BOTSWANA TELECOMMUNICATIONS CORPORATION

ACCELERATING TRANSFORMATION

Unlocking Growth

INTEGRATED REPORT 2026

btc

WELCOME

btc

BTC celebrating its 46th anniversary of purposeful existence, has grown in leaps and bounds since its establishment through an Act of Parliament in 1980. The Company has transitioned from a telecommunications operator to a fully-fledged technological Company (TechCo).

BTC's integrated report provides an opportunity to highlight its achievements for the year ended March 2026, including but not limited to its Strategic Performance Review, Governance, Investment Case, Sustainability, Annual Financial Results, etc.

Please visit our website at
https://btc.bw

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The company's reporting suite provides an opportunity to discuss its achievements for the year ended 31 March 2026. It also includes various online publications and engagements, including the Investment Case, Fact Sheet, Audited Financial Results, etc. Please visit our website at **https://btc.bw/**

About this report

WELCOME TO OUR REPORTING SUITE

Through our various tailored reports, we aim to provide the Botswana Telecommunications Corporation's (BTC) stakeholders with the essential information to assess its performance and to make informed decisions.

INTEGRATED REPORTING DISCLOSURES

Our integrated report is the primary communication with our stakeholders and contains several features and disclosures that will help them make informed decisions based on the data it provides. It shows the interconnectedness of how we create, erode, preserve, and enhance value through the various trade-offs in our input capitals.

APPROACH TO ADDITIONAL COMPLIANCE BASED DISCLOSURES

IFRS S1 and S2 reporting requirements became effective for financial periods after 1st January 2026, BTC is in the transitionary period, and its management has made a commitment to incorporate sustainability-related disclosures in future reports once the maturity of the business is aligned to meet the disclosure requirements. This demonstrates and affirms the Company's commitment to follow best practices and to provide information that is useful for interpreting the sustainability-related financial disclosures of our business.

FINANCIAL DISCLOSURES

This section of the report contains detailed information about our financial position and performance, and provides a comprehensive view of the Company's operations, including its financial resources management practices.

- Board approval of AFS
- Independent Auditor's Report
- Annual Financial Statements (AFS).

SHAREHOLDER INFORMATION

We provide an analysis of our shareholders and avail important information and documents that enable them to participate in the Company's annual general meeting:

- Notice of AGM
- Proxy form
- Notes to form of proxy.

AUDIENCE

This report is intended to communicate with the following user groups, but this list is not exhaustive:

- Our staff
- Customers
- Strategic partners
- Government
- Regulators
- Members of the communities in which we operate.

About this report [Cont]

MEMBERS OF THE COMMUNITIES IN WHICH WE OPERATE

Employees | Suppliers and Strategic Partners | Investors and Analysts | Communities | Customers | Government and Regulators | Media | Organised Labour

MEMBERS OF THE SCOPE AND BOUNDARY

The report content is based on the regulatory framework outlined below and is further supplemented by the information that our capital providers required. The materiality assessment process is also explained in more detail in chapter 28. All growth rates quoted are year-on-year and refer to the year ended 31 March 2026 compared with 31 March 2025, unless stated otherwise

REPORTING PRINCIPLES AND FRAMEWORKS

The BTC Executive Committee (EXCO) is responsible for the development and implementation of the reporting process. The information and commitments are subsequently reviewed and approved by the Board of Directors. The EXCO affirms that the Integrated Report is aligned with international standards and best practices. The report reflects key risks and opportunities facing the business, how these factors affect our strategy, performance, and the impact BTC has in Botswana. There are no instances of material non-compliance to report.

Regulation and reporting frameworks	Integrated Report	Financial Statements
International Integrated Reporting <IR> Framework (IIRC)	✔	
International Financial Reporting Standards (FRS)		✔
Botswana Companies Act of 2007, as amended (Cap 42:02) (Companies Act) through the Registrar of Companies	✔	✔
Financial Intelligence Act, 2022	✔	✔
Electronic Payments Services Regulation, 2019, Bank of Botswana	✔	
Counter Terrorism Act, 2014, enacted through the Botswana Counter-Terrorism Analysis and Fusion Agency	✔	✔
Botswana Accountancy and Oversight Authority	✔	✔
Non-Bank Financial Institutions Regulatory Authority	✔	✔
Botswana Stock Exchange Equity Listings Requirements version 3.2 effective 2019	✔	✔
Communications Regulatory Authority Act (No. 19 of 2012)	✔	
King III Report on Corporate Governance for South Africa, 2009 (Transitioning to King IV)	✔	✔
Global Reporting Initiatives (GRI) General Disclosures 2021	✔	✔

MATERIALITY

The Board and Management have comprehensively assessed the Company's material risks and opportunities, as well as its ability to deliver on its goals and provide consistent value to its stakeholders. They also explored various factors that could affect BTC's role in society. This includes our approach to addressing evolving market conditions and the allocation of resources to ensure that the Company can deliver on its purpose of ensuring that people live connected. For the year ended 31 March 2026, the Board and Management, in their judgement, assert that all material disclosures have been made and there were no impediments.

- Growth
- Regulatory and Compliance Environment
- Cyber Security and Digital Privacy
- Global Economic Challenges
- Digital Technology Scalability
- Highly Competitive Market with the Threat of New and Disruptive Competition
- Sustainability & Sustainability -Related Risks & Opportunities
- Customer Centric Culture

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements regarding BTC's expected performance, operations, and results. While these statements reflect our current expectations, they are based on assumptions and may be influenced by unforeseen events and risks beyond our control. We cannot guarantee future performance. Therefore, undue reliance should not be placed on these forecasts. The financial information underlying the forward-looking statements has not been audited or reviewed by our independent external auditors, Deloitte & Touche.

APPROVAL OF THE INTEGRATED REPORT

This report was prepared by senior management under the supervision of the Board and subjected to external and internal review processes. As a responsible corporate citizen, the Board has thoroughly assessed the contents of this report to ensure that it complies with the Integrated Reporting Framework. The Board is satisfied that the report provides a fair and balanced representation of our performance and our prospects. Additionally, the Board acknowledges that the report reflects a deliberate and incremental improvement approach towards sustainability reporting.

The Board approved the report on 25 August 2026.

Thato Kewakae
Board Chair-Interim

Jürgen Peschel
Chief Executive Officer

FEEDBACK ON OUR REPORT

We remain committed to balanced disclosure and will continue to iterate the disclosures contained herein to enhance our reporting. Please feel free to share your feedback and opinions regarding the report by emailing *investor@btc.bw*

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www.btc.bw

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INTEGRATED REPORT **2026**

OVERVIEW OF OUR BUSINESS

Performance Snapshot

1.6%
Revenue
to P1.47 billion

24%
EBITDA Margin
to P343 million

45%
Profit Before Tax
to P146 million

45.2%
Earnings per Share (EPS)
to 10.79 thebe

16%
Mobile Market Share
from 14%

49%
SMEGA Active Base
to 122,260

30%
Mobile Subscribers
to 757,529

25%
Broadband Growth
to 281,835

Overview of our Organisational Structure

RESTRUCTURED EXECUTIVE COMMITTEE (EXCO)

During the year under review, BTC took a deliberate decision to redesign its EXCO to better align leadership with its strategic priorities and evolving business model. The revised structure strengthens accountability, enhances cross-functional integration and positions the organisation to respond to market dynamics with greater agility. By closely aligning leadership roles with core growth drivers, BTC is reinforcing its ability to execute its strategy, unlock value across its business units and support sustainable long-term performance.
The move involved collapsing a two-tier executive structure into a single, leaner team to achieve the following:

- **Enhanced Accountability:** Creating a more responsive leadership model.
- **Accelerated Decision-Making:** Reducing management layers to improve agility and "speed to market" for new digital products.
- **Sharpened Competitiveness:** Strengthening the Company's position in a fast-evolving telecoms and digital services sector.
- **Cost Optimisation:** Improving the overall cost structure to drive long-term shareholder value.

Key Executive Appointments:

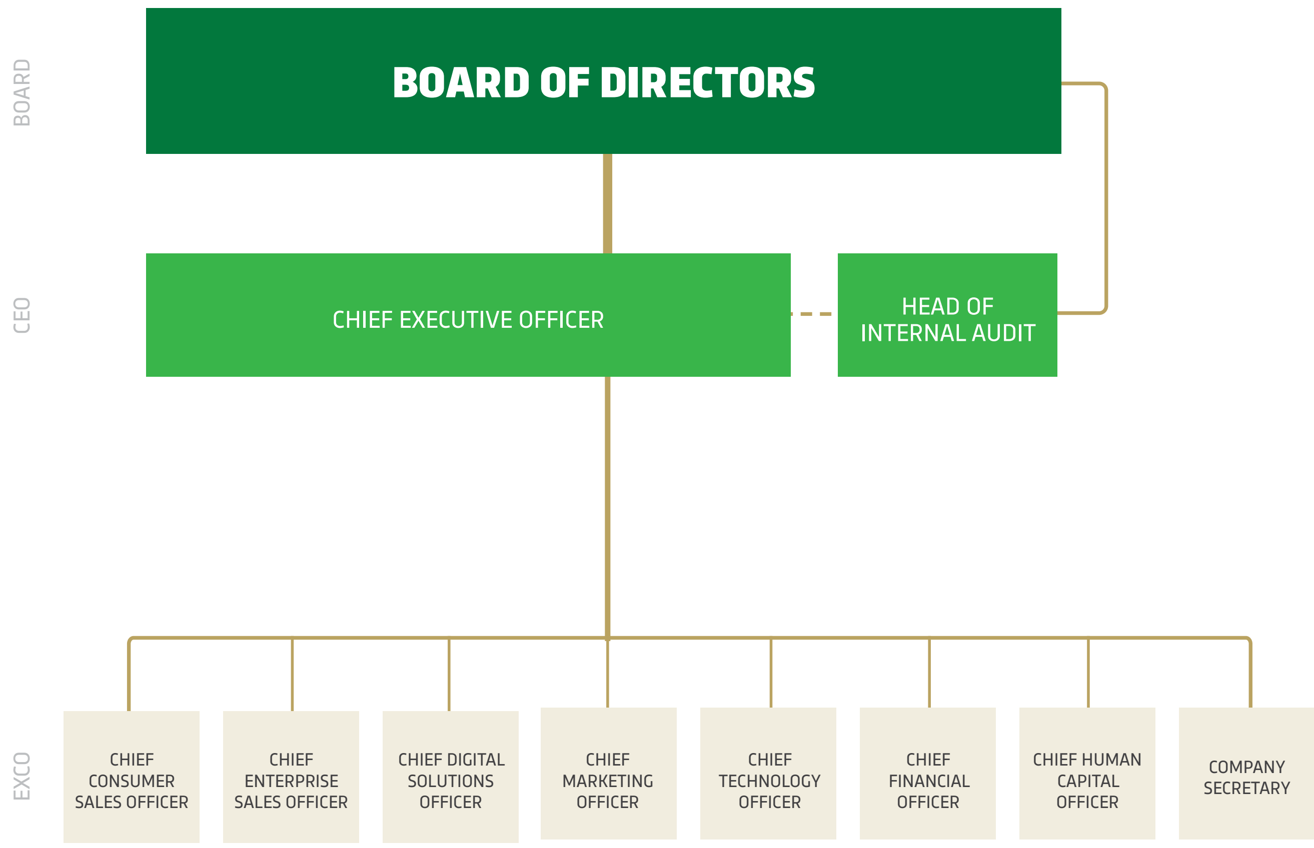
> *Chief Marketing Officer:* *Mike Siachitema*

> *Chief Enterprise Sales Officer:* *Sefalana Mophuting*

> *Chief Consumer Sales Officer:* *Sipho Ntebang*

> *Chief Digital Solutions Officer:* *Dr. Abel McErick*

Organisational Chart



Unpacking our Business Units

UNPACKING OUR BUSINESS UNITS

BTC's operating model is anchored on customer and product segments, enabled by the technology unit, and supported by business partners organised into six primary units to deliver on the mandate.

Customer and Product Segments

The unit is mandated to drive revenue growth while ensuring service excellence across the organisation. The Marketing Division is responsible for developing and delivering relevant, market-aligned solutions tailored to the evolving needs of BTC's customer segments through a customer-centric approach.

The Sales function serves as the primary customer engagement interface, providing dedicated coverage across Retail, SME, Large Corporate and Government segments, as well as reseller and partner channels. This integrated approach enables BTC to strengthen customer relationships, enhance market responsiveness and support sustainable commercial growth.

The Digital Services function anchors BTC's evolution into a technology company, spanning Smega mobile financial services, cloud and colocation, enterprise systems and innovation. This portfolio enables BTC to unlock new revenue streams, deepen financial inclusion and deliver digital solutions across consumer, enterprise and government segments.

Functional Business Units

a. Consumer Sales
b. Enterprise Sales
c. Digital Solutions
d. Marketing

Technology Enablement

The unit is responsible for enabling operational excellence through the planning, deployment and management of BTC's network infrastructure and technology ecosystem. This includes oversight of network planning, infrastructure rollout, operations and the execution of strategic technology projects to ensure network resilience, scalability and service reliability across the business.

Through the effective management of core infrastructure and technology investments, the unit plays a critical role in supporting business continuity, enhancing customer experience and enabling BTC's long-term digital transformation objectives.

Functional Business Unit

a Technology

Support Functions

Support functions provide the governance, operational and strategic support necessary to enable the effective functioning of the organisation. These functions play a critical role in strengthening organisational capability, ensuring regulatory compliance, supporting sound decision-making and maintaining effective oversight across the business. Each department contributes to the delivery of operational efficiency, risk resilience and sustainable business performance.

Through integrated support and governance frameworks, these functions enable BTC's core business units to execute on strategic priorities while maintaining strong financial, regulatory and organisational discipline.

Functional Business Unit

a. Finance
b. Human Capital Office
c. Corporate Office

PRODUCT SUITE

BTC is a converged telecommunications operator offering a diverse portfolio of services, including fixed (voice & data), mobile (voice & data), broadband services, fintech and cloud, and digital solutions. The services are delivered to consumers, large enterprises, financial service institutions, government, parastatals, as well as other licensed operators through multiple access technologies.

FIXED DATA

We offer broadband solutions with various packages to suit different usage patterns, ensuring fast, stable, and unlimited internet access for homes and businesses. BTC's fixed data services include corporate internet bandwidth, metro ethernet, software-defined network, satellite services, etc. These technologies offer high-speed data connectivity to support internet services, virtual private networks, data centre connectivity and leased line services.

CLOUD AND DIGITAL

Our Cloud and Digital services encompass a range of advanced solutions for small, micro and medium enterprises, corporates, government and parastatals locally and internationally. Business application availability can be guaranteed through our Uptime-certified Tier II Data Centre, which includes Platform, Infrastructure, Security and Software as a Service, IoT, digital entertainment and e-services. These solutions are designed to enhance everyday life and streamline business operations.

MOBILE

Our mobile services provide reliable, high-speed connectivity with custom-made plans to meet the diverse needs of individuals and businesses, ensuring seamless communication and internet access on the go. Our offerings include voice, data, messaging, and value-added services designed to enhance the mobile experience and support digital lifestyles.

FIXED VOICE

Our fixed-line services deliver robust and dependable voice and data solutions, offering crystal-clear call quality and high-capacity internet options for residential and commercial customers. This service facilitates national and international voice calling. BTC has also digitised its voice services through voice over internet protocol, which enables multichannel communications and support for different communication devices.

MOBILE FINANCIAL SERVICES

Our Mobile Financial Services leverage mobile networks and technologies, providing convenient and accessible financial solutions to a broad spectrum of customers with a focus on the underserved and bulk payment services for large corporates, government and small businesses. We offer a secure and easy way to conduct financial transactions, international remittances, merchant payments, access to micro insurance, and loans.

How our Leadership Supports Value Creation

Our business model illustrates how we use our six capitals to develop products and services that create value for our stakeholders.

Our capital inputs	Business activities	Operating outputs	Stakeholders impacted	Desired outcomes
Financial Capital The funds that enable us to carry out our business activities • Equity: P1.97 billion • Cash and cash equivalents: P244 million	**Consumer** Mobile voice Mobile data Smega mobile money Devices / Routers Home internet VSAT	• **Revenue: P1.47 billion** (2025: P1.49 billion) • **Profit after tax: P113.3 million** (2025: P206.7 million) • **Dividend paid: P 172.5 million** (2025: P269.8 million) • **Tax paid: P24.2 million** (2025: -P1.2 million)		• Sustainable revenue growth supported by a strong balance sheet and adequate working capital to fund operations. • Prudent management of investors' capital investment
Intellectual Capital Our intangible resources refer to our expertise, industry insights, systems and processes, infrastructure, and our brand • Intangible assets: P235 million • Proprietary technology, software, and IT systems • Operating systems, policies, processes, and procedures • Robust internal governance, audit, and control systems	**Business** Office internet Voice and collaboration Managed services Cloud services Network solutions	• Suite of products and services covering retail, SME, enterprise, corporate and government • Digital transformation project rollout and culture transformation • Aggressive commercial marketing and brand awareness campaigns • Full legal and regulatory compliance • Robust risk management framework		Profitable products and services that meet customer demands and capacity requirements
Human Capital The talent, competencies, and capabilities of our people • 736 employees • Performance management system • Experienced Board, Executive and General Management	Colocation services Microsoft Cloud services	• **P1.7 million** training spend (2025: P2.4 million) • Commitment to creating an environment of continuous learning as we transform to a digital organisation		Capable and competent workforce that is well capacitated to execute the digital transformation strategy

Our capital inputs	Business activities	Operating outputs	Stakeholders impacted	Desired outcomes
Social and Relationship Capital Our deliberate relationships with stakeholders and communities, with emphasis on our engagements and commitment to uplift communities • BTC CSI projects • Relationships with various stakeholder groups	BTC CSI	• Donations and sponsorships across four of our focus areas through the following initiatives and projects – Francistown Marathon 2025, BTC Green Day, Employee Led CSI, Financial Inclusion Programme, supporting digital inclusion and women empowerment (WTISD)		• An efficiently administered Foundation that realises measurable impact on communities. • Long term efficiency through collaboration with strategic partners
Manufactured Capital Manufactured physical objects including our buildings and infrastructure		• **Property, Plant and Equipment: P1.5 billion** (2025: P1.2 billion)		Functional and cost-efficient infrastructure
Natural Capital Responsible use of renewable & non-renewable resources and processes that enable our business activities		• **Water and electricity usage P39.0 million** (2025: P27.3 million)		Sustainable use of energy resources and reduced environmental impact

In Conversation with the Chairperson

> ***"We remain confident that the investments we have made will enable us to overcome these headwinds and enter a sustained period of growth"***

CHAIRMAN'S OPENING REFLECTION

As you reflect on the financial year under review, what single defining theme or narrative best captures BTC's direction and focus?

BTC's focus over the reporting period was defined by transition and transformation. The Company moved from one strategic period into another, accelerating its evolution from a traditional communication provider into a leader in connectivity, digital financial services, innovation and elevated customer experiences that will drive future growth. This strategic shift reflects market demands and global trends. Our financial results highlight investments that underscore our commitment to long-term sustainability in an increasingly competitive digital economy.

Broadly speaking, in today's digital economy, what was pivotal for BTC this year and what externalities may have shaped the reported performance?

Today's world is shifting away from traditional telecommunications and towards mobile financial solutions, digital services and the creation of value from data. At the heart of this transformation is an efficient communications network, which provides the foundation for these digital services. External pressures such as rising demand for lower margin products, evolving consumer expectations, limited market size, regulatory and pricing constraints, and the expansion of over-the-top (OTT) services have placed a strain on our growth trajectory. However, we remain confident that the investments we have made will enable us to overcome these headwinds and enter a sustained period of growth.

In Conversation with the Chairperson [Cont]

Despite the challenges in the economy, our revenue has remained steady while we commit resources to a fit-for-purpose nationwide network that will safeguard and strengthen our core business. Looking ahead, we believe that this enhanced network will position us favourably, offering a quality infrastructure that our shareholders and the nation can take pride in as a lasting investment.

PERFORMANCE & FINANCIAL RESULTS

How would you summarise BTC's overall financial and operational performance this year to shareholders?
Our financial performance reinforces our potential for long-term sustainability. Revenue has remained steady, though profits have come under pressure. Despite the economic challenges and intense competition for the wallets of both individual and business customers, the Board was comfortable authorising significant investment in the network, recognising that historical approaches had constrained the Company's progress. The capital expenditure directed towards upgrading mobile and broadband networks and information systems at the required pace represents one of the most significant commitments in recent years for BTC. While these investments initially had a negative impact on our performance, we believe that disciplined management and planned improvements in sales will pivot BTC towards sustained growth and profitability. The Board remains committed to ensuring short-term and long-term growth for continued shareholder investment benefit and increasing long term dividend returns.

What were the key drivers of BTC's revenue and profitability outcomes this year?
Through concerted sales campaigns, our digital and fintech segments have grown, underscoring that digital/fintech services are the future, while maintaining the strength of our traditional offerings. Although our anchor products, mobile and broadband services, were under strain in the past year, they will remain our core sources of revenue. The sales campaigns around these products are beginning to bear fruit, as reflected in the marginal increase in market share during the latter part of the year. Fixed network revenue has continued to decline in line with global trends, which makes it essential for us to compensate through our other lines of business. The Board is confident that the refreshed product mix introduced over the past year, as well as partnerships in areas such as satellite services, will deliver the results we need in future periods.

Where did BTC exceed the Board's expectations this year, and where did performance fall short, and what assurance are you providing to ensure future success?
Despite operating in a highly competitive market and difficult economic conditions, BTC was able to sustain revenue, demonstrating maturity and resilience, a testament to the dedication and focus of our workforce towards driving the success of the Company. Prudent and disciplined cost management will continue to be a priority for the Board.

Operationally, we continue to implement improvements across our broadband networks, voice quality, coverage and overall capacity, geared towards elevating customer experience and supporting market growth. Although profitability growth fell short, there was a deliberate trade-off to secure future growth through technology investments and aggressive sales. Shareholders can be assured that these investments will yield returns as services scale, strengthening BTC and providing the building blocks for future growth. The Board remains confident that our investments are strategically sound and essential.

KEY ACHIEVEMENTS & MILESTONES

What are the top 3 to 5 achievements that the Board is most proud of this year, and why do they matter beyond the headline numbers?
The Board is proud that the Company continues to transform and align with current market demands, and this progress is reflected in the increasing growth of diversified products beyond traditional telecommunications. Our digital services delivered through the data centre and Smega mobile financial platform continue to grow and scale, while quality-enhancing vehicles such as voice-over-LTE (VoLTE), fibre, and high-speed radio broadband rollout have reinforced our offering. The establishment of innovation teams is a catalyst for diversification, while a review of the management structure has ensured a leadership team that is more agile and aligned with the needs of the current business environment. The business continued to enhance relations with key market stakeholders and to forge new business partnerships.

These achievements have set the Company on a trajectory of better service offering, market acquisition and customer retention, translating to better shareholder returns.

Which specific initiatives had the greatest measurable impact on BTC's customers and market position during the year?
BTC continues to be a trusted partner for Enterprise customers, particularly banks, government and similar sectors, even as the broader economic downturn has impacted all players.

We have increasingly become customer-centric, engaging with stakeholders through multiple direct and online channels, while expanding our technology network and widening our direct sales touchpoints to bring us closer to the customer. We have gained valuable insights into customer expectations through frequent road shows, country zoning initiatives and house-to-house sales, and we intend to build and ride on the positive market response that we received during the past year. The Board is confident that the wallet spend achieved will continue to grow, reinforcing our position as the partner of choice.

STRATEGY & CAPITAL ALLOCATION

How does the Board assess the pace, depth, and credibility of BTC's strategy?
Delivery against strategy remains a central focus for Board deliberations, because it serves as a compass by which we assess progress against targets. Dedicated Board sessions are held to plan, review and evaluate strategic performance, aided by monthly written reports from Management, which provide the means for the Board to measure performance and plan inputs between scheduled meetings. Operating in a fast-paced and evolving industry requires us to continually modernise and pivot towards a sustainable digital future. Our strategy is benchmarked against global and regional trends but carefully adjusted for the unique nuances of the Botswana market.

What are the Board's strategic priorities for the next phase of BTC's growth, and how has capital been, or will be, allocated to support them?
Our strategic priorities are geared towards ensuring continuous growth and sustainability. These priorities balance financial prudence with the need to respond to an evolving telecommunications ecosystem. We will continue to maximise the benefits of network modernisation and ensure optimal use of the allocated spectrum. These improvements will support strategic objectives, including growing market share, improving customer service and increasing the average revenue per user.

BTC will accelerate the adoption of digital services platforms through internal operational improvements and technology partnerships. BTC will play a critical role in expanding financial inclusion in Botswana, where significant opportunities for growth remain. Our people are central to achieving these ambitions. Building a digitally skilled, innovative, and engaged workforce remains a top priority. Delivering improved shareholder returns is at the core of our investment decisions and overall strategy.

The Board continues to offer Executive Management all the necessary support to drive these key strategic objectives and authorises the appropriate level of funding to ensure their successful delivery.

Where is BTC making its most consequential long-term investments, and what return profile does the Board expect?
As the only listed ICT stock on the local bourse, BTC has demonstrated significant potential for growth over the past year and beyond. We maintain a strong balance sheet and a forward-looking outlook to leverage the local market as a springboard towards becoming a regional player. We are building a dedicated and talented workforce that is well geared to drive our ambitious revenue and profitability targets. Our diversification of products from traditional but profitable telecommunications services to digital and fintech offerings, through Smega, ensures a sustainable future. We are targeting constant EBIDTA in excess of 35% and a share price value of at least double par value in the coming periods.

GOVERNANCE, RISK OVERSIGHT & REGULATORY ENVIRONMENT

How has the Board strengthened its governance structures, risk oversight frameworks, and internal controls during the year, and what material risks remain on the Board's radar?
We remain committed to the King III code of conduct and are transitioning to King IV. The Board committees responsible for governance, risk and regulatory oversight are in place and function effectively. We continuously monitor compliance, internal and strategic risks and control efficacy in these areas. Significant risks have trended downwards, signalling control effectiveness, while new risks have emerged in response to the current state of the economy.

In Conversation with the Chairperson [Cont]

The risks on the Board's radar are competition risk, a shifting regulatory environment, cybersecurity threats and potential technology failures. The economic climate in Botswana has introduced risks around customer spending, but we are confident that with the right mitigations particularly through diversified products these pressures will decrease over time. Legal compliance remains a priority, and the Board has ensured that management takes the necessary steps to align the Company with recent legislative changes, including those related to data protection, cyber security and employment.

How is BTC navigating the evolving regulatory landscape under BOCRA and what is the Board's position on spectrum allocation, pricing regulation, and digital financial services oversight?
BTC enjoys a good working relationship with the telecommunications regulator, BOCRA, and our discussions on fair and economically viable spectrum allocation have yielded positive results. We continue to seek alignment on product pricing, service quality and other regulatory matters, while engagements to make the KYC process more efficient are supporting our growth ambitions. Our Smega mobile money services are also subject to oversight by other stakeholders, including the banking regulator, where we benefit from a collaborative working relationship.

We remain committed to working closely with all stakeholders to ensure an enabling regulatory environment for sustainable business growth.

LEADERSHIP CAPABILITY & ORGANISATIONAL CULTURE

How does the current executive leadership team position BTC for future success, and how does the Board evaluate leadership effectiveness beyond financial metrics?
Over the reporting period, the Board has supported Executive Management in putting in place the requirements for the next phase of the Company's transformation. Changes in the Executive Management structure were intended to bring in fresh ideas and new approaches essential for a Company that is evolving towards digital services. The flatter management structures are rationalising the decision-making chain and enabling faster turnaround times. Beyond structural changes, new employee performance models, policy improvements and organisation-wide engagements are fostering a culture that is aligned to the demands of the current business environment. The Board will hold Management accountable for performance against these matrices. Our culture is being shaped by employees who are engaged, focused on strategic delivery, customer satisfaction and innovation. Although our current staff complement stands at 57% male and 43% female, the profile is shifting towards greater balance and strong digital skills. Our employees aim to be high-performance business partners, working collaboratively to grow BTC. This cultural transformation will be an on-going journey, anchored in a culture of learning as the Company redefines itself for the modern era.

SUSTAINABILITY, ESG & NATIONAL DEVELOPMENT IMPACT

How does BTC's strategy directly contribute to Botswana's Vision 2036 goals and the country's socio-economic and digital development agenda?
BTC is a digital citizen of Botswana, a source of national pride, supporting and driving Vision 2036. We have positioned ourselves at the technological centre of the Botswana Economic Transformation Program (BETP), establishing ourselves as the preferred partner and employer in the field. Our employees, our network and services continue to expand and improve in quality, ensuring that our citizens are fully included in the global digital world. We are also prioritising financial inclusion, enabling Batswana across the country to access digital financial services. Our strategies around business and technology partnerships cater for national innovation and the growth of entrepreneurship and employment opportunities, which will in turn drive socio-economic developments.

What progress has BTC made on its environmental, social, and governance (ESG) commitments and how does the Board integrate sustainability into strategic decision-making?
As a Board we look at the Company through multiple lenses of responsibility. While we need to deliver strong financial returns to shareholders, we must do so in a responsible and sustainable manner. Both our staff and Board have been trained and engaged on ESG, recognising its importance to the long-term sustainability of the organisation. We are embedding the ESG framework into our governance and multi-line reporting principles, having already completed a scan for materiality which will inform the final framework. An ESG strategy will be completed in the coming period.

Internally, we are already sponsoring a number of social and community projects and events such as the ever-growing Francistown Marathon, alongside programmes that support health, sports, and innovation, and other community initiatives. Management has been charged with ensuring continuous improvement in ESG, including waste handling and reclamation, energy efficiency and alternative clean energy use, and the identification of sustainability projects.

