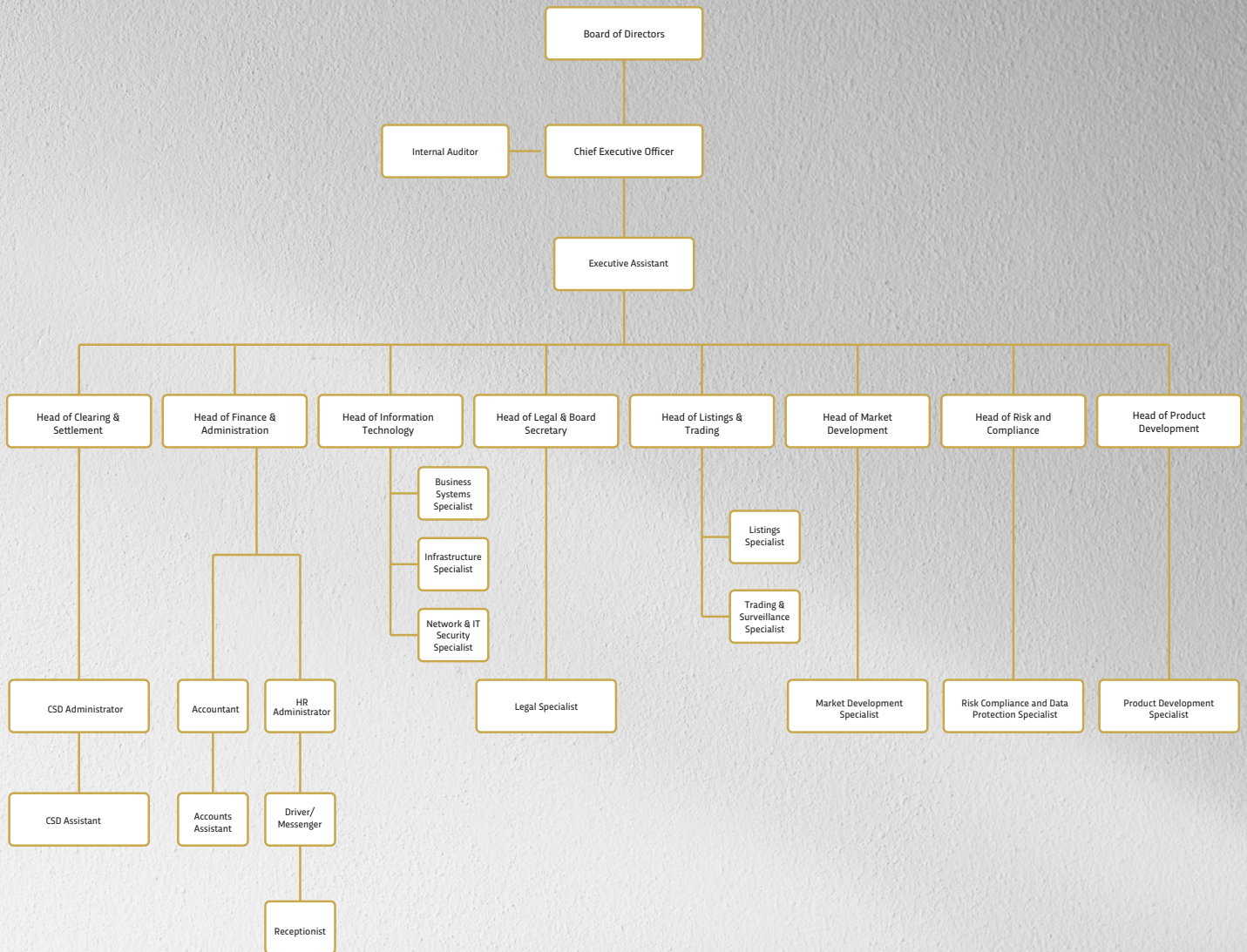
Prior Roles:

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

Education:

Masters in Financial Management (Amity University); Postgraduate Certificate in Risk Management (Botswana Accountancy College); Bachelor of Accounting (University of Botswana).

Organisational Structure





BOTSWANA
STOCK EXCHANGE

Who we are & how we create value

- 5 - Who We Are
- 6 - The World We Operate In
- 7 - How We Create Value
- 8 - Our Stakeholders
- 9 - Our Material Matters





Who We Are

AT A GLANCE.

The Botswana Stock Exchange Group (“BSE”, “the Group”) is the operator of Botswana’s international securities market and the sole licensed securities exchange in the country.

Through its parent company, Botswana Stock Exchange Limited (“BSE”), and three wholly owned subsidiaries, the Group runs the trading, clearing, settlement and depository infrastructure on which Botswana’s capital market depends. It also acts as the frontline regulator of issuers, brokers and other market participants, and increasingly, as a developer of new markets and products that channel capital into the real economy.

We are a small institution by headcount, but a systemic one by function. The decisions taken here, the rules we set, the products we list and the technology we run, shape how capital is raised, allocated and protected across Botswana.

1989 Year the BSE began operating	1994 Statutory body under the BSE Act	2018 Demutualised and incorporated as a public limited company	4 Group entities (parent + 3 subsidiaries)	1 Licensed securities exchange in Botswana
33 Listed equity counters	122 Listed debt instruments	5 Exchange Traded Funds		P709bn Market capitalisation

OUR LEGAL FORM AND HISTORY

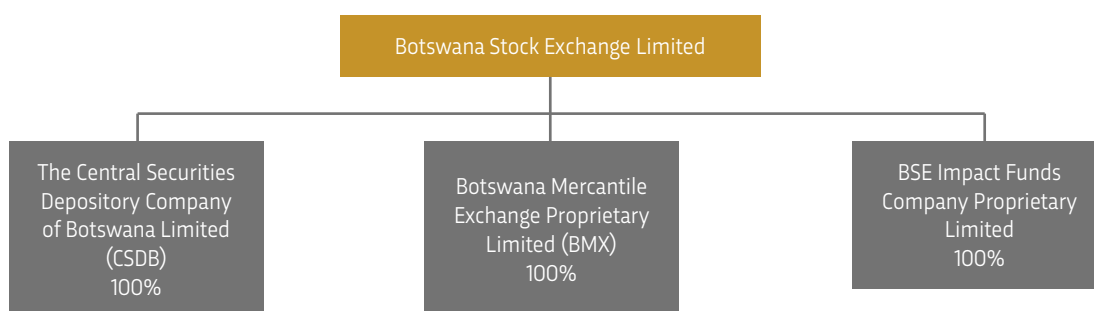
BSE is incorporated and domiciled in Botswana. Its principal activity is the regulation and promotion of the listing of, and dealing in, shares and other securities. The Group prepares its consolidated annual financial statements in accordance with IFRS Accounting Standards. The signed 2025 AFS for the Group is included as an appendix to this Report.

The Botswana Stock Exchange traces its origins to 1989, when an over-the-counter share-trading mechanism began operating in Gaborone. In 1994, it was formally established as a statutory body under the Botswana Stock Exchange Act. Following a multi-year reform programme, it has since transitioned into a

demutualised, commercial public limited company, licensed by NBFIRA under the Securities Act No. 26 of 2014 and governed by the Companies Act (CAP 42:01) and its constitution. At the date of this Report, the BSE remains the only licensed securities exchange in Botswana.

OUR GROUP STRUCTURE

In 2025, the Group's structure was deliberately broadened to match a more ambitious strategic agenda. BSE is the parent. Three wholly owned subsidiaries sit beneath it, each performing a distinct role in the Group's value-creation model.



Botswana Stock Exchange Limited (BSE)

The parent and the licensed securities exchange. BSE operates the listing, trading, market data and surveillance functions, and houses the Group's enterprise functions including finance, risk, legal, human capital, IT and market development.

The Central Securities Depository Company of Botswana Limited (CSDB)

A 100% owned subsidiary, incorporated under the Companies Act and regulated by NBFIRA and by the Bank of Botswana under the National Clearance and Settlement Systems Act, 2003. CSDB operates Botswana's central securities depository, providing dematerialised custody, the share register for all listed companies, clearing and settlement of trade transactions, and corporate-action processing. It is interfaced with the Bank of Botswana's Botswana Interbank Settlement System ("BISS") and operates on the ISO 20022 messaging standard. The CSD system is rated A- by Thomas Murray and observes the IOSCO Principles for Financial Market Infrastructures. CSDB currently maintains registers for 33 equity counters, 1 preference share, 5 ETFs, 7 government bonds, 96 corporate bonds and 18 commercial papers, supporting more than 100 000 investor accounts.

Botswana Mercantile Exchange Proprietary Limited (BMX)

A 100% owned subsidiary incorporated in 2025. BMX is being built as Botswana's commodities and derivatives exchange, with an initial focus on agricultural value chains, fuel and other commodities relevant to the domestic and regional economy. Its launch is anchored by an expert operator engaged for the first 12 months of operation, an ICTAS contract for core technology services signed in December 2025, and active partnerships with the Zambia commodities ecosystem and with global counterparties including the Dubai Multi Commodities Centre and CME Group.

BSE Impact Funds Company Proprietary Limited

A 100% owned subsidiary established in 2025 to act as the issuing vehicle for impact-oriented funds listed on the Exchange. Its inaugural mandate is the Motheo National SME Fund of Funds, structured to channel capital to Botswana's small and medium enterprises, supported by an independent feasibility review by Total Impact Capital and an indicative first-loss support proposal from the Diamonds for Development Fund. The launch of the Fund has been deferred to 2026 to secure anchor commitments from limited partners before going live.



Who We Are (continued)

OUR MANDATE AND THE DUAL ROLE WE PLAY.

The IR Framework asks an organisation to explain “what it does and the circumstances under which it operates”. For BSE, that explanation only makes sense when our two roles are taken together.

THE TWO ROLES	WHAT IT MEANS IN PRACTICE
A market operator	We provide the regulated, electronic infrastructure on which capital is raised and traded in Botswana: the Equity Market (Domestic and Foreign Boards), the Debt Market, the ETF Board, the central securities depository, and, through BMX, an emerging commodities and derivatives marketplace. We provide market data, indices and connectivity to brokers, custodians, issuers and the Bank of Botswana’s settlement system.
A frontline regulator	BSE was granted SRO status in Q1 2020 by the Ministry of Finance after signing an MoU with NBFIRA. Functions included preliminary investigations into insider trading and market manipulation, processing and approving OTC/off-market transaction requests, and conducting market surveillance.

This dual role has a practical consequence that runs throughout this Report. A rule we set, a product we admit, or a disclosure we require, has effects far beyond our own income statement. It shapes what listed companies disclose on their climate exposure, how capital is allocated across sectors, whether SMEs can access public markets, and how confident retail and institutional investors feel placing savings in domestic securities. Our integrated thinking treats both effects, on BSE itself and on the wider market, as part of value creation.

OUR VISION, OUR MISSION, OUR VALUES

In 2025 the Board approved a refreshed strategic articulation, anchored on a single, audacious ambition: to deliver a tenfold increase in revenues and impact by 2030. That ambition, branded “10X by 2030”, has reset our vision and our mission.

Vision

To be Africa’s premier capital raising hub.

Mission

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

Brand promise

Your Partner in Wealth Creation.

Our values describe how we go about that work. They are deeply embedded in how we hire, how we make decisions, and how we hold each other to account.

Be a Thinker	We innovate. We challenge convention and ask the better question.
Engage Boldly	We communicate with assertiveness, candour and clarity.
Winning Together	We are a team. The Group is one balance sheet and one mission.
Act Like an Owner	We exercise commercial discipline and treat capital as scarce.
Do the Right Thing	We operate with integrity, efficiency and sustainability.

OUR STRATEGIC POSTURE: 10X by 2030

10X by 2030 is more than an ambition. It is the lens through which the Board allocates capital, the Group designs its product roadmap, and management evaluates trade-offs. The strategy rests on five pillars. Each is treated in detail in Section 10 - Our Strategy, and we introduce them here only to anchor the identity narrative.

PILLAR	WHAT IT MEANS IN PRACTICE
Talent and Culture	Building a small, high-performance team with the fintech, commercial and regulatory skills the next phase demands.
Technology Modernisation	Treating technology as a strategic advantage, not a back-office function: cloud migration, modernised core systems, automated KYC, T+2 settlement and resilient infrastructure.
Product Innovation	Broadening the asset menu: BMX, derivatives, sustainability-linked instruments, REITs, retail bond access, fractional investment and digital assets.
Internationalisation	Linking Botswana to global capital pools through dual listings, MoUs and partnerships with peer exchanges including LSEG, JSE, SGX, NSE Nigeria, LuSE and LuxSE.
Force for Good	Mobilising capital for the green transition, for SMEs, for citizen-economic empowerment and for inclusive participation in the market.



Business Engagement hosted by the President of the Republic of Botswana, Advocate Duma Gideon Boko



Who We Are (continued)

WHAT WE OFFER

Our products and services are organised around four interlocking activity streams. Together they form the Group's primary revenue engine and its public-good footprint.

Our Markets and Services

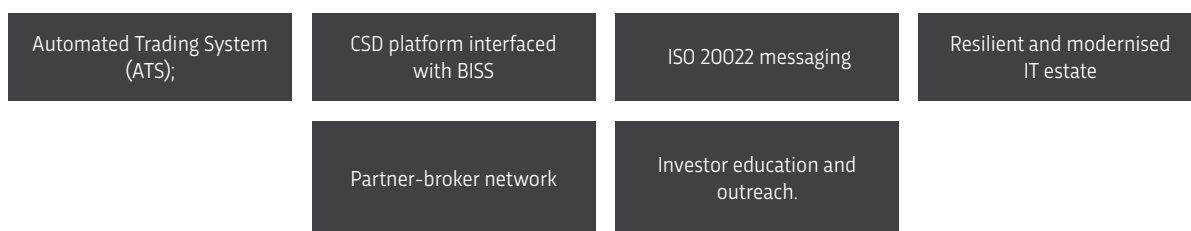
Tier 1, Asset classes / markets:



Tier 2, Services and activities:



Tier 3, Operational enablers:



A fuller view of how these activities convert inputs into outputs and outcomes across the six capitals appears in Section 7 - How We Create Value. The performance of each activity stream during 2025 is set out in Section 13 - Performance Review.

WHERE WE BELONG: OUR MEMBERSHIPS AND AFFILIATIONS

BSE operates inside a network of global, regional and domestic institutions whose standards, partnerships and oversight shape how we work. Our memberships are not ceremonial. They are the channels through which we benchmark, harmonise, advocate and learn.

BODY	OUR ROLE
World Federation of Exchanges (WFE)	The global standard-setter for regulated exchanges.
United Nations Sustainable Stock Exchanges (SSE) Initiative	Partner Exchange since 2016, advancing ESG disclosure.
African Securities Exchanges Association (ASEA)	The continental body of African exchanges.
Committee of SADC Stock Exchanges (CoSSE)	Member and current Secretariat.
Net Zero Financial Service Providers Alliance (NZFSPA)	Joined in May 2025, committing to a 12-month roadmap on climate-related disclosure and product development.
Association of National Numbering Agencies (ANNA)	The global ISIN-issuing community.
Recognised Exchange under HM Revenue and Customs (UK)	Status that supports access by UK-based investors.
World Federation of CSDs (WFC) / AMEDA	Held by CSDB. The depository peer networks.
Botswana Bond Market Association	Affiliates

OUR PEOPLE

BSE is a deliberately lean organisation. The Group is run by a small executive team and a tightly defined complement of specialists. That lean shape is a defining feature of this institution. It demands clarity of role, depth of skill, and a high tolerance for stretch. It is also one of the constraints we are actively managing as 10X by 2030 scales the Group's product, technology and regulatory ambitions.

In 2025, total headcount remained stable year-on-year, with a turnover rate of 7%. We retained 100% of our management cohort and 97% of specialists and clerical staff through the strategic transition. The most recent culture assessment placed the Group at 3.6 out of 5, with strong alignment to mission and to employee safety, and identified development, recognition and reward as priority areas for 2026.

A formal organisational design review is underway to test whether the current structure is fit for the next horizon, and whether selected capability gaps are best closed through direct recruitment, labour-brokerage partnerships, or external advisory relationships.

WHERE WE ARE BASED

BSE is headquartered at Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds, Gaborone, Botswana. All Group entities operate from this single registered office, supported by remote access to broker, custodian, issuer and regulator systems across the country and the SADC region.

The World We Operate In

6.1 Why the operating environment matters for BSE

BSE sits at the centre of Botswana's capital markets. The Group does not simply respond to its environment. It is shaped by it, and in turn it shapes how capital is raised, allocated and recycled across the economy.

This section sets out the external forces that influenced BSE's performance in FY2025 and that frame the choices we have made under the 10X by 2030 transformation strategy. It connects directly to:

- our material matters,
- the risks and opportunities we are managing and
- the strategic priorities we are pursuing

The lens we apply is deliberately broad. Capital markets are sensitive to global liquidity, geopolitics, technology shifts and stakeholder expectations, but they are equally shaped by very local factors such as the diamond cycle, pension allocation rules and the depth of the listings pipeline. We have therefore organised this section around four layers, working from the outside in: the global context, the regional context, the domestic Botswana context, and the structural realities of our market.

6.2 The global context

Global macroeconomic context, 2025

Global output expanded by 3.3% in 2025, matching the 2024 outturn (IMF); the World Bank's market-exchange-rate measure put the equivalent figure at 2.7%, projected to ease to 2.6% in 2026. Performance was uneven across regions: advanced economies grew by 1.7%, with the United States at 2.1%, the euro area and United Kingdom at 1.4% and Japan at 1.1%, while sub-Saharan Africa expanded by 4.4% and South Africa by 1.3% (IMF). Advanced-economy headline inflation eased to 2.5% from 2.6% in 2024 and global inflation declined from an estimated 4.1% toward a projected 3.8% in 2026, although price pressures remained above target in the United States (IMF; ECB).

Major central banks ended the year in divergent positions. The US Federal Reserve cut the federal funds target range by 25 basis points to 3.50% to 3.75% on 10 December 2025, its third consecutive cut and lowest level since November 2022. The European Central Bank held its deposit facility rate at 2.00% on 18 December 2025, a fourth consecutive pause after eight cumulative cuts since June 2024. The South African Reserve Bank cut the repo rate by 25 basis points to 6.75% with effect from 20 November 2025, alongside the adoption of a new 3% point inflation target with a tolerance band of plus or minus 1 percentage point.

A more cautious, multi-speed world economy

Growth held up better than feared at the start of the year, but the recovery was uneven and exposed to repeated shocks. Inflation moderated in most advanced economies, though core price pressures stayed sticky, and major central banks began easing

from restrictive levels at varying speeds.

For an exchange of BSE's size, the global cycle matters in three ways. Global liquidity conditions shape foreign portfolio flows into frontier and emerging markets, including Botswana. The interest-rate environment affects the relative attractiveness of equities, fixed income and offshore alternatives, which in turn shapes domestic asset allocation decisions. Currency dynamics and risk appetite influence the willingness of regional and international issuers to consider Botswana as a listing destination.

Geopolitics and capital flows

Geopolitical tension remained a defining feature of the year. Conflict in Eastern Europe and the Middle East, recalibrations in trade policy between major economies, and broader supply-chain restructuring have continued to influence commodity prices, shipping routes and investor risk appetite. Botswana is a small, open economy. It is not insulated from these forces, particularly through the diamond value chain and through the rand exchange rate's effect on regional investment flows.

For BSE, the practical implications are clear. International investors require predictability, integrity and ease of access. Geopolitical noise raises the bar for credibility. Markets that demonstrate stability and discipline, as Botswana has done, earn a relative premium.

The mainstreaming of sustainable finance

Across global markets, sustainable finance has moved from a specialist niche into a core part of how capital is allocated. Large asset owners now routinely integrate ESG considerations into their mandates. Sustainability-related disclosure standards, anchored by the IFRS Foundation's ISSB standards (IFRS S1 and S2), are being adopted or referenced in an increasing number of jurisdictions. Climate-related products such as green, social, sustainability and sustainability-linked (GSSS) bonds are growing as a share of new debt issuance.

We are alive to the counter-currents. There is also a discernible anti-ESG sentiment in some markets, and the disclosure agenda is being rebalanced rather than abandoned. Our position is pragmatic. Sustainable finance is treated as a competitiveness and capital-access question, not a compliance exercise. Our admission to the Net Zero Financial Service Providers Alliance (NZFSPA) in May 2025 expresses that view in concrete form [cross-ref Section 10 and Section 13].

6.3 The regional and pan-African context

Africa's capital markets are at an interesting inflection point. Several exchanges are pursuing technology modernisation, product diversification and cross-border integration in parallel. Initiatives such as the African Exchanges Linkage Project (AELP), the work of the African Securities Exchanges Association (ASEA), and the broader African Continental Free Trade Area (AfCFTA) agenda are reshaping how regional liquidity, listings and investor pools could be connected over time.

BSE's positioning is shaped by three regional realities:

- Competition for issuers and capital. Larger and deeper exchanges, including the JSE, the Nigerian Exchange (NGX) and the Egyptian Exchange, compete actively for regional listings, dual listings and ETF mandates. The BSE must therefore be deliberate about niches where we can credibly lead.
- A premium on stability. Botswana's reputation for sound macroeconomic management, fiscal discipline, the rule of law and policy predictability is a genuine asset for the Exchange. It differentiates Botswana in a region where political and currency risk are sometimes the dominant filter applied by international investors.
- Cross-border collaboration. BSE strengthened relationships with international peers during the year, including a strategic engagement with the London Stock Exchange Group (LSEG) in October 2025, and active participation in the AFCM-ASEA joint conference in Tunis. These relationships matter because they create pathways for dual listings, technical exchange and visibility with global investors [cross-ref Section 13].

6.4 The domestic Botswana context

Domestic macroeconomic context, 2025

Botswana's economy remained under pressure through 2025, extending the contraction that began in 2024. The Ministry of Finance places provisional full-year real GDP growth at -0.4%, following a 2.8% contraction in 2024 (2026 Budget Speech). The quarterly path was uneven: Statistics Botswana data show contractions of 0.4% in Q1 and 5.3% in Q2, before an 8.2% rebound in Q3 as Debswana facilities reopened, with Q4 expected to contract again on maintenance-related shutdowns. The Bank of Botswana reported that real GDP grew by 0.1% in the twelve months to September 2025, a modest recovery from the 1.7% contraction in the year to September 2024 (BoB 2026 Monetary Policy Statement). Headline inflation averaged 2.7% for the year, sitting below the Bank's 3-6% objective range for most of 2025 before returning within the band from September and reaching 3.9% by December. The Bank held the Monetary Policy Rate at 1.95% through most of the year before raising it by 160 basis points to 3.5% in October, a recalibration aimed at strengthening monetary policy transmission and supporting reserves. The Government projects a rebound to 3.1% growth in 2026, with inflation expected to peak at just over 5% before moderating.

The external position deteriorated. The merchandise trade account recorded a cumulative deficit of P15.32 billion between January and November 2025, driven by weak diamond export receipts alongside elevated import demand. Foreign exchange reserves declined from P48.1 billion (six months of import cover) at end-2024 to P47.4 billion (five months of import cover) at end-2025, prompting exchange rate policy adjustments in July 2025 and January 2026 designed to deepen the interbank market and preserve reserves. Diamond performance was the principal drag: Debswana production fell approximately 39% between 2023 and 2025, mineral revenue for 2025/26 was revised down from P15.75 billion to P12.06 billion, and a new ten-year Sales Agreement with De Beers was formalised in February 2025, raising the Government's share of Debswana sales through Okavango Diamond Company from 25% to 30%, rising in stages to 50%.

A diversification economy in transition

Botswana is widely regarded as one of Africa's most stable economies. That stability has been hard won and is rooted in long-running institutions, fiscal prudence and prudent reserve management. Nevertheless, the economy continues to face a structural challenge that directly shapes BSE's operating context: the cyclical exposure of public finances and external earnings to the diamond trade.

The 2024 to 2025 period was a difficult one for the global rough-diamond market. Softer global demand, growth in lab-grown alternatives and inventory pressures across the value chain weighed on prices and volumes. For Botswana, this translated into pressure on fiscal revenue, foreign-currency earnings and overall growth, even as Government continued to advance the diversification agenda.

This matters for BSE in two specific ways. First, our revenue mix is sensitive to the public-sector borrowing programme. A meaningful share of fee income is linked to listed Government bonds, so fiscal pressure can compress activity in the primary auction calendar and ripple through to secondary-market turnover. Second, the broader confidence cycle in the diamond economy affects the appetite of issuers and investors for new listings and capital-raising activity.

A capital-rich, asset-light market

Botswana has an unusual structural feature for an economy of its size: it has substantial pools of long-term institutional capital, particularly through the pension system. The shift in pension-fund regulation, moving the onshore-offshore allocation closer to a 70 percent onshore and 30 percent offshore split, has accelerated the return of capital to the domestic market. That is a clear positive for capital availability.

The accompanying challenge is that there are not yet enough investable, listed assets to absorb that capital efficiently. The result is a market in which large pools of capital chase a relatively small



How We Create Value - Our Business Model

Value creation at the BSE Group does not begin or end at the Exchange's door. Every listing fee paid, every government bond auctioned, every settlement instruction routed through the Bank of Botswana's real-time gross settlement system, every CSD account opened in a regional show ground tells the same story: capital has been mobilised for someone, by someone, somewhere in Botswana's economy, and the BSE Group has stood at the centre of the transaction.

This section sets out how that mobilisation actually happens. It describes the resources we draw on, the work we do with them, what comes out the other side, and what those outputs mean for the people, institutions and country we serve. It is the answer to the IFRS Foundation Integrated Reporting Framework's third Content Element question: how does BSE convert inputs into outputs and outcomes that create, preserve or erode value over the short, medium and long term?

Three things matter when reading this section. First, the BSE is the third largest in Africa in relation to market capitalisation. We are a lean institution operating market infrastructure of national significance, and the trade-offs that lean operation forces are part of the value-creation story, not separate from it. Second, our role is twofold. We are a commercial entity that earns revenue and answers to a Board, and we are a market infrastructure that shapes the behaviour of every issuer, broker and investor that touches our systems. Third, FY2025 was the first year of execution against our 10X by 2030 strategy. The model on the page that follows is therefore both a description of how we created value during the year and a frame for how we intend to scale that value to ten times its current level by 2030.

7.1 Our value-creation model at a glance

The model on the next spread reads left to right. On the left are the six capitals we drew on during 2025. In the middle are the activities we ran. On the right are the outputs that left our systems and the outcomes those outputs generated for our capitals and our stakeholders. The arrows that close the loop are deliberate: outcomes feed back into the capitals available to us in 2026 and beyond, which is why this is a system rather than a sequence.

The model also makes one editorial choice that is worth flagging on the way in. We have shown both positive and negative outcomes on every capital. A market infrastructure that only reports the upside is not a credible reporter, and the IR Framework's reliability and completeness principle requires both. Where 2025 outcomes were negative, we say so. Where they reflect a deliberate trade-off the Board sanctioned, we explain the trade-off.

7.2 Two roles, one institution

We are a commercial entity, and we are a piece of national market infrastructure. The Integrated Report needs to hold both at once because each one creates a different kind of value, and reporting on one without the other would mislead our stakeholders. As a commercial entity, the BSE Group earns revenue, manages costs, deploys reserves and answers to its shareholders. The financial statements at the back of this report tell that story in detail. Group revenue rose to P78.8 million in 2025 from P67.3 million in 2024, an increase of 17.1 percent. Profit for the year rose to P20.6 million from P15.8 million. Operating profit declined from P18.2 million to P12.2 million as the cost base expanded to fund the IT modernisation programme described in Section 13. We are profitable, our reserves are sound, and our auditors signed an unmodified opinion. That is the commercial layer.

As a piece of market infrastructure, the BSE Group does something else. We write the rules under which 33 companies are listed and 117 bonds are admitted to trading. We operate the only central securities depository in Botswana and the only automated trading system through which BSE-listed shares change hands. We administer the system through which the Government of Botswana raises long-tenor debt, and through which Letshego, Absa, FNBB, BIHL and the rest of corporate Botswana refinance. The behaviour we require of issuers - on disclosure, on governance, on sustainability - shapes the behaviour of an economy.

This second role does not appear in our income statement, but it is the more consequential of the two. A rule we make on climate-related disclosure changes how 33 large issuers think about water, electricity, supply chains and emissions. A settlement cycle we shorten by one day frees working capital across the broker community and the funds they serve. A retail account we open at the Ghanzi Show widens the base of citizens with a stake in the formal economy. These are outcomes the financial statements cannot capture, and a credible Integrated Report must.

“The Group is not only a singular entity deriving value for stakeholders and shareholders. It is also a market infrastructure and now it is also a Mercantile Exchange and Impact Investment driver. For the reader of this report we have tried to reflect all facets.”

Chief Executive Officer / Aobakwe Monyatsi

7.3 The capitals we draw on

We organise the resources we depend on under the six capitals defined in the IR Framework. The numbers below are the inputs we drew on during the financial year ended 31 December 2025. Each is sourced from the audited financial statements, internal management reports, or the operational records of the Listings & Trading, Product Development, Market Development, IT, HR, Risk and Compliance, Legal, and Finance departments. Where data is not yet available or requires verification, we say so.

7.3.1 Financial capital

Financial capital is the pool of monetary resources we deploy to operate the Exchange and execute the strategy. Our financial capital comes from four streams. The first is listing and sustaining fees from issuers, which contributed P54.1 million in 2025, up from P47.7 million in 2024. The second is commission and trading-related income, which rose to P14.7 million from P9.2 million on the back

of record secondary-market activity. The third is corporate actions and other contract revenue of P10.0 million. The fourth is finance income earned on reserves, which rose to P14.4 million from P8.1 million as cash balances and yields both improved.

We also draw on retained earnings accumulated since demutualisation and on government grant assistance, the latter held as deferred income on the balance sheet at P11.3 million at year-end. The grant funds technology assets - the internet trading system, the ATS, the securities borrowing and lending system, and the website and mobile application - that we could not have built on commercial revenue alone.

The honest read on financial capital is that it is adequate to operate the Exchange today and insufficient on its own to deliver 10X by 2030. Our Head of Finance and Administration described our revenue streams as “volatile and not stable or consistent.” she is right. Approximately 40 to 45 percent of our revenue is linked to government bonds, and turnover spikes - a 2025 transition mandate is the clearest example - mask an underlying secondary-market that is otherwise thin. Section 11 sets out the principal risks this concentration creates and Section 14 describes the diversification path.

7.3.2 Manufactured capital

Manufactured capital is the physical and digital infrastructure that turns the work of the Exchange into transactions in the real economy. At the centre sits the Automated Trading System (ATS), introduced in 2012, through which every BSE-listed equity and ETF trade is matched. Adjacent to the ATS sits the Central Securities Depository (CSD), introduced in 2008 and operated by our wholly owned subsidiary CSDB. The CSD holds the share register for every listed company, settles every trade through the Bank of Botswana’s real-time gross settlement system over the SWIFT network using ISO 20022 messages, and maintains over 100,000 investor accounts opened through five custodians, two brokers and two market makers. The CSD carries an A- rating from international rating agency Thomas Murray and observes the IOSCO Principles for Financial Market Infrastructures.

Around these core systems sit the BSE head office, the broker terminals on which member firms transact, the data dissemination feeds licensed to commercial subscribers, and the website and mobile application that retail investors use. The IT estate carrying intangible value is recorded at P11.9 million at year-end, comprising trading, settlement, surveillance and digital engagement software.

FY2025 forced a hard look at this capital. On 21 October 2025 a network firewall failure caused a four-day market outage, the longest in the Exchange’s history. The trading and settlement systems remained operational, but could not communicate with each other. Trading resumed within four business days, manual processes preserved settlement continuity, and a next-generation firewall replaced the failed component. The Board established a dedicated IT Resilience Committee in the immediate aftermath. The outage was material, and we did not handle every aspect of it well. Section 13 reviews what we learned. The deeper point for this section is that our manufactured capital was, going into 2025, more dependent on legacy components than the 10X by 2030 strategy can support, and that was a strategic risk we had under-priced.

The remediation programme is now in motion. The primary data centre has migrated to the BoFiNet Digital Delta Tier III facility. A hybrid multi-cloud strategy is in implementation across AWS and Azure. Active-active disaster recovery with geographic redundancy is the next major milestone.



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7.3.3 Intellectual capital

Intellectual capital is what we know, what we are entitled to, and what people associate with the BSE name. It includes the BSE Listings Requirements, the rules the Exchange writes and enforces, and which NBFIRA approves. It includes the methodology behind our market indices - the Domestic Companies Index, the Domestic Companies Total Return Index and the Foreign Company Index. It includes the BSE Sustainability Disclosure Guidance issued in 2024 and the climate-related disclosure roadmap we adopted on joining the Net Zero Financial Service Providers Alliance in May 2025. It includes our membership and standing in the World Federation of Exchanges, the Sustainable Stock Exchanges Initiative, the African Securities Exchanges Association, and the Committee of SADC Stock Exchanges, where we hold the Secretariat.

It also includes a brand. The BSE name is shorthand in Botswana for the formal capital market. Trust in that name is part of why a pension fund will allocate to a counter, why a corporate treasurer will list a programme of commercial paper, why a young person opening their first CSD account at an investor education event will believe their savings are safe. Brand value of this kind is not on the balance sheet. It is real all the same, and it is the asset that the October outage tested most directly.

7.3.4 Human capital

We are a small institution doing demanding technical work in a regulated industry. The team that runs the Exchange and its subsidiary is lean - the Group's head office is fewer than 30 employees - and turnover during 2025 was 7 percent, with all management staff retained and 97 percent retention across specialist and clerical roles. That stability mattered during a year that combined a CEO transition, a major IT incident, the launch of the 10X by 2030 execution, and the production of this Integrated Report.

Personnel costs were P357 million in 2025 (2024: P25.4 million), the single largest line of operating expenditure and a deliberate increase in the year as the Group strengthened capacity ahead of strategy execution. Investment in learning and development continued, with seven employees on supported private study, one Specialist on a Management Development Programme, and another on Coaching. The 2025 culture assessment returned a score of 3.6 out of 5 with mission alignment and employee safety the strongest dimensions and growth, development and recognition the priority improvement areas.

Around the Exchange's own staff sits a wider pool of human capital we depend on but do not employ: the brokers and market makers who execute trades, the listings advisers and sponsors who walk issuers through the listing process, the auditors and legal counsel who underwrite the integrity of every transaction, and the regulators at NBFIRA, the Bank of Botswana and the Ministry of Finance whose oversight makes the market work. The capability and continuity of this wider community is part of our human capital input even when the cost sits on someone else's payroll.

7.3.5 Social and relationship capital

Social and relationship capital is the network of institutions and communities that we work with and through. It begins with the regulatory family. NBFIRA is our prudential regulator. The Bank of Botswana operates the settlement system that closes our trades, sits across from us at the bond market, and chairs the Botswana Bond Market Association of which we are Secretary General. The Ministry of Finance holds the policy levers that govern listed entities, government bond issuance, taxation of capital gains, and the macroeconomic frame within which capital markets work. The Ministry of Trade and the Public Procurement Regulatory Authority are increasingly relevant as we lobby for the localisation rules to recognise listed companies as part of citizen economic empowerment.

It continues with the issuer base. Thirty-three equity counters and approximately 117 listed bonds, the majority issued by Letshego Holdings (94 percent of debt instruments), the major commercial banks, the largest non-bank financial institutions, and the Government of Botswana. Issuer concentration is a known feature of the market, and it is something we are working actively to dilute through the issuer pipeline managed by the Market Development Department.

It includes the licensed brokers - Imara Capital Securities, and Motswedi Securities - whose terminals carry every BSE trade, and the custodian community that holds the assets of the international institutions allocating to Botswana. It includes the investor base, which during 2025 was approximately 11.6 to 15.1 percent retail and the remainder institutional, with retail participation rising during the year and institutional concentration nonetheless persisting.

It includes the international peer network: the London Stock Exchange, where the Vice President of the Republic and our CEO led a Botswana delegation in October 2025; the Johannesburg, Lusaka and Cape Town exchanges with whom we are pursuing dual-listing protocols; the Singapore Exchange, the Luxembourg Stock Exchange, and the Sustainable Stock Exchanges Initiative, the African Securities Exchanges Association and the Committee of SADC Stock Exchanges through which our practice is benchmarked and our standing maintained.

It includes the communities we touch through investor education and corporate social investment. The Moshupa Expo, the Ghanzi Agricultural Show, Investor Month, the BSE-Stanbic Finance and Investment Competitions, the Mmea Primary School adoption under The Dipolelo Programme, and the new Memoranda of Understanding with the Gaborone City Council on municipal bonds and with the City of Francistown. Every interaction is small. The cumulative effect is a brand of formal financial citizenship for thousands of Botswana who would otherwise have no relationship with the formal capital market.

7.3.6 Natural capital

Natural capital is the part of our model on which we have the least direct draw and the most consequential indirect influence.

Our direct footprint is the energy, water and materials consumed in running the head office, the data centres and the broker terminals. We have not historically tracked these inputs at the level of detail an Integrated Report ideally requires, and Section 13 sets out the baseline we have established in 2025 and the data gaps that remain.

Our indirect draw is much larger. As a market infrastructure, the BSE shapes the natural capital footprint of every listed issuer. Through the BSE Sustainability Disclosure Guidance, the listings rules amendment cycle approved in December 2025, and the climate-related disclosure roadmap we committed to in May 2025 on joining the Net Zero Financial Service Providers Alliance, we set the disclosure standards under which listed companies report their environmental performance. A market that reports its emissions, water use and waste accurately is the precondition for capital to flow toward a net-zero economy. That is the climate-related role of the Exchange, and it is captured in Section 7.6 below as an outcome on natural capital that runs through every issuer's balance sheet rather than ours.

7.4 What we do with these capitals

Six core activities convert the capitals above into outputs and outcomes. They run in parallel rather than in sequence, and they overlap. The summary that follows is the spine; Section 13 reports performance against each activity for FY2025.

7.4.1 Listings

The Listings & Trading Department is the first-line regulatory authority of the Exchange. It writes, interprets and enforces the BSE Listings Requirements, sets and executes the regulatory strategy for listings and trading, and oversees the admission of new instruments. In 2025 the Department took 21 contraventions through its disciplinary process (2024: 25), granted 20 waivers (2024: 17), and ushered the annual rules review through the Board, the Regulatory Oversight Committee and NBFIRA. New admissions during the year included the GAIA Renewables 1 Class B Preference Shares (the only preference shares listed on the BSE) and the Vunani Global Equity Prescient Feeder Actively Managed ETF (the first actively-managed ETF on the BSE), alongside additional issuances by RDCP, Seedco, The Far Property Company, CA Sales and Botlala Energy.

7.4.2 Trading

Equity, ETF and bond trading runs over the ATS during exchange hours. In 2025 total market turnover reached P9.3 billion, an 18.1 percent year-on-year increase. Equity turnover rose to a record P5.9 billion. Average daily equity turnover was P24.0 million, a 163.7 percent year-on-year increase. ETF turnover reached P582.5 million, up 29.6 percent. The Domestic Companies Total Return Index appreciated 16.1 percent over the year against an annual inflation rate of 3.9 percent in December and a 2025 average of 2.7 percent, meaning domestic shares delivered double-digit real returns to long-term holders. The Foreign Company Index rose 15.6 percent.