STRATEGIC OUTLOOK, RISKS & SHAREHOLDER MESSAGE

What is the Board's strategic outlook for BTC over the next one to three years and what are the most significant opportunities and risks on the horizon?
As a Board, we have a positive and ambitious outlook. The past year was dedicated to making the changes and investments necessary to prepare the ground for the future. We expect improved revenue driven by these investments and the more effective use of technology in the coming period. Market growth will be supported by new products, sharper customer focus and greater internal efficiencies. We anticipate growth spurred by increased use of our mobile and broadband networks, Smega mobile money services, digital platforms, rising demand for data, as well as strengthened local and international partnerships. Our core products will leverage our improved telecommunications networks, attracting more revenue from users, and deepening greater customer loyalty. The BTC brand will grow in Botswana and establish itself as a key ICT hub in the SADC region.

What specific performance commitments or strategic milestones should shareholders hold the Board accountable for in the coming year?
We will continue to rely on an engaged, dedicated and digitally competent workforce—the power behind our expansion into the digital and innovation space. AI will find a suitable home at BTC, where we aim to lead in its appropriate application. Our sales touchpoints will expand across the country, supporting improved revenue and profitability across all product lines. With improved network quality, we expect increased revenue from mobile and broadband customers, while voice, data and financial services will be consumed as integrated product suites rather than as separate elements. We are confident that this will enable us to reach the P1.7 billion revenue mark, with EBITDA consistently above 35% in the coming periods.

APPRECIATION

What closing message would you like to leave with BTC's shareholders, customers, employees, and the citizens of Botswana?
On behalf of the Board, my closing message is one of acknowledgement and gratitude. We thank our employees for their resilience, renewed energy and focus. We also acknowledge the many stakeholders who make it possible to navigate the complex regulatory and competitive telecommunications and digital landscape with confidence. We value our customers deeply and we will do everything to ensure that they enjoy all our services at the right quality and price.

To our shareholders, we say thank you for your continued confidence in us. While our investments together with current market conditions may have impacted profitability in this past year, we are certain that these commitments will translate into a sustainable business with stronger returns and greater value in the coming years. We are proud to be a Botswana company, bearing the national flag in all that we do, and we intend to represent you well—now and in the future.

Mr. Thato Kewakae
Board Chairperson-Interim

In Conversation with the Chief Executive Officer

"We have built a stronger, more resilient BTC; one that is transforming today while creating sustainable value for generations to come"

STRATEGIC REFLECTION & LEADERSHIP

How would you describe BTC's transformation at the close of FY 2025/26 and the Transitional Strategy?
BTC has made significant progress in establishing the foundation of a thriving digital business. Revenues from digital services have increased by more than 300%, while fintech operations have more than doubled. We have broadened our expertise across key fields, including forensics, big data analytics and AI, culminating in the launch of our new digital services business line.

Which strategic decisions created the most lasting value?
The Information and Communications Technology sector is characterised by its fast-moving pace. Our decision to reduce reporting layers and process overhead is already improving the speed and after execution it will continue to deliver increasing benefits.

How far has BTC progressed in becoming a digital services Company, and what remains the biggest challenge?
BTC now hosts and connects the majority of businesses in Botswana, including those in the financial sector, small and medium enterprises, and government. BTC is the backbone of the digitisation of our economy. At the same time, there remain significant opportunities to provide technology that supports businesses in analytics, data management and business process automation, which we intend to pursue further.

FINANCIAL PERFORMANCE

Which business segments drove the most value? Were there structural shifts in the revenue mix that BTC views as strategically significant?
Voice and data substitution, as well as the shift from fixed line to mobile services, continue at an accelerated pace. In response, BTC has recently undertaken a major capacity expansion across our entire mobile network.

In Conversation with the Chief Executive Officer [Cont]

In broadband, BTC continues to lead the market, leveraging our extensive fibre networks to connect businesses and households, and delivering the most reliable, stable internet at the highest speeds.

What were the key drivers of BTC's revenue and profitability outcomes this year?
BTC owns a healthy portfolio with equally strong business lines across fixed, mobile, and enterprise, all delivering strong margins and revenue contributions. BTC will continue to maintain this balanced mix while further developing the fintech sector into an equally strong position.

MARKET POSITION & DIGITAL TRANSFORMATION

How is BTC strengthening its competitive position as the market shifts from voice to data-led services?
BTC has traditionally been recognised for operating the largest voice network across the country. Significant investments have been made to ensure data availability nationwide, and we now provide the widest data coverage in Botswana. Furthermore, additional capacity expansions have been implemented to accommodate the continued surge in data usage. BTC is known for offering the most competitive data pricing among all market participants, and the recent launch of unlimited packages further cements our advantage in delivering the best product propositions.

What progress has been made in network modernisation, fibre transformation, and data centre growth?
We have now fully modernised our mobile network. At all sites where we previously offered voice services across the country, data is now available, and at sites where data was already provided, capacity has been increased by up to fivefold. We have rolled out 5G to deliver higher performance. In fibre, BTC continues to swap out legacy copper and is extending further into rural areas. Fibre is now available in ten locations across the country.

Which specific services and initiatives had the greatest measurable impact on BTC's customers and market position during the year?
The affordability of data is undoubtedly the single most impactful improvement for Batswana. Our 45GB bundle has been appreciated across the country and the encouraging feedback has led us to elevate this further with the introduction of brand-new unlimited bundles. The regulator continues to affirm that BTC offers the best prices and unrivalled propositions in this regard.

CUSTOMER EXPERIENCE & INNOVATION AND MOBILE FINANCIAL SERVICES

What improvements were made in customer experience and service delivery this year?
Over the last 12 months, BTC has invested significantly to strengthen resilience across our network. Power availability challenges made it imperative that we ensure sites remain operational even during outages. Hundreds of sites countrywide have been upgraded with battery and solar technologies to safeguard service availability. Our customer journeys, particularly in onboarding new subscribers, have also been fundamentally redesigned.

Which new products or innovations best reflect BTC's customer-first strategy?
Two examples demonstrate that BTC is increasingly positioning itself as the most innovative player in the Botswana market. VoLTE, offering voice calling with HD quality, has been introduced at zero cost, making BTC the only provider to deliver this service. BTC is also the only operator that enables customers to sign up for a SIM from the convenience of their home by simply scanning a QR code. Customers can complete KYC, download an eSIM, and even select their preferred mobile number. Such convenience is unprecedented in the market.

PEOPLE, CULTURE & ORGANISATIONAL CAPABILITY

How would you describe BTC's cultural transformation and progress toward a high-performance organisation?
Cultural transformation is not simply a series of meetings or slogans on office walls, but an embedded philosophy in our everyday work. Across the country, we have deployed more than 30 champions to inspire and challenge us in how we collaborate internally and how we embrace and act on customer feedback. Weekly reviews with Executive Management and managers keep us focused on the commitments and targets we have set. Increasingly, customers tell me that BTC is responding faster and is much more transparent in how subscribers are treated. There is still much to do before we can fully describe ourselves as a high-performing organisation, but we have already made substantial progress.

How is BTC developing leadership and talent for a digital future?
Collaboration with tertiary education institutions is at the heart of our talent development strategy. Through our cooperation with BIUST, we offer internships, assign projects, and engage with the university on future curriculum requirements. There is a continuous onboarding of graduates into roles at BTC, helping us to blend fresh talent with experienced professionals. We operate our own training school, focusing not only on technical training but also on leadership capabilities and future skills. In our innovation lab, staff have the space to experiment and work on future projects.

What social or economic impact is BTC most proud of this year?
We are proud of our impact on the local economy, providing employment not only to our 736 direct employees but also supporting thousands of indirect jobs through citizen-owned companies. BTC plays a vital role in ensuring that Batswana participate in our value creation, while consistently giving back to communities across the country.

FUTURE OUTLOOK

Where is BTC making its most consequential long-term investments, and what return profile is expected?
We are substantially increasing our investment in human capital. Partnerships with institutions such as BIUST and the Botswana Digital Innovation Hub will ensure a continuous talent pipeline. Our internal training school is placing greater emphasis on equipping all staff with the latest expertise, including leadership and soft skills. BTC not only intends to maintain its position as an employer of choice but also to evolve into a high-performing organisation.

What is your vision for BTC by 2030?
By 2030, our vision is to be the leader in digital and communication services, delivering superior customer experiences and driving the growth of Botswana's digital economy.

CLOSING REFLECTION

In one statement, how would you summarise BTC's 2025/26 performance and outlook?
BTC has delivered performance outpacing the broader economy while simultaneously making substantial, sustainable investments to secure future growth.

What message would you want shareholders, customers, and employees to take forward?
BTC is rapidly reinventing itself. The new BTC will deliver the best services to all customers, create reliable jobs in future-ready skills, and enhance our attractiveness as an investment choice for both retail and institutional investors.

Jürgen Peschel
Chief Executive Officer

btc

INTEGRATED REPORT **2026**

THE WORLD WE OPERATE IN

2

Unpacking Our New Strategy

ACCELERATED GROWTH AMBITION

As Botswana advances toward a more connected and digitally enabled economy, the role of telecommunications has evolved well beyond the provision of infrastructure. BTC is at the forefront of this transformation, transitioning from a traditional network operator into a comprehensive digital services organisation that is responsive to shifting customer expectations, accelerating technological change, and the growing demand for connectivity-driven solutions across both the public and private sectors.

BTC has focused its strategic energy on three foundational priorities: reinforcing the resilience and reach of its core network, expanding its digital capabilities across all customer segments, and elevating the quality of customer experience as a core competitive differentiator. These priorities are complemented by deliberate investment in new growth frontiers, notably fintech through our Smega Mobile Financial Services platform and enterprise ICT solutions, which are expected to be significant contributors to revenue diversification over the strategic horizon.

Our strategy is anchored on clearly defined value creation pillars that align capital allocation, guide management execution, and ensure the organisation remains disciplined in its focus on what matters most: connecting people, enabling businesses, and meaningfully contributing to Botswana's digital future.

Strategic Foundations

- **Purpose:** To deliver superior customer experiences and drive Botswana's digital economy.
- **Mission:** To lead the provision of digital and communication services across Botswana and the SADC region.
- **Strategic Intent:** To grow revenue and share price, underpinned by network excellence, digital service expansion, and disciplined financial management.

Our organisational values

BTC's culture and conduct are guided by four core values that define how we operate, how we serve, and how we grow:

- **Innovation:** Transforming ideas into groundbreaking solutions.
- **Impact:** Measuring the profound effect of our actions on customers and communities.
- **Inclusion:** Embracing diverse perspectives and equitable opportunity
- **Collaboration:** Driving shared success through teamwork and organisational synergy

STRATEGIC PILLARS: OUR VALUE CREATION UNPACKED

BTC's primary focus areas of strategic execution and value creation for the 2026-2029 period are anchored on eight pillars. The outcomes of each pillar aim to drive BTC's long-term financial performance, deliver customer-centric products and solutions, and advance the national development mandate.

Home Broadband: As demand for reliable, high-speed internet continues to grow, BTC is redefining home broadband by accelerating fibre uptake and tailoring each offering to extend beyond basic connectivity. Bundled services, including streaming, home security, and IoT solutions, are being introduced to strengthen customer retention and increase average revenue per user.

Mobile: Mobile connectivity remains the primary interface between BTC and its retail customers. Investment in 4G network quality and 5G coverage expansion, combined with end-to-end digital customer journey transformation, positions BTC to strengthen its competitive standing in both the prepaid and postpaid segments. As a result, customers will benefit from improved coverage, faster connectivity speeds, and improved convenience when accessing services.

Unpacking Our New Strategy

BTC Business: Businesses across Botswana and the region are accelerating their digital transformation journeys, creating demand for reliable, scalable ICT solutions. In response to accelerating enterprise digital transformation, BTC is positioning itself as Botswana's trusted and preferred partner for connectivity, cloud, and managed ICT services. The expansion of data centre capabilities and deepened relationships with global technology partners will enable BTC to offer scalable, sector-specific solutions that drive efficiencies for our customers and support them as they build resilient businesses.

Fintech (Smega):
Digital financial services are transforming how people and businesses transact, and BTC is playing a leading role in this shift by evolving its mobile financial services into a more accessible and integrated ecosystem. Smega, BTC's Mobile Financial Services platform, is central to the Corporation's revenue diversification strategy. By expanding wallet functionality, growing the agent network, and improving accessibility across urban and rural markets, BTC is driving financial and digital inclusion while unlocking meaningful new revenue streams in the digital payment space.

Brand: As BTC transitions, aligning brand identity with innovation, reliability, and customer-centricity has become a strategic imperative. BTC aims to enhance brand visibility across multiple channels to create a distinct positioning for each customer segment, ultimately reinforcing customer trust and supporting commercial growth. BTC will further enhance brand equity by building on existing goodwill, translating into higher Net promoter Score scores.

Customer Experience: Customer expectations are rising with digital adoption. BTC has embedded customer-centricity at the core of its operations through proactive communication, enhanced service responsiveness, and Voice of the Customer programmes that translate research and behavioural insights into measurable service improvements. As a result, customers will experience more reliable and responsive service, resulting in increased satisfaction, loyalty, and trust, reinforcing BTC's commitment to delivering a meaningful and consistent customer experience.

SADC Expansion: To sustain long-term growth objectives, BTC is looking beyond the domestic market and making deliberate and concerted efforts to execute a disciplined regional expansion strategy focused on the SADC corridor. Through partnership-led market-entry models, BTC aims to expand its digital and connectivity services into selected markets, generating new revenue streams while managing capital risk.

People and Culture: BTC's transformation is ultimately executed and driven by its people. The Corporation is investing in leadership development, improving performance management frameworks, and continuously carrying out cultural alignment initiatives, designed to build an accountable, agile, and high-performance organisation capable of delivering on its strategic ambitions.

OUTLOOK

The Board and Executive Committee remain confident in BTC's strategic trajectory. The 2026-2029 Accelerated Growth Strategy positions the Corporation to deliver sustainable stakeholder value through disciplined execution across its portfolio of growth pillars. As Botswana's digital economy continues to mature, BTC is well-placed to serve as the backbone of national connectivity while expanding its role as a regional leader in digital services.

The Corporation's performance against these strategic commitments will be reported transparently in each subsequent Integrated Annual Report, with detailed disclosure of financial outcomes, operational metrics, and progress against our sustainability and national development objectives.

Our Business Model

BTC's business model is built on a clear and deliberate logic, which is to harness world-class information and communications infrastructure and deep customer relationships to deliver integrated communications, technology, and financial solutions that generate enduring value for shareholders, customers, and the communities we serve across Botswana.

The telecommunications sector continues to undergo profound structural change, shaped by accelerating data consumption, rising customer expectations for seamless digital experiences, and intensifying competition from technology-led entrants. BTC's response is strategic and decisive. We are transforming from a traditional network operator into a digitally enabled services Company, expanding beyond core connectivity into high-growth adjacencies including enterprise ICT solutions, cloud services, mobile financial services, and digital platforms.

This evolution is not incidental; it is a deliberate repositioning designed to diversify the revenue base, reduce dependence on legacy voice revenues, and capture the value creation opportunities presented by Botswana's expanding digital economy. The business model articulates how we intend to execute that ambition with discipline and at scale.

Operating Environment

BTC operates at the intersection of telecommunications, technology, and financial services in one of Southern Africa's most strategically important digital markets. Several forces are reshaping BTC's operating landscape and, in doing so, shaping its strategic response:

MARKET FORCE	STRATEGIC IMPLICATION FOR BTC
DIGITAL TRANSFORMATION	• Enterprises and public institutions across Botswana are accelerating technology adoption, creating sustained demand for cloud, cybersecurity, managed ICT, and digital collaboration solutions.
FINANCIAL INCLUSION	• A significant segment of the population and SME sector remains underserved by traditional banking, presenting a structural growth opportunity for mobile financial services through Smega.
DATA CONSUMPTION GROWTH	• Exponential growth in mobile and fixed data usage is driving both network investment requirements and revenue opportunities across consumer and enterprise segments.
NATIONAL DIGITAL AGENDA	• Government priorities around e-government, digital infrastructure, and economic diversification position BTC as a critical enabler of Botswana's Vision 2036 digital aspirations.
REGIONAL INTEGRATION	• Desire to move into the SADC, which will promote regional integration and cross-border digital commerce, creating new market opportunities for BTC's infrastructure, platform, and enterprise capabilities.

Value Creation

BTC creates value through eight integrated business pillars. Each pillar is both independently viable and mutually reinforcing, generating network effects that strengthen its competitive position and deepen customer relationships over time.

Connectivity & Digital Infrastructure

BTC's telecommunications infrastructure is the bedrock of everything we do. BTC's investment in mobile network capacity, fibre-to-the-home, enterprise-grade data centres and infrastructures, and digital platform architecture enables reliable, high-quality communication and digital services for customers across the country. This infrastructure is a competitively differentiated asset that is difficult and capital-intensive to replicate.

The ongoing infrastructure priorities include:

- Mobile network coverage expansion and capacity modernisation
- Fibre broadband rollout and sunsetting of legacy copper infrastructure
- Enterprise-grade data centres with private and dedicated solutions
- Digital services and platform development
- Data hosting, colocation, and cloud-ready infrastructure
- Converged voice and IP communications solutions.

This infrastructure underpins not only BTC's core telecommunications business but also serves as the enabling layer for advanced digital, enterprise, and financial services. It also positions BTC as a critical enabler of economic participation and digital inclusion across Botswana.

Customer-Centric Digital Services

BTC is transitioning from a provider of standalone telecommunications products to a creator of integrated digital experiences. The customer strategy is anchored on a single principle, which is to make it simpler and more rewarding for customers to connect, transact, work, and access services through BTC's ecosystem than through any alternative.

This is delivered through:

- Mobile communications services across consumer and business segments
- Home and Office broadband solutions underpinned by our fibre infrastructure
- Digital-first customer channels and self-service platforms
- Streaming and digital lifestyle propositions
- Integrated communication solutions for individuals and businesses.

Customer analytics and behavioural insights drive our ability to personalise offerings, improve service responsiveness, and reduce churn. The development of a unified digital ecosystem, where customers can access multiple BTC services through a single interface, represents a significant medium-term value creation opportunity.

Enterprise & ICT Solutions

Through BTC Business, BTC is building a trusted enterprise technology partnership model that addresses the ICT and digital transformation requirements of Botswana's corporate, SME, and public sector institutions. This pillar represents BTC's most significant revenue diversification opportunity and positions BTC in higher-margin, longer-tenure customer relationships.

The enterprise portfolio encompasses:

- Connectivity and wide area networking solutions
- Cloud computing and colocation services
- Data centre hosting and managed infrastructure
- Cybersecurity solutions and managed security services
- Managed ICT services and outsourced technology operations
- Unified communications and collaboration platforms
- Industry-specific digital solutions for government, financial services, retail, and mining sectors.

The strategic intent of BTC Business extends beyond product sales; it is about building a solutions partnership model in which BTC becomes embedded in the operational fabric of its enterprise customers, creating sustainable recurring revenue and barriers to competitive displacement.

Digital Financial Services & Financial Inclusion

Through Smega, BTC operates a growing mobile financial services platform with the mandate to promote access to digital financial services across Botswana. The fintech strategy is grounded in the recognition that financial inclusion and digital inclusion are inseparable; the customers we serve through our network are the same customers who require accessible, low-cost, and interoperable financial services.

Smega's service architecture focuses on:

- Digital wallet services for individuals and households
- Merchant payment acceptance and digital point-of-sale solutions
- Agency banking to extend financial access into underserved communities
- Digital transaction capabilities, including bill payments and airtime purchases
- Ecosystem partnerships with banks, insurers, and fintech providers
- Tailored financial access solutions for micro-enterprises and informal sector participants.

By integrating financial services into BTC's broader digital ecosystem, Smega expands the total addressable market available to the business while generating transaction-based and platform revenues that are structurally independent of traditional telecoms revenue cycles.

Strategic Partnerships & Ecosystem Development

BTC's ability to deliver a comprehensive digital services portfolio is amplified significantly through strategic partnerships. No single organisation can own every capability required to compete in the digital economy; therefore, BTC's partnership model is designed to extend reach, accelerate capability development, and unlock market opportunities that would be difficult to pursue independently.

BTC's partnership ecosystem spans:

- Technology platform and software providers
- Infrastructure and network equipment partners
- Financial institutions and banking partners
- Content providers and digital experience partners
- Systems integrators and professional services firms
- Regional business partners across the various markets.

These relationships strengthen our service delivery capacity, enrich customer propositions, and position BTC to pursue regional growth opportunities with the speed and agility that organic capability development alone cannot provide.

Value Delivery

Value creation is only meaningful when it is reliably and efficiently delivered to customers. BTC's operating model integrates infrastructure, distribution, digital platforms, and people capabilities to execute with consistency across a full-service portfolio.

The delivery architecture combines:

- Nationwide telecommunications infrastructure providing ubiquitous network access
- Retail, agent, and digital distribution channels reaching customers across Botswana
- A dedicated enterprise sales and solutions delivery capability through BTC Business
- Digital platforms, applications, and APIs enabling seamless service integration
- Multi-channel customer service and support capabilities
- Partner-enabled distribution and last-mile delivery ecosystems
- Self-service and digital engagement platforms reducing cost-to-serve and improving responsiveness.

BTC is systematically digitising customer journeys, automating operational processes, and modernising its core technology platforms to improve service quality, reduce time-to-market, and enhance operational scalability. These investments in operational excellence are not merely efficiency measures; they are the foundation on which our next phase of growth will be built.

Connectivity & Digital Infrastructure [cont]

REVENUE STREAM	VALUE CAPTURE MECHANISM
MOBILE SERVICES	Subscription and usage-based revenues from voice, SMS, and data services across the consumer and business customer base.
BROADBAND AND FIBRE	Monthly recurring revenue from fixed broadband, fibre-to-the-home, and office connectivity subscriptions.
ENTERPRISE ICT SOLUTIONS	Project-based and long-term managed services contracts delivering connectivity, cloud, cybersecurity, and managed ICT to corporate and governmental customers.
CLOUD AND DATA CENTRE	Colocation, managed hosting, and cloud service revenues from enterprise customers seeking secure, locally hosted customer data and data processing.
DIGITAL FINANCIAL SERVICES	Transaction fees, interest income, merchant commissions, and platform revenues generated through Smega's mobile financial services ecosystem.
PLATFORM-BASED SERVICES	Revenue from digital platforms, content services, and value-added digital propositions delivered to consumer and business customers.
PARTNERSHIPS AND REGIONAL SERVICES	Partnership revenues, reseller commissions, roaming fees, and regional digital services are delivered across the various markets.

Value Capture

BTC generates revenue through a deliberately diversified portfolio of income streams, reducing structural concentration risk and positioning the business to benefit from multiple high-growth segments simultaneously.
As the business evolves, BTC anticipates a structural shift in its revenue mix, with enterprise ICT, digital financial services, and platform-based revenues constituting an increasingly significant proportion of total income. This transition is central to its strategy of building a more resilient, higher-growth, and higher-margin business over the medium term.

STAKE-HOLDER	VALUE WE ARE COMMITTED TO DELIVERING
SHARE-HOLDERS	• Sustainable revenue growth through diversified income streams • Improved operating margins driven by digital efficiency • Long-term capital appreciation underpinned by strategic repositioning • Progressive dividend policy supported by cash generation
CUSTOMERS	• Superior service experience across mobile and fixed platforms • Integrated digital services that simplify everyday life and business • Accessible and affordable financial services through Smega • Consistent, responsive, and digitally enabled customer experience
ENTERPRISE CLIENTS	• Trusted technology partnership enabling the digital transformation of companies • Locally hosted, secure, and resilient ICT infrastructure for customer data • End-to-end managed solutions reducing operational complexity
SOCIETY AND NA-TION	• Expanded digital and financial inclusion across underserved communities • Critical infrastructure supporting Botswana's digital economy ambitions • Employment creation and skills development in the technology sector • Enablement of Vision 2036 and national economic diversification goals
PARTNERS	• Access to BTC's customer base, infrastructure, and market position • Co-creation of opportunities in digital products and platforms • Regional market access through BTC's SADC network and relationships • Business growth through BTC's reseller and partnership programmes

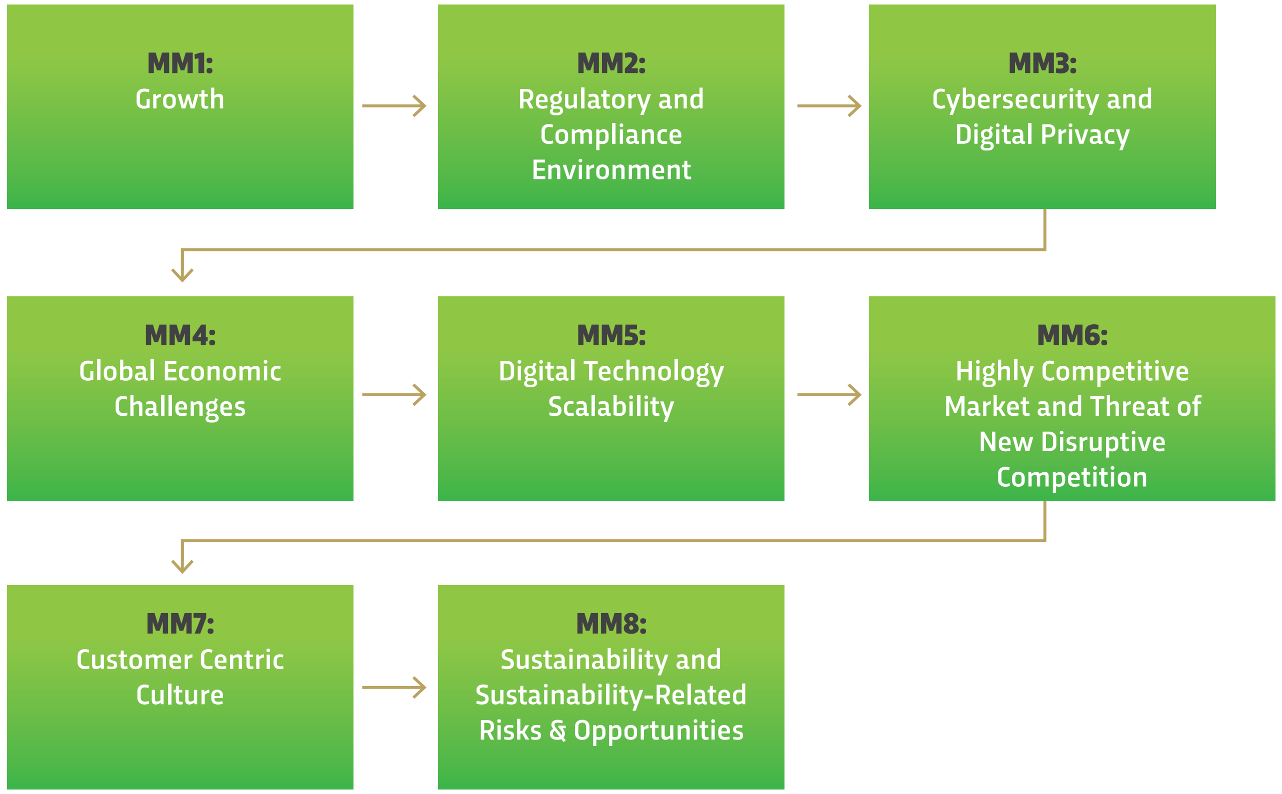
Strategic Outcomes & Long-Term Value Creation

BTC's business model is designed to generate durable value across a broad stakeholder base. Success will not only be through financial returns but through the breadth and quality of value BTC creates for customers, employees, partners, regulators, and the communities in which it operates.

BTC enters this next phase of its evolution with clear strategic intent, differentiated infrastructure assets, and a growing portfolio of digital capabilities. The continued refinement and execution of BTC's business model reflects its commitment to providing a growing impact as well as becoming more competitive and growth-oriented in an increasingly digital and connected world. We are building a business that creates value today and is positioned to create significantly more value tomorrow.

External themes shaping our strategy: Material Matters

Our methodology for determining material matters is a disciplined four-stage process, aligned to the principles of the International Integrated Reporting Framework (2021) and benchmarked against sector peers. What follows is a summary of the material issues most critical to our business and stakeholders, shaped by an evidence-based process rooted in relevance, risk, and responsibility.



External themes shaping our strategy: Material Matters [Cont]

MM1. GROWTH

Achieving sustained subscriber, revenue, and service diversification growth in a maturing and price-sensitive market.

Botswana's mobile penetration has reached saturation, limiting traditional growth levels. Future growth must derive from diversification including expanding data services, digital financial platforms, enterprise solutions, and underserved market segments all underpinned by smart capital investment and innovation. It is also imperative that the business simultaneously defends its core revenue lines.

Opportunity:
Leverage digital ecosystems to unlock new revenue streams beyond traditional voice and data. This includes scaling mobile financial services (payments, lending, insurance), expanding SME and enterprise ICT solutions (cloud, cybersecurity, connectivity bundles), and targeting underserved segments through affordable digital packages to accelerate diversification while defending core Average-Revenue-Per-User (ARPU) through value-added bundling.

MM2. REGULATORY AND COMPLIANCE ENVIRONMENT

Navigating evolving telecommunications, data protection, spectrum allocation, and financial service regulations enforced by entities such as BOCRA, BOBS and other sectoral authorities.

Botswana's regulatory landscape is tightening with increasing pressure for local empowerment, KYC compliance, fair competition, lawful interception readiness, and data sovereignty. Compliance is a reputational and strategic differentiator. Staying ahead of regulatory change not only ensures license security but also strengthens our social license to operate in an increasingly transparent and accountable business environment.

Opportunity:
Position the business as a trusted regulatory leader by proactively aligning with the existing and emerging statutory and regulatory landscape. Engage regulators as partners to co-develop frameworks, strengthening license security while enhancing brand credibility and stakeholder trust.

MM3. CYBERSECURITY AND DIGITAL PRIVACY

Ensuring the confidentiality, integrity, and availability of customer data, digital platforms, and critical infrastructure through robust cybersecurity infrastructure and practices to protect networks, data, and customer trust amidst increasing threats.

The digitalisation of Botswana's economy brings heightened risk exposure to cyber threats and privacy breaches. As both data custodians and critical infrastructure providers, we must proactively invest in cybersecurity capabilities, incident response, and regulatory compliance, e.g., anticipated data protection laws. A single breach could significantly erode public trust and invite punitive sanctions, especially with growing regulatory interest in personal data protection and privacy.

Opportunity:
Differentiate through "security-as-a-value proposition" by embedding advanced cybersecurity into all products and offering managed security services to enterprises and government. Strong privacy practices can be monetised via trusted digital platforms, secure fintech services, and compliance-ready solutions. Investment in cyber resilience strengthens customer trust and opens new B2B revenue streams.

MM4. GLOBAL ECONOMIC CHALLENGES

Managing macroeconomic uncertainties such as inflation, currency fluctuations, interest rate pressures, and global supply chain constraints on operational costs and capital projects.

Botswana's open economy is vulnerable to global economic volatility, particularly due to its reliance on imports for network infrastructure and equipment. Depreciation of the pula, inflationary pressures, and interest rate hikes in key global markets can inflate operating costs and delay capital projects. Proactive financial management and supplier diversification are critical mitigants.

Opportunity:
Build resilience and cost efficiency through localised supply chains, infrastructure sharing, and asset optimisation. Adopt financing innovation and accelerate energy cost reduction through renewables.

MM5. DIGITAL TECHNOLOGY SCALABILITY

Building infrastructure and systems that are agile, modular, and capable of scaling with customer demand, emerging technologies, and future innovation.

The proliferation of bandwidth-intensive applications (IoT, cloud, fintech, and streaming services) and enterprise demands necessitate scalable network infrastructure. Our strategic imperative is to ensure that our platforms, from core networks to customer-facing applications, can accommodate exponential growth without compromising reliability or user experience. Scalability is about partnerships, optimising our use of spectrum and investing in forward-compatible architecture.

Opportunity:
Invest in future-ready, scalable infrastructure (5G readiness, fibre expansion) to support emerging use cases such as IoT, smart agriculture, and e-government. Build platform-based architectures that enable rapid product innovation and ecosystem integration, positioning BTC as a digital enabler for Botswana's economy, not just a connectivity provider.

MM6. HIGHLY COMPETITIVE MARKET AND THREAT OF NEW DISRUPTIVE COMPETITION

Navigating an intensely competitive market characterised by aggressive pricing, over-the-top (OTT) players, and the threat of agile digital challengers.

With limited population growth, the Botswana telecoms market is a knife fight for share. It is contested by established players and disruptive OTT service providers offering voice and messaging alternatives. The entry of non-traditional players, including satellite broadband providers like Starlink, poses existential challenges to legacy business models. Differentiation must come from superior customer experience, bundled digital ecosystems, and platform innovation.

Opportunity:
Transition from a traditional telco to a digital platform player offering integrated ecosystems (connectivity + content + fintech + lifestyle services). Differentiate through superior customer experience, hyper-personalisation, and bundled offerings that OTT players cannot easily replicate. Strategic collaboration (rather than competition) with OTTs and satellite providers can unlock hybrid service models.

External themes shaping our strategy:
Material Matters [Cont]

MM7. CUSTOMER-CENTRIC CULTURE

Building an organisational mindset and capability that places the customer at the heart of all decisions, systems, and interactions.

In a connected but still community-oriented market like Botswana, customer loyalty is forged through trust, accessibility, and relevance. Delivering consistently high-quality, empathetic service experience across channels is a key differentiator. Embedding customer centricity across every function, from product design to frontline support, and genuinely listening, not just surveying, will be essential to long-term competitiveness.

Opportunity:
Strengthen omnichannel engagement (digital + physical touchpoints) and empower frontline teams to resolve issues quickly. Building emotional loyalty through community engagement and culturally relevant services can drive lifetime value and advocacy in Botswana's relationship-driven market.

MM8. SUSTAINABILITY & SUSTAINABILITY-RELATED RISKS & OPPORTUNITIES

Embedding environmental stewardship, social impact, and sound governance into the core of our operations and long-term strategy.

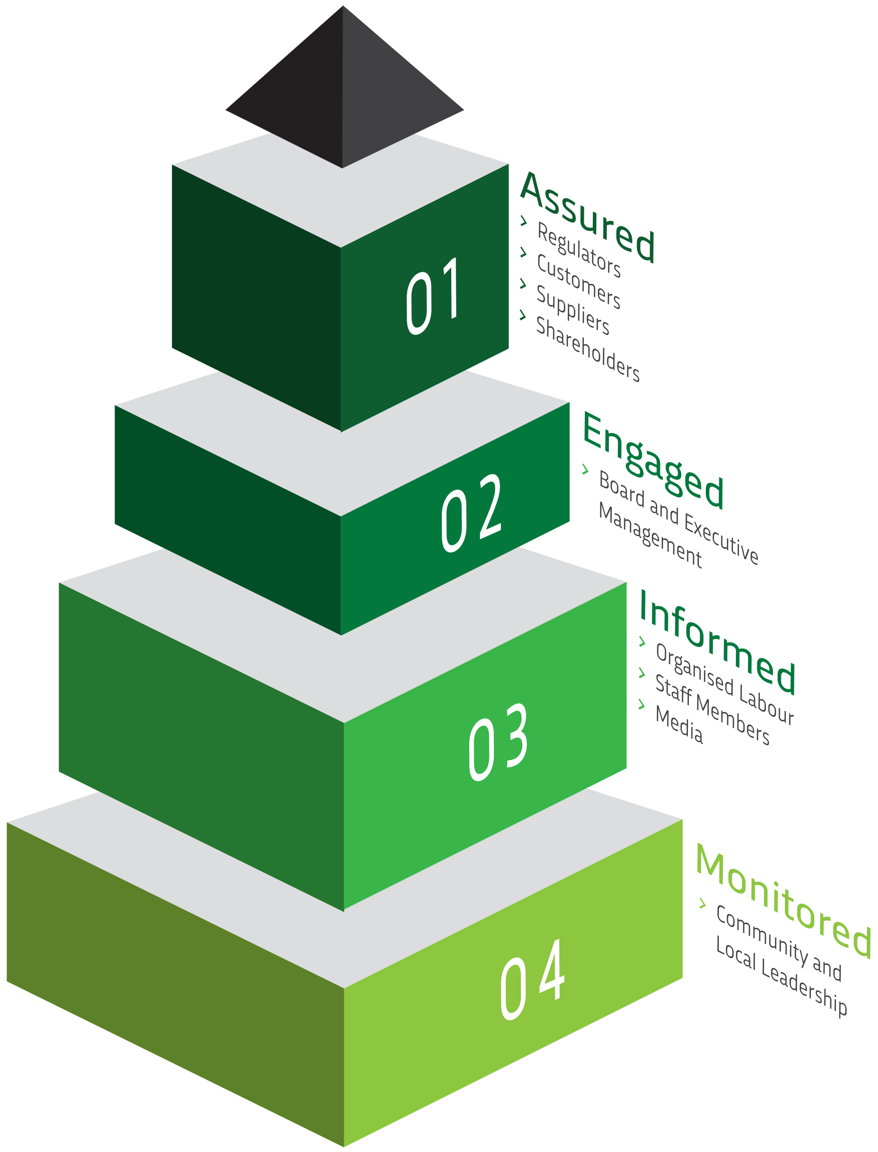
Sustainability is becoming an investment threshold. For a telco in Botswana, this means reducing carbon intensity, e.g., through solar-powered sites, enhancing digital inclusion in rural areas, supporting inclusive hiring, youth employment, and maintaining ethical supply chains. Sustainability is not a CSR sideshow, as ESG credentials are increasingly important to stakeholders, including regulators, investors, and development finance institutions.

Opportunity:
Position sustainability as a growth and efficiency driver by investing in solar-powered base stations, green data centres, and circular economy practices. Expand digital inclusion initiatives through rural connectivity, affordable devices, digital skills training and by empowering the unbanked rural segment to unlock new markets. Strong ESG performance enhances access to development finance, investor confidence, and public-sector partnerships, while reinforcing long-term license to operate.

Our Stakeholder Relationships

As BTC evolves, so does the way we engage our stakeholders. The transition of the department from Stakeholder Relations to Corporate Communication reflects a strategic shift to a more integrated, insight-led, and value-driven communication function.

Corporate Communication is strengthening how we build trust, influence perception, and create sustainable value through proactive, structured and purpose-led stakeholder engagement. At the core of this shift is a more deliberate and data-informed approach. Through a robust stakeholder mapping process, we identify, segment and prioritise stakeholder groups, enabling tailored engagement strategies that respond to the distinct needs and expectations of each audience.



Our Stakeholder Relationships [cont]

We are embedding communication as a core business enabler, not a support function. We are leveraging insights, analytics and structured planning to guide engagement, rather than ad hoc interactions. We are intentionally positioning BTC in ways that enhance reputation, trust and stakeholder confidence. This repositioning allows Corporate Communication to play a central role in aligning stakeholder expectations with BTC's strategic goals, ensuring that every engagement contributes to shared value creation and long-term business resilience.

How we relate with our stakeholders

BTC is strengthening how we build trust and create value through proactive, structured engagement with our stakeholders. A robust stakeholder mapping process enables us to identify, segment and prioritise stakeholder groups, informing fit-for-purpose engagement plans for each category. Our value proposition, which is to provide clear, consistent and accessible communication channels, translate stakeholder insights into action, and enable collaboration that supports long-term commercial sustainability and shared value creation.

Our Stakeholder Engagement approach

BTC's stakeholders include individuals, groups and organisations that use our products and services, invest in the business, or supply us with goods and services. In line with our refreshed positioning, we engage stakeholders proactively through clear, consistent and accessible platforms that enable meaningful participation and timely resolution of concerns and priority issues. This approach helps us balance differing interests while strengthening a culture of mutual respect, trust and constructive dialogue.

These engagements enable two-way information sharing: we listen to stakeholder expectations and feedback on our performance and the impact of our operations, and we communicate timely, relevant messages about the business. By translating insights into action and enabling collaboration across stakeholder groups, we support long-term commercial sustainability and shared value creation; ultimately, we aim to go beyond improved satisfaction and be recognised as follows:

BTC hopes to enhance transparency and access to information on Company operations and performance to:

- Increase support of the Company strategy, its management, and board of directors
- Build and maintain relationships with existing and potential investors
- Receive important feedback and early warning of potential issues
- Increase brand affinity and loyalty
- Enhance digitisation and development of Botswana

Engagement Platforms

The company has developed and implemented a stakeholder engagement strategy, leveraging various platforms to build a sustainable company intrinsically linked to the communities in which it operates.

Measurement Criteria

To measure the successes of our engagements, we use the following indices:

- Customer Satisfaction Index
- Net Promoter Score
- Stakeholder Satisfaction Index
- Employee Engagement Index
- Culture Index

2 The world we operate in

Our Stakeholder Relationships [cont]

	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Staff members	**Human capital is integral to our operations and achievement of strategic objectives.**	• CEO's Staff Addresses, Leadership Roadshows • Divisional/Departmental meetings • Intranet – Mowana, Vivo Engage (Yammer), SharePoint • Internal Company newsletter • Internal communications email • Employee Engagement Survey • Internal Customer Satisfaction Survey	• Company strategy and performance • Safe and conducive work environment • Conditions of service • Career development opportunities • Training, skills development, and talent management • Remuneration and rewards • General information dissemination	• Ongoing culture change project, introducing new norms along with rewards and recognition • Implementation of a Talent Management Programme and online training opportunities • Company-wide strategy cascade • Weekly Safety, Health and Environment (SHE) awareness communications • Revamped internal communications platforms • Product Knowledge Training
Customers	**Our purpose is to drive inclusive growth through meaningful connections and engagements with customers.**	• Media • Digital Platforms • Call centre • Retail shops • Bulk SMS • Product launches and marketing campaigns • Competitions and loyalty programmes • Customer Satisfaction Surveys • Interviews with focus groups • Financial literacy talks	• Quality of service • Improved product value offerings • Relevant and innovative products and services • Faster data networks and wider network coverage • Efficient services - improved turnaround times • Converged and bundled solutions	• Significant investments in network modernisation and expansion to improve network quality and enhance customer experience. • Converged Billing Platform • Transform into a technological company (techco) • Continuous website functionality improvements
Suppliers and strategic partners	**Suppliers and strategic partners provide the critical goods, services and capabilities we need to deliver reliably, innovate and expand our network, while building compliant, cost-effective and mutually beneficial partnerships.**	• Certification and qualification of suppliers • Prioritisation of citizen companies • Digital Platforms • Training on our Procurement practices and Brand adherence • Site visit audits	• Adherence to contractual obligations and payment terms • Debriefing post bid submissions • Improving health and safety standards • Relationship management for mutual benefit • Long-term partnerships	• Introduced strategic sourcing to better manage our suppliers. • Timely processing of supplier invoices • Promote SHE standards

	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Government, Regulators and Policy Makers	**As our majority shareholder, the Botswana Government is a key partner in delivering our mandate while regulators and policy makers set the legal and regulatory framework for our operations and define compliance requirements.**	• Active participation in policy forums • Formal periodic briefings • Ad hoc engagement on regulatory matters • Engagement through industry consultative bodies	• Licensing and compliance • Quality of service and network performance • Wider access to broadband communication services • Tariff reduction • Adherence to regulatory requirements • Complete and timely disclosure • Faster data networks and wider network coverage • Inclusive digital products and services	• Compliance with regulatory and disclosure requirements • Ongoing stakeholder engagements • Improved service delivery turnaround times • Continuously reviewing tariffs for the benefit of our stakeholders
Retail Investors	**We engage our investors by delivering sustainable financial performance and long-term value creation.**	• Annual General Meeting • Print, digital, and broadcast media updates • Annual and interim financial results briefings • Digital Platforms • Radio interviews • One-on-one interactions with retail shareholders (Roadshows)	• Return on Investment (share price appreciation and dividend payments) • BTC's business strategy and risk management • Good corporate governance • Business sustainability • Administrative information • Multi-lingual communication (English, Setswana, and other relevant local languages) • Business competitiveness • Financial literacy	• Increased investments in future growth areas of the business • Continuous monitoring of compliance with corporate governance standards • Monetisation of the network • Timely dissemination of investor information • Increased use of digital platforms to disseminate information to retail shareholders
Institutional Investors and Analysts	**Institutional investors and analysts require transparent, consistent and credible communication to support informed investment decisions.**	• Return on Investment (share price appreciation and dividend payments) • BTC's business strategy and risk management • Good corporate governance • Business sustainability • Administrative information • Business competitiveness • Financial literacy	• Increased investments in future growth areas of the business • Continuous monitoring of compliance with corporate governance standards • Monetisation of the network • Timely dissemination of investor information • Increased use of digital platforms to disseminate information to retail shareholders	• Formal one-on-one meetings (Institutional Investors) • Annual and interim financial results briefings • Print, digital, and broadcast media updates

Our Stakeholder Relationships [cont]

	DESCRIPTION	CHANNELS OF COMMUNICATION	KEY AREAS OF INTEREST	BTC RESPONSE
Media	**The media as key communication partners ensure accurate, timely and transparent dissemination of information about our performance, products, services etc.**	• One-on-one interviews • Media briefings • Radio interviews • Media releases/Media Packs • Product launches • Marketing campaigns • Product testing/ engagement • Digital Platforms	• Access to accurate information • Company performance and competitiveness • Products and services (competitiveness and accessibility) • Coverage of events and activities • Quality of service • Customer experience	• Developed and implemented a media engagement strategy
Communities	**We promote two-way relationships designed to achieve mutual goals within the communities we operate in.**	• Corporate Social Investment (CSI) Programmes • Media (Print, digital, and radio) • Events and product launches • Formal meetings • Courtesy calls • Campaigns (Financial Inclusion)	• Sponsorships and donations • Impact of our operations on communities • Access to products and services • Quality of service	• Implement CSI donation portfolio guided by CSI focus areas • Network expansion and modernisation • Increased customer service points (access to products and services)
Organised Labour	**Organised labour through recognised trade union(s) is important for structured dialogue and collective bargaining, helping us to address workforce matters.**	• Joint Negotiations consultative Committee (JNCC) • Union/Management Forum (UMF) • Periodic Teams and physical meetings • Email • Letters	• Recognition and collective labour agreements • Protection of members' rights • Conditions of employment plus salaries and other benefits • Transparent and open communication	• Fair labour practices • Providing a conducive work environment • Adherence to labour laws such as the Employment Act, Trade Unions and Employers Organisation Act, Workers Compensation Act and Trade Dispute Act and code of Good Practice for Botswana and case law from various Courts

Investor Relations

This financial year marked a significant milestone for BTC as the Company celebrated 10 years of listing on the Botswana Stock Exchange (BSE). Over the past decade, BTC has continued to strengthen its position as a trusted investment and national digital enabler, while advancing its commitment to transparent communication, shareholder value creation and responsible corporate citizenship.

During the year under review, BTC intensified its investor relations efforts through a robust shareholder engagement strategy aimed at strengthening relationships with institutional and retail investors. Recognising the evolving and increasingly complex needs of shareholders, the Company adopted a more differentiated and responsive engagement approach designed to enhance accessibility, improve communication efficiency and reinforce market confidence.

BTC's investor relations strategy is anchored on three strategic pillars:

- **Enhancing investor outreach**
- **Increasing investor relations efficiency**
- **Enhancing goodwill and credibility.**

Channels and Accessibility Improvements

As part of this strategy, BTC expanded its investor engagement footprint through multiple communication channels, ensuring that each customer touchpoint is capacitated to assist shareholders. The Company also participated in a nationwide shareholder roadshow - *Dira.Gola.Tshela* - aimed at improving shareholder accessibility, strengthening investor education, and deepening engagement across Botswana. BTC further enhanced its online self-service portal where shareholders can generate a dividend accrual history at their convenience. Plans are underway to upgrade the systems and tools used to engage and support shareholders, enhancing efficiency, accessibility, and responsiveness.

Mobile Money Uptake by BTC Shareholders

These initiatives contributed to measurable improvements in shareholder participation and market engagement during the year. Uptake of the Smega shareholder payments increased 51% year-on-year, which translated into dividend value payments processed through the platform growing significantly by 60% over the period.

Process Redesign and Efficiency

The Company further enhanced investor relations processes through improved communication responsiveness, increased visibility of shareholder information, and the introduction of more efficient reporting and engagement mechanisms. Focus was also placed on strengthening governance, regulatory compliance and shareholder confidence through timely dividend administration and ongoing sustainability and governance initiatives.

Share Price Appreciation

BTC's strengthened shareholder engagement efforts contributed positively to investor sentiment during the year, with the Company's share price increasing approximately **37.7% year-on-year**. This performance reflects growing market confidence in BTC's strategic direction, operational resilience and long-term value creation agenda.

Outlook

BTC remains committed to strengthening transparency, market confidence and long-term value creation for its shareholders and the broader capital provider community. As the Company advances in its investor relations maturity, focus will continue to be placed on fostering consistent, transparent, and meaningful engagement with investors while enhancing the quality, accessibility, and predictability of market communication.

The Company will continue to strengthen shareholder participation and market stability through enhanced investor outreach, improved shareholder education and clearer communication of BTC's strategic priorities, value drivers and dividend framework. These efforts are intended to support a more informed investor base and contribute to improved market confidence and trading activity.

BTC will also deepen its capital markets intelligence capability to better understand shareholder expectations, market perceptions and evolving investor trends. This will support more responsive engagement, enhanced disclosure practices and stronger alignment between strategic execution and shareholder value creation.

In addition, the Company will continue refining its shareholder engagement model through more structured and targeted engagement initiatives tailored to the differing needs of institutional and retail investors. This includes closer alignment of investor engagement activities with key business milestones and strengthening the measurement of engagement outcomes to ensure continued relevance and effectiveness.

As BTC enters its second decade as a listed entity on the Botswana Stock Exchange, the Company remains focused on maintaining strong governance, responsible corporate stewardship and sustained value creation, while reinforcing trust and credibility with the investment community.

btc

INTEGRATED REPORT **2026**

BUSINESS PERFORMANCE

3

Performance Highlights & Results

P1.47 Billion
Total Revenue
FY2025/26 YTD

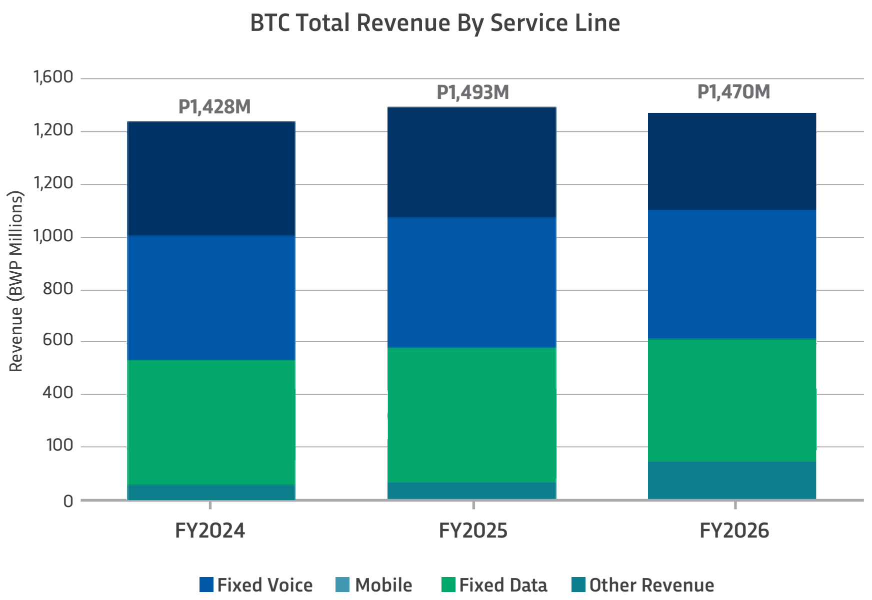
75K
Mobile Subscribers
+30% year-on-year Recovery

P312 Million
Mobile Data Revenue
+7.6% year-on-year Growth

P38.9 Million
Smega Revenue
+175.8% year-on-year Growth

P77.3 Million
Digital Services Revenue
+327% year-on-year Growth

Performance Highlights & Results [Cont]



Strategic Focus Areas

The following priority areas shaped BTC's commercial and operational agenda in FY2025/26, anchored on the Corporation's strategic imperative of Accelerating Transformation and Unlocking Growth:

- Defend and grow the High Value Customer (HVC) enterprise base through retention, new vertical penetration, and integrated solution delivery
- Accelerate Digital Services growth, leveraging BTC's demonstrated capacity to originate, deliver, and scale enterprise ICT solutions
- Drive Mobile Data revenue as the primary growth engine within the mobile segment, supported by 4G network expansion and targeted bundle innovation
- Scale Smega through distribution expansion, aggressive ecosystem partnerships, and platform stability ahead of the Bank of Botswana interoperability directive (July 2026)
- Leverage BTC's widest Fixed Broadband coverage footprint to unlock incremental revenue through FTTH acceleration and competitive service repositioning.

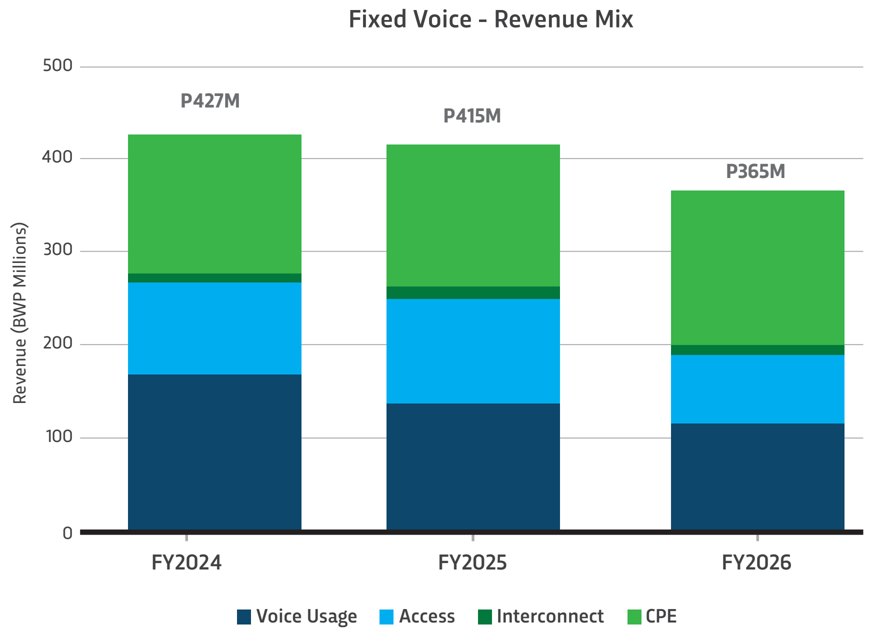
Achievements

- Achieved 100% customer retention of HVC enterprise base, yielding a 11.3% revenue uplift from P527 million to P586million.
- Recovered mobile subscriber base to 757,529 — a 30% year-on-year rebound post-KYC — through the *Dira.Gola.Tshela* programme, country-wide agency deployment, and 4G coverage expansion across all legacy 2G sites
- Mobile data secured 64% share of mobile revenue at P312 million (+7.6% year-on-year), with Mobile Broadband subscribers growing 25% to 281,835
- Smega revenue grew 176% year-on-year to P38.9 million, with registered accounts reaching 481,505 and 90-day active accounts growing to 122,260
- Digital Services revenue grew 327% year-on-year to P77 million, underpinned by significant contract wins and growing enterprise cloud adoption, confirming BTC's position as a credible digital solutions provider
- Other Revenue more than doubled to P153 million (+102% year-on-year), now contributing 10% of total revenue versus 5% in FY2024/25

Challenges

- Copper cable theft in key business districts is impacting Fixed Voice and Fixed Data service availability, Mean Time to Recovery (MTTR), and customer satisfaction scores
- Expansion of Starlink satellite broadband connections in the Botswana market in FY2025/26, intensifying competition in the fixed broadband segment and accelerating customer demand for higher-speed connectivity options
- Average revenue per user (ARPU) optimisation in the mobile segment, as BTC balances subscriber base growth with monetisation improvement through targeted bundle and data offer development
- Economic downturn, with all companies cutting costs and expenses, particularly in the private sector, drove service terminations across the Government and Corporate sectors, particularly within the enterprise fixed broadband portfolio
- SMEGA platform reliability has presented a service experience challenge during the period, with system stability impacting customer satisfaction metrics. Management has identified this as a priority remediation item and is conducting a structured technical evaluation to implement a conclusive resolution. This process is expected to deliver a sustainable platform outcome in FY2026/27, ensuring Smega is well-positioned to support the accelerated transaction volumes anticipated following the Bank of Botswana's interoperability directive effective July 2026.

Fixed Voice



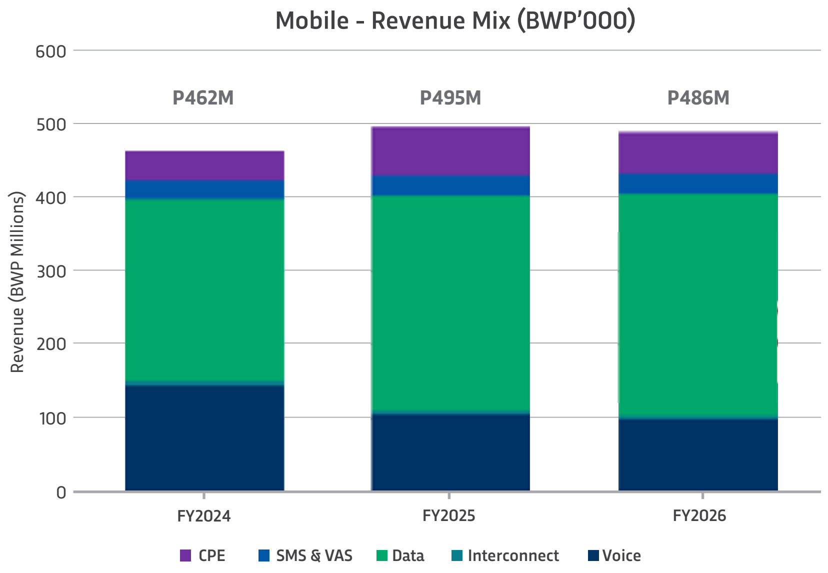
The fixed voice segment recorded a decline 12% year-on-year closing FY2025/26 at P365 million against P415 million in the prior year. The continued decline reflects structural shifts in communication behaviour, with customers migrating from traditional voice services toward data-driven and OTT-based alternatives. Notwithstanding this pressure, the segment remains commercially relevant, particularly within the institutional and enterprise market, where demand for integrated voice solutions, including Cloud IP PABX and hosted communication platforms, continues to grow.

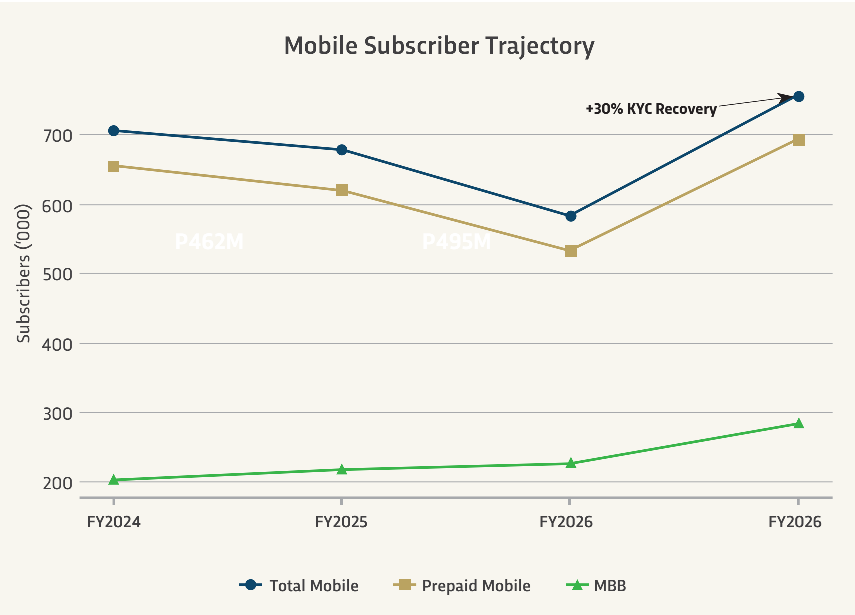
Botswana's accelerating digital economy transition, marked by the progressive migration of businesses from analogue to digital infrastructure, has created a structural growth environment for BTC's Customer Premises Equipment (CPE) portfolio. As corporations across sectors upgrade their communication infrastructure to meet the demands of a digitising economy, CPE has emerged as the strongest sub-category within Fixed Voice, contributing 45% of segment revenue and recording 8.5% year-on-year growth, underpinned by strong PABX upgrade and migration activity across the corporate segment.