7.4.3 Post-trade and settlement

Every trade matched on the ATS settles through CSDB, our wholly owned subsidiary, on T+3 against funds held in the BISS at the Bank of Botswana. CSDB also operates the share register for every listed company, manages corporate actions, and is preparing the Retail Investor Module that will give individual investors direct access

to their accounts in 2026. Government bond migration to CSDB is under preparation; once complete, retail investors will be able to subscribe to and trade Government of Botswana paper through the same infrastructure. The CSD's A- Thomas Murray rating and IOSCO PFMI observance are referenced in Section 7.3.2.

7.4.4 Market data and indices

We publish 12 indices and license real-time and end-of-day market data to commercial subscribers, terminal vendors and research providers. In 2025 the Exchange recorded 128 active subscribers to BSE data packages. Revenue from data products grew 20.2 percent to P1.08 million from P0.90 million in 2024. The number is small in absolute terms, and it is the line on the income statement closest to the long-run information services growth we expect under 10X by 2030. Work to regularise unauthorised data use and to close revenue leakages was active during the year.

7.4.5 Market development and education

The Market Development Department runs the issuer pipeline, the investor education programme and the policy advocacy work. In 2025 the Department co-hosted the Capital Markets Lekgotla with the Debswana Pension Fund, ran issuer-readiness workshops with Debswana on their Citizen Economic Empowerment Programme, exhibited at various expo's including Moshupa Expo, the Ghanzi Show and Global Expo Botswana, ran Investor Month, hosted two competitions on the Stock Market Simulator, the March 2025 Opening Bell Ceremony for International Women's Day, signed Memoranda of Understanding with the Gaborone City Council and the City of Francistown for the exploration of municipal bonds, and led the BSE participation in the LSE engagement in London with the Vice President. Several hundred CSD accounts were opened through these activities. The qualitative effect on issuer pipeline and on retail investor confidence is harder to quantify and easy to undervalue.

7.4.6 Sustainable finance and policy advocacy

Sustainable finance is increasingly the frame in which the international investor and the regional issuer evaluate Botswana. In May 2025 the BSE was admitted to the Net Zero Financial Service Providers Alliance, joining a coalition of 35 global financial service providers and 23 stock exchanges. The Alliance commitment carries a 12-month implementation roadmap covering climate-related disclosure, climate-focused financial instruments and engagement with listed companies on transition planning. Botswana's domestic market is at an early stage of climate-related reporting; we are taking a phased approach, building internal capacity first and extending to the market as readiness allows. The BSE Sustainability Disclosure Guidance and the BSE-LSEG Collaboration during the year sit alongside the Alliance commitment as the core of our sustainable finance work in 2025.



How We Create Value - Our Business Model (continued)

7.5 What we delivered in 2025 (outputs)

Outputs are the tangible products of the activities. They are not yet outcomes - those follow in Section 7.6 - but they are the indicators that our value-creation engine ran during the year. The table below summarises the headline 2025 outputs against the prior year for comparability. Detailed performance commentary is provided in Section 13.

OUTPUT	FY2025	FY2024	CHANGE
Group revenue	P78.8m	P67.3m	+17.1%
Profit for the year	P20.6m	P15.8m	+30.3%
Total market turnover	P9.3bn	P7.9bn	+18.1%
Equity turnover	P5.9bn	P2.2bn	record
Average daily equity turnover	P24.0m	P9.1m	+163.7%
Equity market capitalisation	P710bn	P686bn	+3.4%
Bond nominal value listed	P40.0bn	P38.2bn	+4.7%
ETF turnover	P582.5m	P449.4m	+29.6%
Equity counters listed	33	32	+1
Bonds listed (year-end)	117	120	-3 net
New debt instruments admitted	54	25	+116%
ETFs listed	5	4	+1
Active data subscribers	128	31	n/a
Data revenue	P1.08m	P0.90m	+20.2%
Personnel cost (Group)	P35.7m	P25.4m	+40.7%

Three patterns are visible in the table. First, secondary-market activity expanded sharply, with equity turnover almost tripling on average daily basis. Second, primary-market activity was modest. We added one new equity counter and one new ETF, well below the volume 10X by 2030 requires. Third, the cost base expanded faster than revenue, reflecting the deliberate investment in people and technology that the strategy demands. The combined effect on operating profit is the headline trade-off of the year, and we address it directly in the next sub-section.

7.6 Outcomes and the trade-offs we made

Outputs become outcomes when they change the position of one or more capitals or one or more stakeholders. The matrix below summarises the FY2025 outcomes by capital. The IR Framework requires both positive and negative outcomes; both are shown. Cross-references map each outcome to the material matter it relates to (Section 9) and the principal risk it creates or mitigates (Section 11).

CAPITAL	POSITIVE 2025 OUTCOMES	NEGATIVE OR TRADE-OFF OUTCOMES
Financial	Revenue grew 17.1% to P78.8m. Profit for the year rose to P20.6m. Reserves and finance income strengthened. Auditors signed an unmodified opinion.	Operating profit fell to P12.2m from P18.2m as the cost base expanded ahead of revenue, principally on personnel and IT modernisation. Government-bond revenue concentration of approximately 40-45% remains a structural exposure.
Manufactured	Primary data centre migrated to Tier III BoFiNet Digital Delta. Hybrid multi-cloud strategy in implementation. Next-generation firewall deployed. IT Resilience Committee established at Board level.	Four-day market outage in October 2025 caused by network firewall failure. Disruption to trading and reputational impact. Underlying technical debt larger than previously priced into our risk appetite.
Intellectual	Listings rules amendment cycle approved. Sustainability Disclosure Guidance applied. Net Zero Financial Service Providers Alliance commitment signed. BSE-LSEG Collaboration deepened. Annual review of BSE Rules approved by NBFIRA.	Brand impact of the October outage. Trust is rebuilt over years and tested in days; recovery is in progress and will be tracked through investor sentiment work in 2026.
Human	97-100% retention across staff categories. Personnel investment rose 41%. Culture score 3.6/5. Seven employees on supported study; specialist development programmes funded. Wellness programme delivered through the year.	Pressure on capacity during a year combining CEO transition, IT incident, strategy execution and Integrated Reporting work. Recognition and reward, growth and development flagged as priority improvement areas in the culture assessment.
Social and relationship	33 issuers and 117 listed bonds served. Stakeholder MOUs with Gaborone City Council, City of Francistown and Debswana. CSD accounts were opened during various national expos including Moshupa Expo, Ghanzi Show, Global Expo, during Investor Month and retail investor participation from the students increased with the assistance of the annual BSE Stanbic Bank Senior Secondary Schools Finance & Investment Competition.	Outage damaged short-term confidence among brokers and international custodians. Issuer base remains concentrated. Retail participation rose to 15.1% but institutional concentration persists. Policy work on listed-company localisation rules is unresolved.
Natural	Net Zero Alliance commitment formalises a 12-month roadmap on climate-related disclosure, climate-aligned products and listed-company transition engagement. GAIA Renewables 1 listing extends investor access to renewable infrastructure exposure.	BSE's direct natural-capital footprint is not yet baselined to Integrated Report standard. Domestic market readiness for climate-related reporting is at an early stage. Sustainable bond pipeline impeded by the high interest rate environment in 2025.

THE TRADE-OFFS WE MADE IN 2025

Three trade-offs are visible in the matrix above and warrant their own treatment. We name them here because the IR Framework's integrated thinking principle expects management to explain the choices it makes between capitals - and because reporting them honestly is the test of integrated thinking, not the existence of trade-offs.

The first trade-off is financial against manufactured and human capital. Operating profit fell by P6.0 million in 2025 because we increased personnel cost by P10.3 million and accelerated technology investment within operating expenditure. This was a decision the Board sanctioned on the back of the 10X by 2030 strategy. A flat cost base would have preserved 2024 operating profit. It would also have left us with the same legacy IT estate that contributed to the October outage and without the strengthened team that strategy execution requires. We made the call to invest. The Integrated Report records both the cost and the rationale.

The second trade-off is manufactured against operational continuity. Migrating the primary data centre, rolling out a hybrid multi-cloud strategy, and replacing core network components is not a zero-risk activity. The October outage occurred during this transition. We knew the risk window existed; we did not handle the firewall failure as well as we should have, and we have accepted the lessons. The trade-off was real: we could have stretched the modernisation timeline to reduce in-flight risk, accepting that the legacy estate would carry more of the load for longer. We chose acceleration. The post-incident remediation has narrowed the future risk window without removing it entirely.

How We Create Value - Our Business Model (continued)

The third trade-off is short-term financial against long-term social and relationship capital. Investor education at the Moshupa Expo, the Ghanzi Show, Investor Month, and the school-level Finance and Investment Competitions does not generate proportionate revenue in the year of execution. The CSD accounts opened at these events will, on average, take years to mature into meaningful turnover. The municipal bond MOUs with Gaborone and Francistown City Councils will not produce a 2025 listing. The argument for these activities is not their 2025 P&L contribution; it is the future capital market they prepare. We are choosing to seed that future capital market now, in the knowledge that the financial outcomes are deferred.

“The most critical issue is providing the infrastructure that allows the Exchange’s operations to be carried out, including trading and settlement systems. Things can go wrong in any technology operation, and we plan mitigations for them.”

Kopano Mogorosi - Head of Information Technology

7.7 How this connects to strategy

The value-creation model in this section is the operating engine. The 10X by 2030 strategy in Section 10 is the route by which the engine is meant to scale tenfold by 2030. The connection between the two is direct.

The five strategic pillars - Talent and Culture, Technology Modernisation, Product Innovation, Internationalisation, and Force for Good - each map onto a specific capital and a specific set of activities in this section. Talent and Culture is the human capital pillar. Technology Modernisation is the manufactured capital pillar. Product Innovation runs across financial and intellectual capital and the Listings, Product Development and Market Development activities. Internationalisation works through social and relationship capital and the data, indices and listings activities. Force for Good runs through every capital and is the explicit rebalancing of value creation toward Botswana and the wider region.

The KPI scorecard published with the strategy carries 2025 baselines, 2027 milestones and 2030 targets across listings, liquidity, retail participation, product breadth, international MOUs, onboarding speed, inclusion impact and revenue. Section 13 reports on those baselines. The point of the model in this section is that scaling those KPIs is not an aspiration; it is the systematic redirection of more capital, through better activities, into outputs and outcomes that compound across the cycle.

The BSE value-creation model

Six capitals / six activities / outputs and outcomes for FY2025

Pillar 1 / Talent and culture

Pillar 2 / Technology modernisation

01

INPUTS

The capitals we draw on



Financial capital

P54.1m Listing & sustaining fees
P14.4m Finance income on reserves
P11.3m Government grant (deferred)



Manufactured capital

ATS (since 2012) and CSD (since 2008)
100,000+ CSD accounts
Tier III primary data centre + multi-cloud infrastructure



Intellectual capital

BSE Listings Requirements & 12 Indices
Sustainability Disclosure Guidance
WFE, UNSSE, ASEA, COSSE



Human capital

Lean Group team; 7% turnover; 100% management retention
P35.7m Personnel cost (+40.7% YoY)
Culture score 3.6/5; 7 supported scholars



Social and relationship capital

33 issuers; 117 listed bonds; 3 brokers
NBFIRA, Bank of Botswana, MoF, LSE & JSE partnerships
Communities served via Dipeelo, IWD, expos



Natural capital

Net Zero Alliance member (May 2025)
12-month climate-disclosure roadmap
Indirect leverage via 33 issuer footprints

10x by 2030

10x revenue ambition by 2030 / P825m target

Pillar 3 / Product innovation

Pillar 4 / Internationalisation

Pillar 5 / Force for good

Pillar 6 / Financial resilience

02 ACTIVITIES What we do with them

03 OUTPUTS & OUTCOMES What we delivered and what changed



OUTPUTS / Headline FY2025 deliveries

P78.8m Group Revenue	+17.1%	P20.6m Profit for the year	+30.3%
P9.3bn Total Market Turnover	+18.1%	P5.9bn Equity turnover	record
P24.0m Average Equity Turnover	+163.7%	P710bn Equity market cap	+3.4%
P40.0bn Bond Nominal Value	+4.7%	33 Equity counters	+1
117 Bonds listed	-3 net	5 ETFs listed	+1

OUTCOMES / Effects on our six capitals

Capital	Positive	Trade-off
Financial	Revenue +17.1%; profit +30.3%; reserves strengthened; clean audit	Operating profit margin fell; government bond concentration
Manufactured	Tier III upgraded; multi-cloud; co-location; legacy system resilience closed	Four-day outage in October 2025; legacy estates still require replacement
Intellectual	Net Zero Alliance commitment; rules amendment cycle approved; BSE-LSE cooperation	Brand impact of outage; trust takes years to build, hours to test
Human	93–100% retention; <1% personnel turnover; leadership study; scholarship	Capacity pressures across CSD transition, IT, incident and strategy teams
Social & relationship	MoUs with Gaborone & Francistown; LSE engagement; CSD access growth via outreach	Issuer and institutional concentration persists; localisation rules unresolved
Natural	12-month climate-disclosure roadmap formalised; GAA renewable listing	Direct footprint not yet baselined; sustainable bond pipeline impacted by rate



Our Stakeholders

8.1 Why stakeholder relationships matter to BSE

BSE sits at the centre of Botswana's capital markets ecosystem. We are a national institution, a regulated entity, a self-regulatory organisation, a service provider, an employer and a market infrastructure. Each of those identities brings a different set of people whose decisions shape ours, and whose interests we must understand if we are to create value over the short, medium and long term.

We see stakeholder relationships as a two-way responsibility. We listen to issuers, investors, brokers, regulators, employees, shareholders, our peers and the communities in which we operate. We then weigh what we hear against our strategy, our risk appetite and our public-interest mandate. The quality of that listening shapes the quality of our decisions, and ultimately the quality of the market we steward.

Two features of BSE make stakeholder relationships particularly important for this report:

We play a dual role. As a corporate entity, we generate revenue, manage costs, employ people and produce returns for shareholders. As a market infrastructure, our listings rules, surveillance, post-trade systems and disclosure expectations shape the behaviour of every issuer and every market participant. A change we make can ripple across the economy. That trickle-down effect means our stakeholders include people who never transact with us directly but whose lives are touched by the rules and platforms we operate.

We are lean. Our headcount remained flat in 2025, with a small management team and specialist staff carrying a wide remit. That makes every relationship more visible internally and every external signal more material. We do not have the luxury of buffering layers between front-line concerns and executive judgement.

This section sets out who our stakeholders are, how we engage with them, what they told us in 2025, and how we responded. The concerns captured here directly inform the material matters in Section 9 and the strategic priorities in Section 10.

8.2 How we identify and prioritise stakeholders

We identified our FY2025 stakeholder universe through three lenses:

The first lens is dependence: who relies on BSE to function, and on whom does BSE rely to function. Issuers depend on us for capital-raising platforms; brokers depend on us for trading and settlement infrastructure; we depend on issuers for listings revenue and on the broker community for order flow.

The second lens is influence: who can change our trajectory through their decisions. Our shareholder, our regulator, the Ministry of Finance, and large institutional investors fall in this category.

The third lens is legitimate interest: who is affected by what we do, even where the relationship is not transactional. Communities near our adopted school, the wider Botswana public, and prospective retail investors fall here.

We tested these lenses against the IR Framework definition of stakeholders and against the stakeholder categories used by peer exchanges (JSE, Nigerian Exchange Group, Bursa Malaysia, LSEG). We also drew on the workshop input from BSE management captured in the gap analysis and material matters workshop held in March 2026, which confirmed brokers, NBFIRA, the Ministry of Finance, the Bank of Botswana, investor associations, issuers, and our staff as foundational counterparties.

The resulting stakeholder map, set out in section 8.3, will be reviewed annually by the Executive Committee and confirmed by the Board through the Nominations and Governance Committee.

8.3 Our stakeholder map

We have grouped our stakeholders into nine categories. The grouping reflects the nature of the relationship rather than the size of the group.

#	Stakeholder group	Who they are
1	Shareholders	The Government of the Republic of Botswana, represented through the Ministry of Finance, is BSE's principal shareholder.
2	Regulators	The Non-Bank Financial Institutions Regulatory Authority (NBFIRA), under whose authority BSE operates. The Bank of Botswana, which mandates the CSD's clearing and settlement role under the National Clearance and Settlement Systems Act.
3	Government and Policymakers	The Office of the President, the Vice President, the Ministry of Finance in its policy capacity, the Ministry of Trade and Entrepreneurship, the Ministry of Child Welfare and Education and other line ministries whose policies shape capital-market activity.
4	Listed Issuers and Prospective Issuers	The 33 listed equity issuers, 7 government bond issuers, the corporate-bond and commercial-paper programme sponsors, and the 5 ETF issuers, together with prospective issuers in the Tshipidi Mentorship and CEEP pipelines.
5	Investors	Domestic and foreign institutional investors (pension funds, asset managers, insurance companies, savings groups), and domestic and foreign retail investors.
6	Brokers, Custodians and CSD Participants	The licensed brokers (Imara Capital Securities, Motsvedi Securities), the 5 custodian banks, and the 2 market makers operating on the BSE and CSDB platforms.
7	Employees	Permanent employees and contractors across the BSE group, including BSE Limited, the Central Securities Depository of Botswana, BSE Impact Funds Company and Botswana Mercantile Exchange.
8	Industry Associations, Peer Exchanges and Multilateral Partners	CoSSE, ASE, AFCM, WFE, IOSCO, the Net Zero Financial Service Providers Alliance, and peer exchanges including the JSE, NSE, LuxSE, LuSE, SGX, CTSE, DMCC and CME.
9	Communities and the Public	The Mmea Primary School community (adopted under the Dipolelo Programme), schools and tertiary institutions participating in financial-literacy initiatives, and the broader public.



Acknowledgment of MoU signing with Gaborone City Council (GCC)

Our Stakeholders (continued)

8.4 Stakeholder engagement matrix

The matrix below sets out, for each stakeholder group, why the relationship matters, how we engage and at what frequency, the key concerns raised during FY2025, our response, the capitals affected, and the material matters to which the relationship connects. Material matter references (M1 to M11) align with the candidate longlist set out in Section 9.

Capitals legend: F = Financial, M = Manufactured, I = Intellectual, H = Human, S&R = Social and Relationship, N = Natural

8.4.1 Our Shareholder

Our Shareholder	
Why they matter	The Government, through the Ministry of Finance, holds BSE's shareholding and has a direct interest in the long-term viability of the Exchange as a national institution and as a vehicle for capital formation.
How and how often we engage	<ul style="list-style-type: none"> Annual General Meeting (annual). Shareholder reporting and annual financial statements (annual). Bond-market policy engagement through the Ministry of Finance and Bank of Botswana (ongoing).
Key concerns raised in FY2025	<ul style="list-style-type: none"> Value creation for Shareholders
Our 2025 response	<ul style="list-style-type: none"> Establishing long-term value Implementation of the 10X by 2030 Strategy
Capitals affected	F I S&R
Linked material matters	M1 Capital-market depth and liquidity. M3 Technology resilience and cybersecurity. M5 Business continuity and operational resilience. M10 Macro and capital-concentration exposure.



GAIA Issuance listing ceremony

8.4.2 Regulators

Regulators	
Why they matter	NBFIRA's regulatory oversight is the licence under which we operate as a self-regulatory organisation. The Bank of Botswana's settlement infrastructure is the foundation of post-trade integrity. Misalignment with either weakens market confidence and raises systemic risk.
How and how often we engage	<ul style="list-style-type: none"> Statutory submissions and reports to NBFIRA (ongoing and quarterly). Formal rule-change submissions for review and approval (as required). Bilateral engagements on emerging issues (ongoing). BISS settlement interface and operational reporting to the Bank of Botswana (daily). Joint participation in working groups on AML, CFT, market conduct and FMI standards.
Key concerns raised in FY2025	<ul style="list-style-type: none"> Compliance with the NBFIRA Act and data-protection requirements. AML/CFT supervision and FATF alignment. Regulatory readiness for new products including SME funds, ETFs, green bonds and tokenised assets. The October 2025 outage and post-trade resilience under the IOSCO Principles for FMIs.
Our 2025 response	<ul style="list-style-type: none"> Submitted approved BSE Rule changes to NBFIRA in December 2025 following internal Board approval. Strengthened the AML/CFT framework. Maintained the CSD's A- Thomas Murray rating and its alignment with the IOSCO Principles for FMIs. Implemented enhanced incident-response protocols following the October outage. Continued infrastructure renewal under the IT Transformation Programme.
Capitals affected	M I S&R
Linked material matters	M2 Market integrity, surveillance and enforcement. M3 Technology resilience and cybersecurity. M5 Business continuity and operational resilience.

8.4.3 Government and Policymakers

Government and Policymakers	
Why they matter	Government policy on pension allocation, taxation, foreign-exchange rules and SME support shapes the volume and composition of capital flowing through our markets. The Office of the President signals the priority placed on capital markets in national economic transformation.
How and how often we engage	<ul style="list-style-type: none"> High-level engagements with the Office of the President and the Vice President (occasional but high-impact). Ministerial dialogue on bond markets, listings policy and SME finance (ongoing). Joint forums with Government, BITC and Business Botswana (annual or as scheduled). Inputs into national budget and policy consultations (annual).
Key concerns raised in FY2025	<ul style="list-style-type: none"> The need for streamlined listing processes and incentives to attract local enterprises. Mobilising long-term domestic capital for national development. The pension-fund allocation shift from 70/30 to 50/50 onshore/offshore and the resulting need for more onshore listable assets. The role of capital markets in citizen economic empowerment.
Our 2025 response	<ul style="list-style-type: none"> Hosted the Capital Markets Dinner on 18 December 2025 with President Advocate Duma Gideon Boko as Guest of Honour, Vice President and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe and senior leadership from across Government, the regulator, listed companies and the institutional investor community. Co-hosted the Business Engagement Forum 2025 with the Office of the President, BITC and Business Botswana. Convened the Vice President's engagement with prospective issuers. Announced the SME Fund through the Chairperson at the Forum. Partnered with Debswana and Stanbic Bank on the CEEP issuer-readiness programme.
Capitals affected	F I S&R
Linked material matters	M1 Capital-market depth and liquidity. M6 Issuer-base diversification, growth and listings. M10 Macro and capital-concentration exposure.

Our Stakeholders (continued)

8.4.5 Listed Issuers and Prospective Issuers

Listed Issuers and Prospective Issuers	
Why they matter	Issuers are the source of the listings, instruments and economic activity that make our markets function. Their willingness to list, their disclosure standards and their governance practices determine the depth and quality of the market. Concentration of value in a small number of counters is a known risk.
How and how often we engage	<ul style="list-style-type: none"> • One-on-one engagement on listings readiness (ongoing). • Issuer workshops and capacity-building (multiple per year). • Annual Review of the BSE Rules with public solicitation of comments (annual). • Listings advisory sessions, issuer briefings and waiver determinations (as required). • Tshipidi Mentorship Programme (ongoing). • Market Lekgotla (annual, hosted in 2025 with Debswana Pension Fund).
Key concerns raised in FY2025	<ul style="list-style-type: none"> • The cost and complexity of listing for SMEs. • Reluctance among Local-owned companies to subject themselves to public scrutiny. • The need for clearer governance and reporting expectations. • Late publication of audited financial statements (six contraventions in 2025). • Regulatory uncertainty around new instruments.
Our 2025 response	<ul style="list-style-type: none"> • Granted 20 waivers to issuers, up from 17 in 2024, primarily to accommodate corporate bond programmes with fewer than five noteholders. • Reported 21 contraventions, with appropriate follow-up. • Launched the BSE-Debswana-Stanbic Bank CEEP issuer-readiness programme on 28 May 2025. • Listed the Vunani Global Equity Prescient Feeder ETF (VGEETF) on 2 December 2025. • Progressed the Motheo National SME Fund of Funds with Total Impact Capital feasibility review and Fasanara Capital partnership.
Capitals affected	F I S&R
Linked material matters	M1 Capital-market depth and liquidity. M2 Market integrity, surveillance and enforcement. M6 Issuer-base diversification, growth and listings. M9 Product innovation and breadth.

8.4.6 Brokers, Custodians and CSD Participants

Brokers, Custodians and CSD Participants	
Why they matter	Brokers, custodians and market makers are the operational backbone of the market. They handle order flow, settlement and investor onboarding. Their capability and capacity directly affect investor experience, market liquidity and the integrity of post-trade processes. They are also our partners in retail outreach.
How and how often we engage	<ul style="list-style-type: none"> • Fortnightly stakeholder meetings convened by the CSDB to address system issues and market concerns (every two weeks). • CEO meet-and-greet sessions (periodic). • Joint investor outreach activities at expos and shows (multiple per year). • Participant training on DEPOX, Securities Borrowing and Lending and other modules (as required). • Annual Rules Review consultation (annual).
Key concerns raised in FY2025	<ul style="list-style-type: none"> • The October 2025 outage and its operational and reputational impact. • The pace of CSD modernisation. • Onboarding requirements for new custodian participants (Absa Custody and Access Custody onboarded during the year). • Settlement-cycle alignment with international standards.
Our 2025 response	<ul style="list-style-type: none"> • Used the October outage to accelerate infrastructure renewal, including emergency migration to a next-generation firewall. • Trained Absa and Access on the DEPOX system before onboarding. • Maintained settlement continuity through manual processes during the outage. • Maintained the CSDB A- Thomas Murray rating. • Strengthened the SBL module with vendor-led training.
Capitals affected	M I H S&R
Linked material matters	M2 Market integrity, surveillance and enforcement. M3 Technology resilience and cybersecurity. M5 Business continuity and operational resilience. M9 Product innovation and breadth.

8.4.7 Employees

Employees	
Why they matter	We are a service organisation. Our biggest asset is our people. As a lean group, every role carries weight and the loss of specialist capability has a disproportionate impact. Execution of the 10X by 2030 strategy depends on attracting, retaining and reskilling the right talent.
How and how often we engage	<ul style="list-style-type: none"> • All-staff briefings and townhalls (periodic). • Performance management cycles (annual with mid-year review). • Culture assessment surveys (periodic). • Wellness Day and wellness programmes (annual and ongoing). • Study-loan and examination-leave support (as required). • Conferences and seminars (ongoing).
Key concerns raised in FY2025	<ul style="list-style-type: none"> • The transition period as the new strategy rolls out. • Growth, development and learning opportunities. • Recognition, reward and fairness. • Capacity to deliver an expanding mandate without commensurate headcount growth.
Our 2025 response	<ul style="list-style-type: none"> • Recorded a 7% turnover rate, retaining all Management staff and 97% of Specialist and Clerical employees. • Initiated an organisation design review to test whether the current structure can support the new strategic objectives. • Supported seven employees pursuing private study, one Specialist for a Management Development Programme and one for Coaching. • Delivered a comprehensive wellness day covering mental, physical and financial wellbeing. • The culture assessment scored BSE at 3.6 out of 5, with strengths in mission alignment and employee safety, and improvement areas in growth, development, and recognition.
Capitals affected	H I S&R
Linked material matters	M4 Talent attraction, retention and reskilling. M5 Business continuity and operational resilience.

8.4.8 Industry Associations, Peer Exchanges and Multilateral Partners

Industry Associations, Peer Exchanges and Multilateral Partners	
Why they matter	Peer exchanges and multilateral bodies provide benchmarks, technical guidance, partnership opportunities and market-access channels that BSE could not build alone. They are critical to the Internationalisation pillar of 10X by 2030 and to BSE's positioning as a credible African capital-raising hub.
How and how often we engage	<ul style="list-style-type: none"> • Membership participation in CoSSE, ASEA, AFCM, WFE, IOSCO and the Net Zero Financial Service Providers Alliance (ongoing). • Bilateral engagements with peer exchanges on MOUs and dual listings (ongoing). • Joint conferences and roadshows (multiple per year). • Technical exchanges on FMI standards and ESG disclosure.
Key concerns raised in FY2025	<ul style="list-style-type: none"> • Alignment with the IFRS Sustainability Disclosure Standards and emerging climate-disclosure expectations. • Building credibility for cross-listings and dual listings. • Capacity in sustainable finance product structuring. • The phased nature of climate-related reporting in the domestic market.
Our 2025 response	<ul style="list-style-type: none"> • Admitted to the Net Zero Financial Service Providers Alliance in May 2025, with an implementation roadmap and access to international best practice. • Initiated AFSIC engagement and exploratory discussions with the London Stock Exchange. • Progressed MOU discussions across SGX, LuxSE, JSE, NSE, LuSE and CTSE per the Strategy Roadmap. • Submitted Heads of Terms to the Zambia High Commission for SADC commodities collaboration. • Engaged Dubai Multi Commodities Centre and the Chicago Mercantile Exchange on the Botswana Mercantile Exchange.
Capitals affected	I S&R N
Linked material matters	M6 Issuer-base diversification, growth and listings. M8 Sustainable finance, ESG and climate-related market leadership. M9 Product innovation and breadth.



Our Stakeholders

8.4.9 Communities and the Public

Communities and the Public	
Why they matter	Our public-interest mandate extends beyond market participants. A capital market that does not reach the citizen is incomplete. Our brand, our social licence to operate, and the future of retail participation all depend on building trust and financial literacy in the broader Botswana public.
How and how often we engage	The Dipole Programme under the BSE Corporate Social Investment Policy 2022-2026 (ongoing). Adopt-a-School commitment to Mmea Primary School (three-year commitment from 2024). The BSE Stanbic Bank Finance and Investment Competitions for secondary and tertiary students (annual). Investor education at national expos and shows (multiple per year). Educational flyers and infographics (over 30 produced and distributed in 2025). Media engagement and ceremonial Opening Bell events.
Key concerns raised in FY2025	Limited financial literacy among youth and underserved communities. Access to investment products for retail and small investors. The need for sustained presence beyond Gaborone. Education and entrepreneurship support.
Our 2025 response	Donated school uniforms, printer cartridges, toners and learner treats to Mmea Primary School on 10 July 2025. Engaged 15+ schools and tertiary institutions and over 80 participants in the National Finance and Investment Competition. Onboarded over 60 investors at Moshupa Expo, 47 at Ghanzi Show and 62 at Global Expo Botswana. Hosted the March 2025 Opening Bell Ceremony for International Women's Day under the theme "Ring the Bell for ALL Women and Girls: Rights." Marked World Investor Week 2025 with an internal Opening Bell Ceremony focused on investor protection, AI, fraud prevention and crypto-asset awareness.
Capitals affected	I H S&R
Linked material matters	M7 Retail and institutional investor participation. M11 Community investment (subject to confirmation in materiality assessment).

8.5 2025 in highlights: a year of intensive engagement

FY2025 was the most active year of stakeholder engagement in BSE's recent history. Three features stand out.

The President and Vice President engaged directly with the capital markets. President Advocate Duma Gideon Boko delivered the keynote at the December 2025 Capital Markets Dinner and engaged extensively at the March 2025 Business Engagement Forum. His Honour Vice President and Minister of Finance Hon. Ndaba Nkosinathi Gaolathe represented Botswana with BSE leadership at AFSIC 2025 in London and engaged prospective issuers in October 2025. The visibility of national leadership at capital-market events signals the priority placed on capital markets in Botswana's economic transformation agenda.

The retail investor base expanded measurably. Retail-investor monetary participation more than doubled, from P192.3 million in 2024 to P386.8 million in 2025. New CSD accounts were opened at every major outreach event during the year. Investor Month 2025 reached over 100 individuals nationally. The Retail Investor Module is on track for rollout, which will give individual investors direct CSD access for the first time.

Sustainable finance moved from concept to commitment. Admission to the Net Zero Financial Service Providers Alliance in May 2025 was a turning point. Through the Alliance, we committed to an implementation roadmap that brings climate considerations into our policies, systems and market practices. We are taking a phased approach that recognises the early stage of climate reporting in the domestic market.

8.6 The October 2025 outage: a year of strengthening IT resilience.

On 21 October 2025, BSE experienced a four-day market outage caused by a network firewall failure. It was the longest outage in our history. Although core systems remained operational, they could not communicate with each other, and trading could not resume until emergency remediation was complete.

We are direct about what this meant. BSE and the CSDB suffered financial and reputational damage. Confidence in BSE as a reliable market infrastructure was tested.

Our stakeholder response was structured around three actions. First, we activated emergency response protocols and communicated with brokers, custodians, issuers and the regulator throughout the outage. Manual processes maintained settlement continuity. Trading resumed within four business days. Second, we used the incident to accelerate infrastructure renewal, including emergency migration to a next-generation firewall, stronger disaster recovery, improved change management and increased investment in IT resilience. Third, the Board established a dedicated committee to oversee IT resilience on an ongoing basis.

The outage also reshaped the conversation with our regulator and shareholders. It moved technology resilience from a topic discussed in IT departmental reviews to a Board-level material matter. It will be addressed substantively in **Section 11 Managing Risks and Opportunities** and reflected in performance reporting in **Section 13**.

8.7 Connecting stakeholder voice to material matters and strategy

The themes raised by our stakeholders during FY2025 cluster into a recognisable set of priorities. Capital-market depth, listings diversification, investor participation, technology resilience, sustainable finance, talent and governance recur across multiple stakeholder groups. That convergence is itself a signal: the matters our stakeholders raise independently are the same matters that shape our ability to create value.

These signals fed directly into the materiality assessment described in **Section 9**. The 24-item candidate longlist tested in the March 2026 management workshop was constructed from departmental submissions, Risk Register entries, peer-exchange benchmarks and the stakeholder concerns set out in this section. The final material matters, once validated by the Board, will be those at the intersection of stakeholder concern and impact on value creation.

The strategic response to those material matters is set out in **Section 10 Our Strategy** and operationalised through the five 10X by 2030 pillars: Talent and Culture, Technology Modernisation, Product Innovation, Internationalisation, and Force for Good. Each pillar carries explicit commitments to one or more of our stakeholder groups. The CEO Scorecard in **Section 13** tracks progress against those commitments using a 2024 baseline, 2025 actual, 2027 target and 2030 ambition format.



Investing in Our Communities

The BSE operates as part of the society it serves. The capital market it runs depends on public trust, financial confidence and a population that understands how saving and investing work. For that reason, the Group treats its work in communities as a strategic activity rather than an extension of marketing or public relations.

That work is delivered through the **Dipelo Programme**, the BSE's Corporate Social Investment (CSI) framework, which carries the theme Investing in Our Community. The programme is the community-facing expression of the Force for Good pillar of the 10X by 2030 strategy (see Section 10, Our Strategy). Its name, drawn from the Setswana word for results, reflects a deliberate intent: the Group invests in communities to produce measurable, shared outcomes, not one-off gestures.



We treat community investment as strategy, not charity.

The Dipoelo Programme

The Dipoelo Programme is governed by a CSI Policy approved by the Board of Directors and currently running over the 2022 to 2026 cycle. Authority to amend the policy rests with the Board, acting on the recommendation of the Chief Executive Officer. Day-to-day implementation sits with the Market Development function, which prepares an annual CSI plan, grades initiatives against policy criteria, and reports on performance.

The programme concentrates the Group's community investment in five focus areas:

- Education
- Entrepreneurship
- Community development
- Health
- Environment and sustainability

It is delivered through four mechanisms: sponsorships, community projects, donations, and endorsements. The CSI Policy is anchored in the BSE's wider sustainability commitments, including its membership of the Sustainable Stock Exchanges (SSE) Initiative and its signing of the Marrakech Pledge on Sustainability.

How we choose where to invest

The BSE is a lean organisation, and its CSI resources are finite. Selection therefore matters. The CSI Policy directs investment toward initiatives that meet the real needs of communities, that reach a meaningful share of the population, that create educational or economic opportunity for low-income and disadvantaged groups, and that address matters of national importance. Every initiative must be able to deliver measurable outcomes, and beneficiaries are expected to take part in planning the projects that affect them.

The policy is equally clear on what the Group will not support. It excludes political party activities, individual projects, marketing campaigns, debt reduction, and any activity that falls outside the BSE's areas of focus or that would place the Group in a conflict of interest.

Our community investment in FY2025

During the year, the Group carried out community investment across four of its five Dipoelo focus areas. The activities are summarised below.

Initiative	Focus area	When	What the BSE did	Contribution
Mogoditshane Senior Secondary School	Education	10-Apr-25	Sponsored Mogoditshane Senior Secondary School with P25,000	Financial
Mmea Primary School donation	Education	Jul-25	Donated school uniforms for all pupils, printer cartridges, toners and learner supplies to its adopted school	Financial
Walk of Hope Charitable Dinner	Health and social welfare	Sep-25	Met the event costs for Project 267, which supports vulnerable groups in underserved communities	Financial
FIA Awareness Walk against youth financial crime	Community development	Sep-25	Took part in a 10km public awareness walk in Francistown on youth involvement in financial crime	Staff participation
13th Africa and Middle East Gender Mainstreaming Awards	Community development and inclusion	Nov-25	Supported an awards programme recognising organisations advancing gender equality	Financial

Investing in Our Communities (continued)

Education. The BSE's longest-running community commitment is its adoption of Mmea Primary School. The school was adopted in 2024 under the Government's Adopt-A-School initiative, on a three-year commitment to supply learning materials and teaching aids. In July 2025, the Group held a donation ceremony at the school, providing complete sets of uniforms for every pupil alongside printing supplies and learner treats. The BSE has undertaken to remain available to the school leadership for the duration of the adoption period.

Health and social welfare. In September 2025, the BSE supported the Walk of Hope Charitable Dinner in aid of Project 267, an initiative working with vulnerable groups in underserved communities. The Group met the event costs of P13,750. The contribution reflects the policy's intent to combine immediate relief with longer-term social development.

Community development and national priorities. Also in September 2025, BSE staff joined a 10km awareness walk organised by the Financial Intelligence Agency in Francistown, focused on protecting young people from involvement in financial crime. The initiative connects directly to the BSE's mandate, since financial crime and country grey-listing both raise the cost of capital for Botswana.

Inclusion. In November 2025, the Group supported the 13th Africa and Middle East Gender Mainstreaming Awards, contributing P10,000 toward an event recognising organisations that advance gender equality and inclusive workplace cultures.

Financial literacy as a connected commitment

The Group's investor education and financial literacy work, including the BSE-Stanbic Bank Senior Secondary Schools Finance and Investment Competition, reaches schools and young people across Botswana. This work shares the Dipelo Programme's education objective, but it is delivered through the Market Development mandate and is reported in full under [Section 7, How We Create Value / Section 13, Performance Review - confirm cross-reference once pagination is set]. We note the connection here so that readers see the two streams as a single, coherent commitment to building a financially capable society.

How this creates value

Community investment is reported here because it draws on, and builds, more than one of the BSE's capitals.

- **Social and relationship capital** is strengthened through trust, visibility and standing in the communities the Group serves.
- **Human capital** is engaged when staff give their time directly, as they did on the FIA walk and at the school donation.
- **Natural capital** is recognised in the environment and sustainability focus area of the Dipelo Programme, although the Group reports no dedicated environmental CSI project for FY2025.

Looking ahead

For FY2026, the BSE intends to scale its community work in step with the Force for Good pillar. The CSI partnership with Debswana Diamond Company, agreed in December 2025, provides a vehicle for joint community investment alongside the issuer-education programme (see Section 14, Outlook). The Group also intends to strengthen monitoring and evaluation, including the use of a stakeholder perception survey to test whether its investment is producing the outcomes its name promises.



Donation Ceremony at adopted school – Mmea Primary School





BSE Leadership with the President, Advocate Duma Gideon Boko, and Vice President & Minister of Finance, Mr. Ndaba Gaolathe, at the Capital Markets Dinner



Vice President & Minister of Finance, Mr. Ndaba Gaolathe, with BSE and BITC Leadership at the London Stock Exchange



BSE and Gaborone City Council MoU signing



BSE Staff Wellness Day



BSE Stanbic Bank National Finance & Investment Competition 2025: 1st Place Winner, Ms. Khanson Enock, awarded a P7,500 share voucher



BSE CEO, Aupa Monyatsi, participates at AFSIC 2025



BSE CEO, Aupa Monyatsi, at the 28th ASEA Annual Conference 2025



Engagement with participants during the Investor Month



A SPOTLIGHT ON OUR

Net-Zero Committments

In May 2025, the Botswana Stock Exchange (BSE) joined the Net Zero Financial Service Providers Alliance (NZFSPA), reinforcing its commitment to sustainable finance, climate action, and the advancement of responsible capital markets.

This milestone marked an important step in positioning the Exchange among global financial market infrastructures supporting the transition toward a low-carbon and climate-resilient economy. Through this commitment, the BSE continues to leverage its role as a national exchange to influence broader market participation in sustainability initiatives while promoting long-term economic growth aligned with global environmental objectives.

May 2025

Joined the Net Zero Financial Service Providers Alliance

10X by 2030

Sustainability embedded into our corporate strategy

2023

Launch of Sustainable Bonds Segment

GAIA Renewables 1

Joined the Net Zero Financial Service Providers Alliance



STRATEGIC INTEGRATION



Following its admission into the Alliance, the BSE incorporated sustainability considerations into its 10X by 2030 Strategy, including the introduction of the "Force for Good" pillar, which emphasizes climate action, sustainable development, SME growth, and broader social impact.



Climate-related objectives and sustainability targets were integrated into the corporate scorecard and cascaded to departmental and individual performance plans to ensure organization-wide accountability and implementation.



These measures enable the BSE to influence broader market participation in sustainability initiatives while promoting long-term economic growth aligned with global environmental objectives.



GOVERNANCE & OVERSIGHT



The BSE established a Sustainability Committee at Management level to oversee climate-related initiatives and sustainability implementation across the organization.



Existing governance committees, including the Business Development Committee and Business Operations Committee, expanded their mandates to incorporate climate-related and broader ESG considerations into product development, operational activities, and strategic initiatives.



At Board level, sustainability and Net Zero matters were incorporated into governance discussions through amendments to relevant committee terms of reference.

"The BSE continues reinforcing its commitment to supporting the development of a resilient, transparent, and sustainability-focused capital market ecosystem."





BSE signs Net-Zero Alliance Pledge


Driving Climate Action Through Capital Markets


Through innovation, collaboration, and responsible stewardship, the BSE is advancing a low-carbon, climate-resilient future for Botswana and beyond.

BUILDING INTERNAL CAPACITY

 Invested in staff awareness, stakeholder sensitization, and climate-related training initiatives.


 Employees accessed educational platforms such as UDEMY, providing learning material on climate change, ESG, renewable energy, and sustainability.

 Participated in sustainability awareness sessions facilitated by the United Nations Sustainable Stock Exchanges Initiative.


 Received carbon credit training supported by the World Bank.


OPERATIONAL SUSTAINABILITY

Improving efficiency and reducing environmental impact.


 **KEY INITIATIVES**
Paperless Operations through digitization

 Energy Efficiency Practices

 Monitoring Electricity & Water Consumption

 Emissions Measurement, Monitoring & Reporting (GHG Protocol aligned)

 Reduced Company Vehicles

 Future Headquarters designed with green building principles and energy-efficient technologies

SUSTAINABLE FINANCE & MARKET DEVELOPMENT

- Adopted the Integrated Reporting Framework and advanced preparations for the inaugural Net Zero Report.
- Strengthened sustainability disclosure and market transparency in line with global standards.
- Through the Sustainable Bonds Segment (2023), continued supporting sustainable debt instruments with incentives for climate-focused financing.
- Announced plans to expand climate-focused financial products, including green bonds, sustainability-linked bonds, and climate infrastructure investment vehicles.

FEATURED LISTING GAIA Renewables 1

Providing investors with exposure to renewable energy and climate infrastructure projects across Africa.





Our Material Matters

The seven matters that most shape our ability to create, preserve or erode value over the short, medium and long term.

This section identifies the matters that materially affect our ability to create value for shareholders, listed issuers, investors, employees, regulators and the wider Botswana economy. It explains how we determined them, sets out a profile for each, and shows how they connect to our strategy, our risks, the capitals we use, and the stakeholders most affected.

Our material matters are not a list of risks. They are the matters where the link between what we do and the value we create is at its strongest. Some are sources of opportunity. Some are sources of vulnerability. Several are both. Together they form the spine of this report and are revisited in the Chairperson’s Statement, the Chief Executive Officer’s Review, the Strategy section, the Risk and Opportunity section, the Performance Review and the Outlook.

9.1 What materiality means for the BSE Group

We define a matter as material if it substantively affects our ability to create, preserve or erode value over the short, medium or long term, or if our activities have a substantive impact on the economy, the environment or society.

This is a double-materiality test. The first lens looks inward. It asks how a matter affects BSE Group’s financial position, operating performance, strategy execution and reputation. The second lens looks outward. It asks how BSE Group’s actions affect the capital markets ecosystem, the wider Botswana economy, the environment and society.

A matter qualifies as material if it passes either test. Matters that pass both tests are treated with the highest priority and reported on most fully.

Materiality, applied properly, is a discipline that decides what stays in the report and what stays out. It is also a signal of where management attention sits.

The time horizons we apply

We have set our time horizons against the rhythm of the 10X by 2030 strategy and the planning cycle of our principal stakeholders.

Horizon	Period	What we are looking at
Short term	FY2026 to FY2027	Recovery and resilience after the October 2025 outage. The first delivery wave of 10X by 2030. Revenue stability while diversification builds.
Medium term	FY2028 to FY2030	The bulk of the 10X by 2030 delivery period. Internationalisation activation. Issuer pipeline conversion. Sustainable finance scale.
Long term	Beyond FY2030	BSE Group’s positioning as a regionally relevant exchange and a credible voice on capital-market efficiency. Climate-transition outcomes.

The reporting boundary we apply

The financial reporting boundary covers BSE Limited and CSDB Proprietary Limited on a group basis. The materiality boundary is wider. It extends to the parts of the capital markets ecosystem on which we have a substantive impact, or which substantively affect us. That includes listed issuers, brokers, asset and pension fund managers, individual investors, regulators, technology partners, and the wider Botswana economy.

The wider boundary matters because BSE Group is small in headcount but large in market footprint. The matters that affect us most often originate outside the entity. We disclose them on that wider basis.

9.2 How we determined our material matters

The shortlist of material matters in this section is the output of a structured five-step process. The process is intentionally repeatable so that, year on year, the change in our materiality view is itself disclosable and comparable.

Step	What we did	How it shaped the shortlist
01	Internal scan	We reviewed the 10X by 2030 strategy roadmap, the BSE Group Risk Register, the Market Development scorecard, departmental submissions, the Sustainability Disclosure Guidance, and the signed FY2025 Annual Financial Statements. The internal scan produced a long pool of candidate matters anchored in actual operating reality.
02	External scan	We benchmarked the integrated reports of reference exchanges: The external scan tested whether our candidate list reflected what stakeholders at peer exchanges have come to expect.
03	Stakeholder signals	We drew on stakeholder engagement records from the FY2025 cycle, including investor outreach activity, listed-company engagements, NBFIRA touchpoints, and Government and pension industry engagement. The signals helped weight matters by stakeholder concern as well as by management priority.
04	Workshop and consolidation	The executive management team took part in a structured workshop on 23 April 2026. The workshop tested a 24-item candidate longlist through a top-five-include and top-five-exclude vote, and through a grouping exercise. The output was a 10-item shortlist.
05	Endorsement and validation	The Executive Committee endorsed a compressed seven-item shortlist for first-year reporting. The Board of Directors validated the shortlist for inclusion in this Integrated Report and signed off the materiality methodology as the basis on which content is built on 27 May 2026

The compression from 10 matters to seven was a deliberate response to the IR Framework's principle of conciseness. Where two or three closely related matters spoke to the same strategic concern, we grouped them.

How we plot a matter on the materiality matrix

Each material matter is plotted against two axes. The horizontal axis is the impact on BSE Group's value creation. The vertical axis is the significance of BSE Group's impact on the wider economy, the environment and society. The plotting is informed by the workshop voting, by stakeholder engagement signals, and by the Risk Register's residual rating where the matter has a clear risk dimension.

Our Material Matters (continued)

9.3 Our seven material matters at a glance

The seven matters are presented in disclosure order, not rank order. Trajectory describes the direction of travel for the matter over the next 12 to 24 months. "Rising" means the matter is becoming more material. "Stable, with focused attention" means the matter is steady but requires sustained management focus to remain that way.

Code	Material matter	Primary capitals	Strategic pillar	Trajectory
M1	Market relevance: liquidity, issuers, products and investors	Financial; Social and Relationship; Intellectual	Cross-cutting. Primary linkage to Product Innovation and Internationalisation.	Rising
M2	Domestic capital mobilisation and policy environment	Social and Relationship; Financial	Cross-cutting. Positions BSE Group as a credible policy voice.	Rising
M3	Technology, resilience and data	Manufactured; Intellectual	Technology Modernisation (primary). Product Innovation (data services).	Rising sharply
M4	Internationalisation and regional competitiveness	Social and Relationship; Intellectual; Financial	Internationalisation (primary).	Rising
M5	Financial sustainability and execution capacity	Financial; Human	Underpins all pillars. Talent and Culture (primary for the human-capital dimension).	Rising
M6	Sustainable finance, ESG and climate	Natural; Social and Relationship; Intellectual	Force for Good (primary). Product Innovation (sustainable instruments).	Rising
M7	Governance, integrity and regulatory trust	Social and Relationship; Intellectual	Cross-cutting foundation for all pillars.	Stable, with focused attention

The reporting boundary we apply

The financial reporting boundary covers BSE Limited and CSDB Proprietary Limited on a group basis. The materiality boundary is wider. It extends to the parts of the capital markets ecosystem on which we have a substantive impact, or which substantively affect us. That includes listed issuers, brokers, asset and pension fund managers, individual investors, regulators, technology partners, and the wider Botswana economy.

The wider boundary matters because BSE Group is small in headcount but large in market footprint. The matters that affect us most often originate outside the entity. We disclose them on that wider basis.

9.4 Material matter profiles

Each profile follows the same structure. The definition explains what the matter covers. The “Why it matters now” panel sets out the BSE-specific reality behind the matter. The capitals, strategic pillar and stakeholders panels show the connectivity. The response panel describes how we are managing the matter today and through the medium term. The indicators panel lists what we measure. The trajectory panel sets the direction of travel. The cross-references show where in the report the matter is treated more fully.

M1 Market relevance: liquidity, issuers, products and investors

DEFINITION	How well BSE turns market capitalisation into actual trading activity, supported by a steady pipeline of issuers, a growing range of products, and a broadening base of investors. The matter speaks to whether BSE is the natural place to raise capital and to invest in Botswana.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • FY2025 was a record turnover year, but the figures are heavily skewed by the pension transition mandate. Underlying activity outside that mandate remains thin. • Several leading counters trade at a sizeable discount to net asset value, which signals weak price discovery. • Asset managers buy and hold. That keeps activity thin even when the market capitalisation number looks healthy. • The domestic listings pipeline is constrained. Reluctance among Motswana-owned companies to list, combined with cost and disclosure concerns, has slowed new entry. • Retail participation is under-penetrated. The retail trading channel is being designed but is not yet at scale. • New product types - ETFs, REITs, green and sustainability-linked bonds, SME listing routes - need to come to market faster than the current pace.
CAPITALS	Financial; Social and Relationship; Intellectual.
STRATEGIC PILLAR	Cross-cutting across all five 10X by 2030 pillars. Primary linkage to Product Innovation and Internationalisation.
STAKEHOLDERS MOST AFFECTED	Listed issuers; institutional and retail investors; brokers; the Government as issuer of debt and steward of policy; SMEs.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Product Innovation pillar sets the agenda for new instruments and listing routes. • A retail trading module is under development, targeted at lowering the cost and complexity of access for individual investors. • SME listing routes are being designed with a lighter disclosure burden and a tighter post-listing support model. <p>Continued investment in financial literacy and investor outreach through the BSE Investor Outreach programme and the Dipolelo Programme. Active dialogue with brokers on price-discovery mechanisms and on the structure of two-way quotes.</p>
WHAT WE MEASURE	Equity turnover and turnover velocity; bid-ask spreads on the most active counters; number of listed equities and debt instruments; product pipeline activity; retail-investor account openings; SME listing applications.
TRAJECTORY	Rising. The matter remains the single most important determinant of whether 10X by 2030 delivers a tenfold revenue ambition.
WHERE TO READ MORE	Strategy section (10), Performance Review (13), Outlook (14), Listings and Trading commentary in the Performance Review.

Our Material Matters (continued)

M2 Domestic capital mobilisation and policy environment

DEFINITION	BSE Group's role in unblocking the capital that exists in Botswana but is not finding its way into productive investment, and the policy and regulatory factors that shape that flow.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • More than 80 per cent of domestic capital sits in a small number of large pension and asset managers. Concentration on the buy side reduces the natural diversity of demand. • The pension regulation 50:50 onshore/offshore shift is reshaping capital allocation across the system. The full implementation pathway will determine how much new capital reaches the local market. • Tax and regulatory frameworks shape capital-market efficiency. Several settings, from withholding tax treatment to listing-related incentives, are still under active discussion. • The exchange-rate regime affects foreign-investor appetite, particularly for fixed-income instruments. • Broker-market structure influences price discovery, liquidity and the cost of access. The number of active broker counterparties remains thin. • Privatisation policy and SME-listing constraints affect the long-term issuer pipeline.
CAPITALS	Social and Relationship; Financial.
STRATEGIC PILLAR	Cross-cutting. Positions BSE Group as a credible policy voice on capital-market efficiency.
STAKEHOLDERS MOST AFFECTED	Government (Ministry of Finance and Bank of Botswana); NBFIRA; pension funds and asset managers; brokers; SMEs; retail investors; listed issuers.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Active engagement with Government, NBFIRA, the Bank of Botswana, and pension trustees on capital-market efficiency. • Position BSE Group as a credible policy voice through structured policy submissions, public commentary anchored in market data, and bilateral engagement. • Targeted issuer-pipeline development for privatisation candidates and SMEs. • Public dialogue on broker-market structure and on incentives that would broaden the broker base. • Coordination with the National Strategy office on capital-market reform priorities.
WHAT WE MEASURE	Frequency and outcomes of policy engagement; onshore allocation by pension funds; number and structure of active brokers; SME listing activity; conversion of the privatisation pipeline.
TRAJECTORY	Rising. The matter sits at the intersection of regulatory change, fiscal pressure on Government, and industry structure.
WHERE TO READ MORE	Chairperson's Statement (3), Chief Executive Officer's Review (4), Strategy section (10), Outlook (14).

M3 Technology, resilience and data

DEFINITION	The reliability, security and modernisation of BSE Group's trading, settlement and post-trade infrastructure, including the Central Securities Depository of Botswana (CSDB), the strength of our cybersecurity posture, our business-continuity capability, and our ability to commercialise market data and information services as a new revenue stream.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • A four-day market outage in October 2025 underlined the vulnerability of legacy infrastructure and elevated this matter sharply on the agenda. • The ransomware and cyber threat landscape is intensifying. Cyber risk carries one of the highest residual ratings in the BSE Risk Register. • The CSDB Thomas Murray rating must be maintained. The rating is a direct input to foreign-investor confidence in the post-trade environment. • Data services remain an under-developed revenue line. Peer exchanges in the region monetise data more aggressively than we currently do. • Cloud-migration trade-offs need careful management. Resilience, sovereignty and cost considerations need balancing in real time. • Local technology service-provider depth is limited, which can slow execution and concentrate supplier risk.
CAPITALS	Manufactured; Intellectual.
STRATEGIC PILLAR	Technology Modernisation (primary). Product Innovation (data services).
STAKEHOLDERS MOST AFFECTED	Listed issuers; investors; brokers; regulators; employees; technology partners and vendors.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Technology Modernisation is a primary pillar of 10X by 2030. The modernisation roadmap is sequenced to retire identified single points of failure. • Programme governance for the modernisation roadmap has been strengthened, with clearer milestones and oversight. • Cybersecurity posture is being uplifted, with renewed emphasis on intrusion detection and prevention, recovery testing, and supplier-risk management. <p>Business-continuity capability has been retested following the October 2025 outage. Lessons learned have been documented and folded into the next disaster-recovery plan refresh. Data-services product readiness work has accelerated, with target product offers identified for issuer reference data, real-time and end-of-day market data, and historical data series. Diversifying technology supplier dependencies and strengthening service-level agreements with multiple internet service providers.</p>
WHAT WE MEASURE	System availability; time to recovery on incidents; cybersecurity incident frequency and severity; CSDB Thomas Murray rating; data-services revenue and pipeline; business-continuity test outcomes.
TRAJECTORY	Rising sharply. The October 2025 outage and the cyber threat landscape together place this matter at the top of management focus.
WHERE TO READ MORE	Chief Executive Officer's Review (4), Managing Risks and Opportunities (11), Performance Review (13). The October 2025 outage is treated more fully in section 11 and section 13.



Our Material Matters (continued)

M4 Internationalisation and regional competitiveness

DEFINITION	Pulling regional and international issuers, investors and infrastructure partners into BSE Group's orbit. The matter covers settlement-cycle alignment, visibility on global indices, and the active memoranda of understanding (MOUs) we have signed with peer exchanges and infrastructure providers.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • The local listings pipeline is constrained, which makes regional and international flow a primary growth lever for 10X by 2030. • Foreign-investor settlement and FX requirements need to be met if we are to compete for cross-border flow. • Competitive position against regional exchanges matters. Investors, issuers and partners actively compare us against peers. • Active MOUs are in place with the Singapore Exchange (SGX), the Luxembourg Stock Exchange (LuxSE), the Johannesburg Stock Exchange (JSE), the Dubai Multi Commodities Centre (DMCC) and CME Group. The activation rate on those MOUs is the test of progress. • BSE Group joined the Net Zero Financial Service Providers Alliance in 2025, which gives us a credible international platform for the Force for Good agenda.
CAPITALS	Social and Relationship; Intellectual; Financial.
STRATEGIC PILLAR	Internationalisation (primary).
STAKEHOLDERS MOST AFFECTED	Foreign investors; regional issuers; partner exchanges; correspondent banks; international index providers; regulators; the African Securities Exchanges Association.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Internationalisation is a primary pillar of 10X by 2030. • Targeted activation plans for each of the five active MOUs, with clear deliverables and timelines. • Index-visibility work focused on improving the inclusion and weighting of Botswana-listed instruments in regional and frontier-market indices. • Settlement-cycle alignment programme to bring BSE in line with international practice and ease the operational burden on foreign investors. • Continued participation in the African Securities Exchanges Association and the African Capital Markets Forum.
WHAT WE MEASURE	Foreign-investor flow; MOU activation events and deliverables; cross-border listing activity; index inclusion and weighting; settlement-cycle alignment milestones.
TRAJECTORY	Rising. Internationalisation activation will be the principal external test of 10X by 2030 over the medium term.
WHERE TO READ MORE	Chief Executive Officer's Review (4), Strategy section (10), Performance Review (13), Outlook (14).

M5 Financial sustainability and execution capacity

DEFINITION	BSE Group's revenue stability and the human and organisational capacity needed to deliver 10X by 2030. The two are paired because revenue underwrites the strategy, and the people delivering the strategy are the principal asset on which it depends.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • Around 40 to 45 per cent of revenue comes from government bonds. That exposes BSE Group to fiscal pressure on Government and to the macroeconomic and diamond-sector conditions that drive that pressure. • Equity turnover is volatile, particularly outside transition-mandate years. • 10X by 2030 requires fintech, data and product capabilities that are scarce in the local market. • The current culture-score baseline is 3.6 out of 5, which sets a clear improvement target. • Whether BSE Group's reserves can fund the 10x ambition - particularly the technology modernisation programme and the regional activation plans - sits inside this matter. • BSE Group is small in headcount, which makes key-person dependency and management bench depth structural concerns.
CAPITALS	Financial; Human.
STRATEGIC PILLAR	Underpins all pillars. Talent and Culture (primary for the human-capital dimension).
STAKEHOLDERS MOST AFFECTED	Shareholders; employees; the Board; regulators; the wider capital-markets ecosystem that depends on BSE Group's continuity.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Revenue diversification through data services, product innovation, and internationalisation flows. • Reserve adequacy reviewed annually against the strategy roadmap and the modernisation programme cost profile. • Talent and Culture is a primary pillar of 10X by 2030. • Targeted reskilling investment in fintech, data and product capabilities, with structured learning pathways. • Compensation benchmarking against market and peer reference points. • Hybrid working practice rolled out, with an emphasis on collaboration tools and outcome-based management. • Wellbeing and engagement initiatives anchored in the FY2025 culture survey baseline. • Succession planning and key-role bench depth tracked at Executive Committee level.
WHAT WE MEASURE	Revenue mix and concentration; equity turnover volatility; reserve coverage; employee engagement score; voluntary turnover rate; time-to-fill on critical roles; training spend and uptake; culture survey trajectory.
TRAJECTORY	Rising. The matter is the operational hinge on which 10X by 2030 execution turns.
WHERE TO READ MORE	Chief Executive Officer's Review (4), Strategy section (10), Performance Review (13), Annual Financial Statements appendix. Risks and Opportunities (11), Performance Review (13). The October 2025 outage is treated more fully in section 11 and section 13.

Our Material Matters (continued)

M6 Sustainable finance, ESG and climate

DEFINITION	BSE Group's role in moving sustainable finance to scale, both for issuers and investors, and BSE Group's own climate-risk disclosure and net-zero positioning. The Force for Good elements of the strategy, including community investment, sit here.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> Investor allocation trends continue to shift toward sustainable mandates, particularly among international and pan-African allocators. Issuer-disclosure readiness is uneven. The Sustainability Disclosure Guidance issued by BSE in May 2024 sets a clear expectation, but uptake among listed issuers is still building. BSE Group's NZFSPA membership comes with a 12-month roadmap. Delivery against that roadmap is itself a material commitment. Botswana-specific climate priorities - water stress, drought, and the energy mix - need to inform any agenda that is locally credible. An anti-ESG counter-trend in some international markets has changed the conversation but has not changed the underlying allocator signal. Community investment under the Dipoelo Programme continues to be a visible expression of the Force for Good pillar.
CAPITALS	Natural; Social and Relationship; Intellectual.
STRATEGIC PILLAR	Force for Good (primary). Product Innovation (sustainable instruments).
STAKEHOLDERS MOST AFFECTED	Investors with sustainable mandates; listed issuers; regulators; civil society organisations; community partners; international peer networks.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> Force for Good is a primary pillar of 10X by 2030. The Sustainability Disclosure Guidance for listed issuers is in force. Engagement with issuers continues to build disclosure capability across the market. Green bonds and sustainability-linked instruments are part of the product roadmap. The NZFSPA roadmap is sequenced and resourced. BSE Group's own climate-risk disclosure will be expanded over the next two reporting cycles in line with the NZFSPA commitment. Community investment continues under the Dipoelo Programme, with a continuing focus on financial literacy and educational support.
WHAT WE MEASURE	Sustainable bond and instrument issuance volume; issuer disclosure uptake against the Sustainability Disclosure Guidance; NZFSPA roadmap milestones delivered; BSE Group's own emissions footprint and trajectory; community investment value and reach.
TRAJECTORY	Rising. The matter is moving from awareness-building toward delivery and disclosure.
WHERE TO READ MORE	Strategy section (10), Performance Review (13), Outlook (14), Sustainability Disclosure Guidance referenced in the Supplementary Information appendix.


















M7 Governance, integrity and regulatory trust

DEFINITION	Board effectiveness, the integrity of BSE Group's market-surveillance and enforcement work as a Self-Regulatory Organisation, the relationship with NBFIRA, ethical conduct (including anti-bribery and whistleblowing), and the protection of personal data under the Data Protection Act.
WHY IT MATTERS NOW	<ul style="list-style-type: none"> • BSE Group's standing as a Self-Regulatory Organisation rests on the strength of its enforcement record and the quality of its surveillance. • The NBFIRA relationship requires steady trust and timely responsiveness. Quarterly reporting is the rhythm; ad hoc engagement is the texture. • King IV alignment is the governance benchmark. A committee-nomenclature inconsistency between the 2025 Governance Report and the signed FY2025 Annual Financial Statements is flagged for resolution before this report is finalised. • Data Protection Act compliance is on a continuing trajectory. The Data Protection Commissioner's expectations are evolving as the regulatory regime matures. • The whistleblowing channel must be visible, used and trusted. Use of the channel is a leading indicator of cultural health. • The Board composition has changed during the reporting period, with the resignation of director Davies Tele on 2 April 2025.
CAPITALS	Social and Relationship; Intellectual.
STRATEGIC PILLAR	Cross-cutting foundation for all pillars.
STAKEHOLDERS MOST AFFECTED	Regulators (NBFIRA, Bank of Botswana, Financial Intelligence Agency); listed issuers; investors; employees; the Board; the public.
HOW WE ARE RESPONDING	<ul style="list-style-type: none"> • Governance is treated as a cross-cutting foundation rather than a discrete pillar. • Board effectiveness reviewed annually, with the FY2025 review used to refine committee composition and meeting cadence. • Surveillance and enforcement capability is resourced inside Risk and Compliance and inside Listings and Trading. Trading surveillance follows a documented user guide and a defined review process. • NBFIRA touchpoints are structured around quarterly reporting and ad hoc engagement. • King IV alignment is reviewed each year. The committee-nomenclature item is being resolved before this report is finalised. [STATUS UPDATE TO BE INSERTED ONCE RESOLVED] • DPA compliance plan is reported through the Audit and Risk Committee. • The whistleblowing channel is operated by an independent provider. Reports received and actioned are tracked through Audit and Risk Committee.
WHAT WE MEASURE	Board effectiveness review outcomes; surveillance alerts raised and resolved; enforcement actions concluded; NBFIRA engagement record and any items raised; DPA compliance status; whistleblowing reports received and actioned; King IV self-assessment outcomes.
TRAJECTORY	Stable, with focused attention. The committee-nomenclature resolution and the DPA trajectory are the two near-term focus items.
WHERE TO READ MORE	How We Govern (12), Managing Risks and Opportunities (11), Annual Financial Statements appendix, Governance Report.

Our Material Matters (continued)

9.5 How the matters connect

The connectivity matrix below shows, for each material matter, the principal strategic pillar, the most material capitals, the principal residual risks from the BSE Group Risk Register, and the most affected stakeholder groups. The matrix is the link between this section and the Risk and Strategy sections that follow.

Code	Strategic pillar	Capitals	Managed risks	Stakeholders	KPI focus
M1	Product Innovation; Internationalisation	  	Failure to attract investors into new instruments (S11/PD4); failure to generate public interest in SME listings (S25/LT12); fragmented ecosystem (S23)	Issuers; investors; brokers; SMEs	Turnover; spreads; product launches; retail accounts
M2	Cross-cutting; positions BSE Group as policy voice	 	Inability to create an enabling environment (S18); fragmented ecosystem (S23)	Government; NBFIRA; pension funds; brokers; SMEs	Policy engagement; onshore allocation; broker count
M3	Technology Modernisation; Product Innovation (data)	 	Cyber risk (S9); BSE systems failure (S6); inadequate operational resilience (S32); poor disaster-recovery planning; insufficient IT redundancy (S7)	Issuers; investors; brokers; regulators; employees; vendors	Availability; recovery time; data-services revenue
M4	Internationalisation	  	Failure to attract international issuers and investors (S15); failure to attract strategic partnerships (S17); misalignment with international laws and standards (S16)	Foreign investors; regional issuers; partner exchanges	Foreign flow; MOU activation; index inclusion
M5	Talent and Culture; underpins all pillars	 	Lean structure / inadequate execution capacity (S2); failure to attract and retain staff (S1); key-person dependency (S3); poor corporate culture (S4); inadequate resources to implement strategy (S28)	Shareholders; employees; the Board	Revenue mix; reserves; engagement; turnover
M6	Force for Good; Product Innovation (sustainable instruments)	  	Failure to implement ESG standards (S22)	Sustainable mandate investors; issuers; regulators; civil society; communities	Sustainable issuance; disclosure uptake; NZFSPA milestones
M7	Cross-cutting foundation	 	Poor corporate governance (S31); failure to enforce listing rules (LT1); failure to detect market abuse (LT5); non-compliance with DPA requirements; lack of risk oversight (S33); fraud and corruption (S34)	Regulators; issuers; investors; employees; the Board; public	Surveillance outcomes; NBFIRA touchpoints; DPA status

The trade-offs we manage

Material matters do not always pull in the same direction. Some of the most demanding management work is in handling the tensions between them. We surface three of the most active trade-offs here. They are revisited in the Strategy and Outlook sections.

Trade-off	How we approach it
Pace of modernisation versus operational stability (Matter M3)	The October 2025 outage made the case for moving fast on modernisation. The same outage made the case for not making changes that destabilise live infrastructure. We are sequencing the modernisation roadmap to deliver resilience first and feature improvement second.
Local issuer support versus international competitiveness (Matters M1 and M4)	A constrained domestic listings pipeline pushes us toward regional and international flow. At the same time, our long-term legitimacy depends on serving Botswana issuers well. We treat the two as complementary rather than competing, and we are sequencing internationalisation activation in a way that does not divert capacity from local issuer support.
Revenue diversification versus reserve preservation (Matter M5)	Diversifying revenue requires investment, including in data services and in product launches. That investment draws on reserves at the same time as the modernisation programme. We are pacing the investment profile against the reserve buffer and the cash-generation outlook, with annual review at Board level.

9.6 What we are watching

Three matters were considered in the Stage 2 process and are not on the current shortlist. They are recorded here so the Board, listed issuers and the wider stakeholder group can see what is on our radar even if it has not been elevated this year. We will revisit each at the next reporting cycle.

Item we are watching	Why we are watching it
Artificial intelligence in market operations and disclosure	AI is already reshaping surveillance, disclosure analysis and investor research at peer exchanges. We are building literacy and watching the regulatory direction. The matter could become material to surveillance integrity and to data-services product design within the next two reporting cycles.
Geopolitical and macroeconomic shocks	Diamond-sector exposure, commodity-price cycles, and global rate movements all feed into Government's fiscal position and from there into our revenue. The matter currently sits inside Matter M5. We will keep watching whether it warrants its own profile.
Climate-physical risk to operations	Climate transition is treated under Matter M6 Climate-physical risk to BSE Group's own operations - facilities, connectivity, employee mobility - is currently a watchlist item rather than a separate material matter. We will revisit as the climate-risk disclosure work matures.

9.7 How the rest of this report uses our material matters

Each material matter carries through the rest of the report. The Chairperson's Statement and the Chief Executive Officer's Review treat the most pressing matters in narrative form. The Strategy section sets out how 10X by 2030 responds to them. The Risk and Opportunity section translates them into managed exposures. The Performance Review reports against the indicators introduced in this section. The Outlook describes how we see them moving over the short to medium term.

Materiality is the discipline that turns a long list of things we could say into the shorter list of things we have to say.

The seven material matters in this section will be revisited in the FY2026 Integrated Report. Where the trajectory has changed, we will say so. Where new matters have emerged, we will surface them. Where matters have receded, we will explain why. That repeatability is what makes the disclosure useful over time, both to those reading the report and to the Board, the Executive Committee and the BSE Group team accountable for the outcomes.



BOTSWANA
STOCK EXCHANGE

Governance, Risk & Strategy

10 - Our Strategy

11 - Managing Risks and Opportunities

12 - How We Govern



Our Strategy

In 2025, the Board approved a new strategic direction known as 10X by 2030. The strategy targets a tenfold increase in revenue and impact by 2030 and repositions the Group as Africa’s premier capital raising hub. The 2025 financial year is the first reporting period during which we have executed against the new strategy. This section sets out where we are going, how we intend to get there, what we are investing across the six capitals, how we will measure progress, and what we delivered in year one.

10.1 The case for change




For more than three decades, the Botswana Stock Exchange has provided the country with a regulated venue for raising and investing capital. That mandate has not changed. What has changed is the scale of ambition the Group must now carry. Botswana’s economy needs faster, deeper and more diversified pools of capital to reduce dependence on diamond revenues, finance the climate transition and generate the jobs a young population will demand.

Other small and frontier exchanges have shown that incremental change does not deliver this kind of transformation. Bold positioning does. The 10X by 2030 strategy is our response. It is anchored in evidence drawn from the 2025 white paper “The Botswana Stock Exchange: A Future-Facing African Exchange”, which examined transformation lessons from twenty small-country exchanges and informed the strategic design.

The external case for change is detailed in Section 6 (The World We Operate In). It is reinforced by the material matters disclosed in Section 9, particularly market liquidity and depth, technology modernisation, talent and culture, internationalisation and sustainable finance.

10.2 Vision, mission and ambition

Our 10X by 2030 Ambition is BOLD and AUDACIOUS

		
Vision	Mission	Strategic Pillars
To be Africa's premier capital raising hub.	To transform Botswana's economy and be the torchbearer of moving Botswana to a high-income and inclusive economy.	<ul style="list-style-type: none"> • World class talent and a high performance culture • Internationalisation of the BSE - linking Botswana to the world • Modernisation 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, democratisation of wealth)

Our ambition is bold. We are targeting a tenfold increase in revenues and impact by 2030, while acting as a force for good that promotes inclusion, innovation and investment.

10.3 Five strategic pillars

The 10x ambition is anchored on five mutually reinforcing strategic pillars. Each pillar has its own success criteria, but the pillars only deliver the ambition when executed together.

Talent and Culture. We will build a fintech-ready, high-performance organisation with a compelling employee value proposition. We are a lean institution. Each role must contribute to the strategy. We are investing in fintech skilling, succession planning and a culture that supports rapid execution.

Technology Modernisation. We will treat digital infrastructure as a competitive edge rather than a back-office cost. Our priorities are automated onboarding, modern settlement, easy access for issuers and investors, and transparent market data. The Board approved a new IT architecture in 2024 and we are now rolling it out in phases. Section 11 covers the operational risks around this transition, including the four-day market outage we experienced in October 2025.

Product Innovation. We will broaden the asset classes available on the Exchange. Targeted products include exchange-traded derivatives, thematic and cross-listed Exchange Traded Funds, Real Estate Investment Trusts, sustainability bonds, project bonds, transition bonds, State Owned Enterprise equity, an innovation board for SMEs and start-ups, retail-access government bonds and fractionalised equity. The Motheo National SME Fund of Funds is in development and represents an important early proof point for this pillar.

Internationalisation. We will link Botswana to global capital markets through dual listings, Memoranda of Understanding with peer exchanges and partnerships that bring foreign issuers and investors into our market. The collaboration with the London Stock Exchange Group, advanced during 2025, is a foundational example. We are also pursuing relationships with the Johannesburg Stock Exchange, Nigerian Exchange Group, Singapore Exchange, Luxembourg Stock Exchange and Cape Town Stock Exchange.

Force for Good. We will democratise access to capital, support SMEs and establish Botswana as a lead market for green finance and impact capital. Our admission to the Net Zero Financial Service Providers Alliance in May 2025 is the foundational commitment behind this pillar. The pillar also contains our commitments to financial inclusion, retail participation, community impact and transparent corporate citizenship.

10.4 Foundational enablers

Our pillars rest on five foundational enablers that the Board considers essential for credible delivery: a respected brand, a supportive regulatory environment, balance sheet strength, a strong team and culture, and a culture of innovation. Our role as a self-regulatory organisation, our long-standing relationship with the Non-Bank Financial Institutions Regulatory Authority and our positioning as a stable, well-governed market are non-negotiable platform elements that the strategy must continue to protect.

10.5 Our execution framework

We use the McKinsey 7-S model to ensure that the elements of the organisation are aligned behind the strategy. Each element is being deliberately reshaped.

Element	Application at the Group
Strategy	10x revenue, global capital raising, digital leadership
Structure	Agile, fintech-aligned teams with new roles and succession plans
Systems	Automation of listing, onboarding, KYC, clearing and settlement
Skills	Fintech, AI, product structuring, investor relations, sustainable finance
Style	High-performance, impact-led, inclusive leadership
Staff	Reskilled workforce supplemented by external partnerships for capabilities
Shared Values	Growth, inclusion, sustainability, excellence

The 7-S Execution Framework as applied to the Group.

Our Strategy (continued)

10.6 Three execution horizons

The strategy is delivered through three sequential horizons that together cover the period 2025 to 2030. Each horizon has a clear purpose, a finite set of action items and a defined success indicator.

Horizon 1 (Q3 2025 to Q2 2026): Build the Foundation

Our priorities are to redesign our organisational structure to match the strategy, implement a talent strategy with a strengthened employee value proposition, succession plans and fintech skilling, rewire our core systems for onboarding automation, KYC and T+2 settlement, and stand up a real-time execution dashboard. Success will be measured by Board approval of the new organisational chart, fintech training reaching 50 percent of staff, a 50 percent reduction in market participant onboarding time and a live execution scorecard by year-end 2025.

Horizon 2 (Q1 to Q4 2026): Secure the Future

We will estimate the full capital requirement for the five-year roadmap, identify financing sources including government, Development Finance Institutions, blended finance and strategic partners, and submit proposals for catalytic capital to fund our technology stack, our product build and the inaugural Botswana Capital Markets Week. Success will be measured by an approved and resourced funding plan, a first round of funding closed by mid-2026 and a Development Finance Institution partnership or Memorandum of Understanding signed.

Horizon 3 (Q2 2026 to Q4 2030): Drive to Scale

This is the longest horizon and the period in which the bulk of revenue growth must be earned. We will identify, develop and launch the new product suite, execute a programme of global Memoranda of Understanding, host Botswana Capital Markets Week, launch our retail investor access app and expand distribution through fund partnerships. Success will be measured by the number of new products live, the number of Memoranda of Understanding signed, a turnover ratio reaching the 10 percent target and retail trading at 20 percent of total trading activity.

Three Execution Phases: 2025 - 2030							
Horizon 1		Horizon 2		Horizon 3			
Build the Foundation		Secure the Future		Drive to Scale			
Action Items	<ul style="list-style-type: none"> Redesign organisational structure to match strategy *Crittenden Model Implement a talent strategy with EVP, succession, fintech-skilling Rewire core systems: onboarding automation, KYC, T2+ settlement *Agile Teams & Sprints Build an execution dashboard with real-time KPIs 	<ul style="list-style-type: none"> Estimate full capital requirement for five-year roadmap Identify financing sources: Government, DFIs (IFC, AfDB), blended finance, strategic partners Submit proposal for catalytic capital (e.g. tech stack, product build, BSE Week launch) 	<ul style="list-style-type: none"> Identify, develop and launch new products (ETFs, REITs, derivatives, green bonds, SOE equity, retail bonds, fractionalised equity, SME fund) Execute global MOUs with top exchanges (e.g. LuxSE, SGX, NYSE, JSE) Host Botswana Capital Markets Week Launch retail investor access app Expand distribution through fund partnerships 	Success Indicators	<ul style="list-style-type: none"> New organisational chart approved by Board 50% of staff receive fintech/digital training Market participant onboarding time reduced by 50% including issuers, investors, intermediaries, authorised service providers (e.g. sponsors, advisers, fintech partners) Execution scorecard live by end-2025 	<ul style="list-style-type: none"> Funding plan approved and resourced First round of funding secured by mid-2026 DFI partnership or MOU signed (e.g. with IFC, FSD Africa) 	<ul style="list-style-type: none"> # new products live # MOUs signed Liquidity ratio reaches 25% by 2030 Retail trading share at 20%
	Q3 2025 - Q2 2026		Q1 2026 - Q4 2026		Q2 2026 - Q4 2030		

Design informed by Botswana Stock Exchange Board Programme, held at Kasane, Botswana in June 2025: skills and capabilities developed using attributes of 'agile-absorbers': The McKinsey 7-S Framework integrates strategy, systems, and culture to enable agile execution. It has been applied by established global leaders, such as, Shell, P&G, and Standard Chartered Bank, through to leading innovators such as Google, Amazon, and Netflix to drive alignment during rapid scaling and transformation (Peters & Waterman, 1980).