The PABX portfolio has delivered approximately 47% cumulative growth since FY2019/20, reflecting a clear and sustained shift toward scalable, cloud-based communication solutions. Three new product launches, namely Hosted PABX, 1Connection, and AI Agents Contact Centre, extend BTC's position in this segment and provide forward commercial momentum as digital adoption deepens. Fixed Voice maintained a 25% share of total revenue.

Performance Highlights & Results [cont]

Mobile



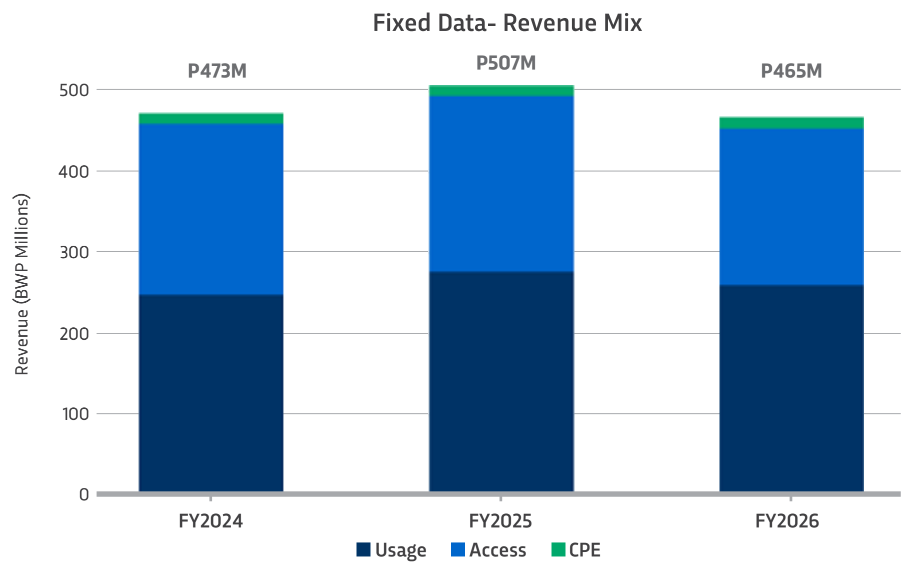


The mobile segment recorded revenue of P486 million against P495 million in the prior year. Voice and SMS revenues continued their structural decline, and while mobile data growth of 7% year-on-year to P312 million partially cushioned this pressure, it did not fully offset the drag. The net result was a contained decline of 1.7%, supported by active selling, campaigning, and ongoing network investment. At 64% of mobile revenue, data is now firmly the segment's primary growth engine, consistent with BTC's strategic priority of leveraging mobile data to unlock incremental revenue.

The subscriber base grew to 757,529 active subscribers, a 30% year-on-year improvement driven by the *Dira.Gola. Tshela* acquisition programme, country-wide agency expansion, competitive bundle innovation, and 4G network coverage extension across all legacy 2G sites.

The mobile segment represented 33% of total revenue and continued to build a stronger data monetisation foundation. Mobile Broadband subscriber growth of 25% year-on-year, combined with deliberate portfolio interventions, Fast Connect speed tiers, the 45GB birthday bundle, and the Turn-Up product revamp, translated into a 20% increase in total mobile data traffic to 80.4 billion MB. Rising consumption per user signals improving revenue quality and positions the segment for sustained data-led growth.

Fixed Data



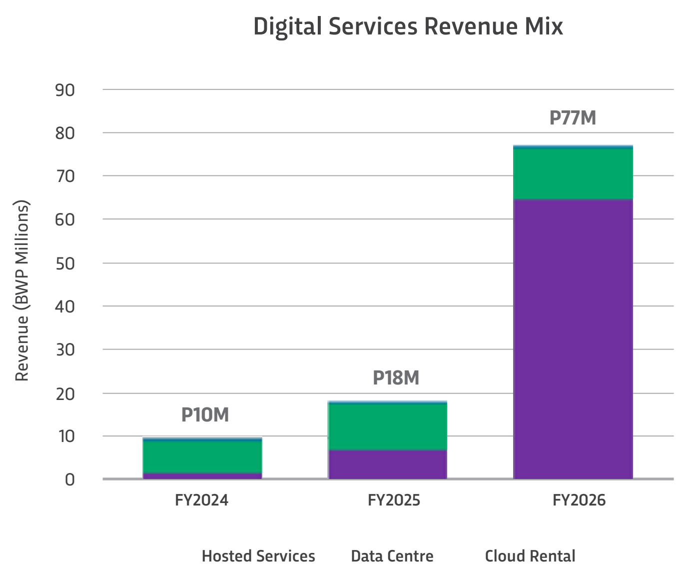
While it contributed 32% of total revenue, fixed data revenue closed at P465 million, a decline from P507 million in the prior year, reflecting intensified competitive pressure, enterprise customer cost rationalisation, and the entry of satellite broadband (Starlink) into the Botswana market. Despite near-term revenue headwinds, BTC's response has been proactive.

The business established a satellite distribution partnership to retain customers within its own commercial ecosystem and introduced higher-speed broadband packages to reinforce its value proposition as the operator with the widest fixed broadband coverage footprint in the country.

BTC's strategic de-coppering programme, which transitions copper-dependent infrastructure to fibre, simultaneously removes structural service vulnerability and enables higher-value connectivity delivery. Looking ahead, fixed data services are expected to return to growth as demand for high-speed digital connectivity continues to accelerate across both consumer and enterprise segments. With nationwide fibre expansion, enhanced broadband portfolio, and strengthened distribution strategy, BTC is well positioned to capture the growing demand for reliable, high-capacity connectivity and drive a rebound in fixed data revenue.

Other Revenues

Digital Services grew by an astonishing 327% year-on-year to P77 million on the back of successful ICT contract wins and accelerating enterprise adoption of cloud and managed services. This performance affirms BTC's demonstrated capacity to deliver and grow digital solutions at scale. Digital service now account for 50% of total Other revenue, from 24% prior year.



Performance Highlights & Results [Cont]

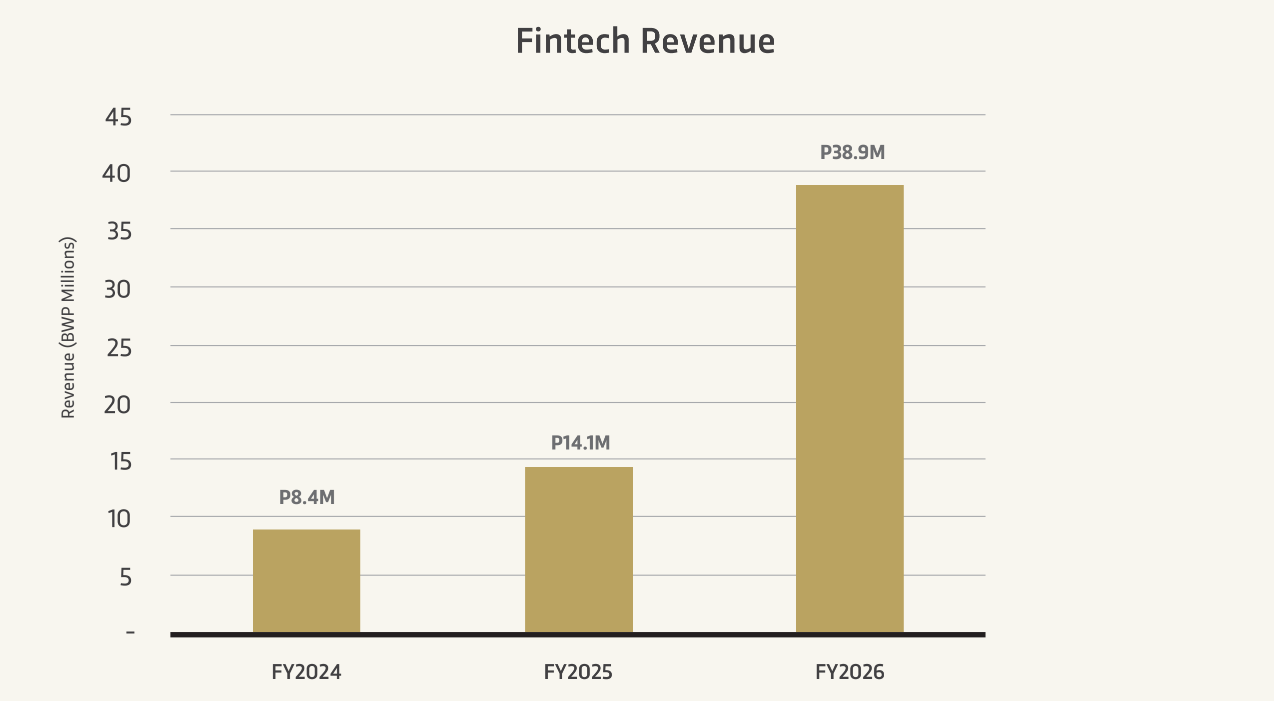
Mobile Money

BTC Fintech recorded a strong financial and commercial performance in FY2025/26, with results indicating meaningful progress in both scale and monetisation.

Revenue performance

Smega revenue significantly outperformed expectations during the reporting period, with year-to-date performance exceeding target by 60%. Compared to FY2024/25, revenue performance also recorded 176% year-on-year growth.

This performance demonstrates stronger product-market fit and improved monetisation of BTC's fintech infrastructure. It also reflects broader customer adoption, increased transaction utility, and stronger commercial traction across the portfolio.



Smega mobile money contributed 38.9million, growing 176% year-on-year as distribution expansion, new ecosystem partnerships, and a growing registered account base of 481,505 continue to scale the platform. The active account base grew to 122,260, and the business is well-positioned ahead of the Bank of Botswana's interoperability directive (effective July 2026), which is expected to further accelerate transaction volumes through network-wide connectivity.

Together, Digital Services and Smega accounted for 76% of Other Revenues and recorded the highest compound annual growth rates across all of BTC's revenue lines. Other Revenues now account for 10% of total revenue, up from 5% in FY2024/25.

DIGITAL SOLUTIONS DIVISION

Enabler and Product Engine

Fintech (Smega)| Enterprise Systems| Innovation and Enterprise Architecture| Cloud Services and Colocation

Divisional Overview

The Digital Solutions Division is BTC's enabler and product engine, leading the corporation's deliberate transition from a traditional telecommunications operator (TelCo) to a technology-driven company (TechCo). The Division creates value across four areas: Fintech (Smega), Enterprise Systems, Innovation (including Enterprise Architecture), and Digital Solutions (Cloud Services and Colocation).

Our mandate is threefold: to diversify revenue beyond traditional connectivity, to deepen customer-centric digital services, and to embed the architecture, governance, and security foundations on which a modern TechCo depends. The sections that follow report on each area against four consistent measures: our ambition for the year, what we achieved, the challenges we faced, and how we will close the remaining gaps under our strategy.

Strategic Focus Areas for the Year

During FY2025/26 the Division pursued the following priorities:

- Accelerate BTC's transformation from a traditional TelCo to a technology-driven TechCo.
- Drive customer-centric innovation through enhanced digital services and customer experience.
- Expand digital services, including fintech, digital health, and self-service platforms.
- Diversify revenue streams beyond traditional connectivity services.
- Improve operational efficiency through automation and digital transformation.
- Foster open innovation through partnerships, hackathons, and ecosystem collaboration.
- Strengthen enterprise architecture, data governance, cybersecurity, and compliance.

Fintech (Smega)

BTC Fintech delivered a strong year of strategic and commercial progress in FY2025/26, reinforcing its position as one of the corporation's key digital growth engines. Through Smega and the broader fintech portfolio, BTC continues to convert existing infrastructure into a scalable financial services platform that creates value for customers, partners, and the business.

Ambition for the Year

BTC Fintech set out to monetise existing infrastructure by converting core network, distribution, and digital assets into active financial services rails, rather than treating them solely as operational support. The wider ambition was to grow beyond conventional mobile money toward a comprehensive digital financial services platform. This includes extending financial access points through assisted and distributed channels via Agency banking enablement; offering lightweight, digitally led financial services that are simple and accessible through our nano-bank proposition, and deploying our Super App to integrate payments, financial services, and digital commerce in a single customer platform. Our strategy will also give priority to open wallet interoperability across wallets, banks, and ecosystem participants; platform modernisation to improve scale, resilience, and product agility, along with exploiting partnership-led distribution to accelerate reach and growth.

The ambition is to position Smega not only as a payment tool, but as the foundation for a wider financial services ecosystem.

What We Achieved

We realised several achievements over the reporting period. Smega revenue outperformed expectations, exceeding the target by 60% and growing by 176% year-on-year, demonstrating stronger product-market fit and improved monetisation of fintech infrastructure. The customer base closed above target with solid year-on-year growth, and new subscriber acquisition exceeded target, supported by inclusion-driven onboarding, including Kgotla and rural engagement campaigns. The average revenue per user improved materially, reflecting a richer service mix and higher-quality usage rather than volume alone.

Our product portfolio broadened across mobile money, person-to-person transfers, merchant and QR payments, wallet transactions, digital collections and disbursements, card-linked services, and agent cash-out. Over a three-year horizon, mobile money has shown sustained year-on-year growth in customers, active users, transaction intensity, and revenue contribution, demonstrating Smega's progression toward a scaled digital financial services model.

Importantly, revenue is now spread across a broad set of transaction categories rather than concentrated in any single service line. This diversification builds a more resilient transaction ecosystem and reduces dependence on narrow revenue streams.

Performance Highlights & Results [Cont]

Challenges
Deliberate subscriber base clean-up, dormancy management, and re-registration activity elevated churn and impacted net active customer metrics during the year. Customer activation and retention require continued strengthening alongside acquisition, the platform requires modernisation to support scale, resilience, and product agility, and growing transaction volumes have placed pressure on partner settlement, governance, and reconciliation processes.

Closing the Gaps
Under our strategy, Fintech will focus on converting current momentum into a scalable, future-ready model by:

- Deepening active customer usage and improving retention to reduce churn.
- Modernising the underlying mobile financial services platform for scale and resilience.
- Advancing wallet and ecosystem interoperability.
- Progressing agency banking and the nano-bank proposition, subject to regulatory engagement and required approvals.
- Accelerating the Super App agenda to unify payments, financial services, and digital commerce.
- Strengthening partner integration, settlement, and reconciliation governance.
- Extending partnership-led distribution to grow fintech's contribution to the wider business.

Enterprise Systems

Enterprise Systems provides the secure, integrated, and scalable platforms that underpin BTC's digital services and operating model, from customer onboarding through to enterprise reporting.

Ambition for the Year
The ambition was to enable digital customer onboarding, integrate core business systems across billing, retail, and customer relationship management, modernise hosting environments, and improve the quality and timeliness of enterprise data to support better decision-making.

What We Achieved
The Enterprise Systems department had several notable achievements over the reporting period. We made significant strides in improving our digital onboarding capabilities, including electronic know-your-customer (eKYC), translating into reduced friction at the point of acquisition. There was progression in the integration of core business platforms across billing, retail, and CRM, coupled with advancements in the structured migration of services into modernised hosting environments.

The adoption of a structured, API-led integration approach, saw improvements in consistency, security, and scalability of system-to-system interactions, while enabling faster, more reliable partner and third-party onboarding. Our improved data flows across critical systems yielded greater availability, better alignment of data across business units, and reduced duplication. Lastly, the advancements we made in near-real-time reporting in key business areas, has led to more informed and timely management decisions.

Challenges
Legacy systems and fragmented data sources continue to constrain full end-to-end integration and data quality, while manual processes affect operational efficiency and time-to-resolution in certain operational areas.

Closing the Gaps
We will standardise integration and API controls, strengthen master data management and data governance, improve platform monitoring and incident resolution, and continue the transition toward a unified enterprise data architecture. Together these measures will reduce integration risk, improve data quality, and shorten the time taken to resolve issues in critical business systems.

Innovation and Enterprise Architecture

Innovation is central to BTC's transformation into a TechCo. It is embedded across the business and aligned to strategic and national priorities. The Enterprise Architecture function provides the discipline and governance that ensure innovation translates into integrated, scalable, and business-aligned delivery.

Ambition for the Year
Our goal was to embed innovation as a strategic discipline rather than a standalone initiative—building structured idea-to-commercialisation pathways, scaling the Innovation Portal and Innovation Lab, deepening the open-innovation ecosystem, and maturing the Enterprise Architecture function as a strategic enabler of integrated technology delivery.

What We Achieved

Innovation
Our innovation team delivered numerous successes over the reporting period. We launched both the BTC Innovation Portal and the Innovation Lab, creating a structured idea-management platform that enables employees, partners, and external stakeholders to submit, evaluate, and progress ideas transparently; and a sandbox environment for prototyping, piloting, and scaling new solutions in collaboration with start-ups and industry partners.

We further cemented BTC's place at the heart of Botswana's innovation ecosystem through national hackathons and programmes in partnership with BOCRA (data-driven solutions in e-agriculture), BDIH (mental health and e-health), and Cavista Technologies (capacity building). We were proud to continue our journey towards advancing digital inclusion through the *Girls in ICT* programme for a second consecutive year—training young women in AI, machine learning, and digital content creation in Pandamatenga and Hukuntsi. We showcased our e-medicine and telehealth offering during National Science Week, at the Botswana Innovation Day commemoration, and at the HELINA conference.

All these activities gave us the necessary impetus to pilot the digital health and AI-driven solutions, including AI health-coach and mental-wellness chatbot concepts. We are confident that the solutions will generate insights that inform scalable, higher-impact deployments.

Enterprise Architecture
During the year under review, our Enterprise Architecture function matured from a foundational capability into a strategic enabler that governs major initiatives across the organisation. We embedded architecture discipline into solution delivery, ensuring solutions align with BTC's long-term digital architecture and operating model. We also strengthened interoperability between previously siloed platforms, enabling more cohesive end-to-end business processes and improved cross-functional service delivery.

Challenges
However, not all our efforts have yet yielded the desired outcomes. Scaling innovation pilots and emerging technologies into commercially viable solutions remains the central challenge. We have had to make deliberate trade-offs, balancing innovation investment against operational and financial priorities. Unfortunately, some new products and services experienced slow time-to-market, which may have been impacted by legacy constraints and fragmented data sources that limited the pace of architectural modernisation.

Closing the Gaps
We plan to transition a greater share of ideas from concept to commercial value by formalising governance through review boards, defined success metrics, and idea-tracking dashboards. We will scale the Innovation Portal, increasing participation, idea quality, and transparency, while also expanding community innovation events, hackathons, and pitch sessions. We will build staff innovation capability through toolkits, training, and design-thinking workshops, while monitoring frontier technologies such as AI and IoT responsibly and for clear strategic fit. Finally, we will continue Enterprise Architecture's drive toward integration standardisation, data governance, and a unified enterprise data architecture.

Assurance is provided through clear evaluation criteria, stage-gate review milestones with defined go or no-go checkpoints, data-driven decision-making, risk and compliance review of every pilot and rollout, and transparent communication of outcomes to stakeholders.

Digital Services: Cloud Services and Colocation

The Digital Services Department is focused on driving BTC's digital transformation agenda through the development, commercialisation, and support of key services. The department currently oversees three strategic service areas: Cloud Services, Colocation, and Cybersecurity.

Ambition for the Year
Digital Services plays a strategic role in positioning BTC as a trusted digital solutions provider. The department's focus is to grow revenue, improve customer experience, support enterprise digital transformation, and ensure that BTC remains competitive in the cloud, data centre, and cybersecurity market.

What We Achieved
Our core achievements over the reporting period are outlined below:

- Commercialised Key Cloud Service Offerings – We successfully introduced and commercialised cloud-based solutions, including Virtual Data Centre, Storage as a Service, Backup as a Service, Disaster Recovery as a Service, and Containers as a Service. These services provide customers with scalable, secure, and locally hosted digital infrastructure.

Performance Highlights & Results [Cont]

- **Introduced Cybersecurity as a Service** – Cybersecurity services have been introduced to support customers in strengthening their security posture. The offering includes security assessments, penetration testing, governance advisory, audits, and general cybersecurity consultancy services.
- **Achieved Strong Revenue Growth** – Digital Services has recorded strong revenue performance, exceeding set targets through increased adoption of cloud, colocation, Microsoft, and cybersecurity services. This demonstrates growing market demand and the commercial value of the portfolio.
- **Onboarded and Migrated Key Customers** – We successfully onboarded and migrated customers across key sectors, including Government, Parastatals, and the financial services sector. This has strengthened BTC's position as a trusted local provider of digital infrastructure and managed services.
- **Maximised Colocation Capacity** – Colocation services have performed exceptionally well, with available rack space at Sentlhaga Data Centre becoming fully subscribed. This reflects strong demand for secure local hosting, reliable data centre facilities, and in-country infrastructure services.
- **Expanded Microsoft Cloud Services** – Digital Services has supported the growth of Microsoft Cloud services through Microsoft 365, Exchange Online, Business Standard licensing, SSL certificates, and related customer onboarding support. This has enabled BTC to provide customers with modern workplace and productivity solutions.
- **Improved Internal Workflows and Operational Alignment** – We made progress in improving internal workflows around case closure, billing, provisioning, onboarding, and stakeholder coordination. This has enhanced collaboration across technical, commercial, finance, provisioning, and support teams.
- **Strengthened BTC's Market Positioning** – Through Cloud, Colocation, and Cybersecurity, Digital Services has positioned BTC as a credible local digital solutions provider. The portfolio enables BTC to support enterprise customers with secure, scalable, and locally hosted services while contributing to the broader digital transformation agenda.

Challenges

The numerous wins were not without their fair share of challenges. The scope and depth of the issues that we experienced are examined below:

- Demand for cloud, colocation, and cybersecurity services exceeded available platform and data centre capacity, limiting new customer onboarding and expansion despite a healthy pipeline. Ageing legacy platforms present operational and scalability risks, disaster recovery capability remains in development, and the largely manual service delivery model, together with limited internal resources and specialist skills gaps, placed pressure on delivery. High vendor costs and intense market pricing pressure further challenged margins and the commercial viability of new services

Closing the Gaps

We plan to close performance challenges in the following ways:

- **Accelerate Cloud Platform Expansion** – Prioritise investment in additional compute, memory, and storage capacity to support customer onboarding, workload migration, and future pipeline growth.
- **Expand Colocation Capacity** – Secure additional rack space through other data centre partners, while negotiating pricing that allows BTC to remain competitive and profitable.
- **Develop a Clear Legacy Platform Migration Plan** – Create a structured migration roadmap to move customers from the legacy cloud platform to the newer platform, reducing operational risk and improving service stability.
- **Fast-Track Procurement and Approval Processes** – Streamline internal approval, procurement, vendor quotation, and technical validation processes to reduce delays that affect service delivery and revenue realisation.
- **Strengthen Disaster Recovery Readiness** – Invest in DR capacity, replication tools, certified training, documented processes, and regular failover testing to ensure BTC can support customer recovery requirements.
- **Negotiate Better Vendor and Partner Pricing** – Engage vendors and partners to revise pricing, offer discounts, or structure flexible commercial models that support strong business cases and acceptable margins.
- **Introduce Cloud Self-Service and Automation** – Implement a cloud self-service portal to reduce manual provisioning, improve customer experience, shorten turnaround times, and support scalable service delivery.
- **Build Internal Skills and Certifications** – Upskill the Digital Services team in cloud, cybersecurity, disaster recovery, data centre operations, and platform management to improve technical confidence and service support.
- **Strengthen Internal Resourcing** – Secure additional permanent resources or dedicated support for billing, onboarding, reporting, customer support, solution design, and operational follow-ups.
- **Improve Revenue Sustainability and Pipeline Conversion –** Focus on converting qualified pipeline opportunities, launching profitable new services, improving account management, and aligning capacity planning with forecasted demand.

Governance, Security and Compliance

The Division operates as the first line of defence for the security, privacy, resilience, and governance of BTC's data, applications, integrations, and digital platforms, working alongside the dedicated Information Security function. Our approach is anchored on the principle of Security and Compliance by Design, embedding governance controls throughout the solution lifecycle, from requirements definition through development, deployment, operation, and retirement.

Core Accountabilities

Our core accountabilities encompass secure application design and development, ensuring that every system we build is resilient and trustworthy. We uphold rigorous standards of data governance and stewardship, maintaining data quality while embedding strong analytics governance across the enterprise. Identity and access management within applications remains a central responsibility, safeguarding user trust and system integrity. We also oversee enterprise integration governance, enabling seamless connectivity and alignment across platforms. A commitment to platform availability and resilience underpins our operations, ensuring continuity and reliability. Finally, we take ownership of regulatory compliance, proactively identifying risks and implementing effective remediation measures within the systems under our stewardship.

Regulatory and Compliance Foundations
Our compliance culture is anchored on the Data Protection Act (Botswana), BOCRA regulatory requirements, financial services requirements, internal governance requirements, and third-party governance, covering matters such as lawful processing and protection of customer data, KYC and customer verification, transaction integrity and fraud monitoring, segregation of duties and change management, and vendor due diligence and service-level monitoring.

Focus Areas for FY2026/27

The following are our focus areas for the coming financial year:

- **Secure-by-design delivery:** We will embed security reviews into all projects and strengthen application access controls.
- **Data governance and quality:** We will improve data ownership, master data management, and data lineage across integrated platforms.
- **Digital platform resilience:** We will improve monitoring and observability and reduce the time taken to resolve issues in critical systems.
- **Enterprise integration governance:** We will standardise integration controls and reduce integration-related operational risk.
- **Analytics and AI governance:** We will promote responsible use of AI and ensure analytics outputs are traceable, auditable, and compliant.
- **Regulatory compliance:** We will strengthen Data Protection Act alignment and improve audit readiness across enterprise systems.

Outlook

The Digital Solutions Division enters FY2026/27 with strong fintech momentum, a maturing innovation and architecture capability, and a clear agenda to close the integration, retention, and commercialisation gaps identified this year. Our strategy positions BTC to grow non-connectivity revenue, deepen customer value, and contribute to Botswana's digital economy, while maintaining the governance and security discipline that underpins the trust of our customers, shareholders, and the wider public.

Performance Highlights & Results [Cont]

TECHNOLOGY AS AN ENABLER OF SERVICE DELIVERY

As part of its "Fixing the Basics" strategy, the organisation is focused on modernising its network infrastructure to build a future-ready, scalable, and resilient platform that supports digital-first services. This initiative addresses current challenges such as network congestion, coverage gaps, reliability issues, and single points of failure that negatively impact performance and customer experience.

In the mobile network, this will be achieved through the deployment of additional sites, capacity expansion, technology upgrades, and optimal spectrum utilisation. Meanwhile, the fixed network strategy will focus on resolving core network obsolescence and creating alternative access technologies to replace copper-based infrastructure.

Network Development and Modernisation

BTC continues to modernise its network infrastructure to meet current and future customer needs, while expanding its footprint to address potential coverage gaps. During the reporting period, an investment of P225,514,773 was made in the following initiatives, which have been successfully delivered.

- Upgraded 151 sites from 2G to 4G and launched Voice Over LTE (VoLTE).
- Deployed 29 new sites to close coverage gaps and relieve existing sites.
- Upgraded the MPLS network to 100 Gbs and created alternative routes to improve capacity and resiliency.
- Created an IPT gateway in Francistown for international route diversity.

Modernisation will continue in the current fiscal year with a focus on closing the following projects:

- 599 mobile sites capacity upgrades, expected to be completed from October 2026.
- 5G deployment in strategic areas in Gaborone expected to be completed from October 2026.
- Migrating fixed network services from legacy circuit-switched infrastructure to an IP Multimedia Subsystem (IMS)-based platform – to be completed in December 2026.
- Continuous migration from copper to fibre and Fixed Wireless Access (FWA) technologies.

Mobile Network Expansion

During the year under review, BTC continued to advance its network development and modernisation programme, with a strong focus on expanding coverage, enhancing capacity, and improving overall customer experience. A total of 29 new sites were deployed, with 18 sites completed through the BOCRA Universal Access and Service Fund, primarily targeting underserved communities. 151 existing sites were upgraded from 2G to 4G to improve service quality and support increased traffic demand, particularly on highways, rural areas and borders.

These upgrades included capacity enhancements, modernisation of radio access equipment, and optimisation of transmission infrastructure to ensure seamless connectivity across the network. As part of our long-term strategy, BTC is building a future-ready network by investing in scalable, multi-technology infrastructure that supports current 2G, 3G, and 4G services, while ensuring readiness for 5G evolution and emerging digital services.

The modernisation programme also emphasised energy-efficient solutions and improved network resilience, particularly in rural and off-grid locations. Overall, BTC invested approximately P170 million in network modernisation initiatives during the year, reflecting our continued commitment to delivering reliable, high-quality connectivity to our customers nationwide.

BTC plans to invest more than P240 million in the FY2026/27 to further advance network modernisation, including capacity upgrades, expanded 4G coverage, and accelerated 5G deployment.

In 2025, BTC launched VoLTE, delivering superior voice quality, faster call setup times, and improved overall network efficiency. This deployment is in line with global industry trends, where legacy technologies such as 2G and 3G are gradually being sunset in favour of more spectrum-efficient, data-oriented services.

Roaming capabilities have also been enhanced to support seamless LTE and VoLTE experiences for customers travelling internationally, ensuring consistent service quality and improved interoperability with partner networks. BTC currently has more than 800 strategic sites in Botswana to deliver high-speed mobile internet for its customers.