10.7 Resource allocation across the six capitals

A 10x ambition cannot be funded from operating cash flow alone. The strategy requires deliberate allocation of all six capitals, and a clear view of where capital will be reinforced, traded off or attracted from new sources.

Financial capital

Trading revenue is volatile and concentrated. A standalone reliance on it will not fund the build. We are using existing reserves to fund Horizon 1, while developing a blended finance plan to bring catalytic capital from Development Finance Institutions, government and strategic partners during Horizon 2. Section 13 sets out our 2025 financial position. We have flagged that the 2025 revenue index, against a 2024 baseline of 100, was 85. The decline reflects market and operational pressures, including the October 2025 outage. It also reflects a deliberate front-loading of strategic investment in technology and people. The funding plan now in development will create a bridge between today's operating profile and the revenue scaling required from 2027 onwards.

Manufactured capital

Our trading, clearing and settlement systems, our data centre infrastructure and our office facilities form the manufactured capital base. The migration of our primary data centre to the BoFiNet Digital Delta Tier III facility, the adoption of a hybrid multi-cloud model using AWS and Azure, and the move to active-active disaster recovery are the largest manufactured-capital investments in the period. Section 11 deals candidly with the firewall failure that triggered the October 2025 outage and the remediation steps taken since.

Intellectual capital

The new IT architecture, the Listings Requirements, our market surveillance capability, the Sustainability Disclosure Guidance for Listed Companies and our brand are core intellectual assets. The Listings and Trading department successfully ushered approved updates to the BSE Rules through the relevant committees, the Board and the Non-Bank Financial Institutions Regulatory

Authority in 2025, and these will be rolled out to the market in the new reporting period.

Human capital

A lean team must produce a 10x outcome. This requires reskilling, selective hiring, partnership-led capacity through labour brokerage and external advisory partners, and succession planning. Our 2025 turnover rate of 7 percent and our retention of all management staff and 97 percent of specialist and clerical employees gave us the stability we needed to start the transition. The culture assessment scored 3.6 out of 5, with growth, development and learning, and recognition, reward and fairness flagged as priority improvement areas. Section 13 covers human-capital performance in detail.

Social and relationship capital

Our relationships with the Non-Bank Financial Institutions Regulatory Authority, the Ministry of Finance, listed issuers, brokers, asset managers, pension funds, the investing public and our peer exchanges are foundational. New strategic partnerships are being added in support of the strategy, including the Net Zero Financial Service Providers Alliance, the London Stock Exchange Group collaboration and a developing pipeline of Memoranda of Understanding with regional and global exchanges. Section 8 sets out our stakeholder engagement framework.

Natural capital

Our direct environmental footprint is modest. The strategic role we play in natural capital sits in our enabling function: helping issuers raise green, transition and sustainability-linked finance, and supporting the wider market to disclose climate and ESG information consistently. The Net Zero Financial Service Providers Alliance commitment, the implementation roadmap that flows from it, and the Sustainability Disclosure Guidance we have issued for listed companies are the principal levers we use here.



Our Strategy (continued)

Capital	Key 2025 movement	Strategic intent ahead
Financial	Reserves redeployed to Horizon 1	Blended finance and DFI capital being mobilised for Horizon 2
Manufactured	New IT architecture and hybrid multi-cloud build	Active-active disaster recovery and next-generation firewall in implementation
Intellectual	BSE Rules updated and approved by NBFIRA	New IT architecture; Sustainability Disclosure Guidance maintained
Human	7% staff turnover; 100% management retention	Organisation design review under way; fintech skilling planned
Social and relationship	NZFSPA admission; LSEG collaboration advanced	Pipeline of regional and global MOUs being negotiated
Natural	NZFSPA implementation roadmap signed	Green, transition and sustainability-linked products in design

Capital trade-off summary

10.8 Measuring our progress: the KPI scorecard

The strategy is operationalised through an eight-dimension scorecard. Each KPI carries a 2024 baseline, a 2025 reading and target trajectories for 2027 and 2030, benchmarked against comparable small-country exchanges including Malta, NZX and the Luxembourg Stock Exchange.

Dimensions	KPI	2024 baseline	2025 current	2027 target	2030 target
Listings	New equity listings per year	0	1	4	8
Liquidity	Turnover ratio	3.3%	8.5%	6%	10%
Retail participation	Share of total trading activity	11.6%	15.1%	15%	20%
Product breadth	Asset classes	4	4	6	8+
International MOUs	Global partnerships formalised	1	1	5	10+
Onboarding speed	Days to investor onboarding	>10 days	>10 days	1 day	Real-time
Inclusion and impact	SME and GSSS finance volumes	Low	Low	Medium	High
Revenue	Indexed (2024 = 100)	100	85	400	1,000

Strategic KPI scorecard with horizon-aligned targets benchmarked to small-country exchange peers.

The scorecard tells two stories. The first is encouraging. Liquidity has more than doubled, with the turnover ratio rising from 3.3 percent in 2024 to 8.5 percent in 2025. Retail participation has improved from 11.6 percent to 15.1 percent of total trading activity. We secured a new equity listing for the first time in years.

The second story is honesty. We have not yet moved the dial on onboarding speed, product breadth, international MOUs or the inclusion and impact index. Revenue declined against the 2024 baseline. The scorecard will be reviewed quarterly by the Board through the new execution dashboard, and we expect the 2026 reading to begin to reflect the foundation now being put in place. The targets are intentionally aggressive. They are also achievable based on documented transformation cases from comparable small-country exchanges.

The strategic scorecard is used for executive performance management. Section 12 explains the link between the strategic scorecard and the remuneration framework. Section 13 reports performance against the scorecard for the year.

10.9 Strategy execution in 2025

In its first year of execution, the strategy moved from approval to action. The most material steps taken during 2025, organised by pillar, are summarised below.

Pillar	Material 2025 actions
Talent and Culture	Retained all management staff and 97% of specialist and clerical employees through a period of strategic change. Initiated an organisation design review to test whether the current structure is adequate for the new strategic objectives. Sponsored a Specialist for the Management Development Programme and another for Coaching, and supported seven employees in private study through study loans and examination leave. Conducted a culture assessment that returned a healthy score of 3.6 out of 5.
Technology Modernisation	Approved and launched the IT Transformation Programme. Migrated the primary data centre to the BoFiNet Digital Delta Tier III facility. Began adoption of AWS and Azure as part of a hybrid multi-cloud strategy. Upgraded network firewalls following the October 2025 outage and commenced implementation of an active-active disaster recovery model. Section 11 sets out the lessons from the outage and the remedial actions.
Product Innovation	Listed GAIA Renewable 1's Class B Preference Shares in April 2025 by way of secondary listing, providing investors with access to a renewable, climate-aligned infrastructure investment vehicle. Listed the Vunani Global Equity Prescient Feeder Actively Managed Exchange Traded Fund in December 2025, expanding cross-border exposure for local investors. Completed the registration of the issuing vehicle for the Motheo National SME Fund of Funds. Total ETF turnover grew 29.6 percent year-on-year to P582.5 million.
Internationalisation	Advanced the BSE-LSEG collaboration. Progressed engagement with regional and global peer exchanges with the goal of formalising additional Memoranda of Understanding in Horizon 2.
Force for Good	Admitted to the Net Zero Financial Service Providers Alliance in May 2025 and committed to an implementation roadmap that brings climate-related considerations into our policies, systems and market practices. Continued to support the implementation of our Sustainability Disclosure Guidance for Listed Companies. Extended Corporate Social Investment activity in line with the Group's Communications Policy and Corporate Social Investment Policy.

Strategic execution by pillar in 2025



Our Strategy (continued)

These actions did not produce financial results in line with the prior year. They did, however, produce three encouraging market readings. Total market turnover grew 18.1 percent to P9.3 billion. Equity turnover rose to P5.9 billion, an average daily turnover of P24.0 million, more than two-and-a-half times the prior year. Market capitalisation grew 3.4 percent to P710.0 billion, equivalent to over 2.5 times Botswana's GDP. Section 13 provides the full performance review and a candid commentary on the financial results.

10.10 Strategic priorities for 2026

In the next twelve months, our priorities focus on delivering the Horizon 1 success indicators and building the platform for Horizon 2. Seven priority actions, each linked to a scorecard KPI and supported by named partners, anchor the year ahead.

Number	Priority action	KPI linked	Targeted partners
1	Automate core systems (onboarding, KYC)	Onboarding speed	Nasdaq, FSD Africa, NBFIRA, local fintechs
2	Build fintech capability and culture	Skills, staff	CFA Institute, Google Cloud, universities, FSD Africa, CISI
3	Launch additional flagship products	Product breadth	GAIA, UNDP, asset managers, ETF providers
4	Sign strategic Memoranda of Understanding	MOUs, listings	SGX, LuxSE, NGX, JSE, CTSE
5	Secure blended finance	Revenue	IFC, AfDB, BII, Ministry of Finance, councils
6	Publish strategic scorecard quarterly	All KPIs	Board, strategy office, analytics teams
7	Build for retail investors	Retail participation, brand engagement	EasyEquities, Shyft, Ministry of Education, media houses, listed firms

2026 strategic priorities, KPI linkages and targeted partners

10.11 Connectivity to material matters and risks

Our material matters and our principal risks describe the same conversation from two angles: the issues that shape our ability to create value, and the threats and opportunities that arise from them. The strategy responds to both. The connectivity grid below shows the link between each pillar, the material matters it addresses, the principal risks it must manage, the capitals it draws on or builds, and the lead KPIs it influences.

Pillar	Material matters	Principal risks	Capitals	Lead KPIs
Talent and Culture	Talent attraction, retention and reskilling; strategy execution capacity and funding	Skills risk; key-person risk; execution capacity	Human; Intellectual	Skills coverage; turnover; engagement
Technology Modernisation	Technology resilience and cybersecurity; data and information services as revenue diversification	Cyber risk; system outage risk; technology obsolescence	Manufactured; Intellectual	Onboarding speed; system uptime
Product Innovation	Capital market depth and liquidity; issuer growth and listings diversification	Concentration risk; revenue volatility; pipeline conversion	Financial; Social and relationship	Listings; product breadth; revenue index
Internationalisation	Cross-border competitiveness; investor inclusion and participation	Foreign-investor barriers; macroeconomic exposure; reputation risk	Social and relationship; Financial	International MOUs; foreign participation
Force for Good	Sustainable finance and ESG market leadership; investor participation and inclusion	Climate transition risk; reputational risk	Natural; Social and relationship; Human	Inclusion and impact index

Read with this section: Section 9 (Our Material Matters), Section 11 (Managing Risks and Opportunities), Section 13 (Performance Review), and Section 14 (Outlook).



Managing Risks and Opportunities

11.1 Our approach

Risk management at BSE is not a defensive function. It is the discipline that allows us to pursue the 10X by 2030 ambition with a clear view of what could derail it, and what could accelerate it. We see risk and opportunity as two sides of the same conversation. The same forces that threaten value, technology disruption, capital concentration, regulatory change, talent scarcity, also create the openings for new products, new revenue, and a more resilient market.

Our enterprise risk management (ERM) framework aligns to ISO 31000 principles and is calibrated to BSE's role as both an operating company and a piece of national market infrastructure. That dual identity shapes how we set risk appetite. For commercial risks, we behave like any growth-oriented business. For market integrity, settlement, and systemic risks, we operate to a far tighter tolerance, because a failure on our side affects every issuer, broker, custodian, and investor in the Botswana capital market.

11.2 Risk governance

Our risk governance follows the Three Lines Model.

First line: business units. Heads of Department own and manage the risks in their areas. Each department maintains its own risk register, identifies controls, monitors key risk indicators, and reports issues and incidents through to the second line.

Second line: Risk and Compliance. The Risk and Compliance function provides oversight, sets methodology, challenges first-line assessments, consolidates the Group risk register, and reports to executive management and the Board. Compliance monitoring covers NBFIRA regulatory requirements, AML/CFT obligations, data protection, and listing and CSD rules.

Third line: Internal Audit. Internal Audit provides independent assurance on the design and effectiveness of the risk management framework and underlying controls. Internal Audit reports are submitted to NBFIRA on an annual basis and feed the Audit and Risk Committee's assurance view.

Board oversight: The Board carries ultimate accountability for risk. It approves the risk appetite, reviews the Group risk profile, and challenges management on the most significant exposures. The Board exercises this oversight primarily through the Audit and Risk Committee, which meets quarterly. Following the October 2025 market outage, the Board also established a dedicated committee to enhance IT resilience, signalling the seriousness with which technology risk is now treated at Board level.

11.3 How we manage risk

Risks are identified bottom-up by departments and top-down by management against the 10X by 2030 strategy. Each risk is assessed for impact and likelihood on a 5x5 matrix, producing an inherent risk score. Existing controls are then assessed for effectiveness, producing a residual risk score that determines treatment and authority.

Residual rating	Score	KPI linked	Authority	Directional Indicator
High	16 to 25	Share, terminate, or actively control. Treatment plan required.	Board and Audit and Risk Committee	⬆️ ⬇️ (improving, stable, deteriorating)
Medium	5 to 15	Treat and improve controls. Active monitoring.	Audit and Risk Committee and Executive Management	⬆️ ⬇️ (improving, stable, deteriorating)
Low	1 to 4	Within appetite. Monitor.	Executive Management and Operational Managers	⬆️ ⬇️ (improving, stable, deteriorating)

The Group risk register is reviewed continuously by departments and consolidated for quarterly reporting to the Audit and Risk Committee. New risks, including emerging risks, are added as they are identified. Material incidents trigger formal incident review and lessons-learned exercises, with remediation actions tracked through to closure.

11.4 Risk appetite

Category	Appetite posture
Market integrity, surveillance, and enforcement	Very low. Breaches are not tolerated.
Settlement and CSD operations	Very low. Settlement must be delivered with finality.
Cybersecurity and data protection	Low. Investment ahead of threat is preferred to investment after incident.
Operational resilience and business continuity	Low. Recovery time and recovery point objectives are tightened post-outage.
Regulatory compliance	Zero appetite for material non-compliance.
Strategic and growth initiatives	Moderate. Calculated bets are required to deliver 10X by 2030.
Product innovation and partnerships	Moderate. Failure of individual product launches is acceptable; failure of the innovation programme is not.
Reputational risk	Low. Reputation underwrites everything BSE does as a market infrastructure.

11.5 Our principal risks

Out of the Group risk register, we have consolidated the matters that could substantively affect BSE's ability to create or preserve value over the short, medium, and long term. These principal risks are mapped to the 10X by 2030 strategic pillars, the six capitals, and the material matters identified in Section 9.

PRINCIPAL RISK HEAT MAP

The seven principal risks below cover, between them, the risks rated highest in the Group risk register and the strategic risks raised by the Chief Executive Officer during the materiality workshop, including capital concentration, broker-market structure, and weak price discovery.

PRINCIPAL RISK 1 (PR1)

Technology resilience, cyber security, and data protection

Field	Value
Strategic pillar	Technology Modernisation
Capitals impacted	Manufactured, Intellectual, Social and Relationship
Material matters served	Technology modernisation, resilience and data commercialisation; Governance, market integrity and regulatory trust
Residual rating	High and stable. Inherent rating remains very high given the systemic role of BSE's trading, clearing, and settlement systems.



Managing Risks and Opportunities (continued)

What this is: The risk that BSE's trading platform, CSD systems, network, or supporting infrastructure fail, are compromised, or are unavailable when the market needs them. It includes cyber attack, disaster recovery shortfalls, network and firewall failure, third-party technology dependency, data loss, and unauthorised access.

Why it matters in 2025: On 21 October 2025 BSE experienced its longest market outage in history, four trading days, caused by a network firewall failure. Core systems remained operational but could not communicate. Trading resumed within four business days and settlement continuity was preserved through manual processes, but the event caused both financial and reputational damage. The outage became the single most important live test of our resilience posture in many years, and it has reset the standard of investment we are prepared to make.

Root causes: Overdependence on a small set of legacy components; a network architecture that was not designed for the volumes and threat surface of a modern exchange; gaps in disaster recovery testing; and the limited pool of local technology service providers, which slows specialist response.

How we manage it: We have approved and begun executing the most extensive IT transformation programme in BSE's history. The new enterprise IT architecture is a hybrid multi-cloud model, combining a Tier III in-country data centre at the BoFiNet Digital Delta facility with public cloud services from AWS and Azure. The architecture builds in active-active disaster recovery capability with geographic redundancy, modern firewalls, identity management, API integration, and a real-time observability layer. We have migrated to a next-generation firewall, tightened change management, and accelerated lifecycle replacement of critical infrastructure. The Board has stood up a dedicated IT resilience committee, and resilience metrics are now reported every quarter.

The opportunity inside the risk: The same investment that closes the resilience gap also positions BSE to monetise data and information services, support the active-active model that international investors expect, and host the next generation of digital products. A modern, resilient platform is the precondition for almost everything in the 10X by 2030 strategy.

Cross-reference: Section 13 Performance Review for IT availability metrics and outage remediation; Section 6 The World We Operate In for the threat landscape.

PRINCIPAL RISK 2 (PR2)

Talent, key person dependency, and execution capacity

Field	Value
Strategic pillar	Talent and Culture
Capitals impacted	Human, Intellectual
Material matters served	Talent, culture and execution capacity
Residual rating	Medium and watching. Inherent rating is high because BSE operates with a deliberately lean structure.

What this is: The risk that BSE cannot attract, retain, or rapidly reskill the people needed to deliver the 10X by 2030 strategy. It includes lean structure stress, key person dependency in specialised roles, scarcity of fintech and data skills in the local market, and the cultural shift required to move from a traditional exchange to a digital-first one.

Why it matters in 2025: BSE is a small organisation by headcount. The gap between current capability and the capability required for the strategy, particularly in fintech, AI, product structuring, investor relations, and data, is real and is documented in the strategy roadmap. Lean structures move quickly when they are well led, but they also concentrate risk in a small number of people and roles.

Root causes: A limited domestic talent pool in capital markets technology and product specialisations; competition from banks, asset

managers, and the wider regional market; succession depth in specialised technical roles; and the scale of new capability the strategy will absorb.

How we manage it: We have aligned remuneration to the market and approved a talent strategy with explicit employee value proposition, succession planning, and fintech upskilling components. Second-tier successors are identified and being trained for critical roles, including across departments. Performance management has been cascaded to staff level. External partnerships, including with CFA Institute, Google Cloud, FSD Africa, and universities, are being used to extend skills capacity beyond what we can carry on the headcount. The Board approved a redesigned organisational structure and training investment in 2025.

The opportunity inside the risk: The strategy's success depends on people. Done well, the talent investment converts a constraint into a competitive advantage and into one of the visible signals to issuers and investors that BSE is a serious, future-facing exchange.

Cross-reference: Section 13 Performance Review for headcount, training spend, and EVP indicators.

PRINCIPAL RISK 3 (PR3)

Market integrity, surveillance, and regulatory compliance

Field	Value
Strategic pillar	Underpins all pillars; non-negotiable for BSE's licence to operate
Capitals impacted	Social and Relationship, Intellectual, Financial
Material matters served	Governance, market integrity and regulatory trust
Residual rating	Medium and stable. Inherent rating is high because of BSE's self-regulatory role.

What this is: The risk that BSE fails to enforce its listing rules, fails to detect market abuse promptly, onboards a fraudulent or sanctioned person, or falls short of its obligations under NBFIRA's regulatory regime, the Financial Intelligence Act, Data Protect Act and international AML/CFT standards. It also includes the risk of inconsistent application of rules and the reputational consequences of any high-profile breach.

Why it matters in 2025: Confidence is the single largest input into the value BSE creates. If issuers, investors, or international counterparties lose confidence in the integrity of the Botswana market, the cost of capital rises and the strategy's growth ambitions become harder. As BSE diversifies its issuer base and grows retail and SME participation, the surveillance perimeter expands.

Root causes: Volume and complexity of rule changes; the need to detect increasingly sophisticated abusive trading patterns; the small size of the broker community, which both helps and complicates surveillance; and the resource demands of running an effective AML/CFT programme as the investor base broadens.

How we manage it: Listing applications are subject to checklist-driven review and Executive Committee approval. The Regulatory subcommittee approves any waivers. Listing rules are kept under continuous review with NBFIRA. The Trading Surveillance User's Guide drives day-to-day surveillance, supported by review by the Head of Listings and Trading. CSD account opening operates under a maker-checker model with certified documentation. The compliance framework operates under NBFIRA oversight and aligns to IOSCO principles. AML/CFT controls operate under FATF-aligned standards, with the Financial Intelligence Agency as the national supervisor. Data protection controls have been strengthened in line with the Data Protection Act.

The opportunity inside the risk: A reputation for integrity and predictable enforcement is a hard-to-replicate asset. International investors and dual-listing prospects assess this carefully, and a clean track record materially supports the Internationalisation pillar.

Managing Risks and Opportunities (continued)

PRINCIPAL RISK 4 (PR4)

Capital-market depth, liquidity, and structural concentration

Field	Value
Strategic pillar	Cuts across Internationalisation, Product Innovation, and Force for Good
Capitals impacted	Financial, Social and Relationship
Material matters served	Market liquidity, depth and price discovery; Domestic capital mobilisation and policy reform; Issuer growth, listings diversification and product innovation
Residual rating	High and structural. Many of the levers sit outside BSE's direct control.

What this is: The risk that the Botswana market does not deepen at the pace BSE's strategy assumes. It is shaped by domestic capital concentration in a small number of large funds, dominant buy-and-hold behaviour by asset managers, weak price discovery in leading counters that trade at a discount to net asset value, a narrow broker-market structure, and a still-thin issuer pipeline. It also includes exposure to macro and diamond-sector dynamics, the exchange-rate regime, and tax and regulatory policy at national level.

Why it matters in 2025: This is the single largest constraint on BSE's ability to deliver a tenfold revenue uplift by 2030. The Chief Executive Officer raised it explicitly during the materiality workshop. Without deeper participation, more issuers, and better price discovery, the rest of the strategy can move and still leave the market under-utilised.

Root causes: Structural concentration of domestic savings in a few large funds and investment committees; a narrow broker landscape with limited proactive market making; legacy product mix and limited diversity of asset classes; SME-listing constraints, including some that may be linked to procurement or eligibility status [detail to verify]; and a limited retail investor base relative to the country's economic size.

How we manage it, and where we lobby: BSE is pursuing this risk on three fronts. First, we are actively expanding the product set, including ETFs, REITs, sustainability bonds, project bonds, transition bonds, SOE equity, retail-access government bonds, and a fractionalised equity capability. Second, we are expanding investor access through the Retail Investor Module, online trading, financial-literacy programmes, and partnerships with mobile-money providers. Third, where the lever is policy rather than market practice, we engage NBFIRA, the Ministry of Finance, and other policymakers on pension-fund allocation, tax treatment, privatisation policy, and SME-listing eligibility. Each of these is described in Section 10 (Our Strategy).

The opportunity inside the risk: If price discovery improves and lead counters move closer to net asset value, the market capitalisation gain is significant and accrues to the wider economy, not only to BSE. That is the Force for Good logic underneath the commercial logic.

PRINCIPAL RISK 5 (PR5)

Operational resilience and business continuity

Field	Value
Strategic pillar	Supports all pillars
Capitals impacted	Manufactured, Intellectual, Social and Relationship
Material matters served	Technology modernisation, resilience and data commercialisation; Business continuity and operational resilience
Residual rating	Medium, with active treatment plan. The October 2025 outage moved this risk to the top of management attention for the year.

What this is: The risk that BSE cannot continue to deliver critical services, trading, listing, settlement, custody, surveillance, market data, through significant disruption. It covers the people, premises, systems, third parties, and processes required to keep the market open, and the structures required to recover when something goes wrong.

Why it matters in 2025: The October outage made the case in real time. The market was without trading for four business days. The financial cost is significant and the reputational cost is greater. The lessons from that incident now drive a programme of structural improvements rather than a list of fixes.

Root causes and what we learned: The immediate cause was a network firewall failure. The deeper causes were architectural, network design that did not match the criticality of the systems it carried; lifecycle, ageing components that should have been replaced earlier; testing, where the disaster recovery posture had not been stressed against this specific failure mode; and change management discipline, which has since been tightened.

How we manage it now: A Board-level IT resilience committee has been established. The infrastructure has been migrated to a next-generation firewall. Disaster recovery has been redesigned around an active-active model with geographic redundancy. Asset lifecycle management has been formalised and accelerated. Change management standards have been raised. Business continuity plans have been refreshed and resilience testing is being expanded across people, systems, data, third parties, and service providers, the same five-pillar framing used by leading peer exchanges. Investment in IT resilience has been increased materially.

The opportunity inside the risk: The investment programme triggered by the outage will deliver a higher resilience baseline than BSE had before. We expect availability metrics in 2026 and beyond to reflect this.

PRINCIPAL RISK 6 (PR6)

Market integrity, surveillance, and regulatory compliance

Field	Value
Strategic pillar	Cuts across all pillars; particularly the financial pillar (10x revenue and profitability)
Capitals impacted	Financial, Human, Intellectual
Material matters served	Financial sustainability and revenue concentration; Strategy execution capacity and funding
Residual rating	Medium, with active monitoring.

What this is: The risk that BSE cannot deliver the 10X by 2030 strategy on the time horizons set, either because of capital constraints, capability constraints, partnership shortfalls, or execution slippage. It includes the risk that the revenue model remains too dependent on volatile trading fees and a small number of large transactions, and the related risk of misalignment between management and the shareholder on growth pace and reinvestment.

Why it matters in 2025: The strategy is ambitious by design. The 2024 baseline shows revenue indexed at 100, 2025 current at 85, and 2030 target at 1,000. The trajectory requires both capital and capability to flow into the right initiatives at the right time. Funding is partly internal and partly dependent on external partnerships and blended finance. Execution discipline therefore becomes the deciding factor.

Root causes: Variable revenue tied to trading volumes, which are themselves sensitive to macro and diamond-sector dynamics; a largely fixed cost base; limited domestic technology supplier depth; and the practical reality that several pillars depend on partner organisations whose timelines BSE does not control.

How we manage it: Annual budgets are aligned to strategic initiatives and approved by the Board. Strategy progress is reported monthly internally and bi-annually to the Board. The KPI scorecard provides a public-facing baseline against 2024, current, 2027, and 2030 targets. Investment Committee oversight of investment income protects the operating model. The strategy roadmap sets a phased execution plan across three horizons, Build the Foundation (2025.Q3 to 2026.Q2), Secure the Future (2026.Q1 to 2026.Q4), and Drive to Scale (2026.Q2 to 2030.Q4), with success indicators against each. External partnerships (IFC, AfDB, FSD Africa, Botswana Ministry of Finance, BII, and others) are being structured to bring catalytic capital alongside BSE investment.

The opportunity inside the risk: A diversified, less trading-dependent revenue base, with data services, listings, market services, and CSD revenue lines all growing, is more resilient and more valuable. The strategy is designed to deliver exactly that mix.

Cross-reference: Section 10 Our Strategy for the three-horizon execution plan; Section 13 Performance Review for KPI scorecard against 2024 baseline; Section 14 Outlook.



Managing Risks and Opportunities (continued)

PRINCIPAL RISK 7 (PR7)

ESG, sustainability leadership, and stakeholder reputation

Field	Value
Strategic pillar	Force for Good (with linkages to Product Innovation and Internationalisation)
Capitals impacted	Natural, Social and Relationship, Intellectual
Material matters served	Sustainable finance, ESG and climate-related market leadership; Investor participation, inclusion and education
Residual rating	Medium and rising. The international posture on sustainable finance is moving quickly in both directions.

What this is: The risk that BSE fails to credibly position itself in sustainable finance, both as an exchange that issues guidance to listed companies and as an institution making its own ESG commitments. It includes the risk of greenwashing or impact-washing by listed entities, weak alignment between BSE's CSI activity and its strategy, and reputational damage from poor stakeholder engagement, which the 2025 risk register flags as a high-rated risk in its own right.

Why it matters in 2025: International investors and DFI partners increasingly use ESG and disclosure quality as a screening criterion. BSE has signalled clear intent in this area, including by joining the Net Zero Financial Service Providers Alliance at the AFCM-ASEA Joint Conference in Tunisia in 2025, and by issuing the BSE Sustainability Disclosure Guidance for Listed Companies. The strategy commits to making Botswana a lead market in green and impact capital. Each of those commitments creates an expectation we now have to deliver on.

Root causes: A still-developing local sustainability disclosure ecosystem; the resource intensity of credible ESG product development; tension between an emerging anti-ESG stance in some international markets and the continuing expectations of others; and the practical work required to keep CSI investment aligned with material matters rather than activity-based.

How we manage it: We have published the BSE Sustainability Disclosure Guidance for Listed Companies, aligned to international frameworks but applied through a Botswana lens. We have committed to the Net Zero Financial Service Providers Alliance. The Force for Good pillar of the strategy includes specific product commitments (sustainability bonds, transition bonds, green bonds, SME and impact products) and a CSI policy that links community investment to capital-market development. Stakeholder engagement is being tightened through the Communications Policy and a refreshed annual events calendar, with complaints management operating as a feedback loop.

The opportunity inside the risk: Sustainable finance is a credible adjacent revenue and reputation pillar for BSE and is one of the most direct ways in which the exchange can contribute to Botswana's development outcomes.

11.6 Emerging risks

In addition to the principal risks above, we are tracking a set of emerging risks. These are difficult to quantify because they are evolving, but they are close enough to the strategy that we want them visible to the Board and to readers.

Emerging risk	Why we are watching it	What we are doing
AI in capital markets	AI will reshape surveillance, market making, data services, and investor research. The regulatory perimeter is still forming.	The new IT architecture includes an AI adoption pathway. Skills programme expanded.
Tokenisation and digital assets	Fractionalised equity, tokenised bonds, and digital asset venues are emerging adjacent infrastructures.	Active monitoring; included in the product innovation pipeline.
Climate and transition risk for issuers	Transition risk has the potential to materially affect listed counters in resource-exposed sectors.	Sustainability Disclosure Guidance applied. Issuer education in progress.
Geopolitical fragmentation and capital flow volatility	International investor flows are increasingly sensitive to bloc-level geopolitical events.	Internationalisation strategy diversifies partner relationships across regions.
Greylisting and AML expectations	Botswana's standing on AML/CFT directly affects market access for international capital.	AML/CFT framework aligned to FATF; ongoing engagement with the Financial Intelligence Agency.
Cyber threat sophistication	Threat actors are using AI and supply-chain vectors that did not exist a few years ago.	Continuous threat-intelligence monitoring; SIEM in place; periodic penetration testing.
Mobile-money platforms as a retail-access channel	The same channels that enable inclusion can also create new conduct, fraud, and operational dependencies.	Product Innovation pillar includes assessment of mobile-money integration; risk and compliance review built into design.

Managing Risks and Opportunities (continued)

11.7 Opportunities

Risk and opportunity are paired in this report by design. The opportunities below are the upside cases attached to the same forces driving the principal risks.

Opportunity	Linked principal risk	Linked pillar
Resilient, modern technology platform that enables data monetisation and active-active failover.	PR1, PR5	Technology Modernisation
Diversified product base, ETFs, REITs, sustainability bonds, project bonds, fractionalised equity, that pulls new issuers and new investors into the market.	PR4, PR6	Product Innovation
Retail and SME inclusion through digital channels and mobile-money integration, deepening domestic participation.	PR4, PR7	Force for Good
Internationalisation through dual listings, MOUs, and regional indices, supported by stronger pre- and post-trade infrastructure.	PR3, PR4	Internationalisation
A talent and culture proposition that positions BSE as the destination employer in Botswana capital markets.	PR2	Talent and Culture
Sustainable finance leadership in Southern Africa, anchored by issuer guidance, the Net Zero Financial Service Providers Alliance commitment, and product launches.	PR7	Force for Good
Domestic capital reform, in partnership with policymakers and pension-fund stakeholders, that improves price discovery and adds material market capitalisation to listed counters.	PR4	Underpins all pillars

11.8 Looking forward

The four-day October 2025 outage was, in its own way, a test of how the framework described in this section actually performs under stress. The honest assessment is that controls did not prevent the incident, but governance, communication, and remediation worked. We have used the months that followed to invest in resilience at a pace that we would not otherwise have moved at, and we have widened the conversation about risk at Board and management level.

The next twelve months will see the IT transformation programme continue, the talent programme deepen, the materiality and KPI scorecards become routine, and the risk register move from a static reporting tool to a live management instrument that is referenced in strategy reviews, product approvals, and Board decisions. These steps are visible and will be tracked.

Cross-reference: Section 12 How We Govern for Board and committee structures, attendance, and skills coverage; Section 13 Performance Review for outcome metrics; Section 14 Outlook for 2026 risk priorities.

How We Govern

Our Financial Year 2025 Governance Report outlines the Group’s governance philosophy, our governance approach and the structures that enable it. Our governance disclosures provide stakeholders with insight into the Group’s leadership as custodians of corporate governance, including details on the activities of the Board of Directors (Board) and its committees. The report also sets out our alignment with King IV including how we uphold an ethical culture, deliver good performance, exercise effective control and maintain legitimacy.

12.1 Our governance philosophy

Our approach to governance extends beyond compliance. We treat governance as critical to creating value and to strategic decision-making that balances short-, medium- and long-term outcomes, and that aligns the interests of the Group, our stakeholders and society. The Group’s core purpose is to democratise wealth and to position the Botswana Stock Exchange as a premier capital-raising hub for Africa. To fulfil that purpose, the Board works to preserve the Group’s entrepreneurial spirit and innovation mindset while entrenching good governance and ethical leadership throughout the organisation.

Frameworks we apply

Three reference frameworks shape how we govern:

- **King IV.** We apply the King IV Report on Corporate Governance on an apply-and-explain basis. King IV organises governance around four outcomes: an ethical culture, good performance, effective control and legitimacy. These outcomes structure the Board’s work plan and the mandates of its committees.
- **NBFIRA Corporate Governance Rules.** The Non-Bank Financial Institutions Regulatory Authority sets prudential and conduct expectations for our governance. The Board reviews compliance with these rules at least annually.
- **The IFRS Foundation Integrated Reporting Framework.** The 2021 revision of the Framework requires us to explain how our governance structure supports the creation, preservation and erosion of value over time. This section is designed to meet that test.

Our governance outcomes for FY2025

The four King IV outcomes translate into the standard the Board holds itself to:

Outcome	What it means at BSE Group
Ethical culture	Directors and employees act with integrity, declare conflicts, treat market information as confidential, and place the integrity of the market ahead of personal advantage.
Good performance	Strategy is set, capital is allocated, risks are owned, and performance is measured against the 10X by 2030 roadmap. Where performance falls short, the Board interrogates the cause and resets the plan.
Effective control	Authority is delegated through a documented framework. Risk, compliance and internal audit operate with independence from the business they oversee, and report to the Board through the committee structure.
Legitimacy	Stakeholders, from issuers and brokers to retail investors and the regulator, trust the way we run the market. Governance disclosures, including this Integrated Report, are part of how we earn that trust.

12.2 Our governance structure

The Group has a unitary Board structure. The Board of Botswana Stock Exchange Limited is the highest governing body of the Group and is accountable for the Group Governance Framework, which articulates our approach to governance and is supported by Group-wide policies, processes and procedures. The Board exercises its authority directly and through a delegated committee framework. Authority then flows to the Group Chief Executive, the Group Executive Committee and operational management through documented terms of reference and approved policies.

Our subsidiary, the Central Securities Depository of Botswana, operates with its own Board to discharge the duties required by its specific licensing regime.

Group governance map



How authority flows

The Board approves Group strategy, the risk appetite, the annual budget and the policies that govern conduct, capital allocation and disclosure. It delegates the execution of strategy to management while retaining oversight through the committee framework. Three disciplines govern this delegation:

- **Documented terms of reference.** Every committee operates under terms of reference that are reviewed annually, or sooner where a regulatory change or a material event requires it.
- **The Delegation of Authority Framework.** This Framework details the powers delegated to each Board committee, in line with the Companies Act, King IV and regulatory requirements, and sets out the matters reserved for the Board and for the Group Chief Executive. The Board determines the materiality of matters reserved for its sole decision. The Framework is reviewed at least every two years and may be withdrawn.
- **Reserved matters.** Specific decisions are reserved for the Board and cannot be delegated, including the appointment of the Group Chief Executive, approval of the strategy and budget, and any matter that law or the listing requirements require the Board to decide.

The Board is satisfied that the Delegation of Authority Framework supports the effective discharge of its responsibilities, contributes to role clarity, and ensures that no individual holds unrestricted decision-making power.

12.3 The Board

The Botswana Stock Exchange Limited Board is led by an Independent Non-Executive Chairperson. During the reporting period the Board comprised nine directors: eight Non-Executive Directors and one Executive Director, the Group Chief Executive. This composition is consistent with our policy that the majority of the Board be Non-executive, and that a majority of those Non-Executive Directors be independent.

Our directors bring diverse knowledge of the industry and markets in which the Group operates, alongside the technical and academic qualifications, skills and experience that the complexity of the Group's businesses demands. Perspectives drawn from capital markets, financial services regulation, law, technology, accounting and economics allow the Board to interrogate management on technically distinct matters and to keep the interests of all stakeholders, and the Group's global partnerships, in view. The Board remains focused on Group-wide issues across the composites, including strategy, sustainability, capital allocation, governance and risk.

Determining independence

The Board assesses the independence of every Non-Executive Director against the criteria in King IV and the NBFIRA Corporate Governance Rules. An Independent Director is a Board member who exercises objective judgement and has no interest, position, association or relationship that, viewed by a reasonable and informed third party, is likely to influence them unduly or cause bias in decision-making. The assessment, conducted annually, tests independence in fact and in perception and includes a review of each director's circumstances and performance. The Board regards its Independent Directors as invaluable in enabling robust debate, which is why this assessment matters. The Board's composition target remains a majority of Non-Executive Directors, a majority of whom are independent, in line with King IV and global best practice. Of the eight Non-Executive Directors who served during FY2025, six are classified as independent.

Board composition during FY2025

The table below records the directors of the BSE Board, their designation, principal qualifications and Board tenure.

How We Govern (continued)

Director	Designation	Principal Qualifications	Tenure
Neo Mooki	Chairperson, Independent Non-Executive Director	BSc Actuarial Science; Master of Business Administration	First term
Prof. Onkutlwile Othata	Independent Non-Executive Director	BCom Accounting; MA Accounting and Financial Management; PhD Social Research Methods and Methodologies; PhD Management Accounting and Accountability	Third term
Lekono V. Phiri	Independent Non-Executive Director	Bachelor of Arts in Humanities; Postgraduate Diploma in Education; Master of Arts	Second term
Segametsi Mokobi	Independent Non-Executive Director	BSc Computer Science; MSc Strategic Management	First term
Boipelo Matenge	Independent Non-Executive Director	Bachelor of Laws	First term
Norman Moleele	Independent Non-Executive Director	MSc Strategic Management	Third term
Boitshoko Keabofe-Medupe	Non-Executive Director	Bachelor of Arts in Economics; Master of Taxation	First term
Gregory Matsake	Non-Executive Director	MSc Strategic Management	First term
Aobakwe Monyatsi	Executive Director	Bachelor of Accountancy	First term

The Board's composition changed during the year. Mr Aobakwe Monyatsi was appointed Group Chief Executive and Executive Director on 12 March 2025. Mr Davies Tele, a Non-Executive Director, resigned from the Board on 2 April 2025. Mr Gregory Matsake was appointed as a Non-Executive Director on 7 July 2025. The Nominations, Governance & Remuneration Committee oversaw the orderly handling of each change.