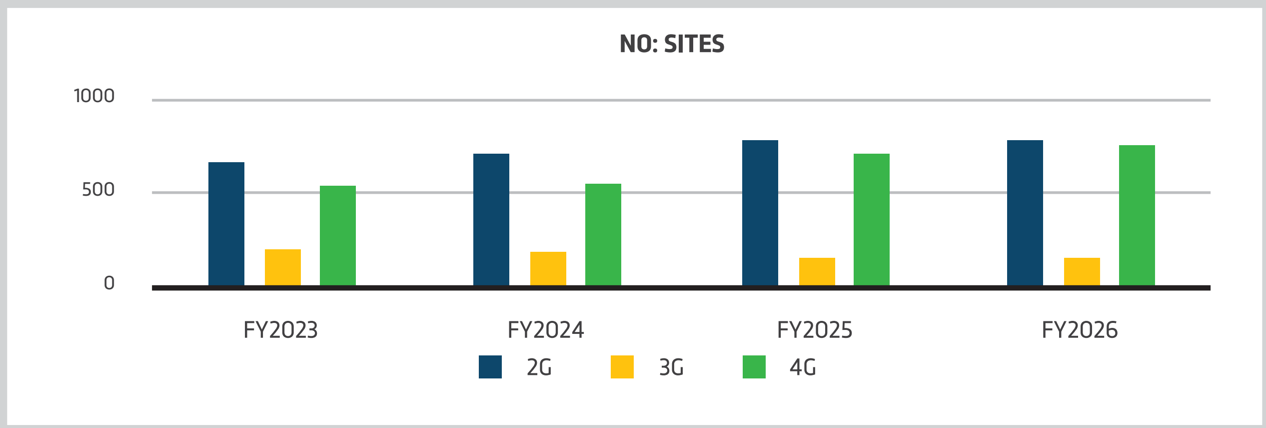
This has seen BTC continuously improving population coverage for the different technologies, as shown below. The forecast population coverage indicates the intention by BTC to eventually sunset 3G technology to shift the spectrum to 4G capacity, and to match our 4G coverage to 2G.

Technology	Current population coverage	Forecast by 2027
2G	97%	97%
3G	62%	0%
4G	95%	97%

Performance Highlights & Results [Cont]

Network Technology Evolution

Over the past three years, BTC has progressively expanded its 4G footprint while optimising legacy 2G service. The stacked representation of network technologies shows:



- In 2025, 4G sites increased mainly due to the modernisation of existing 2G sites and the BOCRA UASF collaboration.
- In 2025, BTC became the first operator in Botswana to launch VoLTE, significantly enhancing voice service quality, reducing call setup times, and enabling more efficient spectrum utilisation in line with the transition to data-centric networks.
- In response to sustained growth in data demand, BTC has embarked on a capacity enhancement programme targeting 599 sites identified for upgrade. The programme commenced in December 2025. This initiative also includes the rollout of low-band spectrum, particularly the 700 MHz band, to enhance coverage and improve indoor signal penetration.
- The programme has been accelerated to deliver tangible improvements in customer experience across the BTC network, including better data speeds, enhanced reliability, and wider service availability.
- BTC has already initiated 5G deployment, with Gaborone targeted for the first commercial launch from October 2026. This will be followed by an accelerated rollout to other cities and key villages, further strengthening nationwide access to next-generation connectivity.
- The target is to complete these key initiatives by October2026, ensuring the timely delivery of improved coverage, capacity, and overall customer experience.

Mobile Spectrum and Licenses

BTC continues to optimise the utilisation of its licensed spectrum to enhance network performance and capacity. The current spectrum portfolio supports multi-band deployment across 2G and 4G technologies, enabling efficient traffic management and improved user experience.

In 2024, BTC acquired spectrum in the 700 MHz band, complementing its existing holdings in the 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, and 2600 MHz bands, currently utilised for mobile services. This low-band spectrum is particularly critical for extending coverage and improving indoor signal penetration.

Ongoing spectrum refarming initiatives are being undertaken to prioritise high-speed data services, while maintaining service continuity across legacy technologies. This approach means shifting the spectrum from 2G and 3G to more data-centric services, 4G and future 5G. This approach ensures optimal use of available spectrum resources and positions BTC for future technology evolution, including 5G deployment.

As part of this strategy, BTC plans to fully reform the 2100 MHz band from 3G to 4G in the 2026/27 financial year, further enhancing network capacity and supporting growing data demand.

Service Provider Network

The MPLS core network is undergoing continuous optimisation, with capacity being upgraded to 100GE to support increasing traffic demands and future digital services. All Gaborone metro/ MPLS rings have been successfully upgraded to 100GE, while the Francistown metro rings are currently operating at 10GE, providing a solid foundation for future enhancements. BTC continues to strengthen its service provider network through the expansion of the MPLS access layer and ongoing improvements to core capacity. The recent deployment of new access nodes in Sefhare and Lerala is already enhancing service performance and improving overall network resiliency. These strategic investments are building a more robust, scalable, and high-performance network, aligned with BTC's long-term growth ambitions and commitment to superior service quality.

IPT Resiliency & Internet Gateway Diversification

BTC has significantly enhanced Internet Protocol Transit (IPT) resiliency through the strategic decentralisation of internet gateways and diversification of international exit routes. The deployment of IPT gateways in Francistown enables northern region traffic to access the internet locally, reducing latency and minimising over-reliance on Gaborone PoPs.

In addition, BTC has introduced a new international internet exit via the Mamuno border (Namibia route), further strengthening network redundancy and route diversity. This reduces single points of failure and improves overall service continuity in the event of outages.

These enhancements position BTC's internet edge to deliver improved performance, higher availability, and greater resilience in line with growing demand and critical service expectations.

Single Voice Core Network

BTC has initiated the modernisation of its Single Voice services, migrating from legacy circuit-switched infrastructure to an IP Multimedia Subsystem (IMS)-based platform. The programme is underway, with installation in progress, supporting a transition to a scalable, IP-based architecture aligned with global standards.

The migration enables consolidation of legacy systems, reducing operating costs and improving network efficiency, while mitigating risks associated with ageing infrastructure. The IMS platform is already operational, delivering advanced services such as VoLTE, enhancing service quality and customer experience. Overall, the initiative positions BTC to achieve sustainable cost efficiencies, strengthen service capabilities, and remain competitive in a rapidly evolving market.

Fibre-to-the-Home (FTTH)

BTC continues to advance an accelerated fibre to the home rollout aimed at achieving full coverage in Gaborone and Francistown, extending deployment within Tlokweng, and initiating fibre expansion in key areas such as Lobatse and Thamaga.

This initiative forms a core component of the Corporation's copper replacement strategy and is designed to mitigate infrastructure theft, enhance network resilience, and deliver improved broadband speeds. The current phase is nearing completion, with customer migrations well underway, and is expected to further strengthen BTC's leadership position in broadband services while supporting the national digital transformation agenda.

Fibre rollout status:

- Fibre presence is projected to be 100% by March 2027, with the completion of all Gaborone Commercial/ Industrial areas.
- The 2025/26 financial year saw fibre rollout in 19 localities around Gaborone, Mogoditshane, Tlokweng, Lobatse and Francistown. 7 industrial areas around Gaborone have also been connected to fibre infrastructure.
- Francistown fibre coverage stands at 70%

Point to Multi-Point (PtMP)

BTC's Fixed Wireless Access (FWA) deployment is driven by a strategic intent to expand broadband connectivity beyond traditional fibre infrastructure, with a strong focus on bridging the digital divide in semi-urban and rural areas across Botswana. The initiative supports national digital inclusion goals while enabling faster, cost-effective service rollout to underserved communities.

To date, BTC has deployed **312 base stations** nationwide, delivering connectivity to **5,247 customers.** The rollout prioritises areas where fibre deployment is limited or not immediately feasible, ensuring broader coverage and improved access to reliable internet services across the country.

Performance Highlights & Results [Cont]

Critical Success Factors – Service Availability of our Network

Hybrid Power Systems and Cooling

Core sites	Mobile sites – BPC Mains	Mobile sites - Solar	Fixed Nodes/Shops
Derisking			
Eliminate SPOF	Eliminate SPOF	Eliminate SPOF	
Modernise & upgrade systems, AC generators, AC UPS, DC Rectifiers, Cooling	Modernise & upgrade systems, AC generators, DC Rectifiers, Aircons	Modernise & upgrade systems, AC generators, and structural upgrade	Upgrade AC UPS and DC rectifiers
AC backup- 2 to 4 HRS DC backup – 8 HRS	DC backup – 8 HRS	DC backup – 48 HRS	AC & DC backup – 8 HRS
Implement a MoM system that offers remote monitoring, control and configurations for multi-vendor devices ranging from UPS, rectifiers, environment, and security, with notifications sent through various preferred mediums.			

Power Infrastructure Modernisation Roadmap

The table below illustrates the phased programme to improve power resilience, cooling efficiency, and network reliability

Phase 1 – (FY2022–FY2024) | Stabilisation

Power Resilience
- Battery autonomy upgrade (8+ HRS) at 13 CORE sites
- Battery upgrades at 175 mobile sites

Renewable Power
- Solar system modernisation at 17 sites

Cooling Improvements
- Cooling upgrades at 11 mobile sites

Infrastructure Upgrades
- Francistown Exchange AC supply cable upgrade and load balancing

Impact:
Improved power resilience and stability at critical network sites

Phase 2 – (FY2024–FY2025) | Capacity Expansion

Power Resilience
- Battery autonomy upgrade (8+ HRS) at 4 CORE sites
- Battery upgrades at 128 mobile sites

Energy Systems
- Solar upgrades at 8 sites (mobile + repeater)

Infrastructure Reliability
- Dual DC supply feed at Data Centre & MSU2
- Backup generator upgrades at 4 sites

Cooling
- Cooling upgrades at 45 mobile sites

Impact:
Strengthen redundancy and capacity for network growth

Phase 3 – (FY2025–FY2026) | Optimisation & Modernisation

Power Infrastructure
- Battery autonomy upgrades at 248 mobile sites
- Dual DC supply feeds at 4 CORE sites

Energy Systems
- Solar modernisation at 18 sites Monitoring & Automation
- Deployment of OWL Eye power & environmental monitoring platform

Cooling Modernisation
- Cooling upgrades at core facilities (MSU1, MSU2, Francistown)

Reliability Improvements
- Generator controller upgrades - 42 sites
- UPS and battery deployment for fixed network nodes

Impact:
Enable smart monitoring, energy efficiency, and long-term infrastructure resilience

Network Operations Centre

BTC operates an enhanced Network Operations Centre, where network monitoring has been significantly strengthened through advanced digital capabilities that provide a clear and unified view of issues across the network. This has enabled faster identification and resolution of problems, as well as improved coordination in incident management.

In addition, monitoring has expanded beyond infrastructure to include service management and customer-facing services, allowing potential issues to be identified and addressed before they escalate into critical incidents. Enhanced reporting and greater visibility now support better planning, faster decision-making, and a more proactive approach to delivering reliable service.

Data Centre, Cloud – Infrastructure

During the financial year, BTC commissioned a new Disaster recovery as a Service (DRaaS) environment in a Tier 3 data centre. This strengthens national disaster recovery readiness by providing resilient, recoverable infrastructure that can support government and critical private sector services in the event of a major outage or cyber incident.

Following the commissioning of the Tier II–certified Sentlhaga Data Centre, BTC successfully introduced a suite of digital solutions to the market, including Colocation, Virtual Data Centre, Storage as a Service, Backup as a Service, Containers as a Service, Disaster Recovery as a Service, and Cybersecurity as a Service. These offerings have collectively driven sustained year-on-year growth across the Digital Services portfolio, with performance in the 2025/26 financial year exceeding target by an exceptional 324%. This growth has been strengthened through our strategic partnership with Microsoft, enabling us to extend our cloud capabilities and deliver enhanced, globally aligned solutions to the market.

Future Plans

Looking ahead, BTC's strategic objective is to facilitate the establishment of a **hyperscale Point of Presence (PoP)** within the country. This will position Botswana as a regional hub for cloud infrastructure, enabling low-latency access, local data residency, and scalable computing capacity for government, enterprises, and service providers.

For the nation, this delivers:
- Low-latency DR and cloud services without routing traffic internationally
- Local data residency to meet sovereignty and compliance requirements
- Reduced costs for bandwidth and egress fees
- Job creation in data centre operations and cloud support
- Regional differentiation positioning Botswana as a cloud and DR hub
- Direct integration with BTC's existing Tier 3 DRaaS environment

Geo redundancy to ensure that services, applications, and data remain continuously available and protected, even in the event of a complete failure of a primary data centre.

- **Guaranteed Business Continuity**
  Ensures uninterrupted service by enabling automatic failover to a secondary site in the event of a primary data centre failure, thereby minimising downtime and protecting revenue streams.
- **Data Protection and Risk Mitigation**
  Safeguards critical data through real-time replication across geographically separate locations, reducing the risk of data loss from disasters, cyber incidents, or infrastructure failures.
- **Enhanced Compliance and Customer Trust**
  Supports regulatory requirements for data resilience and sovereignty while strengthening customer confidence through high availability, reliability, and enterprise-grade service assurance.

Performance Highlights & Results [Cont]

Service Delivery as an Anchor for Revenue Growth

KPI	YoY FY2024/25	YoY FY2025/26
Mean Time to Install (MTTI)	-2 Days	-1 Day
MTTR - Fixed	-2 Days	-1 Day
MTTR - Mobile	-1 Day	+2 Days
MTTR - Smega	+8 Days	+21 Days
Customer Satisfaction Survey	-6 pts	-1pt
Net Promoter Score (NPS)	-26 pts	+1 pt

Provisioning & Fault Resolution

MTTI improved by a cumulative three days from FY2023/24 to FY2025/26, reflecting process optimisation and order management automation. FTTX migrations have added provisioning complexity in non-BTC fibre areas, being actively managed through streamlined workflows. Fixed MTTR of 3 days represents a strong service benchmark. Mobile MTTR increased by a cumulative 1 day over the same period, impacted by copper theft incidents and material shortages, with targeted resourcing interventions underway. Fixed service fault resolution has been further enhanced through a Device Management solution deployed at the Contact Centre to improve first-level resolution rates. Smega service restoration performance is being addressed through dedicated technical support capacity and enhanced escalation protocols.

Network Availability & Competitive Positioning

BTC's core network continued to deliver industry-competitive uptime metrics during FY2025/26, supported by the RAN modernisation programme, which expanded 4G availability across all legacy 2G coverage areas. This positions BTC to demonstrate measurable network quality leadership relative to market benchmarks when BOCRA public data is available and provides the infrastructure foundation for continued data consumption growth.

Customer Satisfaction (CS) & Net Promoter Score (NPS)

The CS score closed at 77 (FY2024/25: 78), marginally declined, while the NPS at 54 (FY2024/25: 53) marginally improved over the reporting period. This reflects existing gaps in our mobile offering, including network coverage, installation turnaround times, and recurring fixed faults in the Southern and North-East districts. NPS has stabilised and returned to a positive trajectory. The establishment of the CX Council governance structure and the training and coaching of customer-facing teams are the primary remediation interventions. The demonstrable link between service quality improvement and revenue outcomes is evidenced directly by the 30% mobile subscriber recovery as customers are returning to BTC because the network and service experience are improving.

Customer Service Channels: Enhanced Sales Channels and Sales Force Upskilling

This year, BTC worked to enhance the customer experience by digitising its touchpoints and engaging its customers across different channels.

Service Channels

Channel	Description
Digital Store and Ground Force	Through our digital store, customers can place orders and receive information about our products and services. We have a telemarketing department that focuses on referrals, upgrades, and retention. The ground force can run door-to-door campaigns and activations.
Strategically Placed Retail Stores	BTC operates 25 retail shops nationally, serving as full-service customer centres. Each shop enables customers to access and experience the full range of BTC products and services, receive technical assistance and account support, and complete service transactions and payments.
Digital Touchpoints/App	As more people move into the digital space, BTC continues to support its customers by engaging with its strategic partners to enable customers to purchase airtime and data through their mobile applications, the Smega App and the USSD function.
Website	Our website serves as a key digital channel through which customers, stakeholders, and the wider public can access information about our products, services, and business activities. The platform provides a convenient and accessible point of engagement, enabling customers to explore offerings, access support resources, submit enquiries, make bill payments, and apply for new services, while staying informed about Company developments. Through continuous enhancements to functionality and user experience, the website supports customer acquisition, engagement, and service delivery while strengthening our digital presence and brand visibility.
Proactive Indirect Sales Partners	The dealer network is BTC's primary channel for ensuring customer accessibility to our services across Botswana. It provides customers with accessible, effective and convenient ways to make transactions. It also supports local communities through programmes and initiatives linked with the sale and management of prepaid airtime. We ensure that our mobile money agents are in compliance with the regulatory requirements.
Account Managers and Pre-Sales Engineers	This team is mandated with growing the SME and Corporate and Enterprise business through sales, area activations, customer onboarding and retention. The team is supported by a Sales Engineer resource that assists in putting together customised solutions tailored to meet each customer's needs. The Account Support team ensures that all that has been sold to customers is delivered on time and billed correctly.
Interactive Contact Centre	To ensure that our customers are always able to access our services, we have a 24-hour contact centre. In addition, we have introduced various digital facilities that allow people to easily log their complaints and inquiries.
Corporate Solutions and Relationship Management	BTC's corporate segment is a significant contributor to the Company's revenues. It provides various ICT services to businesses. The Account Managers ensure that clients are provided with bespoke solutions. These include cybersecurity and cloud services.

Repositioning the BTC Brand Portfolio

Strategic Focus Areas from this past year

Over the reporting period, BTC's strategic focus centred on strengthening brand visibility and awareness through a range of integrated marketing and communication initiatives. These include enhanced communication, visibility and merchandising for the network utilisation project; advertising campaigns through radio and print media; parameter branding on existing BTC property; purchase of merchandise for our dealers, consumers, the enterprise, our executive management team and the board of directors; and extensive branding during the marathon and at other outdoor events where we had involvement.

Key Strategic Achievements from this past year

BTC had several achievements over the year. The brand was refreshed through the *Youthful X* campaign to attract those aged 18 to 36, while visibility in rural areas was enhanced, additional static billboards were erected, bus shelters were branded, and additional content was projected on digital billboards.

The *Dira.Gola.Tshela* campaign targeting greater financial inclusion country-wide recorded a 30% year-on-year customer base growth, and market share growth from 14% to 16%. Our digital platforms saw a growth in followers, impressions and engagements with Facebook followers growing by 21% and customer engagements growing by 100%. The 4G device penetration grew from 68% to 74%, supported by BTC's customised devices such as the S6, MiFi and S200. BTC also had key launches, notably the 45th anniversary launch, the Smega campaign launch featuring Betway, Motlakase, Motshelo, Karabo Funeral Plan, and Smega Loan products resulting in 49% year-on-year active subscriber growth and 176% year-on-year revenue growth.

Challenges from this past year

Our year was not without challenges. Budget limitations affected the delivery of branding initiatives at service points, on our fleet, and the execution of our combi and bus branding exercise. There were also delays in the capacitation of critical roles.

Strategic Intent

The environment in which BTC competes has shifted decisively. Consumer expectations now extend well beyond affordable airtime Batswana demand seamless home broadband, mobile financial services and personalised digital experiences as essentials of daily life. In the enterprise segment, businesses and government entities are accelerating digital transformation and seeking a single, accountable partner for connectivity, cloud, cybersecurity and managed services. At the same time, core connectivity products face sustained commoditisation pressure from local ICT providers and an expanding field of regional competitors, making price and network coverage insufficient as standalone sources of competitive advantage. BTC's response is deliberate: to leverage its national infrastructure as a platform for a richer, solutions-led value proposition that generates deeper customer relationships and more durable revenue streams.

This strategic pivot is anchored on brand clarity and expressed through two distinct, but complementary brand identities designed for the markets BTC serves.

Defining Our Brands and Segments

BTC serves two fundamentally distinct markets, each requiring a tailored proposition. On the consumer side, the organisation operates across a spectrum from mass-market prepaid customers seeking affordability and access, to postpaid and high-value subscribers who expect premium service and richer digital experiences, to home broadband households demanding converged connectivity, streaming and smart home solutions. BTC's Customer Value Management capability translates these behavioural differences into personalised offers and targeted retention, ensuring each segment is engaged on its own terms. To bring this to life, BTC launched *#OwnYourMark*, a consumer rebrand campaign that positions BTC as the brand that enables and encourages Batswana to be all they can be, a conviction powerfully embodied by our world champion brand ambassador, Collen Kebinatshipi.

In the enterprise market, BTC draws a deliberate distinction between large corporate and government entities, who require end-to-end ICT integration, named relationship management and stringent service level agreements, and small and medium enterprises, who need enterprise-grade reliability delivered with simplicity and cost-effectiveness. To communicate this specialisation with the clarity it deserves, BTC is launching BTC Business as a dedicated enterprise sub-brand, signalling focused accountability and strategic partnership to the business community.

Delivering Solutions to Industry Segments

A defining pillar of the BTC Business strategy is the shift toward sector-specific solutions that address the unique operational and digital challenges of Botswana's key industries. Rather than offering generic connectivity packages to the enterprise market, BTC Business is developing and deploying tailored propositions across the full breadth of the country's economic sectors.

- Government and parastatal clients require secure, sovereign connectivity, reliable managed services and digital infrastructure that supports the delivery of public services at scale.
- Financial services institutions demand low-latency connectivity, robust cybersecurity and compliance-aligned data management to protect sensitive customer data and meet evolving regulatory obligations.
- Mining and resources clients depend on operational continuity across remote and often challenging sites, supported by IoT-enabled monitoring, private network solutions and resilient connectivity that keeps critical operations running without interruption.
- The hospitality sector, a significant contributor to Botswana's tourism economy, requires high-quality guest connectivity, property management system integration and digital solutions that enhance the visitor experience while improving operational efficiency.
- In education, BTC Business supports the digital transformation of schools, colleges and universities through reliable broadband infrastructure, e-learning platform connectivity and the digital tools that are increasingly essential to modern teaching and administration.
- The health sector presents one of the most consequential opportunities, where BTC Business can enable telemedicine, electronic health records, inter-facility connectivity and the secure transmission of patient data across public and private health networks, directly contributing to improved healthcare access and delivery across the country.
- In the fast-moving consumer goods sector, BTC Business addresses the connectivity, point-of-sale integration, supply chain visibility and mobile payment needs of manufacturers, distributors and retailers operating across Botswana's urban and peri-urban markets.

By aligning its product portfolio, account management model and technical capabilities to the specific demands of each vertical, BTC Business positions itself not as a commodity supplier but as a strategic digital partner with demonstrable sector expertise and a credible claim to being Botswana's foremost ICT solutions provider.

Brand Positioning and Equity

BTC's brand positioning rests on a clear identity—a trusted connectivity partner and digital enabler that helps individuals, households and businesses achieve more. In a market where competitors compete on price and promotional noise, BTC differentiates on depth, through the reliability of its infrastructure, the simplicity of its customer experience and the innovation of its solutions. BTC's physical infrastructure is itself a brand asset—the reach of a national fibre network, the presence of towers in rural communities, and the capability of a data centre that safeguards the country's digital sovereignty are proof points of BTC's commitment to Botswana's development. This commitment extends into the environmental and social dimensions of how BTC operates. By demonstrating that BTC's growth and Botswana's progress are inseparable, the organisation builds brand equity that is resilient, purposeful and genuinely difficult for any competitor to replicate.

Go-to-Market Transformation

BTC's go-to-market approach has shifted from a broad, undifferentiated push model to one that is segment-led, insight-driven and commercially precise. Campaigns now run in an integrated fashion across digital platforms, outdoor media, retail stores and direct sales, ensuring that the brand and its propositions are encountered consistently wherever the customer is. Product propositions have been simplified and reoriented around clear customer outcomes, making it easier for customers to understand the value they are purchasing and for frontline teams to sell with confidence. BTC is simultaneously expanding its distribution reach through agent networks, channel partnerships and property developer relationships for FTTH, bringing its services closer to customers in underserved areas and high-growth residential developments.

Measuring Brand Success

BTC tracks brand performance through a rigorous framework that connects awareness and perception to commercial outcomes. Brand health scores, top-of-mind awareness, net promoter metrics, market share progression and digital engagement indicators together provide an integrated view of whether brand investment is translating into customer preference and revenue growth. A brand that is admired but not chosen is not working, and BTC's measurement approach holds both dimensions accountable simultaneously.

Outlook

Looking ahead, BTC's brand ambition is to be the most trusted and relevant digital brand in Botswana. This requires continued investment in brand building and customer insight, and a deepening of the emotional connection that *#OwnYourMark* has established with Batswana across every walk of life. Positioning BTC as a leader in Botswana's digital future is not a marketing aspiration; it is a commercial and national responsibility. As connectivity becomes indispensable, the organisation that owns the trust of consumers, enterprises and government in that space will define the competitive landscape for years to come. BTC is resolved to be that organisation.

Market and Competitive Dynamics

Operating Environment

The Botswana telecommunications market in FY2025/26 was characterised by intensifying competitive activity, the entry of non-traditional operators, and sustained regulatory evolution with pressure on BTC to reduce costs for data services and interconnect. Macroeconomic pressures, including Government and corporate cost rationalisation, contributed to service terminations and pricing compression across the enterprise segment. BTC's competitive position is anchored on the nation's most extensive fixed network infrastructure, a fully licensed 4G mobile operation, a scaling financial technology platform, and long-standing enterprise relationships spanning Government and Corporate segments.

Competitive Response

Starlink's market expansion in FY2025/26 represented the most material competitive development of the year. BTC responded by entering into a strategic partnership with Starlink, the resultant of which was an acceleration in the growth of our satellite sales. On the back of this, we noted an increase in the diversity of our revenue while retaining customer relationships. In the mobile segment, targeted acquisition programmes, product innovation and 4G network expansion delivered subscriber growth above the market average, evidencing active market share recapture. In the enterprise segment, BTC's competitive positioning rests on the depth and integration of its solutions portfolio encompassing connectivity, cloud enablement, managed services, and ICT infrastructure reinforced by entrenched institutional relationships. As enterprise clients increasingly seek to consolidate vendors and extract greater value from technology partnerships, BTC's full-service capability and incumbency advantage represent a durable source of competitive differentiation.

Regulatory Developments

The Botswana Communications Regulatory Authority (BOCRA) Mobile Termination Rates glide path continued to compress interconnect revenue, managed through data volume growth and product mix optimisation. The Bank of Botswana's interoperability directive, set to be effective before the end of this year is expected to be a structural positive for Smega, opening access to a materially larger addressable transaction base. BTC invested in compliance readiness during FY2025/26 to ensure Smega is positioned to capture the full commercial opportunity from day one of interoperability.

Outlook

BTC enters FY2026/27 with a clear growth agenda and a portfolio of commercial initiatives already generating measurable returns. The following priorities are expected to shape the year ahead.

Network & Connectivity

- 751 mobile sites have been upgraded nationwide, with the programme improving data speeds, capacity, and network performance across urban and rural areas.
- FBB customers upgraded to higher speed tiers (4Mbps → 100Mbps; 10Mbps → 150Mbps) at no additional cost, with 300 Mbps being the fastest offer across 10 significant localities nationwide.

Product Innovation

- **BTC 1Connection:** A one-stop convergence solution offering Voice-over-Broadband, high-speed internet (from 100Mbps), Wi-Fi, streaming, and smart device connectivity from P499/month.
- **VoLTE:** The product delivered up to 40% voice quality improvement with HD audio, and near-zero call drops.
- **45GB Birthday Bundle and enhanced TurnUp/beFree packages:** These products resulted in the doubling of data purchases and cross-net minutes, reinforcing affordability and stimulating consumption.
- **MyBestOffer campaign:** Personalised offers based on individual usage profiles, targeting ARPU improvement through higher relevance and uptake conversion.

Smega: FinTech Scale

Distribution expansion, ecosystem partnership deepening, and platform stability investments position Smega ahead of the interoperability directive.

- 481,505 registered accounts and 122,260 active accounts provide a strong base; interoperability is expected to unlock transaction volume acceleration across the national payments network.
- The Point-of-Sale network expanded to agents nation-wide, and there was increased integration with major retailers and merchants.
- The Smega App set to be launched before the end of this year, will allow account holders to transact in the same way they would if they were using a traditional bank account.

Digital Services & Enterprise

- Accelerated pursuit of ICT solution opportunities within private sector verticals, with dedicated resource capacity under development.
- Cloud rental, data centre, and hosted managed services pipeline provides recurring revenue visibility into FY2026/27 and beyond.

Community Investment

- BTC Francistown Marathon delivered P500,875 across Francistown, Tonota, Tutume, and Masunga. Cumulatively, BTC's three-year contribution through this initiative reaches P1 million.
- ***Dira.Gola.Tshela*** nationwide roadshow: This was a community engagement initiative aimed at promoting financial inclusion through partnerships with the arts and culture sector to promote Smega adoption and digital literacy across key growth communities

BTC's FY2026/27 strategic priorities

Digital Services acceleration, mobile data monetisation, and Smega scaling, are directionally aligned with the macro trends reshaping Botswana's digital economy, positioning the Corporation to deliver improved financial performance in the year ahead.

Financial and Operational Outcomes

FINANCIAL REVIEW AND MANAGEMENT DISCUSSION

This financial review and management discussion reviews the results of the operations, performance and financial position of the Company for the financial year ended March 2026. The commentary is intended to help the reader to understand the results of the operations and financial position of BTC and is provided as a supplement to be read in conjunction with the Company's audited annual financial statements for the year just ended compared with the year ended March 2025. The audited annual financial statements (AFS) and the accompanying notes are prepared in accordance with IFRS ® Accounting Standards and reported in Botswana Pula (BWP).

Throughout the commentary, references to "We", "Our", "Company", "BTCL" and "BTC" all refer to Botswana Telecommunications Corporation Limited. BTCL is a converged telecommunications operator offering fixed, mobile and broadband (fixed data) services to individuals, enterprises and other licensed service providers. The analysis is designed to assist management and other readers to compare and understand the operating results and financial performance in a meaningful way.