Separation of the Chairperson and the Group Chief Executive

The roles of Chairperson and Group Chief Executive are held by different people, as clearly defined in the Board Charter, so that no individual holds unrestricted decision-making power. The Chairperson, Neo Mooki, leads the Board. The Group Chief Executive, Aobakwe Monyatsi, leads the executive management of the Group. The two roles are distinct in authority, in accountability and in the day-to-day work they involve.

The Chairperson is responsible for	The Group Chief Executive is responsible for
<ul style="list-style-type: none"> Providing overall leadership to the Board so it functions effectively as a collective body. Presiding over Board meetings so that material matters are tabled and given adequate time to be thoroughly interrogated. Setting the tone for ethical leadership and an ethical culture across the Board and the Group, and representing the Board to shareholders. Monitoring Board dynamics and ensuring the roles of directors, the Board and its committees are clearly defined. Formulating the annual work plan and setting Board agendas, together with the Group Chief Executive and Company Secretary. Ensuring and monitoring the performance evaluation of the Board, its committees and individual directors. 	<ul style="list-style-type: none"> Overall management of the Group. Developing and recommending to the Board the long-term strategy and vision of the Group and its quantified expression. Recommending the capital expenditure programme, annual business plans and budgets that support the long-term strategy. Ensuring that an effective Risk Management Framework, Compliance Framework and internal audit strategy are implemented. Establishing an organisational structure and operating model for effective execution, monitoring and review of strategy, governance and control. Setting the executive tone for ethical leadership and serving as the chief spokesperson of the BSE Group.

Group Company Secretary

The Group Company Secretary is Thapelo Otukile. The Company Secretary is responsible for ensuring that the Group follows and maintains sound governance procedures, reports to the Board on statutory duties and Board-related functions performed, and oversees governance across the subsidiary in line with the Group governance framework and operating model. The Company Secretary maintains an arm's length relationship with the directors. The Board has assessed the performance of the Company Secretary during the reporting period and is satisfied that the responsibilities of the role have been fulfilled. The Group will continue to ensure that the resources of the Company Secretarial function meet the growing demands and complexity of the business.

The CSDB Board

The Central Securities Depository of Botswana is governed by its own Board, which discharges the duties required by its licensing regime and reports into the Group. The table below records the CSDB directors, their designation, principal qualifications and tenure.

Director	Designation	Principal qualifications	Tenure
Pascaline Sefawe	Independent Non-Executive Director	Bachelor of Commerce; Chartered Management Accountant	Third term
Kelebogile Kewagamang	Independent Non-Executive Director	Bachelor of Laws	Third term
Tsholofelo Bogosi	Independent Non-Executive Director	Bachelor of Commerce; Chartered Management Accountant; Certified Internal Auditor	First term
Vincent Baituti	Independent Non-Executive Director	Bachelor of Finance	Third term
Kabo Kebitsang	Independent Non-Executive Director	Bachelor of Arts in Social Sciences	First term
Lame Gare	Independent Non-Executive Director	Bachelor of Information Systems	Third term
Tebogo Mogaleemang	Executive Director	Bachelor of Engineering Telecommunications Master of Engineering in Electronics	First term

12.4 Board activity in FY2025

In line with its Charter, the Board is required to meet formally at least four times each financial year against an approved Annual Work Plan, with authority to convene additional special meetings as required. Directors' preparation, attendance and contribution at Board meetings are monitored so that input on matters for discussion is appropriate and constructive. Each meeting includes discussion of the Group's short-, medium- and long-term strategy and engagement with executive management on its implementation.

Areas of Board focus

The Board's work during FY2025 concentrated on six themes:

Theme	What the Board did
Leadership transition	Concluded the appointment of Mr Aobakwe Monyatsi as Group Chief Executive on 12 March 2025, and oversaw the orderly induction of the incoming Chief Executive and related communication to staff, listed issuers, market participants and the regulator.
Strategy	Reviewed and approved the 10X by 2030 strategic roadmap, its five strategic pillars and supporting metrics, and confirmed the alignment between strategy, capital allocation and the FY2025 Management Scorecard.
Technology and resilience	Oversaw the technology modernisation programme and the resilience of the IT environment that underpins market operations, including the Board's oversight of the Group's response to the October 2025 market interruption (see Section 11).
Risk and compliance	Approved the Group risk appetite, reviewed the revised Risk Register, and oversaw the alignment of compliance, anti-money laundering, data protection and operational resilience programmes with NBFIRA, IOSCO and FATF expectations.
Sustainability	Approved the Group's commitment to join the Net Zero Financial Service Providers Alliance, and reviewed the Sustainability Disclosure Guidance developed for issuers.
Performance and finance	Reviewed the Group's financial performance against budget, approved the FY2025 Annual Financial Statements, and engaged with the external auditor on the audit findings.



How We Govern (continued)

Board meetings, attendance and fees - BSE Board

The table below records attendance at the formalised Group Board meetings during FY2025, together with the sitting allowances and retainers paid. Sitting allowances are inclusive of committee meetings attended.

Director	Board attendance	Sitting allowance (BWP)	Retainer (BWP)
Neo Mooki (Chairperson)	4 / 4	66,500	50,000
Prof. Onkutlwile Othata	4 / 4	102,000	44,000
Lekono V. Phiri	4 / 4	76,500	44,000
Segametsi Mokobi	3 / 4	102,000	44,000
Boipelo Matenge	4 / 4	110,500	44,000
Norman Moleele	4 / 4	85,000	44,000
Boitshoko Keabofe-Medupe	3 / 4	93,500	44,000
Gregory Matsake	2 / 2	34,000	44,000
Aobakwe Monyatsi (Group Chief Executive)	4 / 4	N/A	N/A

Board meetings, attendance and fees - CSDB Board

Director	Board attendance	Sitting allowance (BWP)	Retainer (BWP)
Pascaline Sefawe	4/4	39,000	36,000
Kelebogile Kewagamang	4/4	42,000	34,000
Lame Gare	4/4	54,000	34,000
Tsholofelo Bogosi	4/4	60,000	34,000
Kabo Kebitsang	4/4	66,000	34,000
Vincent Baituti	4/4	72,000	34,000
Tebogo Mogaleemang	4/4	84,000	34,000
Aobakwe Monyatsi (Group Chief Executive)	4/4	N/A	N/A

12.5 Board committees

The Board delegates much of its detailed work to five standing committees, without abdicating any of its own responsibilities. Each committee operates under terms of reference approved by the Board and reviewed annually. Each committee chair reports formally to the Board, and may escalate any matter at any time. Committees support the Board's work by giving sustained attention to areas that benefit from depth and continuity.

Committees at a glance

Committee	Primary mandate
Audit & Risk Committee	Oversight of financial reporting and the integrity of the Annual Financial Statements; the external and internal audit relationships; internal financial controls; and the Group risk management framework, risk appetite and Risk Register.
Nominations, Governance & Remuneration Committee	Board succession planning, director recruitment and induction, the annual independence assessment, the Board evaluation, oversight of the Group governance framework, and the remuneration of directors and executives.
Operations & Technology Committee	Oversight of operational performance and of the information technology environment that underpins market operations, including technology modernisation and operational resilience.
Regulatory Oversight Committee	Oversight of the BSE's discharge of its statutory and self-regulatory functions, the relationship with NBFIRA, regulatory rule changes, and market integrity.
Admissions & Disciplinary Committee	Oversight of issuer admissions and listing matters requiring Board-level adjudication, and the disciplinary process for member firms and listed issuers.

Audit & Risk Committee

The Audit & Risk Committee is the Board's instrument for assurance over the integrity of financial reporting and the effectiveness of the internal control environment, and for oversight of the Group risk management framework. It owns the relationships with the external auditor, with internal audit, and with the Chief Financial Officer on matters of accounting policy and judgement. During FY2025 the committee reviewed the FY2025 Annual Financial Statements and recommended them to the Board; engaged with the external auditor on the audit plan, findings and opinion; reviewed the internal audit plan and the findings of internal audit work; confirmed the appropriateness of accounting policies, judgements and estimates; reviewed the effectiveness of internal financial controls; and reviewed the Group risk appetite and the revised Risk Register, covering operational, market, liquidity, legal and regulatory, and cybersecurity and IT risks.

Nominations, Governance & Remuneration Committee

This committee is responsible for the composition and effectiveness of the Board, for the application of the Group governance framework, and for remuneration governance. During FY2025 the committee concluded the search and appointment process for the Group Chief Executive; recommended the appointment of Mr Gregory Matsake as a Non-Executive Director; oversaw the orderly handling of Mr Davies Tele's resignation and confirmed the implications for committee composition; conducted the annual independence assessment of Non-Executive Directors; oversaw the induction of newly appointed directors and the Group Chief Executive; and reviewed the Group governance framework, the Board Charter and the committees' terms of reference.

Operations & Technology Committee

The Operations & Technology Committee oversees operational performance and the technology environment that the market

depends on every trading day. During FY2025 its attention centred on the technology modernisation programme, the resilience of core market infrastructure, and the Group's business continuity and disaster recovery posture. The committee supported the Board's oversight of the Group's response to the October 2025 market interruption and of the remediation that followed. The full risk treatment of that event is set out in Section 11.

Regulatory Oversight Committee

The Regulatory Oversight Committee oversees the BSE's discharge of its statutory and self-regulatory functions. As a self-regulatory organisation, the exchange occupies a position of public trust, and the committee ensures that this responsibility is discharged with rigour, independence and timeliness. During FY2025 the committee oversaw the relationship with NBFIRA and the implementation of regulatory directives; reviewed changes to the listing requirements and trading rules; monitored market integrity matters, including surveillance findings.

Admissions & Disciplinary Committee

The Admissions & Disciplinary Committee adjudicates on issuer admissions that require Board-level consideration, and on disciplinary matters involving member firms and listed issuers. The committee operates with strict procedural fairness and with independence from management of any matter brought before it. During FY2025 it reviewed admissions matters escalated by the Listings function, considered disciplinary referrals in line with the BSE's rules, and confirmed that admissions and disciplinary procedures continue to meet the standards expected of a self-regulatory organisation.



How We Govern (continued)

12.6 The Group Executive Committee

The Group Executive Committee is the senior management forum of the Group. It is chaired by the Group Chief Executive, Mr. Aobakwe Monyatsi, and is responsible for implementing the strategy approved by the Board and for managing the day-to-day affairs of the Group. The committee meets weekly. It functions as the executive engine of the Group: setting the operational pace, allocating management attention, and surfacing matters for Board consideration.

The Group Executive Committee discharges its work through standing meetings and through delegated sub-forums for specific operational and project workstreams. The committee is supported by the senior management of the listed entity and the subsidiary, and engages directly with the second-line and third-line assurance functions on the operating effectiveness of risk, compliance and internal audit.

How the Executive Committee supports the Board

The Group Executive Committee's relationship with the Board is built on three disciplines:

- **Reporting cadence.** The Group Chief Executive provides a written report to every Board meeting covering strategy progress, financial performance against budget, principal risks and any material operational events. Committee chairs receive direct reports from the relevant management leads ahead of each committee meeting.
- **Escalation discipline.** Material matters, including risk events that breach the Group risk appetite or that may attract regulatory or public attention, are escalated to the Board Chairperson by the Group Chief Executive without delay.
- **Performance accountability.** The FY2025 Management Scorecard translates the 10X by 2030 strategy into measurable executive performance objectives. The Board reviews progress against the scorecard and uses it as one input into the assessment of executive performance.

12.7 Ethics, compliance and internal control

The credibility of the BSE rests on doing things ethically and being seen to do things ethically. The Board treats ethical culture as a primary outcome of governance, and as the foundation on which performance, control and legitimacy are built.

Setting the ethical tone

The Chairperson sets the ethical tone for the Board. The Group Chief Executive sets it for executive management. Both roles are expected to act consistently with the standards of conduct the Group expects of every employee, listed issuer and market participant. The Board reviews the ethics framework annually and considers any matters of ethical concern raised through whistleblowing channels, surveillance findings or external reports.

The Group's policies on conduct, conflicts of interest, gifts and hospitality, market abuse, personal account dealing, and the protection of confidential information are reviewed and approved at Board or committee level. Compliance with these policies is monitored by the Risk and Compliance function and is part of the annual control attestations performed across the Group.

Three lines of assurance

We organise risk and assurance around the Three Lines model:

Line	Role
First line: Business units	Operational management owns the risks in their areas. Business units identify risks, design and operate the controls that mitigate them, and report risk events through the Group risk management process.
Second line: Risk and Compliance	The Risk and Compliance function provides oversight, sets the framework, challenges the first line, and reports independently on whether risks are being managed within the Board-approved appetite. The function reports into executive management and has an unfiltered reporting line to the Risk and IT Committee.
Third line: Internal Audit	Internal Audit provides independent and objective assurance to the Board, through the Finance and Audit Committee, on the adequacy and effectiveness of governance, risk management and internal control across the Group.

Source: BSE Group Risk and Compliance submission for FY2025.

Compliance environment

The Group operates within the regulatory oversight of NBFIRA and aligns its market practices with the principles issued by IOSCO. During the reporting period the compliance framework was strengthened in three areas in particular:

- **Anti-money laundering and counter financing of terrorism.** AML/CFT controls were maintained and enhanced in line with applicable national legislation and FATF standards.
- **Data protection and confidentiality.** Access controls, data handling procedures and system safeguards over sensitive market and investor data were continuously reviewed and strengthened in line with applicable data protection legislation.
- **Operational resilience.** The October 2025 outage prompted a step-change in the operational resilience programme. The Board and management treat the resulting investments as both a control matter and a strategic priority.

External audit

Grant Thornton is the Group's external auditor. The Independent Auditor's Report on the Consolidated and Separate Annual Financial Statements for the year ended 31 December 2025 is unqualified. The Finance and Audit Committee is responsible for the audit relationship and for the assessment of audit quality and auditor independence.



How We Govern (continued)

12.8 Director development and effectiveness

Induction

Every new director participates in a comprehensive induction programme led by the Group Company Secretariat. New directors are briefed on the BSE's operations, the legal and regulatory framework within which the Group operates, and the policies they are expected to adhere to. The induction includes a day-long presentation on Group strategy, key functions and the business of each operating unit. During FY2025 the induction process supported two appointments: the incoming Group Chief Executive in March 2025 and the incoming Non-Executive Director in July 2025.

Ongoing development

Directors are required to attend professional development training and briefings to keep abreast of legal, regulatory, technological and market developments that affect the environment in which the Group and its subsidiaries operate. During the reporting period, directors attended training on data protection, business strategy, AI policy and IT governance, and greenhushing and ESG.

Performance evaluation

The Board, its committees and individual directors are subject to a structured performance evaluation. The Chairperson is responsible for ensuring the evaluation is carried out and for acting on its findings, and the Nominations, Governance & Remuneration Committee reviews the outcomes and oversees any actions arising. The evaluation considers Board composition, the effectiveness of meetings, the quality of papers, the dynamic between the Board and management, and the outcomes the Board has produced for the Group.

12.9 Remuneration governance

Remuneration governance ensures that the way the Group pays its directors and its executive team supports, rather than works against, long-term value creation. It sits within the mandate of the Nominations, Governance & Remuneration Committee, and is guided by three principles:

- **Alignment to strategy.** Executive remuneration is structured to reward delivery of the 10X by 2030 strategy and the Management Scorecard that operationalises it.
- **Balanced time horizons.** Executive incentives are designed to balance short-term performance with the medium- and long-term outcomes the Board is responsible for delivering.
- **Independent oversight.** Non-Executive Director fees and executive remuneration are reviewed at Board level on the recommendation of the relevant committee, with reference to market benchmarks and the financial position of the Group.

Non-Executive Directors are remunerated through a retainer and sitting allowances. The fees paid to directors of the BSE and CSDB Boards during FY2025 are disclosed in Section 12.4. As an Executive Director, the Group Chief Executive does not receive Non-Executive Director fees; executive remuneration is governed by the principles set out above.

12.10 Looking ahead

The Board entered FY2026 with a clear set of governance priorities, each shaped by the experience of FY2025 and by the pace of execution that the 10X by 2030 strategy demands.

Priority	What it means
Strengthen technology and operational resilience oversight	Continue to oversee the technology modernisation programme and operational resilience through the Operations & Technology Committee, and ensure the lessons of FY2025 are reflected in the policy framework and the IT investment plan.
Sharpen Board composition	Continue to balance independence, tenure and skills, with attention to the technology, cybersecurity and sustainable finance competencies that the Group's strategy places at a premium.
Strengthen integrated reporting	As this is the Group's first Integrated Report, use the experience of producing it, and stakeholder feedback, to deepen the connectivity between strategy, risk, governance and performance disclosure in future reports.
Reinforce the ethical and compliance foundation	Continue to strengthen anti-money laundering and counter financing of terrorism controls, data protection, conflicts management and market integrity oversight, in line with NBFIRA, FATF and IOSCO expectations.
Govern for sustainability	Translate the commitment to join the Net Zero Financial Service Providers Alliance and the Sustainability Disclosure Guidance for issuers into demonstrable governance outcomes, including measurable progress on Force for Good as a strategic pillar.

Statement by the Board

“The Board is satisfied that, during the year ended 31 December 2025, it discharged its responsibilities in accordance with the Board Charter, applied the principles of King IV on an apply-and-explain basis, and met the corporate governance requirements set by NBFIRA. Where outcomes have been short of what we expect of ourselves, the Board has acted decisively to understand, remediate and learn. We approach FY2026 with humility about what was tested in the past year and with confidence in the governance foundation we continue to build.”

CROSS-REFERENCES

For the principal risks and the Group's response, see Section 11 - Managing Risks and Opportunities. For financial performance, see Section 13 - Performance Review. For the strategic context within which governance operates, see Section 10 - Our Strategy. The Annual Financial Statements appear as an appendix to this Integrated Report.



Application of King IV Code of Corporate Governance

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

Principle	Status of Application	Comments
1. The governing body should lead ethically and effectively.	✓	<p>The Board exercises ethical and effective leadership. The board confirms its commitment to and adoption of the highest standards of corporate governance, its charter and the code of conduct that set the ethical foundation for how BSEL operates.</p> <p>The code of conduct is designed to ensure effective management of ethics and applies to directors, employees, contractors and suppliers. The Board and its committees regularly monitor their own ethics and those of directors to ensure that they individually and collectively cultivate and exhibit integrity, competence, accountability, fairness and transparency in their leadership. Directors are expected to disclose conflicts that cannot be avoided. The company maintains a register and disclosure is a standing agenda item. Directors act ethically in discharging their responsibility to provide strategic direction and control of the company as provided for in the board charter and the company's Constitution.</p> <p>The Board Secretary ensures that proper disclosures are made by Board Members through Annual Declaration of Interest Forms and Declaration of Interest Forms for each meeting. Where Members are conflicted in any agenda item, the Board Charter & Constitution provides that they declare the nature of their interest and recuse themselves when the agenda item is discussed unless the Board decides otherwise.</p> <p>In satisfying Principle 1 of King IV, the BSEL Group has the following in place:</p> <ul style="list-style-type: none"> -Constitution - Board Charter - Annual and Meeting Declaration of Interest process - Directors Induction Guidelines
2.The governing body should govern the ethics of the organization in a way that supports the establishment of an ethical culture..	✓	<p>The Board sets the tone at the top. It is responsible for the Governance and monitoring of the ethics in the group and ensures that it results in the outcomes envisaged by King IV.</p> <p>The BSEL Group conducts its business dealings on the basis of compliance with applicable laws and proper regard for ethical business practices.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has the following in Place:</p> <ul style="list-style-type: none"> - Whistleblowing Policy. - Board Charter. - Annual employee declaration process - CSDB & BSE Rules
3. The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen	✓	<p>The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the group's business, but also the impact that business operations have on the society within which it operates.</p> <p>It is against this background that the Group has a comprehensive Corporate Social Investment (CSI) Policy called Dipoelo Programme that governs and prescribes the BSE's CSI activities. This Policy's primary objective is to drive the BSE closer to the community it operates in and increase brand equity by focusing on five (5) critical social areas namely, education, entrepreneurship, community development, health and environmental/sustainability issues.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has the Corporate Social Investment Policy in place.</p> <p>Further, the BSEL has introduced Tshipidi Mentorship Program as a way of grooming companies that could potentially raise capital, improve governance and leverage from the BSE as a springboard for growth. The objective of the Program is to provide practical training through a comprehensive and interactive program that covers the key themes necessary to prepare and position a company to list on the BSE.</p>

Principle	Status of Application	Comments
4. The governing body should appreciate that the organisation's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	✓	<p>The Board is responsible for the Group's performance by steering and providing strategic direction and overseeing the adoption of strategy and plans.</p>
5. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	✓	<p>The Board is intimately involved in communication to the Group's stakeholders regarding significant issues that could affect the Group. It also strives to abide by all disclosure requirements such as International Financial Reporting Standards (IFRS) for financial reporting purposes.</p> <p>Further, the chairpersons of various committees are required to report to the Board at each scheduled Board meeting, keeping the Board apprised of developments of their mandates.</p> <p>In satisfying Principle 2 of King IV, the BSEL Group has in place the following:</p> <ul style="list-style-type: none"> -Committees Terms of References. -Annual Report. -Audited annual financial statements.
6. The governing body should serve as the focal point and custodian of corporate governance in the organisation.	✓	<p>The Board ensures that the company applies the governance principles of King IV and, where required, continues to entrench and strengthen recommended practices through the group's governance structures, systems and processes.</p> <p>The Board performs its duties guided by the Board Charter, which considers key governance practices, relevant laws and the company's strategic intentions.</p> <p>Lastly, the Board has constituted various committees that assist the Board in playing an oversight role.</p>
7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	✓	<p>The board comprises most independent non-executive directors.</p> <p>To ensure a formal and transparent appointment process, any new appointment of a director is considered by the board, on the recommendation of the nomination committee. The selection process involves considering the existing balance of knowledge, skills and experience on the board and a continual process of assessing the needs of the company and the board's effectiveness and ability for it to discharge its governance role and responsibilities objectively. Board members confirm their availability to perform their roles.</p>
8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.	✓	<p>As set out in the board charter, the board has committees to assist in discharging its duties and responsibilities. These committees operate under written terms of reference approved by the board, which are reviewed annually. The committees are appropriately constituted, and members are appointed by the board. The Nomination & Governance Committee reviews the composition of board committees and makes recommendations to the board on their composition, considering factors such as diversity and skills as well as the need to create a balanced distribution of power.</p> <p>External advisors, executive directors and members of executive and senior management attend committee meetings by invitation. The committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the group</p>

Application of King IV Code of Corporate Governance

Principle	Status of Application	Comments
<p>9. The governing body should ensure that the evaluation of its own performance and that of its committees, chairman and individual members, support continued improvement in its performance and effectiveness.</p>	✓	<p>The Board recognizes that in order to remain effective, it must induct, evaluate, develop and charge its members from time to time to fulfil the Group's needs and objectives.</p> <p>It is envisioned that an external Board evaluation will be conducted in 2026.</p>
<p>10. The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	✓	<p>While retaining overall accountability and subject to matters reserved to itself, the board has delegated authority to the Chief Executive Officer, senior executives to run the day-to-day affairs of the company. ✓</p> <p>The Chief Executive Officer was appointed by the Board, on recommendation of the Nomination & Governance committee. His role and responsibilities are set out in the Board charter. The Board, assisted by the nomination committee, is responsible for ensuring succession plans are in place for the Chief Executive Officer and other senior executives. The succession plans provide for succession in emergency situations as well as succession over a longer period. The Board approves and regularly reviews the delegation-of-authority framework in terms of which matters are delegated to the Chief Executive Officer. He is accountable to the Board for the successful implementation of our strategy as well as overall management and performance of the group, consistent with our values. He is supported by a competent, multiskilled team in executing his responsibilities. The Chief Executive Officer is not a member of board committees but attends any meeting or part thereof by invitation to contribute pertinent insights and information. The board evaluates the performance of the Chief Executive officer annually against agreed performance measures and targets.</p> <p>Group company secretary</p> <p>The group company secretary, and governance officer is appointed by the Board in line with the Companies Act. The board is satisfied that she is properly qualified and experienced to competently carry out the duties and responsibilities of a company secretary.</p>
<p>11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	✓	<p>The Board understands and takes accountability for all risks that potentially affect the achievement of its strategic objectives. Accordingly, risks are identified and managed within acceptable parameters. There is a Risk Management Policy in place. The Group's risk Framework, register and heatmap drive the reporting process to ensure key objectives are identified and associated risks are considered, assessed and reported.</p>
<p>12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	✓	<p>As per the board charter and Risk & IT committee's terms of reference, this committee assists the board with technology and information governance. The governance framework, including procedures and structures to achieve the company's strategic objectives, was adopted by the board, which delegates implementation to management.</p>

Principle	Status of Application	Comments
<p>13. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	✓	<p>Compliance with applicable laws and regulations are clearly understood, not only in terms of the obligations they create, but also for the rights and protection they afford. This forms the basis of the Board's key regulatory focus areas, which includes all relevant legislation that affects the Group. Lastly, the Group keeps a register of the legislative universe specific to the organisation.</p>
<p>14. The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.</p>	✓	<p>The Board assisted by the Nominations and Governance Committee, ensures that staff is remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value in sustainable manner. In satisfying this principle the BSEL has the Rewards and Retention Policy in place.</p>
<p>15. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	✓	<p>The Board provides assurance regarding the annual report and annual financial statements in its statement of responsibility included in the annual report and annual financial statements.</p> <p>The Board assisted by the Finance and Audit Committee oversee that assurance services and functions enable an effective control environment and support the integrity of information for internal decision making and the group's external reports.</p>
<p>16. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	✓	<p>The board exercises ongoing oversight of stakeholder management and strives to ensure an integrated approach to stakeholder engagement across the organization.</p>
<p>17. The governing body of an institutional investor should ensure responsible investment.</p>	Not Applicable	<p>Principle 17 is not applicable as the company is not an institutional investor organisation</p>



BOTSWANA
STOCK EXCHANGE

Performance & Outlook

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Performance Review

13.1 About this section

This section reports on what BSE did with the resources entrusted to us during the year ended 31 December 2025. It is structured around the six capitals defined in the IFRS Foundation's Integrated Reporting Framework. Each subsection sets out the inputs we drew on, what we did, the outputs delivered and the outcomes for the providers of that capital.

We have framed performance against three reference points. The first is the prior year, which gives a like-for-like view of momentum. The second is the 2024 baseline embedded in our 10X by 2030 strategy, since 2025 is the first measurable year of that ten-year journey. The third is peer practice in comparable African and emerging market exchanges, used selectively where it adds context.

Where data is incomplete, contested or under reconciliation we have said so rather than smoothed over the gap. The October 2025 four-day market outage and the year-on-year decline in operating profit are addressed directly in the relevant subsections rather than buried in footnotes. Forward-looking statements appear under section 13.11 and should be read with the basis of preparation in section 1.4.

Connectivity

Performance is connected to strategy in section 10, to material matters in section 9 and to the principal risks and opportunities in section 11. Where a 2025 outcome is material to one of those, we have flagged the cross-reference in line.

Reporting boundary

Financial figures are extracted from the audited consolidated and separate annual financial statements of Botswana Stock Exchange Limited and its subsidiary Central Securities Depository Company of Botswana Limited (CSDB), signed by the directors on 30 March 2026 and reproduced in the appendix to this report. Non-financial information covers the same legal entities unless otherwise stated.

13.2 At a glance: 2025 performance scorecard

The dashboard below summarises performance across the six capitals against the prior year and against the 2027 milestone targets in the 10X by 2030 strategy. Detailed commentary follows in sections 13.3 through 13.8. Items marked n/d were not previously disclosed and become reportable from 2025 forward as part of this first Integrated Report.

Group performance scorecard, FY2025 / All capitals

Performance is connected to strategy in section 10, to material matters in section 9 and to the principal risks and opportunities in section 11. Where a 2025 outcome is material to one of those, we have flagged the cross-reference in line.

Reporting boundary

Financial figures are extracted from the audited consolidated and separate annual financial statements of Botswana Stock Exchange Limited and its subsidiary Central Securities Depository Company of Botswana Limited (CSDB), signed by the directors on 30 March 2026 and reproduced in the appendix to this report. Non-financial information covers the same legal entities unless otherwise stated.



Official Bell-Ring Ceremony – 2025 BSE Stanbic Bank Senior Secondary Schools Finance & Investment Competition Awards

Group performance scorecard, FY2025

Indicator	Unit	FY2025	FY2024	Movement	2027 target
FINANCIAL CAPITAL					
Group revenue	P'million	78.8	67.3	+17.1%	330.0
Group operating profit	P'million	12.2	18.2	-33.1%	105.0
Group profit before tax	P'million	26.5	26.2	+1.2%	n/d
Group profit for the year	P'million	20.6	15.8	+30.4%	n/d
Cost-to-income ratio (Group)	ratio	0.88	0.83	+0.05	0.57
Return on equity (Group)	%	12.30%	10.5%	+1.8 pp	13.0%
Total assets	P'million	213.4	194.2	+9.9%	n/d
MANUFACTURED CAPITAL - MARKET ACTIVITY					
Total market turnover (equity + ETF + bonds)	P'billion	9.3	7.9	+18.1%	n/d
Equity turnover	P'billion	5.91	1.66	+255.9%	n/d
Average daily equity turnover	P'million	24	6.7	+258.2%	n/d
Total equity market capitalisation	P'billion	710	686.8	+3.4%	940.0
Velocity ratio	%	8.50%	3.3%	+5.2 pp	10.0%
Total ETF turnover	P'million	582.5	449.4	+29.6%	n/d
Listed bonds (nominal value)	P'billion	40	38.2	+4.7%	n/d
INTELLECTUAL CAPITAL - PRODUCTS AND LISTINGS					
Listed equity counters	number	33	32	+1	36
Listed ETFs	number	5	4	+1	8
Listed debt instruments	number	122	120	+2	n/d
New equity listings during the year	number	1	0	+1	4
HUMAN CAPITAL					
Permanent headcount	number	30	30	unchanged	n/d
Voluntary turnover rate	%	7.00%	5%	[delta]	<8%
Management staff retention	%	100%	n/d	n/a	>95%
Specialist and clerical retention	%	97%	n/d	n/a	>95%
Culture assessment score (out of 5)	score	3.6	n/d	n/a	≥4.0
SOCIAL AND RELATIONSHIP CAPITAL					
Investor outreach engagements	events	10+	10+	n/a	n/d
New CSD accounts opened at outreach events	accounts	169+	n/d	n/a	n/d
Educational flyers produced and disseminated	number	30+	n/d	n/a	n/d
Senior Secondary Schools Finance and Investment Competition	number	15+	n/d	n/a	n/d
NATURAL CAPITAL					
NZFSFA membership	status	Member	Not member	joined May 2025	active
Sustainable bonds listed (cumulative)	number	0 (matured)	1	-1	≥3
Climate-related disclosure framework	status	12-month roadmap underway	Voluntary	n/a	Aligned

Source: BSE audited Annual Financial Statements 2025; BSE Market Performance Report; HR, IT, Risk, Listings & Trading and Market Development departmental submissions; 10X by 2030 Strategy Roadmap (July 2025). Movement is calculated as the year-on-year percentage change unless otherwise indicated. Targets reflect the 2027 milestone column of the BSE strategy roadmap.

INTEGRATED VIEW Pillar progress: 2025 was a year of asymmetric progress. We delivered above-plan on the 10X by 2030 pillars of Internationalisation and Force for Good, on plan on Product Innovation, behind plan on Technology Modernisation due to the October outage, and broadly on plan on Talent and Culture. The CEO's Review (section 4) and section 10 set out the strategic implications.



Performance Review (continued)

13.3 Financial capital

INPUTS WE DREW ON

BSE entered 2025 with stated capital of P35.6 million, reserves of P2.2 million and accumulated retained income of P120.4 million, providing a debt-free balance sheet of P194.2 million. We had stable trading-fee, listing-fee, CSD-fee and X-News revenue streams, P131.4 million in financial assets at amortised cost, and a P5.0 million contribution to the Settlement Guarantee Fund. Our funding model remains internally generated: BSE carries no third-party borrowings.

HEADLINE FINANCIAL OUTCOMES

Group revenue grew 17.1% to P78.8 million (2024: P67.3 million), driven by the historic surge in equity trading turnover and the migration of one large transition mandate that materially lifted trading fees in the second quarter. CSD fees, listing fees and X-News revenue also grew, reflecting deeper market participation. Other operating income, however, fell to P3.9 million from P6.5 million as one-off items in 2024 did not recur.

Operating expenses grew 24.7% to P69.3 million (2024: P55.5 million). The increase reflects deliberate investment ahead of revenue: the IT transformation programme, professional fees associated with the new Group structure, advisory work on the 10X by 2030 strategy, and step-up costs in the second half tied to remediation of the October system outage. The result is that operating profit declined 33.1% to P12.2 million (2024: P18.2 million). The cost-to-income ratio rose from 0.83 to 0.88, moving in the wrong direction relative to the 2027 target of 0.57.

Below the operating line, finance income rose 77.7% to P14.4 million on the back of higher prevailing interest rates applied to invested cash and amortised-cost financial assets. The combination of stronger top-line growth and stronger finance income produced profit before tax of P26.5 million, marginally ahead of 2024 at P26.2 million. A lower effective tax rate, primarily reflecting the deferred tax movement on the larger right-of-use asset and recognition of certain prior-year items, produced profit for the year of P20.6 million, an increase of 30.4% on 2024.

Total assets grew 9.9% to P213.4 million. The principal movements were a P17.3 million increase in cash and cash equivalents, a P3.3 million increase in right-of-use assets following lease renewal, and a P4.3 million increase in trade receivables driven by the higher fourth-quarter trading activity. Total equity grew 11.4% to P176.3 million, with retained income now at P138.5 million.

WHERE THE OPERATING PROFIT WENT

The 33.1% decline in operating profit was a deliberate strategic outcome, not a market shock. The Board approved the cost step-up to fund IT modernisation, the Group restructuring and the early phases of the 10X by 2030 execution. We have communicated this transparently in the Chief Executive Officer's Review and treat it as the cost of repositioning. The 2026 financial plan returns the cost-to-income ratio to a downward trajectory.

Summary statement of profit or loss, Group / Year ended 31 December 2025

P'000	FY2025	FY2024	Change	%
Revenue	78,843	67,347	+11,496	+17.1%
Other operating income	3,854	6,452	(2,598)	-40.3%
Other operating losses and credit movements	(1,239)	(65)	(1,174)	n/m
Other operating expenses	(69,283)	(55,542)	(13,741)	+24.7%
Operating profit	12,175	18,191	(6,016)	-33.1%
Finance income	14,426	8,116	+6,310	+77.7%
Finance costs	(118)	(149)	+31	-20.8%
Profit before taxation	26,482	26,158	+324	+1.2%
Taxation	(5,897)	(10,363)	+4,466	-43.1%
Profit for the year	20,586	15,795	+4,791	+30.4%

Statement of financial position / Year ended 31 December 2025

P'000	FY2025	FY2024	Change	%
Property, plant and equipment	12,853	10,957	+1,896	+17.3%
Right-of-use assets	4,695	1,396	+3,299	+236.4%
Intangible assets	11,865	13,050	(1,185)	-9.1%
Other non-current assets	0	154	(154)	-100.0%
Non-current assets	29,413	25,557	+3,856	+15.1%
Financial assets at amortised cost	125,003	131,423	(6,420)	-4.9%
Trade and other receivables	26,533	22,210	+4,323	+19.5%
Settlement Guarantee Fund contribution	5,000	5,000	0	n/c
Cash and cash equivalents	27,294	10,027	+17,267	+172.2%
Other current assets	184	0	+184	n/m
Current assets	184,014	168,660	+15,354	+9.1%
TOTAL ASSETS	213,427	194,217	+19,210	+9.9%
Stated capital	35,600	35,600	0	n/c
Reserves	2,202	2,202	0	n/c
Retained income	138,510	120,417	+18,093	+15.0%
TOTAL EQUITY	176,312	158,218	+18,094	+11.4%
Non-current liabilities	13,326	12,939	+387	+3.0%
Current liabilities	23,789	23,059	+730	+3.2%
TOTAL LIABILITIES	37,115	35,999	+1,116	+3.1%

OUTCOMES FOR PROVIDERS OF FINANCIAL CAPITAL

Shareholder

BSE's sole shareholder, the Government of Botswana through the Ministry of Finance, saw the value of its investment grow by P18.1 million in 2025, taking total equity to P176.3 million. Return on equity strengthened to 12.3% from 10.5%, ahead of the 13.0% interim 2027 target trajectory.

Issuers and investors

Issuers benefited from a deeper, more active secondary market. Average daily equity turnover of P24.0 million was over three times the 2024 level, supporting price discovery and reducing the cost of capital signal that listed companies receive. Investors earned inflation-beating real returns of 5.9% on the Domestic Companies Index against December 2025 inflation of 3.9%, and 12.0% in real terms when dividends are included on the Domestic Companies Total Return Index basis.

Capital adequacy and resilience

Liquidity remained strong. Cash and cash equivalents nearly tripled to P273 million while financial assets at amortised cost reduced modestly as some maturities were redeployed. The P5.0 million Settlement Guarantee Fund contribution was unchanged. BSE met all regulatory and operational capital obligations during the year and the directors have confirmed the going-concern basis through 31 December 2026.

Performance Review (continued)

13.4 Manufactured capital: market infrastructure

Manufactured capital comprises the trading and post-trade infrastructure through which BSE fulfils its mandate. This includes the Automated Trading System (ATS), the Central Securities Depository (CSDB) operated by our subsidiary, the data centre and network infrastructure, and the office premises. Performance under this capital reflects market activity and the resilience of the systems that supported it.

MARKET ACTIVITY REACHED AN INFLECTION POINT

Equity turnover of P5.91 billion in 2025 was the highest annual figure recorded in the BSE's history. It eclipsed the previous high of P4.09 billion set in 2023 by 44.7%, and was 3.6 times the 2024 level. Average daily equity turnover rose from P6.7 million to P24.0 million. The number of shares traded grew to 1.38 billion, up from 0.43 billion in 2024.

Management has been transparent that the 2025 turnover figure includes a large transition mandate executed during the second quarter. Stripping out that mandate, underlying turnover is closer to 2024 levels and remains well below the level the BSE considers healthy for a market of its capitalisation. The implication for strategy is set out in section 10 and the Chief Executive Officer's Review.

Five-year evolution of equity market liquidity / BSE main board

Indicator	2021	2022	2023	2024	2025
Equity turnover (P'million)	1,816.0	1,177.6	4,085.8	1,660.1	5,910.9
Average daily turnover (P'million)	7.3	4.7	16.4	6.7	24.0
Number of shares traded (million)	997.2	513.3	561.5	428.6	1,380.4

MARKET CAPITALISATION GREW STEADILY, WITH FOREIGN COMPANIES DOMINANT

Total equity market capitalisation grew 3.4% over the year, ending 2025 at P710.0 billion. The growth was driven by share-price appreciation and new equity additions, primarily by domestic companies. Domestic market capitalisation grew 10.7% to P59.8 billion. Foreign market capitalisation grew 2.7% to P650.2 billion, dominated by the dual-listed mining and resources counters whose pricing is set by global markets. The market continues to represent more than 2.5 times the size of Botswana's GDP.