Basis of financial analysis and other measures

Unless expressly stated or indicated otherwise, figures in the review have been extracted from the AFS and are therefore IFRS Accounting Standards compliant. One such departure is the 5-year trend which, for purposes of computing measures such as EBIDTA, has had the order of account lines re-aligned, some of the balances re-classified and lastly some of the numbers summarised. Reconciliations or explanations have been included in areas where there are departures or differences to the audited accounts.

It should also be noted that BTC also presents other financial performance and position measures including the various margins (Gross profit, EBIDTA, EBIT and Net profit) and various returns measures such as ROA, ROE, ROCE etc. These measures do not have a standardised meaning under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, as other entities may define these terms in different ways.

The Company includes the following measures because it believes certain investors use these measures as a means of assessing the financial performance and position of the Company.

- Gross profit is calculated as revenue from contracts with customers less costs of services and goods sold with the gross profit margin being the gross profit divided by revenue from contracts with customers.
- Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) is calculated as gross profit plus other income less all costs but excluding depreciation, amortisation, interest and taxation. The EBITDA margin is EBITDA divided by revenue from contracts with customers.
- Earnings before interest and taxes (EBIT) or Operating income, is calculated as net earnings before finance costs (net of finance income) and income taxes. Operating margin is therefore EBIT divided by revenue from contracts with customers.
- Return on average capital employed (ROCE) is computed as EBIT over the average (sum of opening and closing balances divided by two) capital employed i.e. total assets minus current liabilities.
- Return on average shareholders' equity (ROE) is computed as profit for the year (PAT) over average shareholders' equity.
- Return on average assets (ROA) is computed as profit for the year over average total assets.
- Solvency ratio is calculated as profit for the year plus depreciation and amortisation charge for the year over both long term and short-term liabilities.

Five (5) Year Review

The commentary is supported by a five-year overview of the Company's footprint, highlighting the transformation journey undertaken by BTC and the progress made in repositioning the business for long-term sustainability and growth.

Key highlights include:

- Over the years, BTC has implemented a range of strategic projects aimed at modernising its network infrastructure and enabling the delivery of converged voice, data, and digital services. This continued investment reflects the Company's commitment to operational excellence, customer experience, financial resilience, and sustainable growth.
- A key pillar of BTC's transformation has been the establishment of strategic partnerships that have expanded service offerings and accelerated the adoption of emerging technologies. These collaborations have strengthened the Company's digital portfolio through the growth of SMEGA mobile money services, cloud-based solutions, and satellite internet services, enabling BTC to better meet evolving customer needs.
- Despite operating in a challenging market environment, BTC delivered a Profit Before Tax of P146 million and achieved an EBITDA margin of 23%. Earnings per share declined by 28%, from 19.69 thebe to 10.79 thebe, reflecting the pressures experienced during the year.

BTC leaders at the 2025 AGM

Financial and Operational Outcomes [Cont]

Year Trend

Performance Statements (P 000's)	Restated 2020	Restated 2021	2022	Restated 2023	Restated 2024	Restated 2025	2026
Revenue from contracts with customers	1 416 977	1 426 409	1 392 257	1 400 027	1 436 050	1 492 760	1 469 605
Cost of services and goods sold (excluding depreciation and amortisation)	(348 167)	(316 016)	(327 969)	(337 028)	(385 360)	(375 696)	(435 797)
Gross Profit	**1 068 810**	**1 110 393**	**1 064 288**	**1 062 999**	**1 050 690**	**1 117 064**	**1 033 808**
Other income	2 105	6 639	18 683	3 923	-	37 015	41 323
Selling and distribution costs	(25 385)	(20 016)	(18 242)	(23 120)	(18 225)	(23 489)	(31 451)
Administrative expenses (excluding depreciation)	(395 972)	(397 358)	(385 302)	(424 406)	(348 132)	(377 395)	(378 435)
Impairment losses and gains on financial assets and contract assets	(18 803)	(12 865)	3 191	24 316	(12 151)	(24 973)	(17 547)
Other expenses	(221 572)	(239 894)	(222 436)	(254 088)	(256 629)	(278 631)	(304 598)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	**409 183**	**446 899**	**460 182**	**389 624**	**415 553**	**449 591**	**343 100**
Depreciation and amortisation (of intangibles, IRU and leased assets)	(274 359)	(288 436)	(295 053)	(271 936)	(265 245)	(230 163)	(254 965)
Amortisation of grants	29 862	30 990	21 235	1 206	1 551	1 693	1 783
Earnings before interest and taxation (EBIT)	**164 686**	**189 453**	**186 364**	**118 894**	**151 859**	**221 121**	**89 918**
Interest income	7 303	6 360	18 796	48 247	62 813	60 422	70 030
Interest expense	(31 015)	(26 972)	(22 767)	(18 632)	(14 664)	(14 938)	(13 777)
Profit before taxation (PBT)	**140 974**	**168 841**	**182 393**	**148 509**	**200 008**	**266 605**	**146 171**
Income tax expense	(22 249)	(30 923)	(41 608)	(30 728)	(42 474)	(59 886)	(32 830)
Profit for the year (PAT)	**118 725**	**137 918**	**140 785**	**117 781**	**157 534**	**206 719**	**113 341**
Position Statements (P 000's)							
Property, plant, equipment and Intangible assets	1 741 307	1 776 391	1 633 398	1 651 389	1 175 535	1 303 999	1 710 815
Right of use assets	144 629	129 325	115 337	109 170	140 412	136 938	129 631
IRU asset	496 723	458 514	420 305	382 096	343 887	305 678	267 469
Performance bond	-	-	-	-	-	16 650	16 650
Other non-current assets	27 451	-	-	28 766	45 830	49 212	44 847
Other current assets	312 376	263 956	301 112	294 396	327 968	474 814	500 021
Short term investments	-	-	348 856	427 625	107 803	56 411	28 293
Cash and cash equivalents	118 089	363 273	171 586	143 358	625 344	442 360	243 912
Assets Held for sale	-	-	-	-	12 664	9 428	4 929
Total Assets	**2 840 575**	**2 991 459**	**2 990 594**	**3 036 800**	**2 779 443**	**2 795 490**	**2 946 567**
Capital employed	2 084 594	2 241 254	2 286 399	2 351 260	2 097 143	2 020 362	1 965 914
Non-current liabilities	420 570	338 684	303 816	301 309	279 349	318 273	321 162
Current liabilities	335 411	411 521	400 379	384 231	402 951	456 855	659 491
Total Equity and Liabilities	**2 840 575**	**2 991 459**	**2 990 594**	**3 036 800**	**2 779 443**	**2 795 490**	**2 946 567**
Capital Expenditure	229 968	217 092	133 953	230 091	207 039	295 595	456 046
	32 865	94 293	52 920	70 455	89 184	269 787	172 505
Ratios							
Revenue growth	0%	1%	(2%)	1%	3%	4%	(1,6%)
Earning per share (Thebe) (1, 050,000,000 shares)	11,31	13,14	13,41	11,22	15,00	19,69	10,79
EBIDTA margin	29%	31%	33%	28%	29%	30%	23%
Current ratio	1,3	1,5	2,1	2,3	2,6	2,1	1,2
Capex to revenue ratio	16%	15%	10%	16%	14%	20%	31%
Capex to depreciation charge	0,8	0,8	0,5	0,8	0,8	1,3	1,8
Turnover ratio (Turnover/ Closing assets)	50%	48%	47%	46%	52%	53%	50%
Return on average equity	6%	6%	6%	5%	7%	10%	6%
Return on average capital employed	5%	5%	5%	4%	6%	9%	5%
Return on average operating assets	4%	5%	5%	4%	5%	7%	4%
Other Operational Data							
Staff strength	914	886	864	819	710	864	736
Economic data							
Inflation (consumer price inflation)	3,30	3,30	10,00	9,90	2,90	2,80	2,70
Value of Pula (1 Pula equals to US $)	0,0810	0,0865	0,0845	0,0758	0,0728	0,0708	0,0705

Current Year Performance Review

Review of the results based on the statement of profit or loss as published

						Change 2026 vs 2025	
All figures in P'000	2022	Restated 2023	Restated 2024	Restated 2025	2026	P'000	%
Revenue from contracts with customers	1 392 257	1 400 027	1 436 050	1 492 760	1 469 605	(23 155)	(1,6%)
Cost of services and goods sold	(604 751)	(594 196)	(637 346)	(593 736)	(671 882)	(78 146)	13,2%
Gross Profit	787 506	805 831	798 704	899 024	797 723	(101 301)	(11,3%)
Other income	39 918	5 129	1 551	37 015	41 323	4 308	12%
Selling and distribution costs	(18 242)	(23 120)	(18 225)	(23 489)	(31 451)	(7 962)	34%
Administrative expenses	(403 573)	(439 174)	(361 391)	(387 825)	(395 532)	(7 707)	2%
Impairment losses and gains on financial assets and contract assets	3 191	24 316	(12 151)	(24 973)	(17 547)	7 426	(30%)
Other expenses	(222 436)	(254 088)	(256 629)	(278 631)	(304 598)	(25 967)	9%
Earnings before interest and taxation (EBIT)	186 364	118 894	151 859	221 121	89 918	(131 203)	(59%)
Interest Income	18 796	48 247	62 813	60 422	70 030	9 608	16%
Interest expense	(22 767)	(18 632)	(14 664)	(14 938)	(13 777)	1 161	(8%)
Profit before taxation (PBT)	182 393	148 509	200 008	266 605	146 171	(120 434)	(45%)
Income tax expense	(41 608)	(30 728)	(42 474)	(59 886)	(32 830)	27 056	(45%)
Profit for the year (PAT)	140 785	117 781	157 534	206 719	113 341	(93 378)	(45%)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	460 182	389 624	415 553	449 591	343 100	(106 491)	(24%)
Earning per share (Thebe) (1,050,000,000 shares)	13,41	11,22	15,00	19,69	10,79	(8,89)	-45,2%

Profitability ratios (%)

	2022	2023	2024	2025	2026
Revenue growth	-2%	1%	3%	3,9%	-1,6%
Gross profit margin	57%	58%	56%	60,2%	54,3%
EBIDTA margin	33%	28%	29%	30,1%	23,3%
Operating margin	13,4%	8,5%	10,6%	14,8%	6,1%
Net Profit margin	10%	8%	11%	13,8%	7,7%

BTC delivered Revenues of P1.469 billion representing a 1.6% decline compared to prior year. Profit before Tax (PBT) of P146 million declined by 45% year-on-year. The reduction was primarily driven by the reduction in traditional voice revenues across fixed and mobile voice services partially offset by growth in mobile money and digital services revenue streams.

In line with the company's strategy to accelerate investment in digital services and enhance network performance cost of services and goods sold increased by 13%, mainly due to additional spectrum costs and increased expenses associated with the growth of digital services.

Net interest income for the year amounted to P56 million, an increase on the P45 million recorded in the previous year. This increase of P10.8 million was largely attributable to interest from short term investments and call accounts due to favorable interest rates offered by banks.

With an effective tax rate of 22% maintained across both years under review, the Company recorded an income tax expense of P32.8 million, down from P59.9 million in the prior year.

As a result, BTC closed the financial year with a profit after tax of P113.3 million, representing a decrease of P93.3 million compared to the prior year.

Financial and Operational Outcomes [Cont]

Current Year Performance Review

Revenue analysis by business streams

All figures in P'millions	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Current year amount						*Revenue Contribution*				
Fixed Voice	405	417	427	415	365	29%	30%	30%	28%	25%
Mobile	438	432	472	495	486	31%	31%	33%	33%	33%
Fixed data	486	487	471	507	465	35%	35%	33%	34%	32%
Other revenues	63	64	66	76	153	5%	5%	5%	5%	10%
Total revenues	1 392	1 400	1 436	1 493	1 469	100%	100%	100%	100%	100%

Change in revenue (in P millions)						*Change in revenue (%)*				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Fixed Voice	(3)	12	10	(12)	(50)	(0,6%)	3,0%	2,4%	-2,8%	-12%
Mobile	(14)	(6)	40	23	(9)	(3,2%)	(1,4%)	0,1)	4,9%	-2%
Fixed data	(20)	1	(16)	36	(42)	(4,0%)	0,2%	-3,3%	0,1)	-8%
Other revenues	3	1	2	10	77	4,5%	1,6%	3,1%	15,2%	101%
Total revenue	(34)	8	36	57	(24)	(2,4%)	0,6%	2,6%	4,0%	-2%

BTC's revenue from contracts with customers is derived from three core business streams: Fixed Voice, Mobile, and Fixed Data (also referred to as fixed broadband). These are complemented by an "Other Revenues" category, which includes directory services, property rentals, third-party collections, value-added services, digital services, and mobile money services (SMEGA).

Fixed Voice

The fixed voice segment, which has traditionally been a steady contributor, recorded a decline of P50 million, decreasing from P415 million in the prior year. The reduction was primarily driven by evolving customer preferences that continue to shift from voice-centric to data-centric communication. Heightened competition and ongoing regulatory changes within the telecommunications sector also contributed to this trend. Notably, fixed voice services remain essential for institutional and business communication, and as such, the segment is still expected to be a meaningful contributor to BTC's revenue base. Its contribution to total revenue declined to 25% from 28%.

Mobile

The mobile segment has seen an overall decrease of P9 million compared to the previous year. This decline was driven by data components, with most of the increase attributed to data services.

As a result, the mobile stream maintained its contribution to overall revenue of 33%. Mobile data revenue continued its upward trend, closing the year at P312 million, a P22 million increase over the previous year.

Fixed Data (Broadband)

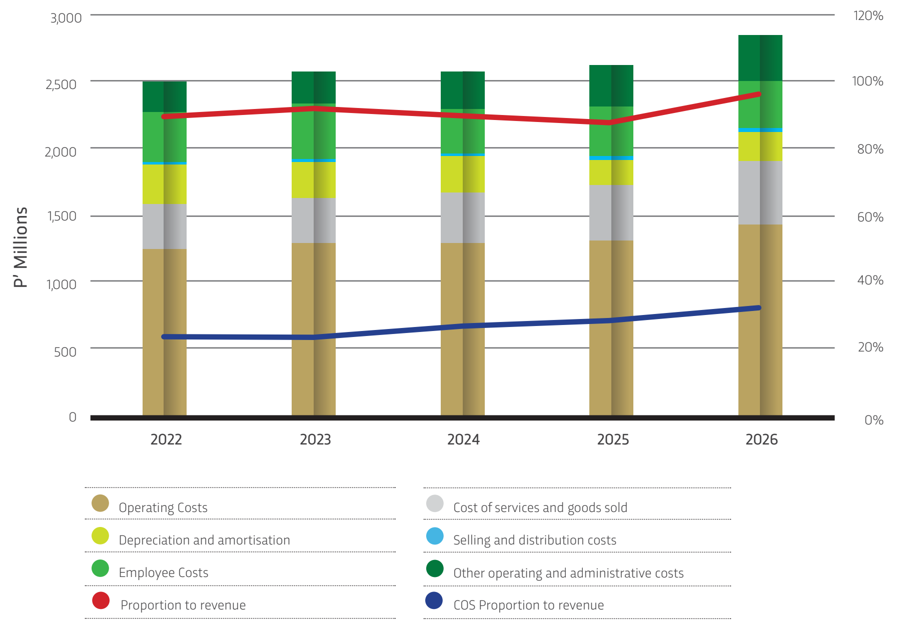
Fixed data, although the largest revenue contributor has seen revenue declining from P507 million to P465 million, contributing a P42 million year-on-year loss. The fixed data segment now accounts for 32% of total revenue.

Other Revenue Streams

Although relatively small in comparison to the three main streams, the "Other Revenues" category delivered a notable performance, contributing P153 million, up P77 million from prior year. The strongest contributors were mobile money services (SMEGA) and digital services, which together accounted for a P84 million increase with the other lines declining by P7 million year-on-year.

This category continues to demonstrate promising growth potential, having recorded the highest CAGR of 17% for the fifth consecutive year, underscoring the increasing relevance of fintech and digital innovation in BTC's evolving portfolio.

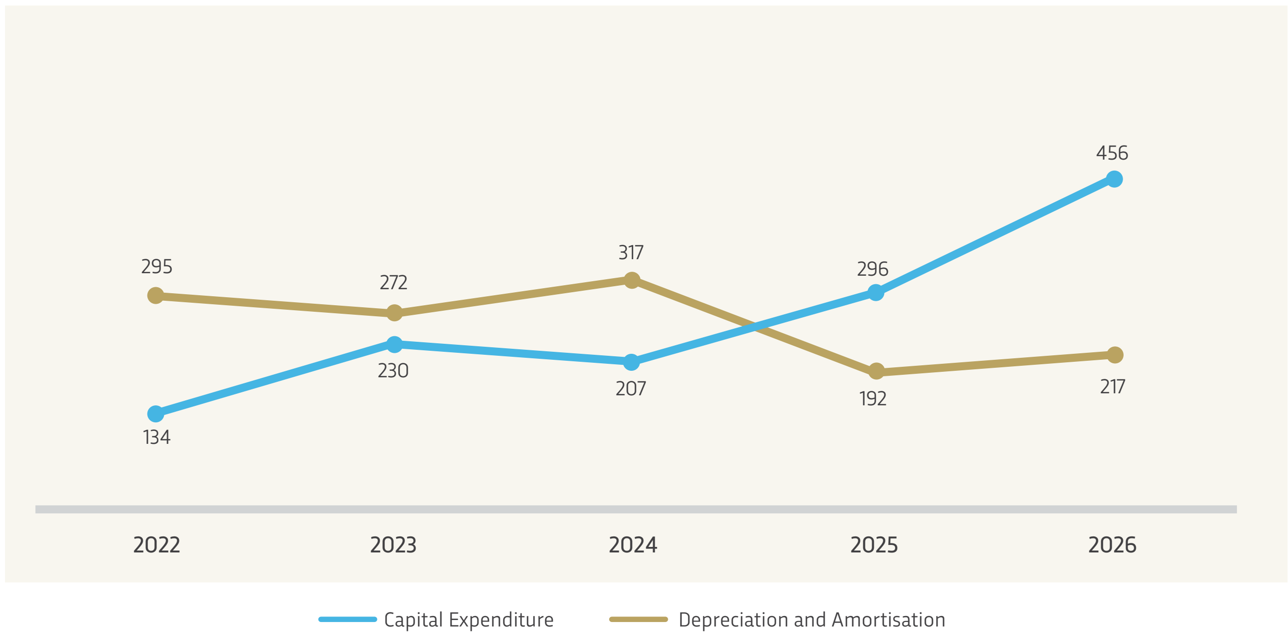
Total Operating Costs



Operating Costs comprise cost of services and goods sold; employee costs, selling and distribution and other operating and administrative costs. For purposes of this financial review analysis, depreciation charges and amortisation have been stripped away from the Costs of services and goods sold and administrative costs categories and dealt with as a single item.

Cost optimization on the face of difficult trading environment has become a key strategic initiative resulting in the proportion of the costs to revenue remaining relatively level over the past 5 years.

Depreciation and Capital Expenditure



Financial and Operational Outcomes [Cont]

Following the successful implementation of BTC's Technological Transformation Program up to 2020 which was primarily focused on modernizing and transforming the network through consistent investment in next-generation technologies, the Company has since pivoted its long-term strategic focus. Going forward, the emphasis has shifted from infrastructure-led transformation to ensuring that future network investments are underpinned by strong monetization and commercialization programs. In other words, BTC's current strategic direction is centered on maximizing shareholder value while maintaining a stable net asset base.

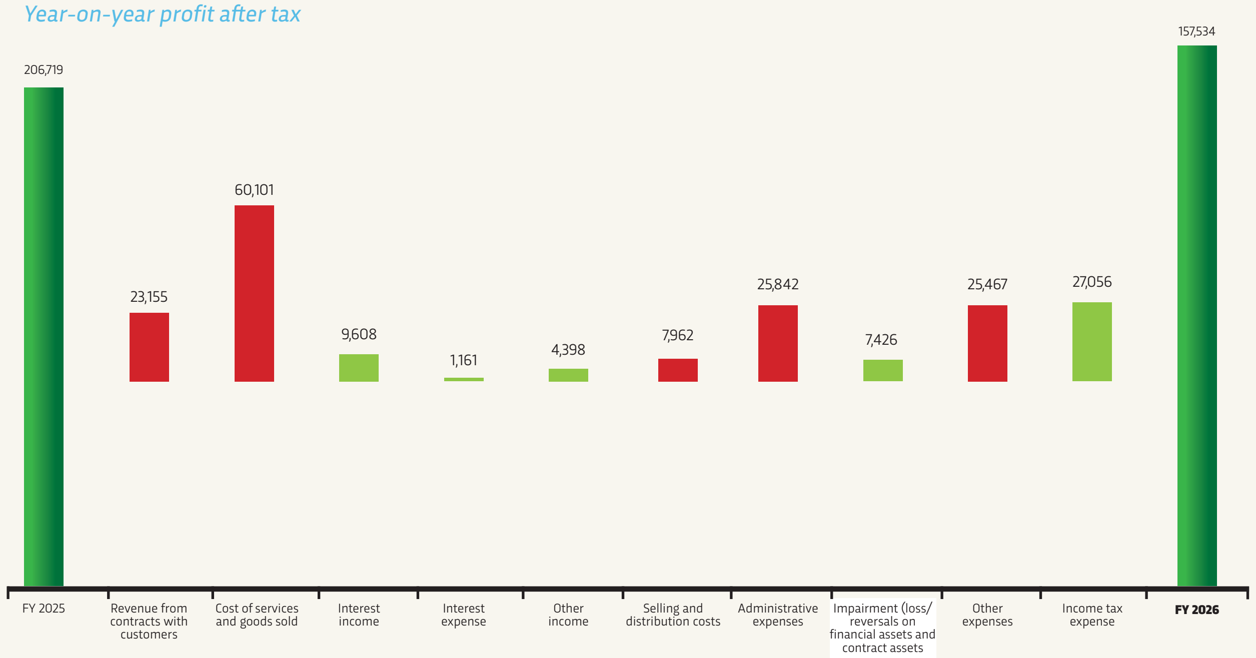
As a result of this shift, capital expenditure is now being more selectively deployed, targeting initiatives with clear and measurable returns. This approach is aligned with BTC's goal of improving return on assets, driving operational efficiency, and unlocking greater value from its digital and network investments.

Selling and distribution costs amounted to P31.5 million, reflecting an increase of P8.0 million compared to the prior year. This cost line is closely monitored as part of the Company's ongoing cost containment initiatives. The increase is aligned with revenue growth expectations, and was largely anticipated as BTC continues to support commercial activities and expand customer outreach. Despite the uptick, these costs remain well-controlled and within the Company's strategic cost-efficiency framework.

Other operating and administrative costs contributed P413m in the current year representing a P281 thousand increase from prior year. This category is made up primarily of dealer commissions, billing costs, BOCRA licensing fees, utilities and the Impairment loss on financial assets and contract assets.

The evolution of profit after tax

Year-on-year profit after tax



In summary, BTC delivered a year-on-year decline of P93.3 million in profitability, this was a result of a combination of higher operating costs and sustained pricing pressure in the enterprise market. In addition, the prevailing economic environment in Botswana continued to influence consumer spending patterns and business activity, affecting demand across traditional telecommunications services.

As a result, profit for the year is at P113.3 million, a decline from P206.7 million in the previous financial year demonstrating challenges BTC faced in the current financial year.

Short term investments, cash -flows (collectively cash position) and liquidity ratios

Summarised Statement of Cash flows (5 years)

All figures in P' millions	2022	2023	2024	2025	2026
Profit before Tax	**182,4**	**148,5**	**200,0**	**266,6**	**146,2**
Net increase/ (decrease) in cash and cash equivalents	(191,7)	(28,2)	482,0	(182,8)	(199,0)
Cash-flows from operating activities	365,5	273,6	355,3	21,5	161,0
Cash-flows utilised for investing activities	(463,6)	(218,7)	200,4	(162,3)	(317,0)
Cash-flows used in financing activities	(92,7)	(82,2)	(74,5)	(41,4)	(46,0)
Net foreign exchange on cash & cash equivalents	(0,8)	(0,9)	0,8	(0,6)	3,0
Cash and cash equivalents at beginning of the year	363,3	171,6	143,4	625,4	442,6
Cash and cash equivalents at end of the year	171,6	143,4	625,4	442,6	243,6
Analysis of closing bank balances					
Cash and bank and on hand	171,6	143,4	175,3	269,8	244,0
Short term deposits	-	-	450,0	172,5	-
	520,4	571,0	625,3	442,3	244,0
Interest Income received	18,8	48,2	62,8	60,4	70,0
Banking Facilties	20	20	30	30	30
Liquidity ratios					
Current ratio	2,1	2,3	2,6	2,1	1,2
Quick ratio	1,9	2,1	2,5	2,0	1,1
Solvency ratio	61,5%	46,5%	53,2%	53,1%	32,5%
Solvency ratio (excluding development grants)	62,3%	48,2%	55,5%	55,2%	33,5%

As already alluded to in the current finance review section, BTC has seen a decline in its cash and cash equivalents from the P442 million recorded in prior year to P244 million for the current year. This was a result in part of the mentioned economic challenges faced by the country which have led to a decline in cash collection and an increase in receivables. Additionally, in line with the company's strategy to enhance network performance, BTC has invested P167 million into network improvement aimed at improving customer experience.

With cash and short-term investments balances at P243 million, coupled with the unutilised borrowing capacity of P30 million, management still consider the balances adequate to meet the Company's future capital expenditure requirements and other obligations into the foreseeable future.

Financial and Operational Outcomes [Cont]

Capital structure and shareholders' return ratios.

All figures in P' millions	2022	Restated 2023	Restated 2024	Restated 2025	2026
Profit for the year (available for distribution)	140,8	117,8	157,5	206,7	113,3
Ordinary dividends declared	(94,3)	(52,9)	(92,0)	(283,5)	(167,8)
Final (relating to previous year)	(55,8)	(52,9)	(70,5)	(241,5)	(113,7)
Interim (relating to current year)	(38,5)	-	(21,5)	(42,0)	(54,1)
Balance to Accumulated Profits	46,5	64,9	65,5	(76,8)	(54,5)
Shareholders equity at end of year	2 282	2 352	2 098	2 021	1 966
Opening balance	2 241	2 282	2 352	2 098	2 021
Other comprehensive income / reserves	(6)	5	(319,8)	-	-
Profit for the year (incl. restatement)	141	118	157,5	206,7	113,3
Ordinary dividends paid	(94)	(53)	(92)	(284)	(168)
Analysis of total equity and liabilities	2 991	3 037	2 780	2 796	2 947
Shareholders equity	2 282	2 352	2 098	2 021	1 966
Development grants	9	24	29	29	29
Other liabilities	699	661	654	747	952
Capital ratios (%)	**2022**	**2023**	**2024**	**2025**	**2026**
Return on average capital employed (ROCE)	7,3%	4,5%	6,0%	9,4%	3,9%
Return on average shareholders equity (ROE)	6,4%	4,7%	7,1%	10,0%	5,7%
Return on average assets (ROA) - PBT approach	4,8%	3,6%	5,4%	7,4%	3,9%
Total assets turn-over	47,8%	46,5%	49,4%	53,6%	51,2%
Capex to revenue	9,6%	16,4%	14,4%	19,8%	31,0%
Weighted average cost of capital (WACC)	13,6%	13,6%	13,1%	13,1%	13,1%

As at the end of the 2026 financial year, BTC's total equity and liabilities stood at P2.95 billion, an increase from the restated P2.80 billion recorded in the previous year. Shareholders' equity accounted for most of this balance at P2.0 billion, supported by a profit after tax of P113.3 million less dividend payouts totaling P167.8 million, a reduction from the P283.5 million distributed in the prior year.

This dividend distribution reflects BTC's ongoing commitment to delivering comparable market returns to shareholders through a stable and progressively increasing dividend policy, while also maintaining a strong financial position to meet its obligations and sustain future investments.

The Company's financing strategy remained unchanged during the year, with no new debt financing raised. BTC continues to rely on conservative capital structure, with funding sourced primarily from internally generated cash flows and development grants, including those received from the Universal Access and Service Fund (UASF) in support of strategic infrastructure expansion and service accessibility projects.

Our People and Performance Delivery

New Leadership Structure

For the 2025/26 period, Botswana Telecommunications Corporation (BTC) went through a significant leadership overhaul. From July to September 2025, BTC transitioned to a new executive model designed to be leaner and more agile.

The move involved collapsing a two-tier executive structure into a single, leaner team to achieve the following:

- **Cost Optimisation:** Improving the overall cost structure to drive long-term shareholder value
- **Enhanced Accountability:** Creating a more responsive leadership model following a period of strong financial growth.
- **Accelerated Decision-Making:** Reducing management layers to improve agility and "speed to market" for new digital products.
- **Sharpened Competitiveness:** Strengthening the Company's position in a fast-evolving telecoms and digital services sector.

Restructured EXCO

Key Executive Appointments:

- CEO: *Jürgen Peschel*
- Chief Marketing Officer: *Mike Siachitema*.
- Chief Enterprise Sales Officer: *Sefalana Mophuting*
- Chief Consumer Sales Officer: *Sipho Ntebang*
- Chief Digital Services Officer: *Abel McErick*

Company oversight is provided by the Board of Directors responsible for high-level strategy and governance with its key committees being Audit, Finance, and Human Resources. The daily operations and the transformation agenda are led by the executive management team under the stewardship of the Chief Executive Officer, Jürgen Peschel.

Functional Business Units

BTC's operations are organised into three primary units to support its brand:

- **Commercial Unit:** Drives revenue and market presence.
  - **Consumer Sales:** Focused on retail customers and SMEs.
  - **Enterprise Sales:** Targeted at government, parastatals, and corporate clients.
  - **Marketing & Service Quality:** Responsible for product positioning and customer experience.
- **Technology Unit:** Manages the core infrastructure and projects
  - **Telecommunications Network:** Responsible for planning, building, and operating the network and overseeing the IT environment.
- **Digital Services Office:** Responsible for fintech, digital roadmap and platforms, and innovation.
- **Support Functions:** Provides essential administrative and regulatory oversight.
  - Finance
  - Human Capital
  - Legal & Regulatory
  - Internal Audit
  - Risk Management.