Quarterly progression of market capitalisation / All listed equity

P'million	Q1	Q2	Q3	Q4	Full year
Domestic companies	54,213	55,885	57,461	59,751	59,751
Foreign companies	632,875	563,602	565,480	650,199	650,199
Total	687,088	619,487	622,941	709,950	709,950

SYSTEM AVAILABILITY: AN HONEST ACCOUNT OF THE OCTOBER OUTAGE

On 21 October 2025, BSE experienced a four-day market outage, the longest in our history. The root cause was a network firewall failure: although the core trading and clearing systems remained operational, they could not communicate with one another or with external participants. Trading was suspended in line with our published business-rules framework while the firewall was replaced. Settlement obligations during the closure window were managed manually using existing CSDB and BISS procedures, and no settlement failure occurred.

Trading resumed within four business days following emergency migration to a next-generation firewall. The Board commissioned an independent post-incident review and established a Board-level technology resilience committee. The remediation programme has accelerated investment in disaster recovery, asset lifecycle management and change-management discipline.

RELIABILITY AND COMPLETENESS This outage is a material matter for the year. We have chosen to address it openly. The cost, the lessons and the remediation work are tracked in section 11 (risks) and section 10 (strategy: Technology Modernisation pillar) and reported again under 13.10 below.

POST-TRADE INFRASTRUCTURE

The CSDB platform recorded another year of continuous availability outside of the October incident. CSDB operates the share register for all BSE-listed securities and processes settlement through ISO 20022 messaging linked to the Bank of Botswana Interbank Settlement System (BISS). At 31 December 2025, CSDB managed registers covering 32 equity counters, 1 preference share, 5 ETFs, 7 government bonds, 96 corporate bonds and 18 commercial papers. The platform serves five custodian participants, two brokers and two market makers, and has more than 100,000 investor accounts opened through brokers and custodians.

CSDB retained its A- rating from Thomas Murray, the international post-trade rating agency, and continues to observe the IOSCO Principles for Financial Market Infrastructures. The migration of government bonds to the CSDB platform, scheduled for 2026, will consolidate retail and institutional government-bond holdings on a single rail and is one of the foundational infrastructure deliverables under the Internationalisation pillar.

PREMISES AND PHYSICAL ASSETS

Property, plant and equipment grew to P12.9 million from P11.0 million, reflecting capitalised additions in the new IT environment. Right-of-use assets grew to P4.7 million from P1.4 million, reflecting the renewed lease term on our head office. Total tangible asset additions during the year were P4.3 million.

13.5 Intellectual capital: products, brand and information

Intellectual capital at BSE comprises our listing rules and disclosure framework, our suite of tradeable products, the BSE brand, our market data and X-News information services, and the institutional knowledge built up over more than three decades of operating Botswana's only securities exchange.

PRODUCT INNOVATION: TWO NEW LISTINGS EXPANDED OUR OFFERING

Two innovative listings during the year deepened our product breadth. In April 2025 we admitted the GAIA Renewables 1 Class B Preference Shares as a secondary listing by way of introduction, retaining the primary listing on the Cape Town Stock Exchange. The instrument provides Botswana investors with access to a renewable and climate-aligned infrastructure vehicle, in line with our Force for Good strategic pillar. In December 2025 we admitted the Vunani Global Equity Prescient Feeder Actively Managed Exchange Traded Fund (ETF) on the ETF board as a secondary listing, expanding investor access to global equity exposure through a single locally listed instrument.

These listings took the equity board to 33 counters and the ETF board to 5 counters. While the absolute count remains modest,

the additions reflected deliberate progress on the Product Innovation and Internationalisation pillars: both instruments are cross-listed with secondary jurisdictions, and one is a thematic sustainable-finance instrument.

BOND MARKET ACTIVITY

The debt market closed 2025 with 122 listed instruments, comprising 95 corporate bonds, 20 commercial papers and 7 government bonds. During the year, 54 new debt instruments were listed, predominantly commercial paper, and 56 instruments matured. Letshego Holdings Limited remained the largest single issuer, with a 94% share of debt issued instruments by issuer count. The total nominal value of listed bonds grew 4.7% to P40.0 billion, driven by growth in government bonds.

The Sustainable Bond previously listed by Absa Bank in December 2023 reached maturity during the year. Issuer interest in green and social bonds remained high, supported by revised programme memoranda and investor roadshows undertaken during the year, but the prevailing high-interest-rate environment has caused several issuers to defer planned issuance until the cost of borrowing optimises. The first new sustainable bond listing under the revised regime is targeted for 2026.

INDEX PERFORMANCE AND INVESTOR RETURNS

Investors received inflation-beating real returns across all three benchmark indices. Headline December 2025 inflation in Botswana was 3.9%, with average inflation over the year of 2.7%. Set against this:

- The Domestic Companies Index (DCI) closed at 11,030.0 points, a gain of 9.8% over the year. Real returns for domestic equity holders, before dividends, were 5.9% measured against December inflation.
- The Domestic Companies Total Return Index (DCTRI), which incorporates dividend distributions, closed at 3,914.0 points, a gain of 16.1%. Real returns including dividends were 12.0%.
- The Foreign Companies Index (FCI) closed at 3,276.1 points, a gain of 15.6%, lifted by a strong fourth-quarter rally.

Twenty-one of the thirty-three listed counters experienced positive share-price movements during the year. Choppies Enterprises Limited recorded the largest gain at 230.8%, followed by Botswana Building Society at 40.0% and Botswana Telecommunications Corporation Limited at 26.4%. Four counters experienced share-price declines: G4S at -62.9%, Letshego at -21.7%, Turnstar at -7.2% and Cresta Marakanelo at -7.1%. The remaining counters showed no change.



Performance Review (continued)

Quarterly progression of benchmark indices / All values in index points

Index	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Full year change
DCI (level)	10,078.7	10,402.8	10,610.5	11,030.0	+9.8%
DCTRI (level)	3,412.5	3,622.7	3,719.2	3,914.0	+16.1%
FCI (level)	2,834.3	2,837.1	2,845.5	3,276.1	+15.6%

LISTINGS AND DISCLOSURE FRAMEWORK

During 2025 the Listings and Trading division processed 20 waivers (2024: 17) and recorded 21 contraventions (2024: 25), reflecting both increased listing activity and continued enforcement vigilance. The reduction in contraventions tracks our investment in issuer education and reporting tools. The framework underpinning the listings function includes the BSE Listing Requirements, the BSE Sustainability Disclosure Guidance issued in 2024 in collaboration with the Global Reporting Initiative, Incite and WISE Leadership, and the supervisory programmes operated jointly with NBFIRA.

BRAND AND INFORMATION SERVICES

BSE-branded social media presence grew by more than 5% across all platforms during 2025. Over thirty educational flyers and infographics were produced and disseminated digitally on listing requirements, green bonds, equity instruments, debt instruments and investment basics. The BSE was named as Botswana's representative at the African Financial Services Investment Conference (AFSIC) in London in October 2025, where the CEO and Head of Market Development represented the Exchange alongside the Vice President of the Republic of Botswana and initiated discussions on collaboration with the London Stock Exchange.

X-News, the BSE's listed-issuer information service, continued to be the primary regulated channel for material disclosures from listed issuers in Botswana. Revenue from X-News grew in line with the broader market activity. The roll-out of value-added information services, including indices licensing and data feeds, is one of the deliverables in the Internationalisation pillar of the strategy.

13.6 Human capital

BSE is a unique and lean organisation. Our people are not measured by headcount alone but by depth of capability across listings, trading, settlement, market development, technology, risk, finance and corporate functions. Human capital is therefore a primary determinant of execution capacity for the 10X by 2030 strategy.

HEADCOUNT AND STRUCTURE

Permanent headcount remained unchanged on 2024 [insert exact figure once HR confirms]. We initiated an organisation design review during the year to assess whether the current structure is adequate to support the new strategic objectives and the new Group structure. The review is expected to identify the need for additional roles, particularly in technology, product development and data. We intend to complement traditional recruitment with talent sourced through labour brokerage partnerships, allowing us to scale capacity flexibly without expanding the permanent base prematurely.

RETENTION AND STABILITY

Voluntary turnover for the year was 7.0%, comfortably below typical financial-services benchmarks. We retained 100% of management staff and 97% of specialist and clerical staff. The high retention supported organisational stability during a year of significant transition: a new CEO appointed on 12 March 2025, a new strategic direction approved by the Board, the IT transformation programme commenced, and the October system outage and its remediation. None of those events triggered a wave of departures, which we read as a marker of confidence in the direction of travel.

CULTURE AND ENGAGEMENT

The 2025 culture assessment indicated a healthy organisational culture, with BSE scoring 3.6 out of 5. Strengths include strong alignment with the mission and a positive focus on employee safety. Employees show a solid understanding of strategic priorities. The assessment also identified two priority improvement areas: growth, development and learning; and recognition, reward and fairness. These two areas have been incorporated into the 2026 People Plan and the Talent and Culture pillar action set out in section 10.

LEARNING AND DEVELOPMENT

Continuous development is a core human-capital lever. Seven employees pursued private study during the year, supported through study loans or examination leave. We supported one specialist into a structured Management Development Programme and another into a formal Coaching engagement. Employees also participated in industry conferences and seminars. Specific development priorities for 2026 include fintech and AI literacy, product-development capability and modern data skills, in line with the People aspirations of the 10X by 2030 strategy.

WELLBEING

We supported employee wellness through group counselling, a comprehensive Wellness Day covering mental, physical and financial wellbeing, and a series of staff engagement activities. The wellbeing programme was particularly important during the October outage period and the subsequent remediation, when several teams worked extended hours.

Quarterly progression of benchmark indices / All values in index points

Indicator	Unit	FY2025	Commentary
Headcount (year-end)	permanent	30	Unchanged on 2024
Voluntary turnover rate	%	70%	Healthy by sector
Management staff retention	%	100%	All retained
Specialist and clerical staff retention	%	97%	Stable
Culture assessment score	out of 5	3.6	Healthy; areas to improve
Employees on private study	number	7	Loans / exam leave
Specialists in Management Development Programme	number	1	Sponsored
Specialists in Coaching Programme	number	1	Sponsored
Wellness Days delivered	number	1	Mental, physical, financial

MATERIAL MATTER 9 Risk linkage: talent, culture and execution capacity is one of the ten material matters identified in section 9. Section 11 sets out the principal risk that, without targeted skills uplift, the BSE cannot execute the 10X by 2030 product, technology and internationalisation pillars at the required pace. The 2026 People Plan addresses this directly.

Performance Review (continued)

13.7 Social and relationship capital

Social and relationship capital captures the relationships BSE holds with issuers, brokers, investors, regulators, government, listed issuers' employees and the public. It is the trust and goodwill that underpins our licence to operate. In 2025 we invested heavily in this capital, both directly through outreach activity and indirectly through the manner in which we communicated through periods of difficulty.

INVESTOR AND PUBLIC OUTREACH

BSE conducted ten significant outreach activities during the year, ranging from regional expos to national flagship campaigns and international conferences. The cumulative result was new investor onboarding, deeper relationships with brokers and a stronger BSE brand presence in Botswana's communities.

Regional and national engagements

- Moshupa Business Expo (8-9 August 2025): engaged over 90 participants, onboarded 60+ new investors through CSD account openings.
- Ghanzi Agricultural Show (23-27 July 2025): engaged over 100 visitors, opened 47 new CSD accounts, with broker support from Imara Capital Securities and Motswedi Securities.
- Global Expo Botswana 2025 (8-11 October 2025): engaged 94 visitors, opened 62 new accounts (38 via Imara, 24 via Motswedi), strengthened broker collaboration.
- BSE-Stanbic Finance and Investment Competitions: 15+ schools and tertiary institutions participated nationwide, with over 80 participants in the National Competition. The transition from regional to national implementation strengthened reach and inclusivity.
- University of Botswana Economics Society educational visit (23 September 2025): students were onboarded with both trading and CSD accounts, providing a hands-on bridge from theory to practice.

International engagements

- AFCM-ASEA Joint Conference, Tunis (13-14 May 2025): the BSE was officially admitted to the Net Zero Financial Service Providers Alliance (NZFSPA), joining 35 global financial service providers committed to aligning capital markets with net zero emissions targets.
- Africa Financial Services Investment Conference (AFSIC), London (14-15 October 2025): the CEO led the BSE delegation alongside the Vice President of the Republic of Botswana, generating investor interest in Botswana, initiating collaboration discussions with the London Stock

Exchange and enhancing global visibility of Botswana's capital markets.

- World Investor Week 2025 (6-12 October 2025): the BSE held an internal Opening Bell Ceremony commemorating the IOSCO and World Federation of Exchanges global investor protection campaign.

ISSUER DEVELOPMENT PIPELINE

During the year the BSE entered a Memorandum of Understanding with Debswana, supporting CEEP (Citizen Economic Empowerment Programme) companies along their listing readiness journey. The Action Plan for 2026 sets out a phased programme of two structured IPO seminars, a Joint Steering Committee, and a parallel Corporate Social Investment initiative. Selection will be progression-based, with Debswana identifying CEEP companies that demonstrate proximity to listing readiness.

In parallel, the BSE initiated partnership discussions with the Botswana National Beef Producers Union, focused on financial literacy workshops and on the development of cattle-backed investment products. The BSE also hosted a Securities Borrowing and Lending Refresher Workshop in collaboration with Stanbic Bank on 22 September 2025, attended by NBFIRA, market participants and CSDB.

STAKEHOLDER ENGAGEMENT QUALITY DURING THE OCTOBER OUTAGE

The October system outage placed an unusual demand on the relationships we hold with brokers, custodians, listed issuers, the regulator and the investing public. The Communications Policy and incident-response protocols were activated immediately. Daily updates were issued to all participants. Manual settlement procedures preserved CSDB and BISS settlement integrity throughout the closure window. We are gathering structured feedback from brokers and custodians to inform the post-incident review and the 2026 stakeholder engagement plan. Initial feedback indicates that, while the outage caused significant inconvenience, the manner of BSE's communication and the speed of remediation were broadly seen as commensurate with the severity of the event.

REGULATOR AND GOVERNMENT RELATIONSHIPS

BSE operates in a regulated capacity overseen by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), and the CSDB operates under the National Clearance and Settlement Systems Act overseen by the Bank of Botswana. Both regulatory relationships were active during the year, with regular reporting and on-site engagement. The Net Zero membership signing in May 2025 was specifically aligned with the policy direction of

the Ministry of Finance and the broader sustainable-finance agenda being articulated by the Botswana government.

STAKEHOLDER MAP Stakeholder linkage: section 8 sets out the BSE stakeholder engagement framework and the matters raised by each stakeholder group. The 2025 outcomes summarised above respond directly to those matters, including issuer pipeline development (issuers), retail accessibility (the public), securities-borrowing-and-lending readiness (brokers and custodians) and net zero alignment (regulators and global investors).

13.8 Natural capital

BSE's direct natural-capital footprint is small. As a lean office-based organisation, our Scope 1 emissions are negligible, our Scope 2 emissions consist of purchased electricity at the head office, and our Scope 3 footprint is dominated by employee travel and the carbon profile of our IT supply chain. Our material influence on natural capital, however, is indirect: through the listed companies whose securities we list, the bonds we admit and the disclosure standards we apply.

NET ZERO COMMITMENT AS A FINANCIAL SERVICE PROVIDER

In May 2025, BSE was officially admitted to the Net Zero Financial Service Providers Alliance (NZFSPA). The membership commits the BSE to a 12-month roadmap aimed at advancing climate action through improved climate-related disclosures, the development of climate-focused financial instruments, and structured engagement with listed companies on transition planning. Membership aligns BSE with global frameworks including the Paris Agreement and Africa's Agenda 2063.

The CEO described the commitment in the May 2025 announcement as aligned with the BSE strategic direction and intended to promote information symmetry and the development of climate disclosures. As at the date of this report, BSE sits within a coalition of 35 global financial service providers, including 23 stock exchanges, working toward this objective. Quarterly progress against the 12-month roadmap will be reported under the Force for Good pillar from 2026.

SUSTAINABLE FINANCE PRODUCT PIPELINE

The Sustainable Bond previously listed by Absa Bank in 2023 reached maturity during the year. No new sustainable bond listing was admitted during 2025: the prevailing high-interest-rate environment caused several intending issuers to defer issuance pending more optimal cost-of-borrowing conditions. We have nonetheless prepared the ground: revised Programme Memoranda were processed, investor roadshows undertaken, and listing readiness sustained for the issuers in the pipeline. Our 2026 commitment is to admit at least one new sustainable bond and to establish a Green Listings segment alongside the

standard equity and debt boards.

The April 2025 listing of GAIA Renewables 1 Class B Preference Shares is the closest 2025 came to a thematic sustainable listing. The instrument provides Botswana investors with access to a renewable and climate-aligned infrastructure investment vehicle, lowering traditional barriers to infrastructure investment by offering liquidity, transparency and regulatory oversight aligned to international best practice.

SUSTAINABILITY DISCLOSURE FOR LISTED COMPANIES

Our material influence on natural capital flows through the disclosure standards we apply to listed companies. The BSE Sustainability Disclosure Guidance, developed in collaboration with the Global Reporting Initiative, Incite and WISE Leadership and supported by SECO and SIDA, remains the primary instrument. The Guidance assists listed companies to navigate global reporting requirements, including the IFRS Sustainability Disclosure Standards, while being attuned to Botswana's specific business context, legislative requirements and socio-economic and environmental challenges.

During 2025 we engaged listed issuers individually on disclosure progress and incorporated sustainability-disclosure conversations into pre-listing and post-listing engagements. The 2026 roadmap deepens this engagement: we will issue a sectoral disclosure baseline for the listed universe, work with NBFIRA on a phased adoption schedule for IFRS S1 and S2, and report disclosure adoption rates as a board-level KPI.

DIRECT OPERATIONAL FOOTPRINT

BSE's direct operational footprint disclosure is in development. The 2026 reporting cycle will introduce baseline measurement of head-office Scope 2 emissions, paper consumption, water use and travel. We have flagged this gap explicitly: it is appropriate to acknowledge that, in our first Integrated Report, we are not yet reporting verified greenhouse gas emissions for our own operations. The NZFSPA roadmap requires us to publish the baseline and a transition plan during the 2026 cycle.



Performance Review (continued)

13.9 Five-year financial summary

The five-year summary table below provides a longer-run view of BSE's financial performance and key market metrics. Figures for 2024 and 2025 are extracted from the audited consolidated annual financial statements signed on 30 March 2026 and reproduced in the appendix. Figures for 2021 to 2023 are marked as placeholder in this draft and will be populated from prior-year audited statements before publication.

Five-year summary, BSE group / All figures in P'million unless stated

P'million	2021	2022	2023	2024	2025
Revenue	42.0	43.0	64.0	67.3	78.8
Other operating income	2.7	3.0	3.6	6.5	3.9
Operating expenses	(38.1)	(41.5)	(49.0)	(55.5)	(69.3)
Operating profit	6.4	4.1	18.4	18.2	12.2
Finance income (net)	4.9	6.6	18.4	8.0	14.3
Profit before tax	11.1	10.6	8.3	26.2	26.5
Profit for the year	11.1	10.6	26.4	15.8	20.6
Total assets	135.3	147.6	172.3	194.2	213.4
Total equity	111.7	121.0	145.6	158.2	176.3
Cash and cash equivalents	5.6	25.0	1.5	10.0	27.3
Equity turnover (P'billion)	1.82	1.18	4.09	1.66	5.91
Average daily turnover (P'million)	7.3	4.7	16.4	6.7	24.0
Total market capitalisation (P'billion)	414.68	398.07	P598.18	686.8	710.0

Performance against 2025 commitments

The 2025 commitments set out below are derived from the BSE Strategy Roadmap and the Management Scorecard for the year. Each commitment is grouped under its 10X by 2030 pillar and assessed against achieved, in progress or missed status. The fifteen commitments below reflect the Board-approved corporate scorecard and the operational deliverables flowing from it.

2025 commitments and outcomes / Mapped to 10X by 2030 pillars

Pillar	2025 commitment	Status	Outcome / commentary
Talent and Culture	Maintain stability through CEO transition; retain critical talent.	● ACHIEVED	100% management retention; 97% specialist retention; 7% turnover.
	Run baseline culture assessment to inform 2026 People Plan.	● ACHIEVED	Score of 3.6/5 with two priority improvement areas identified.
	Initiate organisation design review aligned to new strategy.	◐ IN PROGRESS	Review underway; structural recommendations expected H1 2026.
Technology Modernisation	Approve and commence new IT architecture.	● ACHIEVED	Hybrid multi-cloud architecture approved; transformation programme launched.
	Migrate primary data centre to Tier III facility.	● ACHIEVED	Migrated to BoFiNet Digital Delta Tier III; AWS and Azure adoption commenced.
	Maintain market availability above 99% for the year.	○ DEFERRED	October four-day outage; remediation completed; resilience programme accelerated.
Product Innovation	Admit at least one new innovative listing.	● ACHIEVED	GAIA Renewables 1 (April) and Vunani Global Equity ETF (December).
	Admit at least one new sustainable bond.	○ DEFERRED	Pipeline issuers deferred due to high interest rate environment; rolled to 2026.
	Establish Securities Borrowing and Lending readiness.	◐ IN PROGRESS	Refresher workshop held with Stanbic and NBFIRA; live launch in 2026.
Internationalisation	Sign at least one new strategic exchange MOU.	◐ IN PROGRESS	Discussions initiated with London Stock Exchange at AFSIC 2025.
	Commence preparations for government bonds migration.	● ACHIEVED	Migration scoped; rollout planned for 2026.
	Represent Botswana at one major international investor forum.	● ACHIEVED	Vice President-led delegation at AFSIC London, October 2025.
Force for Good	Join the Net Zero Financial Service Providers Alliance.	● ACHIEVED	Membership confirmed at AFCM-ASEA Tunis, May 2025.
	Embed sustainability disclosure in pre-listing engagements.	● ACHIEVED	Sustainability Disclosure Guidance applied; sectoral baseline planned for 2026.
	Run national-scale financial literacy initiatives.	● ACHIEVED	BSE-Stanbic competition expanded nationally; 15+ schools and tertiary institutions.

LEGEND ● Achieved ◐ In progress ○ Deferred

HEADLINE OBSERVATIONS ON THE YEAR

Of the fifteen Board-approved commitments, ten were fully achieved, three are in progress with delivery scheduled in 2026, and two were missed or deferred. The two missed items are concentrated in a single area: the October system outage caused us to miss our market-availability commitment, and the high-interest-rate environment caused several issuers to defer planned sustainable bond listings. Both have been rolled forward into 2026 with explicit milestones and accountabilities.

GOVERNANCE Honest scoring: we have chosen to grade ourselves rigorously rather than smooth marginal misses into 'in progress'. The Board endorses this approach as more useful to readers and more consistent with the Reliability and Completeness principle.

Performance Review (continued)

13.11 Looking ahead to 2026

The 2026 commitments below carry forward the trajectory established in 2025 and address the items where we missed or deferred delivery. They are aligned to the same five 10X by 2030 pillars and to the principal risks and opportunities discussed in section 11. Quarterly progress will be published through the Board-approved scorecard reporting cadence.

2026 commitments by pillar / Aligned to 10X by 2030 milestones

Pillar	2026 commitment	KPI to be reported
Talent and Culture	Complete organisation design review and implement structural changes aligned to the new strategy.	Headcount, structure index
	Launch fintech and AI capability uplift programme; target 100% of relevant specialists trained.	Training hours, certifications
	Improve culture assessment score to ≥ 4.0 of 5 with focus on growth, development and recognition.	Culture score
Technology Modernisation	Complete next-phase IT transformation deliverables: active-active disaster recovery and observability layer.	DR test pass rate, system availability
	Restore market availability to $\geq 99.5\%$ for the year.	Trading days lost, MTBF
	Migrate government bonds onto the CSDB platform.	Migration completion %, post-migration availability
Product Innovation	Admit at least one new sustainable bond and one additional ETF.	New listings count
	Launch Securities Borrowing and Lending under the Global Master Securities Lending Agreement.	SBL volume, participants
	Pilot Retail Investor Module on the CSD platform.	Retail accounts opened via RIM
Internationalisation	Sign at least two new strategic MOUs (target: London Stock Exchange and one further regional partner).	MOUs signed
	Pilot dual-listing inbound pipeline with a regional issuer.	Pipeline conversion
Force for Good	Complete the NZFSPA 12-month roadmap deliverables and publish baseline operational emissions.	Roadmap completion %, Scope 1 and 2 baseline
	Issue a sectoral sustainability disclosure baseline for listed companies and report adoption rates.	Disclosure adoption %
Financial	Hold operating-profit decline to no more than the planned investment envelope; restore positive operating leverage from H2.	Operating profit, cost-to-income

FORWARD-LOOKING STATEMENT

This section contains forward-looking statements based on management's current expectations and assumptions. Actual outcomes may differ from those described as a result of changes in market conditions, regulatory developments, geopolitical events, technology delivery risk, talent availability and other factors set out in section 11. The Board reviews progress against these commitments quarterly. The directors signed the 2025 audited financial statements on 30 March 2026 on the going-concern basis through 31 December 2026.

CONNECTION TO THE REST OF THIS REPORT

Section 14 sets out the broader Outlook beyond the 2026 commitments above. Section 11 sets out the principal risks against which delivery confidence is assessed. Section 10 places these commitments in the context of the longer 10X by 2030 trajectory. Section 4, the Chief Executive Officer's Review, provides management's narrative interpretation of the year's performance and the path forward.

Five-Year Financial Review

Botswana Stock Exchange Group | All figures in BWP'000 unless stated

	FY2021	FY2022	FY2023	FY2024	FY2025
Income statement					
Total income ¹	49,553	52,693	75,399	81,915	97,123
Operating expenditure ²	(38,409)	(42,118)	(50,460)	(55,757)	(70,640)
Profit before taxation	11,144	10,576	24,939	26,158	26,482
Taxation	–	–	–	(10,363)	(5,897)
Profit for the year	11,144	10,576	24,939	15,795	20,586
Statement of financial position					
Total assets	135,315	147,145	170,334	194,217	213,427
Total equity	111,686	120,506	143,664	158,218	176,312
Total liabilities	23,628	26,640	26,670	35,999	37,115
Cash and cash equivalents	5,624	24,979	1,476	10,027	27,294
Short-term investments ³	104,252	87,743	129,975	131,423	125,003
Ratios and indicators					
Cost-to-income ratio ⁴	77.5%	79.9%	66.9%	68.1%	72.7%
Profit-before-tax margin	22.5%	20.1%	33.1%	31.9%	27.3%
Return on equity (Group) ⁵	10.0%	8.8%	17.4%	10.0%	11.7%

Notes:

- Total income includes revenue, other operating income and finance income, with presentation aligned to the existing draft review.
- Operating expenditure includes operating expenses, finance costs and relevant credit-loss / operating loss movements, aligned to the existing draft review.
- Short-term investments are presented as financial assets / financial assets at amortised cost as disclosed in the statements of financial position.
- Cost-to-income ratio is operating expenditure divided by total income.
- Return on equity is profit for the year divided by closing total equity, which matches the existing FY2024 and FY2025 basis in the draft table.

FY2022 and FY2023 statement-of-financial-position figures use the latest restated balances where applicable from the 2024 Annual Report.

Source basis: BSE 2021 Annual Report, BSE 2022 Annual Report, BSE 2024 Annual Report restatement, and BSE 2025 Integrated Report / audited financial statements.



Outlook

14.1 How to interpret this Outlook

Sections 3 and 4 set out the Board's and the Chief Executive's views. In this section, provide our Outlook, laying out our environmental assumptions, the commitments for the next twelve months, our milestones for the third and fifth years from now, and the trade-offs and risks that the Board recognises.

14.2 The environment we are planning for

We plan for stability, not growth. The structural change in moving away from reliance on diamonds will take years, with the key drivers being NDP12 and the Botswana Economic Transformation Programme, positioning capital markets as a major part of the diversification effort. We expect a gradual reduction in the cost of capital, leading to some of our deferred sustainable bond offerings finally hitting the market. We expect slow progress in regulatory harmonisation, with much to gain between 2027 and 2030. We expect that 2026 will see a significant number of issuers begin reporting in line with IFRS S1 and S2. We make no assumption about a quick resolution to the capital concentration problem, with our efforts targeting supply-side solutions – more issuers, more products, and more participation from retail investors.

14.3 Twelve months: deliverables by the end of 2026

Talent and Culture. Completing the fintech and digital skills training of at least half the workforce, and completing our first performance cycle after refreshing our Employee Value Proposition.

Technology Modernisation. Completion of the architectural review following the recent outage, and implementation of the findings therein; going live with onboarding automation in production; publication of the quarterly execution scorecard.

Product Innovation. Transitioning government bonds to the CSDB, along with launching our Retail Investor Module, progressing our first municipal bond towards issuance, and reintroducing our deferred sustainable bond, if conditions allow.

Internationalisation. Executing at least one additional strategic Memorandum of Understanding; hosting the first Botswana Capital Markets Week; securing the first Development Finance Institution partnership.

Force for Good. Reporting on the completion and delivery of the twelve-month deliverables of our Net Zero Financial Services Provider Alliance commitment, implementing the 2026 plan of the Debswana CEEP issuer-education initiative.

14.4 Three and five years: anticipated positioning

By the end of 2027, the Board's indicators include four equity listings per annum, a normalised turnover ratio of six percent (which was eight-point-five percent in fiscal year 2025 due to a one-off transition mandate), retail participation at fifteen percent, trading six asset classes, maintaining five active international memorandums of understanding, and having onboarding times of one business day. By 2030, the headline ten-fold increase targets are a ten-fold increase in revenues versus the 2024 base case, a ten percent turnover ratio, a twenty percent retail share, trading eight or more asset classes, maintaining ten or more international partnerships, and having real-time onboarding. The Board's choice of ambition level was deliberate. A market that doesn't grow is a market that gets left behind.

14.5 Trade-offs and risks

The trade-off is explicitly set out in the Chairperson's statement and in the CEO's statement: the 10x ambition demands investment in the present for success in the future. Our operating profit will be under pressure for a defined period. The Board accepts that. The risks that most likely affect our trajectory are detailed in Section 11; the top five in terms of relevance to the Outlook are: a second significant cybersecurity or operational disruption; a major issuer being impacted in some way; the rate at which capital concentration can be resolved; talent we have not yet secured internally; and catalytic external funding yet to come. Should our initial funding round not close by mid-year in 2026, our product rollout will need to be accelerated accordingly.

14.6 The Board's commitment

We have made our ambitions, trade-offs and risks clear. We will report on all of this in the FY2026 Integrated Report just as transparently. The test is not in how well these words look on the page today, but in how differently we hope the country feels twelve, thirty-six, and sixty months from now.

14.7 A note on forward-looking statements

This Outlook includes statements with regard to the Group's intentions and expectations in 2026 and beyond. These statements are based on assumptions as of the date of this Report and are not guarantees of actual outcomes. The latter may differ materially depending on developments outside of our control, such as Botswana's economic trajectory and that of its diamond sector, monetary and foreign-exchange policy, regulatory harmonisation in the region, catalytic capital availability, and cybersecurity risk development. The Group undertakes no obligation to update these forward-looking statements, except where required by law or listing rules. Sections 3 and 4 set out the Board's and the Chief Executive's views. This section makes the Outlook concrete: what we assume about the environment, what we commit to in the next twelve months, the markers we will use at three and five years, and the trade-offs and risks the Board has accepted.



Supplementary Information

This section consolidates the technical references and reporting indices that support the narrative of this Report. It is intended for readers who wish to test the Report against the IFRS Foundation's Integrated Reporting Framework, trace the connectivity of capitals and material matters, or locate the corporate information of Botswana Stock Exchange Group (BSE) and its subsidiaries.

The supplementary tables that follow are structured for navigation rather than narrative reading. They cross-reference the body of the Report and the audited Annual Financial Statements appended to it.



Forward-looking statements

This Integrated Report contains certain forward-looking statements concerning the financial position, results, operations and businesses of BSE and its subsidiaries. These statements involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future.

Words such as 'aim', 'aspire', 'anticipate', 'believe', 'expect', 'intend', 'plan', 'project', 'seek', 'target', 'will' and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, the Group's 10X by 2030 strategic ambition, financial and non-financial targets, planned product launches, technology modernisation milestones, internationalisation plans, and the expected outcomes of stakeholder engagements.

Forward-looking statements are not guarantees of future performance. Actual results, performance or achievements may differ materially from those expressed or implied by such statements due to a range of factors. These include, without limitation: macroeconomic conditions in Botswana and the region; movements in capital flows and investor sentiment; regulatory and legislative changes affecting securities markets; the pace of technology change and cybersecurity events; the availability and retention of skilled people; commodity price volatility; and other risks set out in the Managing Risks and Opportunities section of this Report.

BSE does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law or listing rule.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as at the date of approval of this Report.

Reporting frameworks and assurance

The Group has applied the following reporting frameworks and standards in preparing this Integrated Report:

Framework or standard	Application in this Report	Assurance
IFRS Foundation Integrated Reporting Framework (January 2021 revision)	Governs the structure, Guiding Principles and Content Elements of this Report. The Group's first Integrated Report has been prepared in accordance with the Framework.	Self-declaration. No external assurance obtained on Framework alignment for this first Report cycle.
IFRS Accounting Standards (as issued by the IASB)	Basis of preparation for the Consolidated and Separate Annual Financial Statements appended to this Report.	Independent audit by Grant Thornton, Chartered Accountants. Unmodified opinion issued.
Companies Act (CAP 42:01) of Botswana	Statutory basis for directors' responsibilities, governance and financial reporting.	Audit and statutory disclosures.
Securities Act, 2014 (Act No. 26 of 2014)	Licensing and operating framework for the Botswana Stock Exchange Limited as a securities exchange.	Regulated by NBFIRA.
National Clearance and Settlement Systems Act (No. 5 of 2003)	Framework under which the CSDB operates the clearing and settlement system, mandated by the Bank of Botswana.	Regulated by the Bank of Botswana.
King IV Report on Corporate Governance for South Africa	Voluntarily applied as the corporate governance code of reference, consistent with BSE Equity Listings Requirements.	Internal review against King IV principles.
BSE Sustainability Disclosure Guidance (May 2024)	Reference for sustainability content. The Group is progressively aligning its disclosures with the metrics it recommends to issuers.	Self-declaration.
IFRS S1 and S2 Sustainability Disclosure Standards	Considered for future cycles. The Group has begun mapping climate-related disclosures and intends to enhance alignment in subsequent reports.	Not applied in this cycle.

Supplementary Information (continued)

Combined assurance

BSE operates a combined assurance model in which the Board, supported by its committees, oversees three lines of assurance: management controls (first line), risk and compliance functions (second line) and independent assurance providers (third line). The external audit by Grant Thornton provides assurance over the AFS. No external assurance has been obtained over the non-financial content of this first Integrated Report.

Integrated Reporting Framework content index

The eight Content Elements

The IFRS Foundation Integrated Reporting Framework sets out eight Content Elements that an integrated report should address. The table below shows where each Element has been disclosed in this Report.

Content Element	Where addressed in this Report	Status
1. Organisational overview and external environment	Section 5: Who We Are; Section 6: The World We Operate In	Addressed
2. Governance	Section 12: How We Govern; Supplementary Information: Corporate information	Addressed
3. Business model	Section 7: How We Create Value (inputs, business activities, outputs, outcomes)	Addressed
4. Risks and opportunities	Section 11: Managing Risks and Opportunities	Addressed
5. Strategy and resource allocation	Section 10: Our Strategy (10X by 2030); Section 4: CEO's Review	Addressed
6. Performance	Section 13: Performance Review; Annual Financial Statements (appendix)	Addressed
7. Outlook	Section 14: Outlook; Section 4: CEO's Review	Addressed
8. Basis of preparation and presentation	Section 1: About this Report; Supplementary Information: Reporting frameworks and assurance	Addressed

The seven Guiding Principles

The Framework also sets out seven Guiding Principles that underpin the preparation and presentation of an integrated report. The table below describes how each Principle has shaped this Report.

Guiding Principle	How applied in this Report
Strategic focus and future orientation	The Report is anchored in the 10X by 2030 strategy and includes forward-looking targets, KPIs and scenarios where reliable.
Connectivity of information	Cross-references link strategy, material matters, capitals, risks and performance throughout the Report. Reference tables in this Supplementary Information consolidate the connections.
Stakeholder relationships	Section 8: Our Stakeholders sets out engagement with each significant stakeholder group, the issues raised, and the Group's responses.
Materiality	A double-materiality assessment was conducted in 2025. Section 9: Our Material Matters describes the methodology, longlist, prioritisation and the matters disclosed in this Report.
Conciseness	The narrative has been written for a board-level audience. Detailed reference data has been moved to this Supplementary Information and to the AFS appendix.
Reliability and completeness	Financial information is audited. Non-financial information is internally reviewed. Where information has not been independently assured or where data is incomplete, the Report flags this openly.
Consistency and comparability	As this is the Group's first Integrated Report, consistency baselines are established this cycle. Future reports will compare against the metrics set out in Section 13: Performance Review and the Five-year reviews in this Supplementary Information.

Six capitals reference table

The IR Framework defines six categories of value that an organisation depends on and affects. The table below summarises how the Group draws on each capital and where in the Report performance against that capital is discussed.

Capital	How BSE draws on this capital	Key indicators in this Report
Financial	Reserves, fee income from listings, trading and corporate actions, finance income on invested cash and government grants for technology infrastructure.	Revenue, operating profit, profit after tax, total assets, return on equity, deferred income from technology grants. See Section 13 and the AFS.
Manufactured	Trading, clearing and settlement infrastructure, including the Automated Trading System, Central Securities Depository system, market data systems, and the Group's office premises at the Fairscape Precinct.	System uptime, disaster recovery readiness, capital expenditure on technology platforms, Thomas Murray rating of the CSD system. See Section 13.
Intellectual	The BSE brand and franchise, listings rules, regulatory frameworks, the BSE Sustainability Disclosure Guidance, market knowledge, data and indices.	Number of products and asset classes, regulatory rule changes, sustainability guidance issuance, intangible assets carrying value. See Section 7 and Section 13.
Human	A small, specialised team across listings, trading, clearing, market development, technology, risk, finance and legal functions. The Group operates with a lean structure and depends heavily on retention of senior expertise.	Headcount, turnover rate, training spend, leadership succession, gender diversity. See Section 13.
Social and relationship	Relationships with issuers, brokers, custodians, institutional and retail investors, regulators, government, peer exchanges, schools and the wider public. International memberships extend the Group's network beyond Botswana.	Stakeholder engagements held, investor outreach numbers, CSD account openings, partnerships signed, CSI spend. See Section 8 and Section 13.
Natural	As a service-based exchange, BSE's direct natural capital footprint is limited. The Group draws indirectly on natural capital through energy use at its premises and the broader environment in which listed issuers operate.	Electricity consumption (where measured), participation in the Net Zero Financial Service Providers Alliance, sustainable finance products listed. See Section 13.

Supplementary Information (continued)

Stakeholder engagement reference table

Section 8: Our Stakeholders sets out the issues raised by each group during the year and the Group's responses. The table below provides a quick reference to channels and material matter linkages.

Stakeholder group	Why they matter	Primary engagement channels	Linked material matters
Issuers (listed companies)	Issuers are the source of listed securities and a primary revenue contributor. Their experience of the BSE shapes the Group's reputation.	Listings forums, issuer briefings, sustainability disclosure workshops, opening bell ceremonies, one-on-one engagements.	Issuer base diversification; market integrity; product innovation
Brokers and custodians	Brokers and custodians are the channel through which investors access the market. Their operational readiness shapes investor experience.	Member meetings, refresher workshops (for example, Securities Borrowing and Lending), system upgrade consultations.	Technology resilience; investor participation; market integrity
Institutional investors	Institutional investors drive a meaningful share of turnover and signal market quality to international peers.	Institutional investor conferences, roadshows, market data services.	Investor participation; concentration; internationalisation
Retail investors	Retail investors broaden the base, increase liquidity and align the Exchange with national financial inclusion goals.	Investor Month, expos and shows (Ghanzi, Moshupa, Global Expo Botswana), school competitions, stock market simulator, Retail Investor Module.	Investor participation; product innovation; force for good
Regulators	NBFIRA, the Bank of Botswana and the Ministry of Finance set the legal and supervisory framework within which the Group operates.	Regulatory submissions, supervisory engagements, joint working groups, formal correspondence.	Market integrity; technology resilience; macroeconomic exposure
Government and policymakers	Government policy on capital markets, taxation and economic development directly shapes the Group's growth runway.	Direct engagements with the Ministry of Finance and other ministries, public policy submissions, participation in national platforms.	Issuer base diversification; sustainable finance; concentration
Employees	In a lean organisation, employees carry deep institutional knowledge. Their engagement and capability are decisive for execution.	Annual climate survey, performance contracting, training, internal communications, leadership engagements.	Talent and culture; technology modernisation
International peer exchanges and bodies	Memberships of the WFE, ASEA, COSSE, SSE Initiative and others provide standards, knowledge and networks.	Conferences, technical working groups, MoUs and joint initiatives.	Internationalisation; market integrity; sustainable finance
Communities and the public	Public understanding of capital markets and trust in the BSE underpin the long-term legitimacy of the franchise.	CSI initiatives, financial literacy programmes, media engagements, school visits.	Force for good; investor participation

Five-year financial review

All figures are extracted from the audited Consolidated Annual Financial Statements of the Group, audited by Grant Thornton. FY2025 and FY2024 figures are confirmed from the signed FY2025 AFS. Prior-year figures are to be sourced from previously published BSE Group financial statements.

Income statement summary (Group, Pula)

Pula	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue	78,842,575	67,347,105	64,012,970	43,043,929	42,004,847
Other operating income	3,854,489	6,451,769	3,643,763	3,029,095	2,691,299
Operating expenses	(69,282,959)	(55,542,492)	(49,018,942)	(41,512,447)	(38,142,254)
Operating profit	12,175,060	18,190,944	18,373,597	4,076,603	6,429,149
Finance income, net	14,307,063	7,966,734	8,327,069	6,620,161	4,855,862
Profit before taxation	26,482,123	26,157,678	26,433,048	10,575,635	11,144,072
Taxation	(5,896,568)	(10,362,962)	-	-	-
Profit for the year	20,585,555	15,794,716	26,433,048	10,575,635	11,144,072

Key financial indicators (Group)

Indicator	FY2025	FY2024	FY2023	FY2022	FY2021
Revenue growth (%)	17.1%	5.2%	48.7%	2.5%	23.6%
Operating profit margin (%)	15.4%	27.0%	28.7%	9.5%	15.3%
Profit after tax margin (%)	26.1%	23.5%	41.3%	24.6%	26.5%
Return on equity (%)	11.7%	10.0%	18.2%	8.7%	10.0%
Cost-to-income ratio	88%	82%	77%	96%	91%



Supplementary Information (continued)

Five-year market statistics

Selected operating statistics for the BSE market over the past five years.

Indicator	2025	2024	2023	2022	2021
Domestic Companies Index (DCI)	11,030.03	10,049.11	8,929.63	7,710.06	7,009.61
Foreign Companies Index (FCI)	3,276.12	2,834.15	2,464.72	1,562.69	1,549.65
Domestic Market Capitalisation (Pula Million)	59750.92708	53,985.20	47,925.86	41,069.25	37,209.39
Equity turnover (Pula)	5,910,908,149.94	1,660,061,437.85	4,085,781,752.37	1,177,616,254.50	1,816,036,963.89
Velocity Ratio	9.90%	3.10%	8.50%	2.90%	4.90%
Listed equity counters (incl. ETFs and preference shares)	38	36	36	38	37
New equity listings	1	0	1	0	0
Listed corporate bonds	93	98	87	35	36
Listed government bonds	7	7	7	7	7
Commercial papers in issue	17	15	28	2	0
Listed Exchange Traded Funds (ETFs)	5	4	4	7	6
CSDB accounts opened (cumulative, '000)	>100	>100	>100	>100	>100
Retail share of trading activity (%)	4.50%	8.60%	1.70%	13.20%	7.30%

Memberships and affiliations

All figures are extracted from the audited Consolidated Annual Financial Statements of the Group, audited by Grant Thornton. FY2025 and FY2024 figures are confirmed from the signed FY2025 AFS. Prior-year figures are to be sourced from previously published BSE Group financial statements.

Botswana Stock Exchange Limited

Body	Status
World Federation of Exchanges (WFE)	Member
Sustainable Stock Exchanges (SSE) Initiative	Partner Exchange (since 2016)
African Securities Exchanges Association (ASEA)	Member
Committee of SADC Stock Exchanges (COSSE)	Member and Secretariat
His Majesty's Revenue and Customs (HMRC), United Kingdom	Recognised Stock Exchange
Association of National Numbering Agencies (ANNA)	Member (issuing ISIN codes for Botswana)
Net Zero Financial Service Providers Alliance (NZFPA)	Member (joined at the AFCM-ASEA Joint Conference, Tunisia, 2025)
Global Reporting Initiative (GRI)	Strategic partner under the GRI-ASEA collaboration
Botswana Bond Markets Association (BBMA)	Secretariat

Central Securities Depository Company of Botswana

Body	Status
World Federation of CSDs (WFC)	Member
Africa and Middle East Depositories Association (AMEDA)	Member

These memberships extend the Group's reach into international standard-setting, peer benchmarking and capacity-building networks.

Supplementary Information (continued)

Glossary

Definitions of key terms used in this Report. Where a term has a specific meaning in the IR Framework, that meaning is intended.

Term	Definition
Annual Financial Statements (AFS)	The audited consolidated and separate financial statements of the Group, prepared in accordance with IFRS Accounting Standards and appended to this Report.
Capital	A store of value that an organisation depends on or affects, as defined by the IFRS Foundation Integrated Reporting Framework. Six capitals are recognised: financial, manufactured, intellectual, human, social and relationship, and natural.
Central Securities Depository (CSD)	Market infrastructure for the safekeeping, registration, clearing and settlement of securities in book-entry form. The Group's CSD is operated by CSDB.
Clearing	The process of confirming, matching and finalising the obligations between counterparties to a securities trade ahead of settlement.
Combined assurance	A coordinated approach to assurance under which management, internal control and risk functions, and external assurance providers each play defined roles in giving comfort over the reliability of information.
Connectivity	An IR Framework Guiding Principle requiring an integrated report to show the relationships between the factors that affect an organisation's ability to create value over time.
Demutualisation	The conversion of a member-owned exchange into a shareholder-owned company. The Botswana Stock Exchange Limited was demutualised in 2018.
Double materiality	A materiality lens that considers both the impacts of sustainability matters on the organisation (financial materiality) and the impacts of the organisation on people and the environment (impact materiality).
Force for Good	One of the five strategic pillars of the 10X by 2030 strategy, focused on the Group's contribution to inclusive economic growth, financial literacy and sustainable finance.
Integrated thinking	The active consideration of the relationships between the various operating and functional units of an organisation and the capitals that the organisation uses or affects, leading to integrated decision making.
Materiality (IR)	An IR Framework Guiding Principle requiring disclosure of matters that substantively affect the organisation's ability to create value over the short, medium and long term.
NBFIRA	Non-Bank Financial Institutions Regulatory Authority, the statutory regulator of the BSE and other non-bank financial institutions in Botswana.
Settlement	The transfer of securities and the corresponding payment between buyer and seller after a trade has been cleared.
Sustainable Stock Exchanges (SSE) Initiative	A United Nations Partnership Programme that supports stock exchanges to enhance corporate transparency on environmental, social and governance issues.
10X by 2030	BSE's strategic ambition to grow revenue tenfold by 2030, supported by five strategic pillars: Talent and Culture, Technology Modernisation, Product Innovation, Internationalisation, and Force for Good.
Velocity Ratio	A measure of market liquidity, calculated as equity turnover divided by market capitalisation. A higher velocity indicates more active trading relative to the size of the market.

Acronyms and abbreviations

Subsidiaries

Acronym	Meaning
AMEDA	Africa and Middle East Depositories Association
ASEA	African Securities Exchanges Association
AFS	Annual Financial Statements
ANNA	Association of National Numbering Agencies
ATS	Automated Trading System
BISS	Botswana Interbank Settlement System
BMX	Botswana Mercantile Exchange
BWP	Botswana Pula
BSE	Botswana Stock Exchange Group
BSEL	Botswana Stock Exchange Limited (legal entity reference)
CCP	Central Counterparty
CSD	Central Securities Depository
CSDB	The Central Securities Depository Botswana
CEEP	Citizen Economic Empowerment Programme
COSSE	Committee of SADC Stock Exchanges
CSI	Corporate Social Investment
DPA	Data Processing Agreement
DCI	Domestic Companies Index
ESG	Environmental, Social and Governance
ETF	Exchange Traded Fund
FY	Financial Year
FCI	Foreign Companies Index
GMSLA	Global Master Securities Lending Agreement
GRI	Global Reporting Initiative
HMRC	His Majesty's Revenue and Customs (United Kingdom)
IR	Integrated Reporting
IASB	International Accounting Standards Board

Acronym	Meaning
IFRS	International Financial Reporting Standards
IOSCO	International Organisation of Securities Commissions
ISIN	International Securities Identification Number
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
NZFSFA	Net Zero Financial Service Providers Alliance.
NGX	Nigerian Exchange
NBFIRA	Non-Bank Financial Institutions Regulatory Authority
P	Pula (Botswana)
REIT	Real Estate Investment Trust
RTGS	Real-Time Gross Settlement
RIM	Retail Investor Module
SBL	Securities Borrowing and Lending
SGF	Settlement Guarantee Fund
SME	Small, Medium and Micro Enterprise
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SSE	Sustainable Stock Exchanges Initiative
TCFD	Task Force on Climate-related Financial Disclosures
WFC	World Federation of Central Securities Depositories
WFE	World Federation of Exchanges
ZSE	Zimbabwe Stock Exchange



Supplementary Information (continued)

Contact and shareholder information

General enquiries

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Private Bag 00417, Gaborone, Botswana
Telephone: +267 367 4400
Email: info@bse.co.bw
Website: www.bse.co.bw

Listings and trading

Listings and Trading Department
Email: listings@bse.co.bw

Market Development

Market Development Department
Email: marketdev@bse.co.bw

Central Securities Depository Company of Botswana Limited(CSDB)

Same physical and postal address as the Group.
For account enquiries, retail investors should contact a licensed broker or custodian.

Feedback on this Report

BSE welcomes feedback on this Integrated Report. Please direct comments and questions to marketdev@bse.co.bw





BOTSWANA
STOCK EXCHANGE

Audited Financial Statements

for the year ended 31 December 2025







Consolidated and Separate Annual Financial Statement For The Year Ended 31 December 2025

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General Information

FOR THE YEAR ENDED 31 DECEMBER 2025

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Regulating and promoting the listing and dealing in shares and other securities
Directors	Ms. Neo Mooki (Chairperson), Prof. Onkutlwile Othata (Vice Chairperson), Ms. Lekono Phiri, Mr. Davies Tele (Resigned on 02 April 2025), Mr. Norman Moleele, Ms. Segametsi Mokobi, Ms. Boitshoko Keabofe-Medupe, Ms. Boipelo Matenge, Mr. Aobakwe Monyatsi (Appointed on 12 March 2025), Mr. Gregory Matsake (Appointed on 07 July 2025)
Chief Executive Officer	Mr. Aobakwe Monyatsi
Committees of the BSE Board	
Operations & Technology Committee	Ms. Segametsi Mokobi, Ms. Boipelo Matenge, Mr. Gregory Matsake
Nominations and Governance Committee	Ms. Lekono Phiri, Mr. Norman Moleele Ms. Neo Mooki
Regulatory Committee	Mr. Norman Moleele, Prof. Onkutlwile Othata Ms. Boipelo Matenge
Admissions and Disciplinary Committee	Ms. Boitshoko Keabofe-Medupe, Ms. Lekono Phiri Ms. Segametsi Mokobi
Finance and Audit Committee	Mr. Davies Tele (resigned on 02 April 2025), Prof. Onkutlwile Othata Ms. Boitshoko Keabofe-Medupe
Registered office	Plot 70667 Fairscape Precinct, 4th Floor, Fairgrounds Gaborone, Botswana
Business address	Plot 70667 Fairscape Precinct, 4th Floor, Fairgrounds Gaborone, Botswana
Postal address	Private Bag 00417 Gaborone, Botswana
Bankers	Standard Chartered Bank of Botswana Limited First National Bank of Botswana Limited
Auditors	Grant Thornton Chartered Accountants A Botswana Member Firm of Grant Thornton International Limited
Secretary	Mr Thapelo Otukile
Company registration number	BW00000451021
Functional currency	Botswana Pula
Incorporation date	02 August 2018
Regulator	Non-Bank Financial Institution Regulatory Authority



Directors' Responsibilities and Approval

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are required in terms of the Companies Act (CAP 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate 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 IFRS Accounting Standards as issued by the international Accounting Standards Board. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

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

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

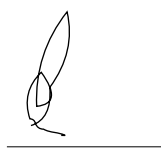
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any 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 2026 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on pages 139 to 141.

The consolidated and separate annual financial statements set out on pages 142 to 180, which have been prepared on the going concern basis, were approved by the Board of Directors on 30 March 2026 and were signed on their behalf by:



Director

Director

Chartered Accountants**Grant Thornton**

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Fairgrounds, Gaborone
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Independent Auditor's Report

To the Shareholders of Botswana Stock Exchange Limited

Opinion

We have audited the annual financial statements of Botswana Stock Exchange Limited and its subsidiary (together referred as "Group") set out on pages 142 to 180, which comprise the consolidated and separate statement of financial position as at 31 December 2025, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of, the consolidated and separate financial position of the Group as at 31 December 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for opinion

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

Key Audit Matters

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

**Partners**

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

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 consolidated and separate annual financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate annual financial statements. We are responsible for the direction, supervision and the performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Grant Thornton
Firm of Certified Auditors
Practising Member: Sunny Mulakulam (CAP 0034 2026)


Gaborone



Statement of financial position

AS AT 31 DECEMBER 2025

Figures in Pula	Note	Group		Company	
		2025	2024	2025	2024
Assets					
Non-Current Assets					
Property, plant and equipment	3	12,852,666	10,956,745	12,531,064	10,598,141
Right-of-use assets	4	4,695,272	1,396,149	4,695,272	1,396,149
Intangible assets	5	11,864,624	13,049,524	1,754,503	1,561,918
Investments in subsidiaries	6	-	-	300	100
Deferred tax	7	-	154,694	263,422	258,795
		29,412,562	25,557,112	19,244,561	13,815,103
Current Assets					
Financial assets at amortised cost	8	125,003,198	131,422,696	108,281,045	111,303,835
Trade and other receivables	9	26,532,905	22,209,889	25,985,709	22,983,186
Contribution to settlement guarantee fund	10	5,000,000	5,000,000	-	-
Current tax receivable	16	184,148	-	-	-
Cash and cash equivalents	11	27,293,924	10,027,472	23,042,922	8,717,656
		184,014,175	168,660,057	157,309,676	143,004,677
Total Assets		213,426,737	194,217,169	176,554,237	156,819,780
Equity and Liabilities					
Equity					
Stated capital	12	35,600,000	35,600,000	35,600,000	35,600,000
Reserves		2,201,620	2,201,620	2,201,620	2,201,620
Retained income		138,510,365	120,416,810	108,552,681	91,930,890
		176,311,985	158,218,430	146,354,301	129,732,510
Liabilities					
Non-Current Liabilities					
Lease liabilities	4	3,512,528	-	3,512,528	-
Deferred income	15	9,762,775	12,939,465	4,875,258	6,351,956
Deferred tax	7	50,707	-	-	-
		13,326,010	12,939,465	8,387,786	6,351,956
Current Liabilities					
Trade and other payables	14	20,609,545	11,016,515	19,482,949	10,447,296
Lease liabilities	4	1,224,835	1,525,103	1,224,835	1,525,103
Deferred income	15	1,554,192	-	704,196	-
Current tax payable	16	400,170	10,517,656	400,170	8,762,915
		23,788,742	23,059,274	21,812,150	20,735,314
Total Liabilities		37,114,752	35,998,739	30,199,936	27,087,270
Total Equity and Liabilities		213,426,737	194,217,169	176,554,237	156,819,780

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Note	Group		Company	
		2025	2024	2025	2024
Revenue	17	78,842,575	67,347,105	64,878,563	54,791,441
Other operating income	18	3,854,489	6,451,769	3,004,493	5,601,573
Other operating losses	19	(42,829)	(15,935)	(42,829)	(15,935)
Movement in credit loss allowances	20	(1,196,216)	(49,503)	(177,893)	639,637
Other operating expenses		(69,282,959)	(55,542,492)	(55,592,012)	(43,592,962)
Operating profit	20	12,175,060	18,190,944	12,070,322	17,423,754
Finance income	21	14,425,532	8,115,712	12,633,997	7,074,174
Finance costs	22	(118,469)	(148,978)	(118,469)	(148,978)
Profit before taxation		26,482,123	26,157,678	24,585,850	24,348,950
Taxation	23	(5,896,568)	(10,362,962)	(5,472,059)	(8,504,120)
Profit for the year		20,585,555	15,794,716	19,113,791	15,844,830
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		20,585,555	15,794,716	19,113,791	15,844,830



Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Stated Capital	Share based reserve	Retained income	Total equity
Group				
Balance at 01 January 2024	35,600,000	2,201,620	105,862,733	143,664,353
Profit for the year	-	-	15,794,716	15,794,716
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	15,794,716	15,794,716
Transfers	-	-	895,361	895,361
Dividends	-	-	(2,136,000)	(2,136,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(1,240,639)	(1,240,639)
Balance at 01 January 2025	35,600,000	2,201,620	120,416,810	158,218,430
Profit for the year	-	-	20,585,555	20,585,555
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	20,585,555	20,585,555
Dividends	-	-	(2,492,000)	(2,492,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(2,492,000)	(2,492,000)
Balance at 31 December 2025	35,600,000	2,201,620	138,510,365	176,311,985
Note	12			
Company				
Balance at 01 January 2024	35,600,000	2,201,620	78,222,060	116,023,680
Profit for the year	-	-	15,844,830	15,844,830
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	15,844,830	15,844,830
Dividends	-	-	(2,136,000)	(2,136,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(2,136,000)	(2,136,000)
Balance at 01 January 2025	35,600,000	2,201,620	91,930,890	129,732,510
Profit for the year	-	-	19,113,791	19,113,791
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	19,113,791	19,113,791
Dividends	-	-	(2,492,000)	(2,492,000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(2,492,000)	(2,492,000)
Balance at 31 December 2025	35,600,000	2,201,620	108,552,681	146,354,301
Note	12			

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Note	Group		Company	
		2025	2024	2025	2024
Cash flows from operating activities					
Cash generated from operations	24	21,086,054	8,366,244	21,014,599	6,775,114
Tax paid	25	(15,992,801)	-	(13,839,431)	-
Net cash from operating activities		5,093,253	8,366,244	7,175,168	6,775,114
Cash flows from investing activities					
Purchase of property, plant and equipment	3	(3,918,373)	(2,431,263)	(3,876,978)	(2,377,993)
Proceeds from sale of property, plant and equipment		-	24,313	-	24,313
Purchases of other intangible assets	5	(525,827)	(217,514)	(401,880)	(217,514)
Purchases of investments in subsidiaries		-	-	(200)	-
Interest income	21	14,425,532	8,115,712	12,633,997	7,074,174
Net cash from investing activities		9,981,332	5,491,248	8,354,939	4,502,980
Cash flows from financing activities					
Payment on lease liabilities	4	(1,617,162)	(1,573,935)	(1,617,162)	(1,573,935)
Finance costs	22	(118,469)	(148,978)	(118,469)	(148,978)
Dividends paid	26	(2,492,000)	(2,136,000)	(2,492,000)	(2,136,000)
Net cash from financing activities		(4,227,631)	(3,858,913)	(4,227,631)	(3,858,913)
Total cash movement for the year		10,846,954	9,998,579	11,302,476	7,419,181
Cash and cash equivalents at the beginning of the year		141,450,168	131,451,589	120,021,491	112,602,310
Cash and cash equivalents at the end of the year	11	152,297,122	141,450,168	131,323,967	120,021,491

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



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Material accounting policies

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

1.1 Basis of preparation

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

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

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are 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 annual financial statements from the effective date of acquiring to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate 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 consolidated 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 judgements in determining the lease term

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

Key sources of estimation uncertainty

Impairment of financial assets

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

Fair value estimation

Certain assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be

Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

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

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

Taxation

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

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

1.4 Property, plant and equipment

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

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

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

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

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

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

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

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

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.



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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 Intangible assets

Intangible assets are initially recognised at cost.

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

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

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

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

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

1.6 Financial instruments

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

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

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

Trade and other receivables

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

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

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

Impairment - Expected credit losses and write offs

Expected credit losses (ECL) on trade receivables are recognised in accordance with IFRS 9.

The Group applies the simplified approach to measuring expected credit losses. Under this approach, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date. The Group does not assess whether there has been a significant increase in credit risk.

Lifetime expected credit losses are estimated using a provision matrix based on historical credit loss experience, adjusted for current conditions and forward-looking information that is reasonable and supportable.

The loss allowance is updated at each reporting date to reflect changes in credit risk and economic conditions. Movements in the loss allowance are recognised in profit or loss with a corresponding adjustment to the carrying amount of trade receivables.

The Group writes off a trade receivable when there is no reasonable expectation of recovery, for example when the customer has entered liquidation or bankruptcy proceedings. Any subsequent recoveries of amounts previously written off are recognised in profit or loss.

Trade and other payables

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

Cash and cash equivalents

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

Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial

Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

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

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

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

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

Tax expenses

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

1.8 Leases

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

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

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

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

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 20) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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 22).

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

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2025

is significant in relation to the total cost of the asset is depreciated separately.

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

1.9 Impairment of assets

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

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

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

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

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

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

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

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

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

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

1.10 Stated capital

Equity instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Ordinary shares are classified as equity as they represent a residual interest in the assets of the Company after deducting all of its liabilities.

1.11 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

1.12 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.



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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.

1.13 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.

1.14 Revenue from contracts with customers

To determine whether to recognise revenue, the group follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations and then
- Recognising revenue when/as performance obligations are satisfied.

The group recognises revenue from the following major sources:

- Provision of exchange related services

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

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

Botswana Stock Exchange fees

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

Listing fees

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

Annual sustaining fees

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

Member fees

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

Central Securities Depository (CSD) fees

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

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

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

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

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

1.14 Revenue from contracts with customers (continued)

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.

1.15 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial 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 Pula 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 Consolidated and Separate Annual Financial Statements

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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:	Expected impact:
Years beginning on or after		
• Lack of exchangeability - amendments to IAS 21	01 January 2025	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 2026 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date:	Expected impact:
Years beginning on or after		
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Still to be determined	Unlikely there will be a material impact
• FRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 7 Statement of Cash Flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	01 January 2026	Unlikely there will be a material impact

3. Property, plant and equipment

Group	Cost	2025	Carrying value	Cost	2024	Carrying value
		Accumulated depreciation			Accumulated depreciation	
Land	2,790,250	-	2,790,250	2,790,250	-	2,790,250
Furniture and fixtures	2,511,782	(1,859,273)	652,509	2,291,287	(1,660,035)	631,252
Motor vehicles	1,987,496	(1,138,878)	848,618	1,987,496	(696,126)	1,291,370
Computer and office equipment	12,821,038	(9,447,110)	3,373,928	11,570,638	(8,330,170)	3,240,468
Leasehold improvements	2,635,225	(2,097,084)	538,141	2,635,225	(1,833,561)	801,664
Capital - Work in progress	4,649,220	-	4,649,220	2,201,741	-	2,201,741
Total	27,395,011	(14,542,345)	12,852,666	23,476,637	(12,519,892)	10,956,745

Company	Cost	2025	Carrying value	Cost	2024	Carrying value
		Accumulated depreciation			Accumulated depreciation	
Land	2,790,250	-	2,790,250	2,790,250	-	2,790,250
Furniture and fixtures	2,427,680	(1,817,157)	610,523	2,248,580	(1,619,391)	629,189
Motor vehicles	1,987,496	(1,138,878)	848,618	1,987,496	(696,126)	1,291,370
Computer and office equipment	10,946,164	(7,851,852)	3,094,312	9,695,764	(6,811,837)	2,883,927
Leasehold improvements	2,635,225	(2,097,084)	538,141	2,635,225	(1,833,561)	801,664
Capital - Work in progress	4,649,220	-	4,649,220	2,201,741	-	2,201,741
Total	25,436,035	(12,904,971)	12,531,064	21,559,056	(10,960,915)	10,598,141

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Depreciation	Total
Land	2,790,250	-	-	2,790,250
Furniture and fixtures	631,252	220,494	(199,237)	652,509
Motor vehicles	1,291,370	-	(442,752)	848,618
Computer and office equipment	3,240,468	1,250,400	(1,116,940)	3,373,928
Leasehold improvements	801,664	-	(263,523)	538,141
Capital - Work in progress	2,201,741	2,447,479	-	4,649,220
	10,956,745	3,918,373	(2,022,452)	12,852,666

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Transfers	Disposal Accumulated depreciation	Depreciation	Total
Land	2,790,250	-	-	-	-	-	2,790,250
Furniture and fixtures	805,218	24,889	-	-	-	(198,855)	631,252
Motor vehicles	1,734,128	-	-	-	-	(442,758)	1,291,370
Computer and office equipment	5,752,270	204,633	(24,313)	(1,549,168)	(75,208)	(1,067,746)	3,240,468
Leasehold improvements	1,065,185	-	-	-	-	(263,521)	801,664
Capital - Work in progress	-	2,201,741	-	-	-	-	2,201,741
	12,147,051	2,431,263	(24,313)	(1,549,168)	(75,208)	(1,972,880)	10,956,745



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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:

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2.2 Standards and interpretations not yet effective or relevant

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• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 7 Statement of Cash Flows impact	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	01 January 2026	Unlikely there will be a material impact

3. Property, plant and equipment

Group	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2,790,250	-	2,790,250	2,790,250	-	2,790,250
Furniture and fixtures	2,511,782	(1,859,273)	652,509	2,291,287	(1,660,035)	631,252
Motor vehicles	1,987,496	(1,138,878)	848,618	1,987,496	(696,126)	1,291,370
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Leasehold improvements	2,635,225	(2,097,084)	538,141	2,635,225	(1,833,561)	801,664
Capital - Work in progress	4,649,220	-	4,649,220	2,201,741	-	2,201,741
Total	27,395,011	(14,542,345)	12,852,666	23,476,637	(12,519,892)	10,956,745

Company	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2,790,250	-	2,790,250	2,790,250	-	2,790,250
Furniture and fixtures	2,427,680	(1,817,157)	610,523	2,248,580	(1,619,391)	629,189
Motor vehicles	1,987,496	(1,138,878)	848,618	1,987,496	(696,126)	1,291,370
Computer and office equipment	10,946,164	(7,851,852)	3,094,312	9,695,764	(6,811,837)	2,883,927
Leasehold improvements	2,635,225	(2,097,084)	538,141	2,635,225	(1,833,561)	801,664
Capital - Work in progress	4,649,220	-	4,649,220	2,201,741	-	2,201,741
Total	25,436,035	(12,904,971)	12,531,064	21,559,056	(10,960,915)	10,598,141

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2025

	Opening balance	Additions	Depreciation	Total
Land	2,790,250	-	-	2,790,250
Furniture and fixtures	631,252	220,494	(199,237)	652,509
Motor vehicles	1,291,370	-	(442,752)	848,618
Computer and office equipment	3,240,468	1,250,400	(1,116,940)	3,373,928
Leasehold improvements	801,664	-	(263,523)	538,141
Capital - Work in progress	2,201,741	2,447,479	-	4,649,220
	10,956,745	3,918,373	(2,022,452)	12,852,666

Reconciliation of property, plant and equipment - Group - 2024

	Opening balance	Additions	Disposals	Transfers	Disposal Accumulated depreciation	Depreciation	Total
Land	2,790,250	-	-	-	-	-	2,790,250
Furniture and fixtures	805,218	24,889	-	-	-	(198,855)	631,252
Motor vehicles	1,734,128	-	-	-	-	(442,758)	1,291,370
Computer and office equipment	5,752,270	204,633	(24,313)	(1,549,168)	(75,208)	(1,067,746)	3,240,468
Leasehold improvements	1,065,185	-	-	-	-	(263,521)	801,664
Capital - Work in progress	-	2,201,741	-	-	-	-	2,201,741
	12,147,051	2,431,263	(24,313)	(1,549,168)	(75,208)	(1,972,880)	10,956,745



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2025

	Opening balance	Additions	Depreciation	Total
Land	2,790,250	-	-	2,790,250
Furniture and fixtures	631 252	220 494	(199 237)	652 509
Motor vehicles	1 291 370	-	(442 752)	848 618
Computer and office equipment	3 240 468	1 250 400	(1 116 940)	3 373 928
Leasehold improvements	801 664	-	(263 523)	538 141
Capital - Work in progress	2 201 741	2 447 479	-	4 649 220
	10 956 745	3 918 373	(2 022 452)	12 852 666

Reconciliation of property, plant and equipment - Company - 2024

	Opening balance	Additions	Disposals	Transfers	Disposal - Accumulated depreciation	Depreciation	Total
Land	2,790,250	-	-	-	-	-	2,790,250
Furniture and fixtures	805 218	24 889	-	-	-	(198 855)	631 252
Motor vehicles	1 734 128	-	-	-	-	(442 758)	1 291 370
Computer and office equipment	5 752 270	204 633	(24 313)	(1 549 168)	(75 208)	(1 067 746)	3 240 468
Leasehold improvements	1 065 185	-	-	-	-	(263 521)	801 664
Capital - Work in progress	-	2 201 741	-	-	-	-	2 201 741
	12 147 051	2 431 263	(24 313)	(1 549 168)	(75 208)	(1 972 880)	10 956 745

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
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	4,695,272	1,396,149	4,695,272	1,396,149

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 20).

Buildings	1,530,299	1,485,802	1,530,299	1,485,802
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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 options
Buildings	1	35 months	35 months	1	1
Other disclosures					
Interest expense on lease liabilities		118,469	148,978	118,469	148,978
Expenses on short-term leases included in operating expenses		561,986	549,492	260,077	255,347
Total cash outflow from leases		1,617,163	1,573,935	1,617,163	1,573,935

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	1,939,050	1,575,115	1,939,050	1,575,115
Two to five years	4,153,678	-	4,153,678	-
	6,092,728	1,575,115	6,092,728	1,575,115
Less: future finance charges	(1,355,365)	(50,012)	(1,355,365)	(50,012)
	4,737,363	1,525,103	4,737,363	1,525,103
Non-current liabilities	3,512,528	-	3,512,528	-
Current liabilities	1,224,835	1,525,103	1,224,835	1,525,103
	4,737,363	1,525,103	4,737,363	1,525,103



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

5. Intangible assets

Group	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	17,234,522	(5,369,898)	11,864,624	16,708,695	(3,659,171)	13,049,524

Company	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	2,168,562	(414,059)	1,754,503	1,766,682	(204,764)	1,561,918

Reconciliation of intangible assets - Group - 2025

	Opening balance	Additions	Work-in-progress	Amortisation	Total
Computer software	13,049,524	123,947	401,880	(1,710,727)	11,864,624

Reconciliation of intangible assets - Group - 2024

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

Reconciliation of intangible assets - Company - 2025

	Opening balance	Work-in-progress	Amortisation	Total
Computer software	1,561,918	401,880	(209,295)	1,754,503

Reconciliation of intangible assets - Company - 2024

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

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. Interests in subsidiaries

Company

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

Name of company	% voting power 2025	% voting power 2024	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Central Securities Depository Company of Botswana Limited	100.00 %	100.00 %	100.00 %	100.00 %	100	100
Botswana Mercantile Exchange Proprietary Limited	100.00 %	-	100.00 %	-	100	-
Bse Impact Funds Company Proprietary Limited	100.00 %	-	100.00 %	-	100	-
					300	100



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

6. Interests in subsidiaries

Company

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

Name of company	% voting power 2025	% voting power 2024	% holding 2025	% holding 2024	Carrying amount 2025	Carrying amount 2024
Central Securities Depository Company of Botswana Limited	100.00 %	100.00 %	100.00 %	100.00 %	100	100
Botswana Mercantile Exchange Proprietary Limited	100.00 %	-	100.00 %	-	100	-
Bse Impact Funds Company Proprietary Limited	100.00 %	-	100.00 %	-	100	-
					300	100

Figures in Pula	Group		Company	
	2025	2024	2025	2024
7. Deferred tax				
Deferred tax liability				
Property plant and equipment	(718,103)	(284,044)	-	-
Right-of-use asset	(1,032,960)	(307,153)	(1,032,960)	(307,153)
Total deferred tax liability	(1,751,063)	(591,197)	(1,032,960)	(307,153)
Deferred tax asset				
Loss allowance	39,136	194,278	39,136	14,335
Lease liability	1,042,220	335,523	1,042,220	335,523
Deferred tax on doubtful debts	403,974	-	-	-
	1,485,330	529,801	1,081,356	349,858
Unrealised exchange loss	9,422	-	9,422	-
	1,494,752	529,801	1,090,778	349,858
Property plant and equipment	205,604	216,090	205,604	216,090
Total deferred tax asset, net of valuation allowance recognised	1,700,356	745,891	1,296,382	565,948
Deferred tax liability	(1,751,063)	(591,197)	(1,032,960)	(307,153)
Deferred tax asset	1,700,356	745,891	1,296,382	565,948
Total net deferred tax (liability) asset	(50,707)	154,694	263,422	258,795

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
Reconciliation of deferred tax asset / (liability)				
At beginning of year	154,694	-	258,795	-
Taxable / (deductible) temporary difference movement on tangible fixed assets	(351,899)	(67,954)	28,650	216,090
Deductible temporary difference on right-of-use asset	(725,807)	(307,153)	(725,807)	(307,153)
Taxable temporary difference on lease liability	706,697	335,523	706,697	335,523
Taxable / (deductible) temporary difference movement investment property at fair value Unrealised exchange loss/(gains)	(194,278)	194,278	(14,335)	14,335
Deferred tax on doubtful debts	(5,273)	-	9,422	-
	365,159	-	-	-
	(50,707)	154,694	263,422	258,795

8. Financial assets

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

Short-term investments	125,003,198	131,422,696	108,281,045	111,303,835
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The short term investments are unsecured, earns average interest of 6.6% (2024: 6.6%) per annum and has no fixed maturity date. The investments can be liquidated subject to an average notice period of 48 hours to the investee company.

Current portions

Current assets	125,003,198	131,422,696	108,281,045	111,303,835
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Exposure to credit risk

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

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

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

Credit rating - None of the counterparties below are rated;

Vunani Fund Managers	26,316,520	28,810,455	23,575,432	26,310,289
Botswana Savings Bank	16,495,882	8,453,181	16,495,882	8,453,181
African Alliance Asset Management	7,529,991	6,905,564	6,276,586	5,756,098
Botswana Insurance Fund Management	16,995,023	15,550,867	15,615,170	14,288,269
iPro Botswana Fund Management	28,405,545	27,560,292	21,832,794	19,669,236
Morula Capital Partners	14,819,882	32,883,796	12,176,971	25,568,221
Kgori Capital Proprietary Limited	12,308,210	11,258,541	12,308,210	11,258,541
Standard Chartered Bank	2,132,145	-	-	-
	125,003,198	131,422,696	108,281,045	111,303,835

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 Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
9. Trade and other receivables				
Financial instruments:				
Trade receivables	18,473,770	7,072,850	15,640,054	5,375,597
Loss allowance	(1,952,848)	(817,921)	(116,604)	-
Trade receivables at amortised cost	16,520,922	6,254,929	15,523,450	5,375,597
Deposits	495,053	380,194	495,053	380,194
Central Securities Depository Company of Botswana	-	-	1,070,016	2,237,945
Other receivable	1,800,501	9,948,066	3,370,061	9,915,441
Other receivables - loss allowance	(61,289)	-	(61,289)	-
Non-financial instruments:				
Value Added Tax	584,627	1,240,399	584,627	1,240,399
Prepayments	7,193,091	4,386,301	5,003,791	3,833,610
Total trade and other receivables	26,532,905	22,209,889	25,985,709	22,983,186

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	18,755,187	16,583,189	20,397,291	17,909,177
Non-financial instruments	7,777,718	5,626,700	5,588,418	5,074,009
	26,532,905	22,209,889	25,985,709	22,983,186

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 loss allowance provision is determined as follows:

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
Figures in Pula	2025	2024	2025	2024
9. Trade and other receivables (continued)				
Group	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due:	2,083,386	(192,863)	3,303,812	-
Less than 30 days past due:	-	-	53,740	-
31 - 60 days past due:	521,494	(48,839)	312,131	-
61 - 90 days past due:	655,311	(78,015)	537,142	(284,722)
91 days past due:	1,111,592	(915,252)	12,540	-
More than 120 days past due:	14,101,987	(717,879)	2,853,486	(533,199)
	18,473,770	(1,952,848)	7,072,851	(817,921)
Other receivables				
Not past due:	1,098,296	(57,935)	-	-
More than 120 days past due:	2,271,765	(3,354)	-	-
	3,370,061	(61,289)	-	-
Total	21,843,831	(2,014,137)	-	-
Company	2025	2025	2024	2024
	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: 4.33%	1,192,072	(18,795)	2,925,226	-
31 - 60 days past due: 6.27%	395,400	(14,383)	2,280	-
61 - 90 days past due: 9.27%	586,507	(53,589)	115,265	-
91 - 120 days past due: 13.57%	75,500	-	12,540	-
More than 120 days past due: 16.47%	13,390,575	(29,837)	2,320,287	-
	15,640,054	(116,604)	5,375,598	-
Other receivables				
Not past due: 4.33%	1,098,296	(57,935)	-	-
More than 120 days past due: 100%	2,271,765	(3,354)	-	-
	3,370,061	(61,289)	-	-
Total	19,010,115	(177,893)	-	-

Fair value of trade and other receivables

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



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024

10. Contribution to settlement guarantee fund

During the year, the group contributed an amount of P 5,000,000 towards the Settlement Guarantee fund established for meeting settlement risk since 31 January 2023.

Contribution to settlement guarantee fund	5,000,000	5,000,000	-	-
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11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	3,060	427	3,060	427
Bank balances	27,290,864	10,027,045	23,039,862	8,717,229
	27,293,924	10,027,472	23,042,922	8,717,656

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

Cash and cash equivalents	27,293,924	10,027,472	23,042,922	8,717,656
Financial assets (note 8)	125,003,198	131,422,696	108,281,045	111,303,835
	152,297,122	141,450,168	131,323,967	120,021,491
Fiduciary held bank accounts	6,990,913	1,191,667	770,095	-

The group, through its subsidiary The Central Securities Depository Botswana, is a custodian of brokers liquidity bank accounts. Brokers liquidity bank accounts are used to mitigate the systematic risk of transactions carried out on the Botswana Stock Exchange.