A summary of the BTC Workforce

Month	Head count	Male	Female	Employee Type Analysis	Nationality	Race	Differently Abled
March 2026	736	423	313	728 PNP, 8 Fixed term contract	734 Batswana, 1 German, 1 Zambian	735 Black, 1 White	2

Our People and Performance Delivery [Cont]

Human Capital & Talent Management Section

Overview:
Our talent management strategy is designed to ensure BTC remains a high-performance organisation by focusing on Acquisition, Retention, and Succession Planning.

***Talent Acquisition:** Building for the Digital Future*

- We aim to position BTC as an employer of choice in the ICT sector by attracting specialists in areas like artificial intelligence, cybersecurity, data science, and network engineering.
- We continue to refine our recruitment processes to attract agile, tech-savvy talent. To this end, we have focused on onboarding professionals who align with our 'Digital Lifestyle' brand, ensuring our teams can drive innovation in mobile and broadband services.

***Talent Retention:** Engaging Our Greatest Asset*

- Retention remains a priority, supported by a holistic value proposition. Beyond competitive compensation, we offer comprehensive wellness programmes, recreation allowances, and full digital connectivity for all staff. This integrated approach is a key retention driver that ensures a motivated workforce and minimises the loss of critical skills to competitors.

***Succession Planning:** Ensuring Business Continuity*

- The company integrates succession planning into its broader human capital agenda, which includes leadership development and "behavioural change programmes" to improve productivity.
- BTC succession plans show strong medium- and long-term talent coverage, with over 66% of roles having "Ready Now" successors.
- The company continues to identify "High Potential" (HiPo) employees to fill critical leadership and technical roles.
- Our succession planning framework identifies internal talent for critical leadership positions. We invest in structured leadership development programmes to create a robust talent pipeline, ensuring that BTC's strategic direction remains stable and future-ready.
- Internal Promotions: Percentage of leadership roles filled from within the Succession Pool.
  - Promotions from the top talent pool stand at 19.35% for the financial year 2025/26, reflecting steady but improvable succession progression.
- Retention Rate: Retention of top talent is at 83% for this financial year 2025/26, reinforcing the effectiveness of current engagement strategies.

Training Cost
Total Staff cost %

Training cost as a % of staff cost

	Cadre	No. of Employees Trained	Cost of Training
1	Team building – CNS	37	P141,010
2	Team building – FNS	55	P69,658
3	Shop steward training	22	P30,100.
4	Smega Pay Training Internal training	350	(free)
5	SHE REPS –Training	710	P139,470
6	Induction (New Employees 2025/26)	75	P123,900
7	Certified Customer Experience (CCXP) (For RM	28	P202,986
8	Customer Service Training	340	P397,100
9	Comverse One Training (C1)	150	(free)
10	BTC products for Agents	20	(free)
11	Trainers of Trainees	5	P45,000
12	Labour Law training (ER & HRBPs)	4	P20,520
13	Certified Anti-Money Laundering (ACAMS)	1	P43,148
14	Ekahau – Wi-Fi Training	5	P179,903
15	Key Performance Indicator Professional (KPIP)	1	P58,996
16	Quality Assurance	9	P45,000
17	Global Internal Audit Standards	6	P30,000
18	Pole Safety	49	(free)
19	ITIL	7	P85,386
20	Exams	9	P64,383
	TOTAL		**P1,676,562**

Investing in Our People
The BTC Board and Management recognise that our employees are our greatest asset, and we remain committed to a holistic employee value proposition to support a seamless culture and employee well-being.
The Corporation has enhanced our digital inclusion efforts by providing all employees with mobile handsets, monthly data and airtime bundles, subsidised landline and broadband packages. Furthermore, we invest in our people through a dedicated recreation allowance and comprehensive wellness and social support programmes, ensuring a supported and healthy workforce.

- **Connectivity:** Mobile handsets, monthly bundles, and home broadband for all staff.
- **Well-being:** Recreation allowances and robust wellness and social support systems.

Our people are the cornerstone of our success and remain integral to achieving our strategic objectives. We operate on the principle that prioritising employee well-being directly enables our team to deliver superior customer service. This year, we strengthened our commitment to a high-performance culture through:

- **Direct Leadership Engagement:** Facilitating open dialogue through CEO staff addresses, leadership roadshows, and divisional meetings.
- **Talent Excellence:** Investing in long-term growth through a dedicated Talent Management Programme and expanded online training opportunities.
- **Culture and Recognition:** Driving an ongoing culture-change project to establish new behavioural norms that incorporate our Unwritten Ground Rules (UGRs).

Our People and Performance Delivery [Cont]

UGRs are the "silent rules" that shape how people communicate, how decisions are made and what behaviour is acceptable or unacceptable in the business
- **Recognition:** Supported by refreshed remuneration and reward frameworks.

People & Culture: Performance Highlights
- **Feedback Loops:** Conducted comprehensive Employee Engagement and Internal Customer Satisfaction surveys to refine our workforce experience and service conditions respectively
- **Safety & Wellbeing:** Maintained a safe and conducive workspace, underpinned by periodic SHE communications.
- **Strategic Cascade:** Successfully communicated company strategy and performance metrics through all-staff channels to ensure organisational alignment.
- **Professional Development:** Prioritised career development and skills training, providing clear pathways for advancement and talent retention.

Strategic Focus	Key Initiatives & Tools
Communication	Revamped internal platforms (Intranet, Newsletters, Email), CEO Roadshows, Divisional Meetings
Talent & Growth	Talent Management Programme; Online training, Career development opportunities
Culture & Values	Culture-change project, Rewards and recognition, New behavioural norms.
Employee Wellbeing	Competitive remuneration, Conditions of service, Weekly SHE awareness
Engagement	Employee Engagement and Culture Surveys

Employee Engagement and Culture Assessments
- We have seen a decline in our Employee Engagement and Culture scores over the reporting period. An overall score of 56% reflects an organisation that is on the right track, but with several critical pressure points that Management is addressing.

	2025	2026	Year-on-Year Change
Employee Engagement	3.3	3.2	0.1 decline
Culture	59%	56%	3% decline

SHE Submissions: Safe Workspaces, Health, Wellness and Operating Environment

Strategic Ambition

The organisation's ambition is to achieve and sustain a zero-harm workplace, supported by a comprehensive approach that prioritises employee wellbeing, initiative-taking risk management and environmental stewardship.

Key Objectives:
- Eliminate fatalities and significantly reduce workplace incidents.
- Foster an initiative-taking safety culture driven by accountability, prevention and continuous improvement.
- Ensure early detection and effective management of employee health risks.
- Strengthen staff welfare systems to support employees' holistic physical, emotional, and social wellbeing.
- Reduce environmental impact through improved waste management, including e-waste and paper recycling initiatives.

This ambition reflects a transition from compliance-based practices to a fully integrated, people-centred operating model.

Safety Programmes and Performance

The achievement of zero fatalities demonstrates effective management of critical safety risks.

Safety Programmes Implemented
- Hazard Identification and Risk Assessment (HIRA) processes across all operations
- Routine workplace inspections and safety audits
- Incident reporting, investigation, and corrective/preventive action systems
- Emergency preparedness and response planning
- Ongoing safety awareness campaigns, training sessions, and toolbox talks.

Training, Awareness and Compliance

Training, awareness and compliance efforts remained strong during the year, with 100% coverage achieved for the targeted workforce in Safety and Health training. Formal training was conducted for SHE Representatives and in First Aid, with more than 120 employees receiving Basic First Aid training. In addition, over 40 safety inductions were carried out, 30 SHE Talks or Moments were held before meetings, and 12 workplace inspections were conducted. These efforts were further supported by a 90% corrective action closure rate, reflecting a strong level of follow-through on identified issues.

Safety Performance for the Year (2025/26)

During the reporting period, we were fortunate enough that no fatalities were reported. That being said, there were 15 recordable incidents, including 5 lost-time injuries and 2 near-miss incidents. Incident management remained strong, with a closure rate of 95%, reflecting effective follow-up on reported cases. The increased near-miss reporting reflects a growing proactive safety culture. Recurring minor incidents indicate the need for strengthened behavioural safety practices. While compliance levels remain strong, there is a need to transition toward behaviour-based and impact-driven training approaches to sustain long-term improvements

Health & Wellness

The organisation continues to strengthen its occupational health and wellness framework, focusing on prevention, early detection, and employee support.

Medical Treatment

Occupational and non-occupational health cases were addressed effectively through improved access to healthcare services, which supported employee recovery and well-being. All reported medical cases were managed through timely and appropriate medical treatment.

Medical Examinations

BTC ensures employees are medically fit for work at entry, during employment, and at separation. The company supports early identification and management of occupational and non-occupational health risks. Below are the health risk cases managed over the reporting period:
- Pre-employment: 38 cases
- Periodic: Nil
- Exit medical examinations: Nil
- Medical assessment: 15 cases
- Support for early identification and management of occupational and non-occupational health risks: 4 cases

Fitness-for-Work Assessments

Fitness-for-Work Assessments were conducted for employees requiring fitness-for-work evaluations. This ensured that employees were fit to perform their duties safely, reducing operational and health risks. The assessment outcomes included:
- Certification of fitness for continued duty: 12 cases
- Temporary or permanent redeployment: 6 cases
- Ongoing medical monitoring and support: 5 cases

Health Impact from the fitness assessments:

BTC employees benefited from the improved early detection and management of health conditions. There were notable reductions in the exposure to workplace health risks, improvements in staff compliance with occupational health standards, culminating in strengthened employee confidence in organisational health systems.

Occupational Health & Wellbeing Assessments

Occupational Health & Wellbeing Assessments recorded 32 employees sent for counselling, five employees taken for medical assessments, and no employees recommended for medical boarding

Staff Welfare

Staff welfare remains a key pillar in fostering a supportive, engaged, and resilient workforce, contributing directly to organisational performance and culture. The organisation provides structured support across key employee life events and wellbeing initiatives, including:
- Hospitalisation support (assistance during employee illness and recovery): 9 cases
- Life events support (recognition and support for births and marriages): 7 cases
- Employee engagement initiatives (sporting activities, team building, and year-end functions): 5 cases
- Bereavement support (funeral arrangements and related assistance): 14 cases

Our People and Performance Delivery [Cont]

Impact:
While more can and will be done to enhance staff welfare conditions, the efforts that were made over the reporting period resulted in tangible signs of strengthened employee morale and sense of belonging, improved engagement and teamwork, and enhanced workforce resilience and productivity.

Environmental Sustainability

e-Waste Management

BTC implemented structured systems for managing electronic waste. Following the engagement of certified recycling vendors and the establishment of designated collection and storage areas, the business was able to collect and safely dispose of 2.5 tons of e-waste over the reporting period.

Impact:
These efforts not only improved compliance with environmental regulations, but they also reduced environmental risks associated with hazardous electronic waste.

Paper Recycling Initiative

A key milestone during the reporting period was the launch of the Paper Recycling Initiative, which aimed to reduce paper waste sent to landfill, promote responsible consumption and disposal practices, and encourage a transition toward digital processes.

To achieve these objectives, several key actions were implemented, including the installation of clearly labelled paper recycling bins across facilities, staff awareness campaigns on proper waste segregation, the promotion of double-sided printing and reduced paper usage, and collaboration with recycling partners for collection and processing.

Impact:
Through enhanced environmental awareness across the organisation and increased staff participation in recycling practices, the BTC paper recycling initiative yielded a significant reduction in general waste volumes.

Electromagnetic Field (EMF) Monitoring – BOCRA Requirement

In compliance with the BOCRA requirements, the organisation enhanced its Electromagnetic Field (EMF) monitoring programme to ensure adherence to national and international standards.

Standards and Compliance Framework:

- Adopted the IEC 62232 standard for EMF measurement and assessment
- Ensured monitoring aligns with internationally recognised methodologies for evaluating RF exposure levels.

Key Achievements:

- *Standard Acquisition*
  - Procured the IEC 62232 standard to guide EMF measurement and compliance.
- *Equipment Procurement and Deployment:*
  - Purchased and received two EMF measuring devices
  - Equipment deployed to support in-house EMF monitoring capability.
- *Capacity Building:*
  - Conducted two EMF training sessions for technical staff.
- *Training covered:*
  - Use of EMF measurement equipment
  - Data interpretation
  - Compliance reporting.

Operational Activities

- Conducted EMF measurements across selected operational sites
- Confirmed that EMF exposure levels are within permissible regulatory limits
- Maintained records for compliance audits and reporting.

Impact:
The EMF monitoring programme had several benefits for the company over the reporting period. There was a significant reduction in the reliance on external service providers through strengthened internal capacity on monitoring capabilities, resulting in improved assurance of compliance with regulatory requirements, and enhanced protection of employees, along with the surrounding communities.

Areas for Improvement:

The EMF monitoring efforts will be enhanced by greater expansion of monitoring to all operational sites, the implementation of a centralised EMF data tracking system, increased monitoring frequency, and the continuation of access to advanced training programmes for designated staff members.

Key Challenges and Areas for Improvement

While the business has made notable strides in creating a work environment that supports high-performance human capital, there remains room for further improvement. The recurring minor incidents are a safety concern as they suggest lingering behavioural gaps. Health & wellness would be better served by improved data systems and analytics, as these would aid in the strengthening of preventative health programmes by quantifying and cataloguing the prevalent wellness challenges across the business. Staff welfare efforts are likely to yield greater outcomes once the structures are formalised and there is improved measurement of activities.

Environmental compliance faced several challenges relating to inconsistent waste segregation, limitations in tracking of recycling performance, and the need to improve the scale of EMF coverage monitoring and reporting.

Strategic Priorities (Way Forward)

Strengthening Safety Culture	Implement behaviour-based safety programmes Enhance accountability
Enhancing Health & Wellness	Strengthen medical surveillance systems Expand preventative health initiatives
Formalising Staff Welfare	Develop structured welfare frameworks Introduce measurable well-being indicators
Digital Integration	Implement systems for: • Incident tracking • Health monitoring • Environmental and EMF reporting
Scaling Environmental and Compliance Initiatives	Expand recycling programmes Introduce measurable sustainability KPIs Strengthen EMF monitoring and compliance reporting

Conclusion

The organisation has made notable strides in creating a workplace that is safe, healthy, and environmentally responsible. This progress is evidenced by the achievement of zero fatalities, the strengthening of health systems through pre-employment, periodic, and exit medical examinations, and a sustained commitment to staff welfare and employee wellbeing. Environmental responsibility has also been advanced through initiatives such as e-waste management, paper recycling, and electromagnetic field monitoring in compliance with BOCRA requirements.

Looking ahead, continued emphasis on behavioural change, system integration, and measurable performance improvement will be essential in realising the ambition of a truly world-class operating environment.

btc

INTEGRATED REPORT **2026**

CORPORATE SOCIAL INVESTMENT

4

Social Investment Agenda in Focus

This year, BTC advanced its Corporate Social Investment (CSI) mandate through delivering targeted interventions that strengthened community wellbeing, education support, health access and environmental sustainability, while reinforcing a culture of employee-led citizenship.

Our CSI strategy remained anchored on the BTC Corporate Social Investment's defined focus areas: Sports Development, Health & Wellness, Youth & Education, Entrepreneurship & Innovation, Arts & Culture, Employee, and Environmentally Sustainable Development, ensuring that investments were aligned to priority societal needs and the United Nations` sustainable development agenda.

Notable outcomes during the year included proceeds-based reinvestment through the BTC Francistown Marathon, targeted education and health support, and staff-driven community donations under the *"Do Something for Someone"* We remain committed to strengthening outcome measurement, deepening and scaling interventions that deliver lasting impact for communities across Botswana.

The vision, mission, and values of the Foundation are:

Vision

"To excel in changing the lives of our people"

Mission

"We create social value for communities through partnerships"

Values:

Giving back to the community
We are committed not only to making a profit but also to ensuring the well-being of communities.

Positive impact
We pride ourselves on the impact we have on our people.

Integrity
We are committed to creating a trust for mutual benefit.

Excellence
We uphold high levels of excellence in everything we do.

Social Investment Agenda in Focus [cont]

BTC Corporate Social Investment Focus Areas

Through its focus areas, BTC will streamline its social investment efforts for maximum benefit to the intended beneficiaries and the Company. This will enable the company to maintain a profitable business environment while enhancing its reputation and furthering shareholders' commitments.

- *Entrepreneurship & Innovation*
- *Arts & Culture*
- *Sport Development, Health & Wellness*
- *Employee*
- *Environmental Sustainable Development*
- *Youth & Education*

Delivery Model
During the year, BTC's CSI delivery model combined:

- **Flagship, proceeds-based CSI –** BTC Francistown Marathon proceeds reinvested into community projects.
- **Targeted institutional support –** BTC supported schools and health facilities through equipment and infrastructure improvements. .
- **Employee-led mobilisation and giving –** BTC staff participated in the *"Do Something for Someone"* campaign implemented via BTC Corporate Social Investment coordination.

Impact Narrative (Outcomes and Value Created)
Youth & Education
BTC's education investments contributed to improved learning environments and strengthened institutional capacity across the primary, secondary, and tertiary education sectors. These initiatives reflect the organisation's commitment to inclusive human capital development and long term socio economic sustainability.

At the tertiary level, BTC sustained its excellence sponsorship support to the Botswana International University of Science and Technology, the University of Botswana, and the Botswana Accountancy College. The sponsorship programme promotes recognition of high performing students in science, technology, engineering and mathematics (STEM) disciplines, contributing to graduate readiness, skills development, and digital enablement aligned with national development priorities.

Collectively, these education initiatives support BTC's social impact objectives by expanding access to quality education, strengthening future workforce capabilities, and fostering inclusive economic participation. The programme aligns with the social pillar of ESG reporting, GRI 413: Local Communities and GRI 404: Training and Education, and contributes to the United Nations Sustainable Development Goals, particularly SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry, Innovation and Infrastructure).

Sports Development, Health & Wellness
BTC's health sector interventions during the reporting period focused on improving mobility access and enhancing care environments within public healthcare facilities. As part of this commitment, 16 wheelchairs were provided for distribution across health facilities within the Tonota District, directly addressing mobility-related barriers in frontline care settings. The intervention supports patient dignity, safety, and equitable access to healthcare services by enabling improved movement and independence for patients with mobility constraints. By strengthening the functional capacity of healthcare facilities, the initiative contributes to more inclusive and responsive care delivery, particularly for elderly and vulnerable patients.

This programme aligns with BTC's social impact priorities and responsible business practices, supporting GRI 413: Local Communities and GRI 403: Occupational Health and Safety (community health dimension). It further contributes to the achievement of the United Nations Sustainable Development Goals, notably SDG 3 (Good Health and Well Being) and SDG 10 (Reduced Inequalities). Through targeted health infrastructure support, BTC continues to strengthen community wellbeing while reinforcing stakeholder trust and long-term social value creation.

Sports Development (Shared Value Platform)
BTC leveraged the BTC Francistown Marathon as a Corporate Social Investment platform that supports community engagement and proceeds based reinvestment in social priorities, consistent with BTC CSI delivery. Marathon proceeds and donations funded multi sector interventions across community services, health, education, environmental sustainability and athletics development, demonstrating shared value generated through sport.

Environmentally Sustainable Development
BTC Employees Corporate Social Investment Movement advanced its environmental sustainability objectives through a tree planting donation initiative implemented under the BTC Green Day programme. The initiative was rolled out across selected primary and secondary schools in Botswana's Northern and Southern regions, reinforcing environmental stewardship at community and institutional levels.

The programme contributed to environmental restoration efforts by increasing tree cover on school premises and surrounding areas, supporting the mitigation of land degradation and ecosystem pressure. In addition to its environmental benefits, the initiative promoted environmental education and awareness by positioning schools as living learning environments, where trees function as practical outdoor teaching resources to support learner engagement on climate and biodiversity themes.

Social Investment Agenda in Focus [cont]

Through this intervention, BTC demonstrated an integrated approach to environmental responsibility that combines climate action with education and community engagement. The initiative aligns with the environmental pillar of ESG reporting, GRI 304: Biodiversity, and GRI 413: Local Communities, and delivers measurable contributions to the United Nations Sustainable Development Goals, particularly SDG 13 (Climate Action) and SDG 15 (Life on Land). Collectively, these actions support BTC's long term commitment to environmental sustainability, climate resilience, and responsible corporate citizenship.

BTC Employees Corporate Social Investment Movement (Employee Mobilisation and Local Responsiveness)
The employee driven "Do Something for Someone" campaign reflects BTC's mobilisation of staff to support locally identified community needs, coordinated through the BTC CSI. The Company advanced its social impact objectives through targeted community investment initiatives aimed at improving immediate well-being and social resilience within local communities. Support included the donation of 35 pairs of school shoes to learners at Gopong Primary School, the provision of essential items to the Re ka Kgona Rehabilitation Centre, and clothing donations distributed to the communities of Grootlagte and Qabo villages.

These interventions contributed to improved access to basic needs, supported education readiness, and strengthened care for vulnerable groups, aligning with the organisation's commitment to inclusive social development. The initiatives also reinforced organisational values and ethical conduct, while fostering stakeholder trust through active employee participation and transparent community engagement.

This approach is aligned with relevant sustainability frameworks, including the Global Reporting Initiative (GRI) 413: Local Communities, and supports the achievement of the United Nations Sustainable Development Goals, particularly SDG 1 (No Poverty), SDG 4 (Quality Education), and SDG 10 (Reduced Inequalities).

Entrepreneurship & Innovation
BTC participated in the World Telecommunication and Information Society Day (WTISD) commemorations held in Hukuntsi, Kgalagadi North District, under the theme *"Gender Equality in Digital Transformation."* In advancing gender inclusion within the ICT sector, BTC also participated in the Girls in Information and Communications Technology (GIICT) Day commemorations held under the theme *"Girls in ICT for inclusive digital transformation."* The initiative aims to encourage girls and young women to pursue careers in science, technology, engineering and mathematics (STEM) and to address gender disparities in the digital economy. As part of its contribution, BTC facilitated Digital Content Creation and Artificial Intelligence (AI) and Machine Learning (ML) training for over 100 female learners and 10 teachers from a local junior secondary school.

Collectively, these initiatives reflect BTC's integrated approach to inclusive digital transformation, community upliftment and responsible corporate citizenship. The programmes align with the Social and Governance pillars of ESG reporting, GRI 413: Local Communities, and GRI 404: Training and Education, while contributing to the United Nations Sustainable Development Goals, particularly.

Monitoring & Evaluation (M&E) Note (Inputs → Outputs → Outcomes)
BTC monitors CSI performance using an approach aligned to the BTC Corporate Social Investment framework and focus areas, supporting consistent planning, delivery documentation and reporting across programmes and regions. The monitoring approach is structured around an **Inputs** → **Outputs** → **Outcomes** logic model:

- **Inputs:** Financial resources, e.g. proceeds allocations and direct project funding, in kind donations, employee time, partnerships and governance approvals.
- **Outputs:** Tangible deliverables and verified handovers, e.g. funds disbursed, equipment donated, facilities refurbished, beneficiary sites supported, programme reach, such as villages covered.
- **Outcomes:** Intended medium term changes enabled by outputs, e.g. improved learning conditions, increased mobility access, improved care environments, improved waste management practices, stronger sporting structures, and improved community capability through outreach.

CSI Performance Dashboard

KPIs below reflect FY2025/26 outputs and values from BTC Corporate Social Investment initiatives

NO.	Project / Initiative Name	Focus Area	Location	Value (P)	Beneficiaries	SDGs Alignment (icon)
1.	2025 World Telecommunications and Information Society Day and Girls in ICT Commemorations	Entrepreneurship and Innovation	Hukuntsi	**P329,091**	Schools, health facilities and kgotlas	
2.	*"Do Something for Someone" Staff Campaign*	Employee Led CSI (BTC Employees Corporate Social Investment Movement)	Lobatse, Selibe-Phikwe, Ghanzi Region	**P10,000**	Gopong Primary School, Re a Kgona Center, Grootlagte & Qabo	
3.	4th BTC Francistown Marathon Proceeds	Sustainable Community Wellbeing Development	Francistown City, Tonota District, Tutume District, North East District	**P500,875**	Department of Tribal, DHMT, RADS - Nata, FAC, Masunga VDC & Mosojane VDC	
4.	Botswana International University of Science and Technology Graduation • Best Student in Bachelor of Computer & Telecommunication Engineering		Palapye	**P10,000**		
5.	University of Botswana Graduation • Best Student in Bachelor of Electrical and Electronic Engineering	Youth & Education / STEM enablement	Multi sectoral donations	**P3,000**	Best student award recipient	
6.	Botswana School of Business Sciences • Best Students in MSc. Project Management • Best Students in MA in Procurement & Logistics Management		Gaborone	**P10,000**		

Social Investment Agenda in Focus [cont]

CSI Performance Dashboard (continued)

NO.	Project / Initiative Name	Focus Area	Location	Value (P)	Beneficiaries	SDGs Alignment
7.	BTC Green Day	Environmentally Sustainable Development	Goodhope District, Mahalapye District, Tlokweng District,	**P25,000**	Delivered fruits and shade trees to 5 Primary Schools and 5 Secondary Schools in both North and South	
8.	Multi sectoral donations • Africa Biodiversity Summit - Connectivity Partner • 11th Pan-Commonwealth Forum Connectivity Partner • Mahalapye Moko Cultural Festival Connectivity Partner • 2nd Police Commissioner`s Run - Francistown Connectivity Partner • Aviation Pitso 2025 - Maun Connectivity Partner • Inaugural Annual Mayor`s Charity Walk - Francistown Connectivity Partner • Ministry of Higher Education - Business Clinics and Community Service Day Lerala Connectivity Partner • Ministry of Environment and Tourism - 2026 Tourism Pitso Francistown Connectivity Partner • Fencing Materials for Community Football Ground at Nlakhwane • 2025 Orapa Letlhakane Damtshaa Mines General Manager`s Charity Walk • 2025 University of Botswana Marathon • 2025 Botswana Life National Half Marathon • e-Learning Suite - Therisanyo Primary School & Tshwaraganyo Primary School	Donations	Gaborone, Francistown, Lerala, Mahalapye, Nlakwane	**P888,891**	Multi sectoral donations	

Sponsorships

BTC has a bold ambition to use sponsorships and flagship platforms to promote social well-being and community development, while enabling shared value through targeted reinvestment in priority areas—health, education, environment, and sport structures. The Company also aims to sustain the community impact platforms delivered through the BTC Corporate Social Investment ecosystem and partnerships.

Over the reporting period, sponsorships focused on community development, youth empowerment, sustainability, and social support across Botswana. Key initiatives included funding for community infrastructure and public services in Hukuntsi, multi-sector donations from marathon proceeds benefiting several districts, and academic excellence awards at BIUST, University of Botswana, and Botswana Accountancy College to support youth and STEM development. Employee-driven efforts such as the "Do Something for Someone" campaign provided essential items (school shoes, clothing, food, and toiletries) to vulnerable communities.

Additionally, environmental sustainability was promoted through BTC Green Day, which supplied fruit and shade trees to multiple schools. Overall, the sponsorships demonstrated a broad, inclusive approach to uplifting communities, supporting education, and promoting sustainable development nationwide.

While these efforts had a positive material impact on the beneficiary communities, there is still ample room for improvement. We need to have more precise outcome verification and impact evidence, which can be achieved by strengthening post sponsorship monitoring to confirm utilisation of donated resources and the outcomes enabled, such as wheelchair utilisation rates and hostel welfare improvements. The BTC Corporate Social Investment should create a consolidated sponsorship register to ensure that all sponsorships (sport, education awards, community events) are captured in a single governance register with values, beneficiaries, and outcomes. This register will aid in the optimisation of the sponsorship portfolio balance, ensuring sponsorships extend consistently across the BTC Corporate Social Investment's focus area spectrum over time.

Local Procurement Spend

The sponsorship efforts should yield supply chain beneficiation, enabling local suppliers to access procurement opportunities, supported by streamlined onboarding and supplier registration mechanisms. These ambitions require the BTC Corporate Social Investment to prioritise local capability where feasible, including procurement opportunities targeted at 100% citizen owned companies for specific work packages.

INTEGRATED REPORT **2026**

ANNUAL FINANCIAL STATEMENTS

Board Approval of the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

The Members of the Board are responsible for the annual financial statements of Botswana Telecommunications Corporation Limited ("BTC" or "Company"), prepared in accordance with IFRS ® Accounting Standards as issued by the 'International Accounting Standard Board (IASB)' and the Botswana Companies Act (CAP 42:01).

The Finance and Audit Committee, which consists of two members of the Board and the Chief Executive Officer, meets at least four times a year with more meetings being held when necessary with senior management and internal auditors, to evaluate matters concerning accounting, internal controls, auditing and financial reporting. The external auditors attend these meetings twice a year and have unrestricted access to the Chairperson. The members of the Board, supported by the Finance and Audit Committee, are satisfied that management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the annual financial statements, to verify and maintain accountability of assets of the Company to prevent and detect mismanagement and loss of the assets of the Company. Nothing has been brought to the attention of the Board to reasonably indicate any breakdown in the functioning of these controls, procedures and systems during the period under review.

The financial statements have been prepared on a going concern basis, since the Members of the Board have every reason to believe that the Company has adequate resources in place to continue in operation for the foreseeable future.

Against this background, the Members of the Board accept responsibility for the annual financial statements and the information on pages 105 to 164, which were approved on 23 June 2026 and are signed on its behalf by:

THATO KEWAKAE
CHAIRPERSON (Interim)

JÜRGEN PESCHEL
CHIEF EXECUTIVE OFFICER

General Information

FOR THE YEAR ENDED 31 MARCH 2026

DIRECTORS	Thato Kewakae	Chairperson (Interim)
	Boitumelo Paya	Chief Executive Officer(Acting) to 30 June 2025
	Jürgen Peschel	Chief Executive Officer Appointed 01 July 2025
	Mcedisi Roger Solomon	
	Itemogeng Basadi Pheto	
	Kgotso Bannalotlhe	Appointed 23 September 2025
	Mokgethi Frederick Magapa	Retired 23 September 2025
	Ranjith Priyalal De Silva	Retired 23 September 2025
	Bafana Molomo	Retired 23 September 2025
	Amantle Kgosiemang	Retired 01 April 2026

INCORPORATION OF BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED

Botswana Telecommunications Corporation Limited was registered as a Company under the Companies Act in the Republic of Botswana on 1 November 2012.