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

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

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

Credit rating - None of the financial institutions below are rated

Standard Chartered Bank of Botswana Limited	4,727,672	3,080,175	476,670	1,861,798
First National Bank of Botswana Limited	22,297,323	4,749,256	22,297,323	4,749,256
	27,024,995	7,829,431	22,773,993	6,611,054

12. Stated capital

Issued 35,600,000 Ordinary shares of no par value	35,600,000	35,600,000	35,600,000	35,600,000
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13. Share options reserve

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

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

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
14. Trade and other payables				
Financial instruments:				
Trade payables	1,994,901	495,951	552,089	236,153
Other payables	7,762,709	7,037,938	7,762,910	6,784,284
Non-financial instruments:				
Payroll accruals	10,717,060	3,426,849	11,167,950	3,426,849
Value Added Tax	134,875	55,777	-	-
	20,609,545	11,016,515	19,482,949	10,447,296

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	9,757,608	7,533,888	8,314,996	7,020,447
Non-financial instruments	10,851,935	3,482,626	11,167,950	3,426,849
	17,688,759	11,016,515	16,561,964	10,447,296

Fair value of trade and other payables

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

15 Deferred income

Deferred income				
Opening balance	12,939,465	14,460,351	6,351,956	7,022,846
Amounts transferred to Statement of Profit or Loss and Other Comprehensive Income	(1,622,498)	(1,520,886)	(772,502)	(670,890)
	11,316,967	12,939,465	5,579,454	6,351,956

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

Breakdown of Deferred Income

Internet trading system	4,050,197	4,050,197	4,050,197	4,050,197
Ticker Screen at Fairscape	651,694	811,294	651,694	811,294
Subscriptions	-	68,306	-	68,306
Securities Borrowing and lending system	5,737,513	6,587,509	-	-
ATS System	281,765	704,465	281,765	704,465
Website and mobile app	595,798	717,694	595,798	717,694
	11,316,967	12,939,465	5,579,454	6,351,956



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
16. Current tax receivable (payable)				
Normal tax	(216,022)	(10,517,656)	(400,170)	(8,762,915)
Net current tax receivable (payable)				
Current assets	184,148	-	-	-
Current liabilities	(400,170)	(10,517,656)	(400,170)	(8,762,915)
	(216,022)	(10,517,656)	(400,170)	(8,762,915)
17. Revenue				
Revenue from contracts with customers				
Listing and sustaining fees	54,067,637	47,663,912	54,067,637	47,663,912
Members fee income	8,500	12,250	8,500	12,250
Corporate actions fees	8,710,631	9,242,647	2,242,079	1,231,388
Commissions received	14,717,146	9,151,296	7,221,686	4,606,891
News publications	1,338,661	1,277,000	1,338,661	1,277,000
	78,842,575	67,347,105	64,878,563	54,791,441
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.				
Disaggregation of revenue from contracts with customers				
The group disaggregates revenue from customers as follows:				
Total revenue from contracts with customers	78,842,575	67,347,105	64,878,563	54,791,441
Timing of revenue recognition				
At a point in time				
Rendering of services	78,842,575	67,347,105	64,878,563	54,791,441
18. Other operating income				
Registered advisors	160,417	153,199	160,417	153,199
Amortisation of capital grants	1,554,192	1,554,392	704,196	704,196
Training income	143,033	287,026	143,033	287,026
Other income	1,996,847	4,457,152	1,996,847	4,457,152
	3,854,489	6,451,769	3,004,493	5,601,573
19. Other operating losses				
Foreign exchange gains losses				
Net foreign exchange loss	(42,829)	(15,935)	(42,829)	(15,935)

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
20. Operating profit				
Operating profit for the year is stated after charging (crediting) the following, amongst others:				
Auditor's remuneration - external				
Audit fees	475,369	272,998	276,291	150,487
Auditor's remuneration - internal	497,102	266,338	384,984	194,596
Employee costs				
Salaries, wages, bonuses and other benefits	35,176,765	24,781,787	28,008,111	19,405,231
Retirement benefit plans: defined contribution expense	518,562	573,725	518,562	573,725
Total employee costs	35,695,327	25,355,512	28,526,673	19,978,956
Depreciation and amortisation				
Depreciation of property, plant and equipment	2,022,452	1,972,880	1,944,055	1,889,166
Depreciation of right-of-use assets	1,530,299	1,485,802	1,530,299	1,485,802
Amortisation of intangible assets	1,710,727	1,698,965	209,295	204,764
Total depreciation and amortisation	5,263,478	5,157,647	3,683,649	3,579,732
Movement in credit loss allowances				
Trade and other receivables	1,196,216	49,503	177,893	(639,637)
Expenses by nature				
The total general and administrative expenses and other operating expenses are analysed by nature as follows:				
Employee costs	35,695,327	25,355,512	28,526,673	19,978,956
Lease expenses	561,986	549,492	260,077	255,347
Depreciation, amortisation and impairment	5,263,478	5,157,647	3,683,649	3,579,732
Other expenses	1,967,693	2,749,602	1,470,007	1,294,931
Advertising	3,349,887	4,231,318	3,349,887	4,231,318
Board training, Seminars and conferences	1,005,185	1,059,775	755,956	705,890
Communication expenses	243,720	221,426	228,678	207,102
Computer expenses	8,948,508	7,072,056	6,234,607	5,285,597
Consulting and professional fees	3,980,119	206,894	3,980,119	206,144
Insurance	350,182	300,204	345,733	229,247
License fees	-	238,763	-	-
Members sitting allowances	1,784,500	2,123,850	1,127,500	1,564,500
Office Expenses	432,054	292,412	336,825	223,076
Sale of advertising space	116,490	269,268	116,490	269,268
Staff welfare	813,119	913,690	813,119	913,690
Subscriptions	1,503,545	1,170,867	1,285,238	1,107,458
Technical service fees	706,799	1,456,627	706,799	1,456,627
Training expenses	356,669	127,073	166,957	62,765
Travel and accomodation	2,203,698	2,046,016	2,203,698	2,021,314
	69,282,959	55,542,492	55,592,012	43,592,962



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
21. Finance income				
Interest income				
Investments in financial assets:				
Interest income	14,425,532	8,115,712	12,633,997	7,074,174
22. Finance costs				
Lease liabilities	118,469	148,978	118,469	148,978
23. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	5,691,167	10,517,656	5,476,686	8,762,915
Deferred				
Originating and reversing temporary differences	205,401	(154,694)	(4,627)	(258,795)
	5,896,568	10,362,962	5,472,059	8,504,120
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	26,482,123	26,157,678	24,585,850	24,348,950
Tax at the applicable tax rate of 22% (2024: 22%)	5,826,067	5,754,689	5,408,887	5,356,769
Tax effect of adjustments on taxable income				
Permanent differences	70,501	4,608,273	63,172	3,147,351
	5,896,568	10,362,962	5,472,059	8,504,120
24. Cash generated from operations				
Profit before taxation	26,482,123	26,157,678	24,585,850	24,348,950
Adjustments for:				
Depreciation and amortisation	6,459,694	5,157,647	3,861,542	3,579,732
Finance income	(14,425,532)	(8,115,712)	(12,633,997)	(7,074,174)
Finance costs	118,469	148,978	118,469	148,978
Net impairments and movements in credit loss allowances	-	49,503	-	(639,637)
Other non-cash item in property, plant and equipment	-	75,208	-	-
Lease modification	-	30,935	-	30,935
Changes in working capital:				
Trade and other receivables	(5,519,232)	(16,491,017)	(3,180,416)	(16,268,631)
Trade and other payables	9,593,030	2,873,910	9,035,653	3,319,851
Deferred income	(1,622,498)	(1,520,886)	(772,502)	(670,890)
	21,086,054	8,366,244	21,014,599	6,775,114

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
25. Tax refunded				
Balance at beginning of the year	(10,517,656)	-	(8,762,915)	-
Current tax recognised in profit or loss	(5,691,167)	(10,517,656)	(5,476,686)	(8,762,915)
Balance at end of the year	216,022	10,517,656	400,170	8,762,915
	(15,992,801)	-	(13,839,431)	-
26. Dividends paid				
Dividends	(2,492,000)	(2,136,000)	(2,492,000)	(2,136,000)
Dividend per share	0.070	0.060	0.070	0.060

27. Related parties

Relationships

Subsidiaries Refer to note 6

Related parties

Stockbrokers Botswana Limited
 Imara Capital Securities Proprietary Limited Motswedi Securities Proprietary Limited
 Botswana Stock Exchange Impact Funds Company Proprietary Limited
 Botswana Mercantile Exchange Proprietary Limited Investor Compensation Fund

Members of key management

Mr Aobakwe Monyatsi

Senior management

T Otukile
 M Mogasha K Mogorosi
 M Pheto - Lentswe T Mmolai
 K Bolokwe B Mokoka T Moribame

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Motswedi Securities Proprietary Limited	130,250	-	7,628	-
Imara Capital Securities Proprietary Limited	1,375,755	-	-	-
Central Securities Depository Company of Botswana	1,070,014	2,237,945	1,070,014	2,237,945
Ministry of Finance	14,187,066	-	14,187,066	-
Botswana Stock Exchange Impact Funds Company Proprietary Limited	-	-	776,037	-
Botswana Mercantile Exchange Proprietary Limited	-	-	485,736	-
Investor Compensation Fund	-	-	307,787	-
	16,763,085	2,237,945	16,834,268	2,237,945



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
27. Related parties (continued)				
Related party transactions				
Commission fees to (received from) related parties				
Imara Capital Securities Proprietary Limited	(2,173,458)	(608,733)	(678,173)	(318,064)
Motswedi Securities Proprietary Limited	(496,901)	(941,966)	(260,263)	(486,586)
Stock Brokers Botswana Limited	-	(80,414)	-	(44,791)
	(2,670,359)	(1,631,113)	(938,436)	(849,441)
Reallocation fees				
Imara Capital Securities Proprietary Limited	2,280	4,775	-	-
Motswedi Securities Proprietary Limited	2,109	4,900	-	-
	4,389	9,675	-	-
Withdrawal fees				
Imara Capital Securities Proprietary Limited	1,710	9,500	-	-
Motswedi Securities Proprietary Limited	6,270	2,025	-	-
	7,980	11,525	-	-
Membership fees				
Stockbrokers Botswana Limited	-	13,750	-	3,750
Imara Capital Securities Proprietary Limited	16,530	14,500	5,130	4,500
Motswedi Securities Proprietary Limited	15,960	14,000	4,560	4,000
	32,490	42,250	9,690	12,250
Listing and annual sustaining fees				
Government bonds (at 0.125% on nominal value of	47,102,261	40,171,973	47,102,261	40,171,973
Government bonds)				
Transfer fees				
Imara Capital Securities Proprietary Limited	34,200	83,192	-	-
Stockbrokers Botswana Limited	-	16,000	-	-
Motswedi Securities Proprietary Limited	22,116	38,039	-	-
	56,316	137,231	-	-
X-news publications and ISINS charge				
Ministry of Finance	42,000	-	42,000	-
Ministry of Finance	24,750	-	24,750	-
	66,750	-	66,750	-
Sitting allowances				
Board sitting allowances	1,784,500	2,123,850	1,127,500	1,564,500

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
27. Related parties(continued)				
Remuneration for senior management				
Salaries	17,407,530	15,487,931	14,079,186	12,027,667
Terminal benefits	1,059,779	1,032,546	1,059,779	1,032,546
	18,467,309	16,520,477	15,138,965	13,060,213
Administration fees income				
Investor compensation fund	375,627	-	375,627	-
Registered advisers				
Motswedi Securities Proprietary Limited	2,850	-	2,850	-
Imara Capital Securities Proprietary Limited	2,850	-	2,850	-

28. Financial instruments and risk management

Categories of financial instruments

Group - 2025

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	125,003,198	125,003,198	125,003,198
Trade and other receivables	9	18,755,187	18,755,187	18,755,187
Cash and cash equivalents	11	27,293,924	27,293,924	27,293,924
		171,052,309	171,052,309	171,052,309

Group - 2024

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



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Group		Company	
	2025	2024	2025	2024
27. Related parties(continued)				
Remuneration for senior management				
Salaries	17,407,530	15,487,931	14,079,186	12,027,667
Terminal benefits	1,059,779	1,032,546	1,059,779	1,032,546
	18,467,309	16,520,477	15,138,965	13,060,213
Administration fees income				
Investor compensation fund	375,627	-	375,627	-
Registered advisers				
Motswedi Securities Proprietary Limited	2,850	-	2,850	-
Imara Capital Securities Proprietary Limited	2,850	-	2,850	-

28. Financial instruments and risk management

Categories of financial instruments

Group - 2025

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	125,003,198	125,003,198	125,003,198
Trade and other receivables	9	18,755,187	18,755,187	18,755,187
Cash and cash equivalents	11	27,293,924	27,293,924	27,293,924
		171,052,309	171,052,309	171,052,309

Group - 2024

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

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

28. Financial instruments and risk management Categories of financial instruments (continued)

Categories of financial assets(continued)

Company - 2025

	Note(s)	Amortised cost	Total	Fair value
Financial assets	8	108,281,045	108,281,045	108,281,045
Trade and other receivables	9	20,397,291	20,397,291	20,397,291
Cash and cash equivalents	11	23,042,922	23,042,922	23,042,922
		151,721,258	151,721,258	151,721,258

Company - 2024

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

Categories of financial liabilities

Company - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	9,757,608	9,757,608	9,757,608
Lease liabilities	4	4,737,362	4,737,362	4,737,362
		14,494,970	14,494,970	14,494,970

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	7,533,888	7,533,888	7,533,888
Lease liabilities	4	1,525,103	1,525,103	1,525,103
		9,058,991	9,058,991	9,058,991



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

28. Financial instruments and risk management Categories of financial instruments (continued)

Categories of financial assets(continued)

Company - 2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	8,314,996	8,314,996	8,314,796
Lease liabilities	4	4,737,362	4,737,362	4,737,362
		13,052,358	13,052,358	13,052,158

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	14	7,020,446	7,020,446	7,020,446
Lease liabilities	4	1,525,103	1,525,103	1,525,103
		8,545,549	8,545,549	8,545,549

Capital risk management

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

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

Financial risk management

Overview

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

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

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

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

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

Credit risk

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

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

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

28. Financial instruments and risk management Categories of financial instruments (continued)

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.

For trade receivables and contract assets 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		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial assets	8	125,003,198		125,003,198	131,422,696	-	131,422,696
Trade and other receivables	9	26,067,479	(1,952,848)	24,114,631	17,401,110	(817,921)	16,583,189
Cash and cash equivalents	11	27,293,924		27,293,924	10,027,472	-	10,027,472
		178,364,601	(1,952,848)	176,411,753	158,851,278	(817,921)	158,033,357

Company		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Financial assets	8	108,281,045	-	108,281,045	111,303,835	-	111,303,835
Trade and other receivables	9	25,621,700	(116,604)	25,505,096	17,909,177	(817,921)	17,091,177
Cash and cash equivalents	11	23,042,922	-	23,042,922	8,717,656	-	8,717,656
		156,945,667	(116,604)	156,829,063	137,930,668	-	137,930,668



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

28. Financial instruments and risk management Categories of financial instruments (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 - 2025

	Less than 1 year		2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	4,153,678	4,153,678	3,512,528
Current liabilities					
Trade and other payables	14	9,757,608	-	9,757,608	9,757,608
Lease liabilities	4	1,939,050	-	1,939,050	1,224,835
		11,696,658	4,153,678	15,850,336	7,469,915

Group - 2024

	Less than 1 year		Total	Carrying amount
Current liabilities				
Trade and other payables	14	7,533,888	7,533,888	7,533,888
Lease liabilities	4	1,525,103	1,525,103	1,525,103

28. Financial instruments and risk management Categories of financial instruments (continued)

Company - 2025

	Less than 1 year		1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	4,153,678	4,153,678	3,512,528
Current liabilities					
Trade and other payables	14	8,314,796	-	8,314,796	8,314,996
Lease liabilities	4	1,939,050	-	1,939,050	1,224,835
		10,253,846	4,153,678	14,407,524	13,052,359

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Company - 2024

		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	14	7,020,446	7,020,446	7,020,446
Lease liabilities	4	1,525,103	1,525,103	1,525,103

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	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Interest income from Financial assets and bank balances (50 basis points)	935,852	(935,852)	812,494	(812,494)

Company	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Interest income from Financial assets and bank balances (50 basis points)	812,758	(812,758)	721,452	(721,452)

29. Fair value information

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 2

Recurring fair value measurements

Assets	Note(s)	2025	2024	2025	2024
Financial assets at amortised cost					
Short-term investments	8	125,003,198	131,422,696	108,281,045	111,303,835



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Short-term investments

The fair value estimate has been determined from the perspective of a market participant that holds these short-term investments as assets at 31 December 2025.

30. Going concern

The consolidated and separate annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied is that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the group. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

31. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.





Rooted in Trust
Growing What Matters



**BOTSWANA
STOCK EXCHANGE**

The Central Securities Depository Botswana

Annual Financial Statements for the
year ended 31 December 2025





Central Securities Depository Company of Botswana Limited Annual Financial Statement For The Year Ended 31 December 2025

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General Information

FOR THE YEAR ENDED 31 DECEMBER 2025

Country of incorporation and domicile Botswana
Nature of business and principal activities Clearing and settlement of transactions carried out on the Botswana

Stock Exchange and facilitation of clearance of securities electronically in a dematerialised environment.

Directors Ms Pascaline Sefawe (Chairperson),
Ms. Kelebogile Kewagamang (Vice Chairperson),
Mr. Vincent Taicu Baituti,
Mr. Lame Gare,
Mr. Kabo Masego Kebitsang,
Mr. Tebogo Letlhogile Mogaleemang,
Ms. Tsholofelo Bogosi,
Mr. Aupa Monyatsi (Appointed on 12 March 2025)

Registered office Plot 70667, Fairscaple Precinct, 4th Floor Fairgrounds
Gaborone, Botswana

Business address Plot 70667, Fairscaple Precinct, 4th Floor Fairgrounds
Gaborone, Botswana

Postal address Private Bag 00417
Gaborone, Botswana

Holding company Botswana Stock Exchange Limited

Bankers Standard Chartered Bank of Botswana Limited

Auditors Grant Thornton
Chartered Accountants
A Botswana Member Firm of Grant Thornton International Limited

Secretary Mr. Thapelo Otukile

Company registration number BW00000191721

Date of incorporation 19 February 2002

Functional currency Botswana Pula (BWP)

Regulator Non-Bank Financial Institution Regulatory Authority



Directors' Responsibilities and Approval

FOR THE YEAR ENDED 31 DECEMBER 2025

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

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

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company 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 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 company's cash flow forecast for the year to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements.

The annual financial statements have been examined by the company's external auditors and their report is presented on pages 187 to 189.

The annual financial statements set out on pages 190 to 212, which have been prepared on the going concern basis, were signed on their behalf by:

Director

Director

Chartered Accountants

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

T +267 395 2313

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

Independent Auditor's Report

To the Shareholders of Central Securities Depository Company
of Botswana Limited

Opinion

We have audited the annual financial statements of Central Securities Depository Company of Botswana Limited set out on pages 190 to 212, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the annual financial statements give a true and fair view of, the financial position of Central Securities Depository Company of Botswana Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Basis for opinion

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

Key Audit Matters

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



Partners

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Central Securities Depository Company of Botswana Limited annual financial statements for the year ended 31 December 2025”, which includes the Director’s responsibilities and approval and the supplementary information, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor’s report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

“The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial Statements, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.”

“Those charged with governance are responsible for overseeing the company’s financial reporting process.”

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

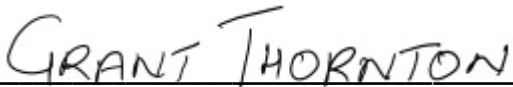


“As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.”
- We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine these matters that were of most significance in the audit of the annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Grant Thornton
Firm of Certified Auditors
Practising Member: Sunny Mulakulam (CAP 0034 2026)


Gaborone



Statement of financial position

AS AT 31 DECEMBER 2025

Figures in Pula	Note	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment	3	321,601	358,603
Intangible assets	4	10,110,121	11,487,606
		10,431,722	11,846,209
Current Assets			
Financial assets	6	16,722,153	20,118,861
Trade and other receivables	7	1,617,211	1,464,648
Contribution to settlement guarantee fund	8	5,000,000	5,000,000
Current tax receivable		184,148	-
Cash and cash equivalents	9	4,251,002	1,309,816
		27,774,514	27,893,325
Total Assets		38,206,236	39,739,534
Equity and Liabilities			
Equity			
Stated capital	10	100	100
Retained income		29,957,684	28,485,922
Retained income		29,957,684	28,485,922
Liabilities			
"Non-Current Liabilities			
Deferred income"	12	4,887,517	6,587,509
Deferred tax	5	314,129	104,101
		5,201,646	6,691,610
Current Liabilities			
Trade and other payables	11	2,196,810	2,807,161
Deferred income Current tax payable	12	849,996	1,754,741
		3,046,806	4,561,902
Total Liabilities		8,248,452	11,253,512
Total Equity and Liabilities		38,206,236	39,739,534

Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Note	2025	2024
Revenue	13	13,964,013	12,555,665
Other operating income	14	849,996	850,196
Movement in credit loss allowances	15	(1,018,323)	(689,140)
Other operating expenses		(13,690,947)	(11,949,530)
Operating profit	15	104,739	767,191
Finance income	16	1,791,535	1,041,538
Profit before taxation		1,896,274	1,808,729
Taxation	17	(424,509)	(1,858,842)
Profit (loss) for the year		1,471,765	(50,113)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		1,471,765	(50,113)



Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Stated capital	Retained income	Total equity
Balance at 1 January 2024	100	27,640,674	27,640,774
Loss for the year	-	(50,113)	(50,113)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(50,113)	(50,113)
Transfers	-	895,361	895,361
Total contributions by and distributions to owners of company recognised directly in equity	-	895,361	895,361
Balance at 1 January 2025	100	28,485,919	28,486,019
Profit for the year	-	1,471,765	1,471,765
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,471,765	1,471,765
Balance at 31 December 2025	100	29,957,684	29,957,784
Note	10		

The accounting policies on pages 11 to 17 and the notes on pages 18 to 30 form an integral part of the annual financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Note	2025	2024
Cash flows from operating activities			
Cash generated from operations	18	71,655	1,591,129
Tax paid		(2,153,370)	-
Net cash from operating activities		(2,081,715)	1,591,129
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(41,395)	(53,269)
Purchases of intangible assets	4	(123,947)	-
Interest income	16	1,791,535	1,041,538
Net cash from investing activities		1,626,193	988,269
Total cash movement for the year		(455,522)	2,579,398
Cash and cash equivalents at the beginning of the year		21,428,677	18,849,279
Cash and cash equivalents at the end of the year	9	20,973,155	21,428,677



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

1. Material accounting policies

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

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

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act (CAP 42:01) as amended.

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

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of 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.

Key sources of estimation uncertainty

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

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

Impairment testing

The company 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 company 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.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use 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 company, 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 company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

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

Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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 company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item - Value of Asset (P)	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 years
Computer and office equipment (0-50,000)	Straight line	4 years
Computer and office equipment (50,001 and above)	Straight line	10 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.

1.4 Intangible assets

Intangible assets are initially recognised at cost.

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

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

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

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

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

1.5 Financial instruments

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

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

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

Trade and other receivables

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

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

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

Impairment - Expected credit losses and write offs



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

A provision matrix is used as a practical expedient when determining expected credit losses. 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 conditions.

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

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

The company writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the company's recovery procedures. Any recoveries made are recognised in profit or loss.

1.5 Financial instruments (continued)

Trade and other payables

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

We have audited the annual financial statements of The Central Securities Depository Company of Botswana Limited set out on pages 7 to 30, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the annual financial statements give a true and fair view of the financial position of The Central Securities Depository Company of Botswana Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board.

Derecognition

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

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

Reclassification

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities

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

The directors are responsible for the other information. The other information comprises the information included in the document titled The Central Securities Depository Company of Botswana Limited annual financial statements for the year ended 31 December 2025, which includes the Director's responsibilities and approval and the supplementary information, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise

Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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.

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

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error. In preparing the annual financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.

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

Tax expenses

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.

1.7 Impairment of assets

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

From the matters communicated with the directors, we determine these matters that were of most significance in the audit of the annual financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Irrespective of whether there is any indication of impairment, the company 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.
- tests goodwill acquired in a business combination for impairment annually.

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.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised



Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 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 non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

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

Defined contribution plans

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

The company pays contributions to Fiducia Services (Pty) Ltd who administers a pension insurance plan for the company. The regular contribution are recognised in the profit or loss as incurred. Employee entitlements to annual leave and gratuity are recognised when they accrue to employees and a provision is made for the estimate liability as a result of services rendered by employees up to the statement of financial position date. Contract staff are paid terminal gratuities in accordance with their respective employment contract.

1.10 Provisions and contingencies

Provisions are recognised when:

- the company 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.

1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company 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.

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

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

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

1.12 Revenue from contracts with customers

The company recognises revenue from the following major sources:

- Provision of depository clearing and settlement related services.

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

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

Material Accounting Policies

FOR THE YEAR ENDED 31 DECEMBER 2025

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

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

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

Interest income represents revenue earned from the investment of funds, arising from interest accrued on such investments.

1.13 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 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.

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
• Lack of exchangeability - amendments to IAS 21	1 January 2025	The impact of the amendments is not material

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2026 or later periods:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinite	Unlikely there will be a material impact
• Amendments to IFRS Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2026	Unlikely there will be a material impact



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	84,102	(42,116)	41,986	42,707	(40,644)	2,063
Computer and office equipment	2,170,834	(1,891,219)	279,615	2,170,834	(1,814,294)	356,540
Total	2,254,936	(1,933,335)	321,601	2,213,541	(1,854,938)	358,603

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	2,063	41,395	(1,472)	41,986
Computer and office equipment	356,540	-	(76,925)	279,615
	358,603	41,395	(78,397)	321,601

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions movements	Other changes, Depreciation	Total
Furniture and fixtures	-	2,264	2,264 (201)	2,063
Computer and office equipment	464,256	51,005	(75,208) (83,513)	356,540
	464,256	53,269	(75,208) (83,714)	358,603

4. Intangible assets

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer and office equipment	15,065,960	(4,955,839)	10,110,121	14,942,013	(3,454,407)	11,487,606

Reconciliation of intangible assets- 2025

	Opening balance	Additions	Amortisation	Total
Computer and office equipment	11,487,606	123,947	(1,501,432)	10,110,121

Reconciliation of property, plant and equipment - 2024

	Opening balance	Amortisation	Total
Computer and office equipment	12,981,807	1,494,201	11,487,606

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
5. Deferred tax		
Deferred tax liability		
Property plant and equipment	(718,103)	(284,044)
Deferred tax asset		
Deferred tax on doubtful debts	403,974	179,943
Deferred tax liability	(718,103)	(284,044)
Deferred tax asset	403,974	179,943
Total net deferred tax liability	(314,129)	(104,101)
Reconciliation of deferred tax asset / (liability)		
At beginning of year	(104,101)	-
Taxable temporary difference movement on tangible fixed assets	(434,059)	(284,044)
Taxable/(deductible) temporary difference on credit loss allowance	224,031	179,943
	(314,129)	(104,101)

6. Financial assets

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

Split between non-current and current portions		
Current assets	16,722,153	20,118,861

Exposure to credit risk

Financial assets inherently exposes the company to credit risk, being the risk that the company 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 company 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 ratings none of the counterparties below are rated

African Alliance Botswana Liquidity Fund	1,253,406	1,149,466
Vunani Fund Managers	2,741,088	2,500,166
Botswana Insurance Fund Management	1,379,852	1,262,598
IPro Botswana Fund Management	6,572,751	7,891,056
Morula Capital Partners	2,642,911	7,315,575
Standard Chartered Bank	2,132,145	-
	16,722,153	20,118,861



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
5 Deferred tax		
Deferred tax liability		
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IPro Botswana Fund Management	6,572,751	7,891,056
Morula Capital Partners	2,642,911	7,315,575
Standard Chartered Bank	2,132,145	-
	16,722,153	20,118,861

Fair value of financial assets

The company 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 Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
7. Trade and other receivables		
Financial instruments:		
Trade receivables	2,833,716	1,697,253
Loss allowance	(1,836,244)	(817,921)
Trade receivables at amortised cost	997,472	879,332
Other receivables	-	32,625
Non-financial instruments:		
Prepayments	619,739	552,691
Total trade and other receivables	1,617,211	1,464,648
Financial instrument and non-financial instrument components of trade and other receivables		
At amortised cost	997,472	911,957
Non-financial instruments	619,739	552,691
	1,617,211	1,464,648
	1,617,211	1,464,648

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

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 company 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.

The loss allowance provision is determined as follows:

	2025	2025	2024	2024
	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: 19.5%	891,313	(174,067)	378,586	-
Less than 30 days past due: 33.73%	126,094	(34,457)	53,740	-
31 - 60 days past due: 53.09%	68,804	(24,425)	309,851	-
61 - 90 days past due: 100%	1,036,092	(915,252)	421,877	-
More than 120 days past due: 100%	711,413	(688,043)	533,199	-
	2,833,716	(1,836,244)	1,697,253	-



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula 2025 2024

7. Trade and other receivables (continued)

Reconciliation of loss allowances

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

Opening balance	(817,921)	(128,781)
Provision raised on new trade receivables	(200,402)	(817,921)
Provisions reversed on settled trade receivables	(817,921)	128,781
Closing balance	(1,836,244)	(817,921)

Fair value of trade and other receivables

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

8. Contribution to settlement guarantee fund

The company contributed an amount of P 5,000,000 towards the settlement guarantee fund established for meeting settlement risk on 31 January 2023.

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	4,251,002	1,309,816
Bank balances	4,251,002	1,309,816
Money market placements	16,740,606	20,118,861
	20,991,608	21,428,677
Fiduciary held bank accounts	6,220,818	1,191,667

The Central Securities Depository Company of Botswana Limited is a custodian of brokers liquidity bank accounts. Brokers liquidity bank accounts are used to mitigate the systematic risk of transactions carried out on the Botswana Stock Exchange.

For the purposes of cash flow statement, financial assets are also included as cash and cash equivalents due to the short term maturity and liquidity position and the business model for which the company uses these financial assets.

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

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings historical information about counterparty default rates. Since banks in Botswana are not rated, the company uses historical counterpart default rates or information about the holding companies of these banks to assess credit worthiness.

Credit rating - none of the counterparties below are rated

Standard Chartered Bank of Botswana Limited	4,251,002	1,297,203
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10. Stated capital

Issued

100 Ordinary shares of no par value, fully paid	100	100
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Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
11. Trade and other payables		
Financial instruments:		
Trade payables - related party	1,070,014	2,237,942
Other payables	372,795	499,178
Other payables	-	14,264
Non-financial instruments:		
Amounts received in advance	619,126	-
Value Added Tax	134,875	55,777
	2,196,810	2,807,161
Fair value of trade and other payables		
The fair value of trade and other payables approximates their carrying amounts.		
Opening deferred income	6,587,509	7,437,505
Transfer received from Botswana Stock Exchange Limited	(849,996)	(849,996)
	5,737,513	6,587,509
Split between non-current and current portions		
Non-current liabilities	4,887,517	6,587,509
Current liabilities	849,996	-
	5,737,513	6,587,509

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



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
13. Revenue		
Revenue from contracts with customers		
CSD fees	7,495,460	4,544,405
CSD levy fees	1,092,186	1,803,983
Custodial fees	3,899,767	5,842,641
Transfer fees	61,600	179,911
Documentation fees	1,333,500	115,700
Withdrawal fees	81,500	69,025
	13,964,013	12,555,665
14. Other operating income		
Amortisation of grant	849,996	850,196
15. Operating profit		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	199,078	122,511
Auditor's remuneration - internal	112,118	71,742
Employee costs		
Depreciation and amortisation		
Depreciation of property, plant and equipment	78,397	83,714
Amortisation of intangible assets	1,501,432	1,494,201
Total depreciation and amortisation	1,579,829	1,577,915
Movement in credit loss allowances		
Trade and other receivables	1,018,323	689,140
Expenses by nature		
The total general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Employee costs	7,168,654	5,357,449
Rental expenses	301,909	294,145
Depreciation, amortisation and impairment	1,579,829	1,577,915
Other expenses	1,305,373	1,072,367
Computer expenses	2,713,901	2,965,997
Seminars and conferences	189,712	89,009
Board training	249,229	353,885
License fees	182,340	238,763
	13,690,947	11,949,530

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
16. Finance income		
Interest income		
Investments in financial assets:		
Interest income	1,791,535	1,041,538
17. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	214,481	1,754,741
Deferred		
Originating and reversing temporary differences	210,028	104,101
	424,509	1,858,842
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	1,896,274	1,808,729
Tax at the applicable tax rate of 22% (2024: 22%)	417,180	397,920
Tax effect of adjustments on taxable income		
Expenses disallowed	33,311	2,156
Other permanent differences	(25,982)	1,458,766
	424,509	1,858,842
18. Cash generated from operations		
Other non-cash item in property, plant and equipment	-	75,208
Adjust for items which are presented separately: Interest income	(1,791,535)	(1,041,538)
Changes in working capital:		
(Increase) decrease in trade and other receivables	(1,170,886)	(857,904)
Increase (decrease) in trade and other payables	(610,354)	189,575
Increase (decrease) in deferred income	(849,996)	(849,996)
	71,655	1,591,129



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula

2025

2024

19. Related parties

Relationships

Holding company

Botswana Stock Exchange Limited

Related parties

Government of The Republic of Botswana
Stockbrokers Botswana Limited
Imara Capital Securities Proprietary Limited
African Alliance Botswana
Botswana Securities Proprietary Limited
Motswedi Securities Proprietary Limited
Botswana Stock Exchange ESSOP

Members of key management

T Otukile
M Mogasha K Mogorosi T Mmolai
M Pheto - Lentswe K Bolokwe
T Moribame B Mokoka

Related party balances

Amounts included in other payable regarding related parties

Botswana Stock Exchange Limited	(1,070,014)	(2,237,945)
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Amounts included in trade and other receivable regarding related parties

Motswedi Securities Proprietary Limited	122,622	-
Imara Capital Securities Proprietary Limited	1,375,755	-
	1,498,377	-

Related party transactions

Reallocation fees

Imara Capital Securities Proprietary Limited	2,280	4,775
Motswedi Securities Proprietary Limited	2,109	4,900
	4,389	9,675
Motswedi Securities Proprietary Limited	6,270	2,025
	7,980	11,525

Commission fee paid to (received from) related parties

Imara Capital Securities Proprietary Limited	(1,495,285)	(290,670)
Motswedi Securities Proprietary Limited	(236,637)	(455,379)
Stockbrokers Botswana Limited	-	(35,623)
	(1,731,922)	(781,672)

Membership fees

Imara Capital Securities Proprietary Limited	(11,400)	(10,000)
Motswedi Securities Proprietary Limited	(11,400)	(10,000)
Stockbrokers Botswana Limited	-	(10,000)

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	2025	2024
19. Related parties (continued)		
	(22,800)	(30,000)
Administration fees paid to (received from) related parties		
Imara Capital Securities Proprietary Limited	(32,000)	(14,675)
Motswedi Securities Proprietary Limited	(22,450)	(6,925)
Stockbrokers Botswana Limited	-	(4,125)
	(54,450)	(25,725)
Sitting allowance		
Board of Directors	657,000	559,350
Compensation to directors and other key management		
Salaries	3,328,344	3,460,264
Transfer fees		
Imara Capital Securities Proprietary Limited	34,200	-
Motswedi Securities Proprietary Limited	22,116	-
	56,316	-

20. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025	Note(s)	Amortised cost	Total	Fair value
Financial assets	6	16,722,153	16,722,153	16,722,153
Trade and other receivables	7	997,472	997,472	997,472
Cash and cash equivalents	9	4,251,002	4,251,002	4,251,002
		21,970,627	21,970,627	21,970,627

2024

	Note(s)	Amortised cost	Total	Fair value
Financial assets	6	20,118,861	20,118,861	20,118,861
Trade and other receivables	7	911,957	911,957	911,957
Cash and cash equivalents	9	1,309,816	1,309,816	1,309,816
		22,340,634	22,340,634	22,340,634



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Financial instruments and risk management (continued)

2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	11	1,442,811	1,442,811	1,442,811

2024

	Note(s)	Amortised cost	Total	Fair value
Financial assets	11	2,751,387	2,751,387	2,751,387

Capital risk management

The company's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Financial risk management

Overview

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

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

Credit risk

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

For trade receivables and contract assets 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.

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 company 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.

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

		2025			2024		
		Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount
Financial assets	6	16,722,153	-	16,722,153	20,118,861	-	20,118,861
Trade and other receivables	7	2,296,364	(1,836,244)	460,120	1,729,878	(817,921)	911,957
Cash and cash equivalents	9	4,251,002	-	4,251,002	1,309,816	-	1,309,816
Cash and cash equivalents	9	23,269,519	(1,836,244)	21,433,275	23,158,555	(817,921)	22,340,634

Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Financial instruments and risk management (continued)

Liquidity risk

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

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

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.

2025

	Notes	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other receivables	11	1,442,811	1,442,811	1,442,811

2024

	Notes	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other receivables	11	2,751,387	2,751,387	2,751,387



Notes to the Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

20. Financial instruments and risk management (continued)

Interest rate risk

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

The company 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.

2025

	2025	2025	2024	2024
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Money market placements and bank balances (50 basis points)	123,094	(123,094)	-	-

21. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors are satisfied that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

22. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Detailed Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2025

Figures in Pula	Note(s)	2025	2024
Revenue			
Transfer fees		61,600	179,911
Withdrawal fees		81,500	69,025
CSD Levy fees		1,092,186	1,803,983
Custodial fees		3,899,767	5,842,641
CSD fees		7,495,460	4,544,405
Documentation fees		1,333,500	115,700
	13	13,964,013	12,555,665
Other operating income			
Amortisation of capital grants		849,996	850,196
Movement in credit loss allowances	15	(1,018,323)	(689,140)
Other operating expenses			
Accounting fees		(14,580)	-
Amortisation		(1,501,432)	(1,494,201)
Auditor's remuneration - external audit	15	(199,078)	(122,511)
Auditor's remuneration - external audit	15	(199,078)	(122,511)
Bank charges		(4,608)	(3,239)
Board training		(249,229)	(353,885)
Cleaning		(15,003)	(16,196)
Communication expenses		(15,042)	(14,324)
Computer expenses		(2,713,901)	(2,965,997)
Consultation fees		-	(750)
Depreciation		(78,397)	(83,714)
Directors' sitting allowance		(657,000)	(559,350)
Employee costs		(7,168,654)	(5,357,449)
Fines and penalties		(33,311)	(9,800)
Insurance		(91,730)	(65,885)
Internship allowances		-	(19,107)
License fees		(182,340)	(238,763)
Office Expenses		(65,979)	(70,836)
Rental		(301,909)	(294,145)
Seminars and conferences		(189,712)	(89,009)
Subscriptions		(35,967)	(63,409)
Training levy		(31,707)	(23,718)
Utilities		(29,250)	(31,500)
		(13,690,947)	(11,949,530)
Operating profit	15	104,739	767,191
Finance income	16	1,791,535	1,041,538
Profit before taxation		1,896,274	1,808,729
Taxation	17	(424,509)	(1,858,842)
Profit (loss) for the year		1,471,765	(50,113)




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