COUNTRY OF INCORPORATION AND DOMICILE Botswana

REGISTERED OFFICE

Megaleng, Khama Crescent
Plot 50350
P.O. Box 700
Gaborone, Botswana

COMPANY NUMBER BW00000748937

NATURE OF BUSINESS AND PRINCIPAL ACTIVITES

The Company is engaged in the provision of telecommunication services in Botswana. The Company's services and products include fixed and mobile voice telephony, data services, directory services, mobile money services and digital services.

BANKERS

Access Banking Botswana Limited
ABSA Bank Botswana Limited
First National Bank Botswana Limited
Stanbic Bank Botswana Limited
Standard Chartered Bank Botswana Limited
Bank Gaborone
Botswana Building Society Bank
Botswana Savings Bank
First Capital Bank

AUDITOR

Deloitte & Touche
P.O. Box 778
Gaborone, Botswana

FUNCTIONAL AND PRESENTATION CURRENCY Botswana Pula

Directors' Report

FOR THE YEAR ENDED 31 MARCH 2026

Our Business

Botswana Telecommunications Corporation Limited ("BTC") is a converged telecommunications operator offering mobile money service, digital services, fixed (voice and data), mobile (voice and data) and broadband services to consumers, enterprises and other licensed service providers.

Basis of Preparation and Accounting Policies

The annual financial statements have been prepared on a historical cost basis and on the going concern basis. The annual financial statements have been prepared in compliance with the IFRS ® Accounting Standards as issued by the IASB, IFRIC ® interpretations issued by the IFRS Interpretations Committee and in the manner required by the Companies Act (CAP 42:01).

Going Concern

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual financial statements.

Restatement due to change in accounting policy

As disclosed in note 29, the Company has restated its annual financial statements to reflect the impact of a change in accounting policy from a revaluation to cost model.

Financial Results

The annual financial statements of the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 23 June 2026.

The results for the year are disclosed in the statement of profit or loss and other comprehensive income on page 105. The summarised results are as follows:

- 1.6% decrease in Revenue (2026: P1,470 billion) (2025: P1,493 billion)
- 45.0% decrease in Profit Before Tax (2026: P146 million) (2025 Restated:P267 million)
- 45.2% decrease in Profit After Tax (2026: P113 million) (2025 Restated: P207 million)

Stated Capital

Stated capital is as per note 19. There were no changes to the stated capital during the year under review.

Directors

The details of the Company directors are outlined on the general information page.

Events after the reporting period

Dividends Declaration

On 23 June 2026, the directors declared that a dividend of 1.12 thebe per share be paid for the financial year ended 31 March 2026. The dividend shall be payable to all shareholders registered in the books of the Company at close of business on 25 July 2026. The ex-dividend date will be 22 July 2026. The dividends will be paid net of applicable withholding taxes under the Income Tax act on or before 5 August 2026.

There are no events, facts or circumstances of a material nature that have occurred subsequent to the reporting date which necessitate an adjustment to the disclosure in these annual financial statements or the notes thereto.

Deloitte.

PO Box 778
Gaborone
Botswana

Deloitte & Touche
Assurance & Advisory Services
Chartered Accountants
Registration No: P00002685058
2nd Floor, Twin Towers East Building
Plot 2883, Fairgrounds Office Park
Gaborone
Botswana

Tel: +(267) 395 1611
www.deloitte.com

Independent Auditor's Report

FOR THE YEAR ENDED 31 MARCH 2026

To the Shareholders of Botswana Telecommunications Corporation Limited
Report on the audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Botswana Telecommunications Corporation Limited (the Company or the Corporation) set out on pages 105 to 164, which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual 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 Botswana Telecommunications Corporation Limited as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

MAKING AN IMPACT THAT MATTERS since 1845

Partner: CV Ramatlapeng (Botswana)
Associate Directors: T Hove (Zimbabwe) K Zimucha (Zimbabwe)

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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Independent Auditor's Report
To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition	
The Corporation's revenue streams are characterised by small transactions and high data volumes. The billing processes are automated, and dependent on IT systems. Revenue recognition with respect to fixed voice, data and mobile revenue streams is complex because of the following: • Notwithstanding improving trends, during the prior years, management processed revenue adjustments due to errors in billings previously made. Due to the fact that these revenue adjustments are material, this poses an inherent risk in relation to revenue recognition. Management assessed that, because these billing errors will take time to clean up and close, the Corporation develops an estimate of the revenue adjustments to be made and build these into the revenue recognition process. Significant judgement is made in the processes of determination of future revenue adjustments affecting current year and prior years. • The deferral of prepaid revenue which is dependent on various automated systems and manual processes around unused airtime on scratch cards sold to the dealers. • The billing system does not have an end-to-end interface functionality with the general ledger system resulting in manual upload of data using a preformatted csv file. • The revenue recognition criteria require management's judgement in the allocation of revenue to the various revenue streams. • The potential impact of small errors is significant due to the possibility of automated replication through the large volumes of transactions. • Revenue is a significant balance on the financial statements and is a key performance indicator; and • Significant audit effort was directed at addressing the risks arising from this matter. Due to the complexity and judgement and significant audit effort involved in relation to the audit revenue recognition, this has been evaluated to be a key audit matter.	To address this risk, we performed various procedures, including the following: • Tested and evaluated the design and implementation of relevant controls around revenue recognition. • Discussed with management and evaluated the reasons for the revenue adjustments processed in the current year and prior years. • Discussed with the Corporation's' Revenue Assurance Team and obtained an understanding of the controls in place to ensure the completeness, accuracy, and occurrence of the recorded revenue. • Involved IT and Data Analytics specialists to test controls in the overall IT environment around the billing systems. • Tested the design and implementation of certain automated controls with respect to routing of billing data and calculation of invoices. • Tested the design and implementation of key internal controls over the determination of the revenue adjustments provision as well as the determination of deferred revenue. • Performed detailed testing by selecting samples of the revenue adjustments processed in the current year and tracing them to supporting documentation to analyse and evaluate their validity, nature, cause and to assess historical trends. • Performed substantive analytical procedures and independently determined the estimate of the future revenue reversals affecting the current financial year incorporated in the revenue recognised and evaluated the validity, completeness, and accuracy of the adjustments.

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Independent Auditor's Report
To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Key Audit Matter	How the matter was addressed in the audit
Revenue recognition (continued)	
Related disclosures in the annual financial statements: • Revenue recognition and presentation section of the significant accounting judgements and estimates. • Revenue Recognition accounting policy. • Note 1 – Revenue from contracts with customers. • Note 15 – Trade and other receivables – Provision for credit notes/revenue reversals.	• Performed tests of detail on the revenue adjustments made after year and evaluated their impact on the current financial year and evaluated whether their effect on the current year was accurately adjusted for. • Challenged management's assumptions made in the estimation of the revenue adjustments provision. • Performed test calls and compared these to the billing parameters to verify accuracy. • Tested reconciliations between the billing system reports and the general ledger. • Reviewed the revenue related journals processed and assess them for validity and accuracy. • Tested the reasonableness of assumptions and judgements used by management in the determination of unused airtime on scratch cards. • Tested the billing system parameters to assess that network activity was appropriately recorded in the correct period. • Tested the completeness and accuracy of the data used in the determination of deferred revenue. • Reviewed and considered the adequacy of the disclosures on the assumptions and judgements applied in relation to revenue recognition. Evaluated the disclosures on the financial statements in compliance with IFRS 15, Revenue from Contacts with Customers. In conclusion, we considered the amount recorded as revenue and the related annual financial statements disclosures to be appropriate.

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Independent Auditor's Report
To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment and intangible assets	
Significant judgements are involved in the assessment and determination of impairment of the non-financial assets of the Company. The Company's shares trade at a discount to their book value. The market capitalisation was below the net asset value throughout the financial year. This, together with a current depressed economy are indicators of possible impairment of the entity's non- financial assets. IAS 36: Impairment of Assets (IAS 36) requires that an entity's assets should not be carried at a value more than their recoverable amount and therefore requires an assessment at the end of each reporting period if there are any indicators that non-financial assets may be impaired. The Directors carried out an impairment assessment and used the Discounted Cash Flows Model (DCF) to determine the recoverable amount of the assets. The value in use amount calculated using the DCF is particularly sensitive to changes in future cash flow assumptions, future growth rates, terminal growth rates and the Weighted Average Cost of Capital (WACC) discount rate. Property plant and equipment and intangible assets consist mainly of network equipment together with the related software infrastructure. The network equipment within the Company does not generate cash inflows that are independent of those from other assets. This resulted in property plant and equipment and intangible assets being assessed for impairment as part of the company cash generating unit. The recoverability of property plant and equipment and intangible assets is largely dependent on macro-economic factors, which include cash flows to be generated through the network assets, as well as internal assumptions and estimates related to income generation and operating costs. The impairment test included assessing the recoverable amount of property, plant and equipment and intangible assets, with reference to all cash flows and comparing this to the carrying amount of the property, plant and equipment and intangible assets.	In evaluating the impairment assessment of property, plant and equipment and intangible assets, we reviewed the accuracy of the value in use calculations and reasonableness of inputs used by management. We performed various procedures, including the following: • Discussed with management and obtained their understanding and justification of the financial and non-financial reasons why the Company's market value is significantly discounted compared to the book value. • Tested the design and implementation of management's controls around the impairment assessment process. • We tested the mathematical accuracy of the value in use model used by management. • Obtained and reviewed for reasonableness, the quantitative and qualitative factors included in the reconciliation of the market value to the book value. • Performed recalculations and tested the underlying data used in the assessment for accuracy and completeness. • Reviewed and compared the projected cash flows against the historical performance to test the reasonableness of management's projections.

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Independent Auditor's Report

To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Key Audit Matter	How the matter was addressed in the audit
Impairment of property, plant and equipment and intangible assets (continued)	
Due to the materiality of the non-financial assets' account balances, the complexity of the cash flow forecasts, significant judgements and estimation uncertainty involved in the determination of the value in use and impairment assessment, this is considered a key audit matter. Related disclosures in the annual financial statements: • Impairment of non-financial assets section of the significant accounting judgements and estimates. • Note 10 – Property, plant, and equipment. • Note 11 - Intangible assets. • Note 12 – Asset impairment.	• Involved our Financial Advisory and Valuation Specialists to review the WACC rates. • Tested the reasonableness of the key inputs used in the computations which include the future inflation, future growth rates, the discount rates, and gross profit margins EBITDA margins and key ratios used to take into consideration the impact of the current economic challenges on future projections. • Evaluated whether the assumptions used, such as working capital and capital expenditure, had been determined and applied consistently. We evaluated the appropriateness of capital expenditure by comparing to the approved budget and historical trends of maintenance capital expenditure. • Compared the terminal growth rates to forecast industry trends and to past growth rate trends. • Reviewed and assessed the impact of contradictory evidence as well as subsequent events which may have an impact on the recorded amounts. • Performed sensitivity analysis of the headroom using key inputs (discount rates, future growth rates and volatility in future cash flows). • Evaluated the computations and disclosures in the annual financial statements for compliance with IAS 36. In conclusion, the inputs used in the calculation of the value in use were appropriate. We considered the valuation of property, plant and equipment and intangible assets impairment disclosures to be appropriate.

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Independent Auditor's Report

To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Board Approval of the Annual Financial Statements the General Information and the Directors' Report, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. 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 on the other information obtained prior to the date of this auditor's report, 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 IFRS Accounting 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.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual 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 ISAs 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 based on these annual financial statements.

As part of an audit in accordance with ISAs, 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.

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Independent Auditor's Report

To the Shareholders of Botswana Telecommunications Corporation Limited (continued)

Auditor's Responsibilities for the Audit of the Annual Financial Statements (continued)

- 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 complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Deloitte & Touche

Deloitte & Touche
Firm of Certified Auditors
Practicing Member: Kushinga Zimucha (CAP 0048 2026)

25 June 2026
Gaborone

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	March 2026 P'000	Restated* March 2025 P'000
Revenue from contracts with customers	1	1,469,605	1,492,760
Cost of services and goods sold*	2	(673,665)	(595,429)
Gross profit		795,940	897,331
Interest income	3.1	70,030	60,422
Interest expense	3.2	(13,777)	(14,938)
Other income	4	43,106	38,708
Selling and distribution costs	5	(31,451)	(23,489)
Administrative expenses	6	(395,532)	(387,825)
Impairment loss on financial assets and contract assets	15	(17,547)	(24,973)
Other expenses	7	(304,598)	(278,631)
Profit before tax		**146,171**	**266,605**
Income tax expense*	8	(32,830)	(59,886)
Profit for the year		**113,341**	**206,719**
Other comprehensive income		–	–
Other comprehensive income for the year		**–**	**–**
Total comprehensive income for the year		**113,341**	**206,719**
Basic and diluted earnings per share (Thebe):	9	10.79	19.69

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Statement of Financial Position

AS AT 31 MARCH 2026

	Notes	March 2026 P'000	Restated* March 2025 P'000	Restated* March 2024 P'000
ASSETS				
Non-current assets				
Property, plant and equipment*	10	1,476,112	1,152,065	1,005,529
Intangible assets	11	234,703	151,934	170,006
Right of use assets	13.1	129,631	136,938	140,412
Performance bond	17.5	16,650	16,650	—
IRU asset	25.2	267,469	305,678	343,887
Contract assets	16.1	44,847	49,212	45,830
		2,169,412	1,812,477	1,705,664
Current assets				
Inventories	14	51,668	50,128	58,390
Trade and other receivables	15	381,387	380,766	230,830
Contract assets	16.1	51,828	43,920	37,851
Income tax receivable	23.1	15,138	—	897
Short term investments	17.1	28,293	56,411	107,803
Cash and cash equivalents	17.2	243,912	442,360	625,344
		772,226	973,585	1,061,115
Assets held for sale*	18	4,929	9,428	12,664
Total assets		2,946,567	2,795,490	2,779,443
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	19	478,892	478,892	478,892
Accumulated profits*		1,487,021	1,541,470	1,618,251
		1,965,913	2,020,362	2,097,143
Non-current liabilities				
Development grants	20	35,021	26,910	27,108
Lease liabilities	13.2	134,201	146,084	148,391
IRU liability	25.1	32,518	47,278	61,112
Contract liabilities	16.2	2,021	2,897	5,461
Deferred tax liability*	23.2	115,065	91,328	31,970
Employee related provisions	22	2,336	3,776	5,307
		321,162	318,273	279,349
Current liabilities				
Trade and other payables	21	600,964	383,007	324,665
Contract liabilities	16.2	2,010	2,879	8,718
Lease liabilities	13.2	21,851	15,898	15,810
IRU liability	25.1	14,760	13,834	12,965
Current portion of development grants	20	2,557	7,567	1,471
Current portion of employee related provisions	22	17,350	33,670	39,322
		659,492	456,855	402,951
Total liabilities		980,654	775,128	682,300
Total equity and liabilities		2,946,567	2,795,490	2,779,443

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Statement of Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Stated Capital P'000	Revaluation Reserve P'000	Accumulated Profits P'000	Total P'000
Balance at 1 April 2024		478,892	393,713	1,614,745	2,487,350
Impact of change in accounting policy*	29	—	(393,713)	3,506	(390,207)
Restated balance at 1 April 2024		478,892	—	1,618,251	2,097,143
Profit for the year		—	—	206,719	206,719
Other comprehensive income for the year		—	—	—	—
Total comprehensive income		—	—	206,719	206,719
Ordinary dividend declared	19	—	—	(283,500)	(283,500)
Balance at 31 March 2025		478,892	—	1,541,470	2,020,362
Profit for the year		—	—	113,341	113,341
Other comprehensive income for the year		—	—	—	—
Total comprehensive income		—	—	113,341	113,341
Ordinary dividend declared	19	—	—	(167,790)	(167,790)
Balance at 31 March 2026		478,892	—	1,487,021	1,965,913

*Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2026

	March 2026 P'000	March 2025 P'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating cash flow before working capital changes	328,039	437,018
Working capital adjustments:		
(Increase)/decrease in inventories	(5,847)	5,471
Increase in trade and other receivables, contract assets and prepayments	(25,731)	(184,671)
Decrease in employee related provisions	(17,760)	-
Increase in trade and other payables and contract liabilities	79,291	32,259
Cash generated from operations	357,992	290,077
Ordinary dividend paid to shareholders	(172,505)	(269,787)
Income tax paid	(24,231)	1,169
Net cash from operating activities	**161,256**	**21,459**
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Investment to expand operations:		
Purchase of property, plant and equipment	(337,571)	(277,765)
Purchase of intangible assets	(118,475)	(17,830)
Proceeds from disposal of property, plant and equipment and assets held for sale	37,654	37,663
Interest income received	73,444	60,821
Purchase of investments	(569,218)	(306,262)
Disposal of investments	597,336	357,654
Purchase of performance bond	-	(16,650)
Net cash generated used in investing activities	**(316,830)**	**(162,369)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Grants received	4,884	7,591
Interest paid on lease liabilities and IRU liability	(13,886)	(15,030)
Principal payment of lease liabilities	(23,193)	(21,044)
Principal payment of IRU liability	(13,834)	(12,965)
Net cash from financing activities	**(46,029)**	**(41,448)**
Decrease in cash and cash equivalents	(201,603)	(182,358)
Net foreign exchange difference on cash and cash equivalents	3,155	(626)
Cash and cash equivalents at beginning of the year	442,360	625,344
Cash and cash equivalents at end of the period	**243,912**	**442,360**

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements are presented in Botswana Pula which is the Company's functional currency. All financial information and values are rounded to the nearest thousand (P'000) except where otherwise indicated. The financial statements of the Company for the year ended 31 March 2026 were authorised for issue by the Members of the Board in accordance with a resolution on 23 June 2026.

CORPORATE INFORMATION

Botswana Telecommunications Corporation Limited ("BTC" or "the Company") is incorporated and domiciled in Botswana. The headquarters is situated at Megaleng, Khama Crescent, Gaborone, Botswana. BTC services and products include fixed and mobile voice telephony, national and international internet, directory services, data services, virtual private networks, customer premises equipment and mobile money.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these annual financial statements is determined on such a basis except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

GOING CONCERN

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with IFRS ® Accounting Standards issued by the IASB and IFRIC interpretations issued by the Committee.

ADOPTION OF NEW ACCOUNTING POLICIES

The following new accounting pronouncements as issued by the IASB IS effective for adoption from 01 April 2025. The pronouncement has been assessed as not having an impact and accordingly not applicable to the Company up to the date of issuance of the Company's financial statements as disclosed below.

- **Lack of exchangeability – Amendments to IAS 21** - The standard is not applicable to the Company as it currently does not have any currencies which are not exchangeable with the local currency.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

STANDARDS ISSUED BUT NOT EFFECTIVE

The new and revised standards and interpretations that are issued and are applicable to the Company, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 enhances the structure of the statement of profit or loss and improves comparability of information about companies' financial performance alongside introducing specific disclosure requirements for management-defined performance measures and specified expenses by nature. The proposed update intends to facilitate comparability and analysis of tagged information.

The proposed changes include:

- line-item modelling for conveying category information (such as, operating, investing, financing) for the statement of profit or loss; and
- dimensional modelling for tagging disclosures on management-defined performance measures (MPMs) and specified expenses by nature, as these link to information in the statement of profit or loss.

In addition, there are consequential amendments to other accounting standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. Management is currently assessing the impact the amendments will have on the Company's financial statements.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9 Financial Instruments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

Management is assessing the impact the amendments will have on the Company.

Annual Improvements to IFRS ® Accounting Standards

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS ® Accounting Standards. In July 2024, the IASB issued Annual Improvements to IFRS ® Accounting Standards — Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS ® Accounting Standards — Volume 11:

IFRS 1 First-time Adoption of IFRS ® Accounting Standards

Hedge Accounting by a First-time Adopter

- Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- This amendment is applicable for annual reporting periods beginning on or after 1 January 2026. Management is assessing the impact the amendment will have in the Company's future Financial Statements. This amendment is not applicable as the Company is not first -time adopter of IFRS ® Accounting Standards.

IFRS 7 Financial Instruments: Disclosures

Gain or Loss on Derecognition

- The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
- This amendment clarifies implementation guidance and are not expected to make a material impact on the company's financial statements.

Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Introduction

- The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

Annual Improvements to IFRS ® Accounting Standards (continued)

Guidance on implementing IFRS 7 Financial Instruments: Disclosures

Disclosure of Deferred Difference between Fair Value and Transaction Price

- Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

Credit Risk Disclosures

- Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS ® Accounting Standards requirements are not illustrated in the example.

IFRS 9 Financial Instruments

Lessee Derecognition of Lease Liabilities

- Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.
- This amendment is applicable for annual reporting periods beginning on or after 1 January 2026.
- Management is assessing the impact the amendment will have in the Company's future financial statements.

Transaction Price

- Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.
- This amendment is applicable for annual reporting periods beginning on or after 1 January 2026.
- Management is assessing the impact the amendment will have in the Company's future financial statements.

IFRS 10 Consolidated Financial Statements

Determination of a 'De Facto Agent'

- Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.
- This amendment is applicable for annual reporting periods beginning on or after 1 January 2026. This amendment is currently not applicable to the Company as it is currently not part of a Group.

IAS 7 Statement of Cash Flows

Cost Method

- Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.
- This amendment is applicable for annual reporting periods beginning on or after 1 January 2026. Management is assessing the impact the amendment will have in the Company's future financial statements.

The directors of the Company anticipate that the application of these Standards may have an impact on the Company's annual financial statements in future periods should circumstances change.

Disclosures about Uncertainties in the Financial Statements

In November 2025 the Board issued Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Disclosures about Uncertainties in the Financial Statements ("the examples"), which added illustrative examples to several IFRS ® Accounting Standards. The examples are intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements. The examples illustrate existing requirements in IFRS ® Accounting Standards. They do not add to, or change, existing requirements.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

Disclosures about Uncertainties in the Financial Statements (continued)

The topics addressed in the examples include the following topics:

- Materiality judgements
- Assumptions: Specific requirements about impairment testing
- Assumption: general requirements
- Credit risk
- Decommissioning and site restoration provisions
- Disclosure of aggregated information in the notes

The examples do not have an effective date or transition requirements. Entities are entitled to sufficient time to implement any changes because of the illustrative examples.

Management is assessing the impact the amendment will have on the Company.

Other Standards not applicable to the Company

The following new and revised standards and interpretations that are issued, but not yet effective, and are not applicable to the Company up to the date of issuance of the Company's financial statements are disclosed below. The Company does not intend to adopt these standards when they become effective (unless there are changes in circumstances up to date of application) as per the below mentioned reasons.

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28** - The standard is not applicable to the Company as it is neither a subsidiary nor is it part of a Group. Effective indefinitely pending the outcome of its research project on the equity method of accounting.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** – The standard is not applicable to the Company as it is neither a subsidiary nor is it part of a Group. This standard will be effective for annual periods beginning on or after 1 January 2027.
- **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7** - The standard is not applicable to the Company as it currently does not have contracts that reference nature-dependent electricity. This standard will be effective for annual periods beginning on or after 1 January 2026.
- **Translation to a Hyperinflationary Presentation Currency** - The standard is not applicable to the Company as the functional currency is not on a hyperinflationary economy. This standard will be effective for annual periods beginning on or after 1 January 2027.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and Judgments

The preparation of financial statements in conformity with IFRS ® Accounting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. In the process of applying the Company's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities as they involve assessments or decisions that are particularly complex or subjective within the next year.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition and presentation

Revenue arrangements including more than one performance obligation:

This relates to fixed lines and mobile installations. In revenue arrangements including more than one performance obligation, the performance obligations are assigned to one or more revenue lines, and the arrangement consideration is allocated to each of the performance obligation based on the stand-alone selling price which is applied to multiple elements post-paid mobile arrangements. Determining the value allocated to each performance obligation can require estimates due to the nature of the pricing model for goods and services provided. Standalone selling prices (SSP) for each item has been discussed under the IFRS 15 accounting policies.

Where the Company doesn't sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Company maximises the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Company, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, which is sometimes the case for services, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Revenue recognition and presentation (continued)

The standalone price determined for obligations materially impacts the allocation of revenue between obligations and impacts the timing of revenue when obligations are provided to customers at different times for example, the allocation of revenue between handsets, which are usually delivered up-front, and services which are typically delivered over the contract period. However, this is not considered to be a significant risk of material adjustment to the carrying value of contract related assets or liabilities in the 12 months after the reporting date if these estimates were revised.

The Company provides certain pieces of equipment as well as connection services as part of their package of fixed line services provided. This service is not sold separately as the equipment cannot be used independently from the service being provided by the entity.

Based on this assessment, the Company treats these contracts, which includes these pieces of equipment as well as the connection services as part of the single performance obligation relating to the underlying usage service.

Presentation: Gross versus Net

Determining whether the entity is acting as a principal, or an agent requires judgement and consideration of all relevant facts and circumstances. When deciding the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the entity and its independent service providers are reviewed to determine each party's respective role in the transaction. Distribution network for prepaid arrangements and sale of content is based on volume and value of transactions. Where the Company's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related administrative fees charged as an operating cost.

The Company utilises a network of dealers to sell pre-paid services, more specifically airtime. BTC accounts for airtime sales through the dealers as a principal as it is fully liable to the holders of the airtime. Dealers purchase the airtime at a price net of their commission.

In terms of IFRS 15, BTC has identified the specified goods or services being provided to the customer – the airtime in this instance. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) that will be transferred to the customer.

An entity is the principal in a transaction if it obtains control of the specified goods or services before they are transferred to the customer. An entity is an agent if it does not control the specified goods or services before they are transferred to the customer. BTC has assessed it is a principal for the airtime obligation using the relevant indicators.

Related parties

Government, parastatals and key management personnel are considered as being related to the Company. The Government of Botswana is still a related party as the shareholding is 54.16% as at 31 March 2026. Significant management judgment is required to determine as to who qualifies for being a related party, based on the type of the relationship especially on entities also controlled by the Government.

Allowances for slow moving inventory

Based on prior management practice, inventory that has not moved for a 6-month period is considered to be impaired, with a staggered provision raised to ensure full provision after a 36-month period. Obsolete and discontinued products are considered to have no normal sale value. The provision is raised based on the full cost or net realisable value of the product.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the annual financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Development grants

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Initial capitalisation of costs is based on management's judgement that the attached conditions will be complied with. Grant income is recognised over the useful lives of the assets purchased using the grant. The current portion of development grant is estimated by amortising existing government grants received at reporting date and assuming that there will be no grants received and no additional capital expenditure in the current financial year.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 15.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Management expresses judgement and estimates on the impact of technological changes and expected nature of use of the respective assets in the generation of revenue in the near future.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Information about the estimates and assumptions on impairment of non-financial assets is disclosed in Note 12.

REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company principally generates revenue from providing telecommunication services, such as network services (comprising voice, data and SMS), interconnect and roaming services, as well as from the sale of mobile devices and Customer Premises Equipment (CPE) and other services (comprising of Directory Services, Value Added Services, property rentals, cost of works and third-party collection fees).

The Company provides voice and data communication services under post-paid and prepaid payment arrangements. Products and services maybe sold separately or in bundled packages. Revenues from voice, data and SMS include charges for telecommunications traffic originated in the local network or roaming network. The typical length of a customer contract is 12, 24 or 36 months. The various revenue categories are explained below:

1) **Fixed Voice**

This is revenue generated from traffic for voice services carried over fixed line networks.

a) **Voice Usage Revenue:** Fixed line voice usage represents the only performance obligation in this separate contract with the customer and therefore revenue is recognised based on usage in line with amounts invoiced for that particular month.

b) **Prepaid Products:**

Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a separate performance obligation. As such, no revenue is separately recognised for the standard telephone instrument as it remains the property of the Company.

Installation: The installation fee would be charged to provide the customer with access to the line and therefore would relate to the access performance obligation. The upfront installation fee is deferred when received and released to revenue as part of the access line performance obligation on a straight-line basis over the customer life.

Fixed Line Access Revenue: Access relates to the customers' ability to use the network to make and receive calls. Access charges are billed as fixed monthly charges. Access and usage represent two separate performance obligations. The total transaction price related to the contract is allocated to the access and usage based on their relative standard selling prices. Any amount invoiced for installation (once-off upfront) is allocated to the total transaction price under the contract.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

REVENUE RECOGNITION (continued)

1) **Fixed Voice** (continued)

c) **Post-paid Products:**

Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a separate performance obligation. As such, no revenue will be separately recognised for the standard telephone instrument.

Installation Revenue: The installation fee is to provide the customer with access to the line and relates to the access performance obligation. The upfront installation fee is deferred as a contract liability when received and released to revenue as part of the access line performance obligation and on a straight-line basis over the customer's life.

Fixed Line Access Revenue: Access to fixed line services represents a separate performance obligation. The total transaction price related to the contract is allocated to access to fixed line voice services and any other performance obligations identified in the contract based on their relative standalone selling prices ("SSP"). As the installation enables the customer to access to the line, the installation fee will be allocated to the access performance obligation and recognised over the life of the customer.

2) **Mobile Revenue**

Revenue for access charges, airtime usage, and messaging by contract customers is recognised as services are performed. Unbilled revenue resulting from services already provided are accrued at the end of each period and unearned revenue from services to be provided in future periods are deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

All network services relating to mobile revenues (i.e. provision of mobile post-paid and prepaid services, including voice minutes, SMS, and data services) have been considered as a separate performance obligation for each ongoing service provided to the customer and are satisfied over the period that the services are provided.

a) **Prepaid Products:** Upon purchase of an airtime scratch and dial card or electronic vouchers the customer receives the right to make outgoing voice calls and data usage to the value of the airtime scratch and dial card. On initial recognition, the amount received is deferred as a contract liability and revenue is recognised as the customer utilises the airtime available.

The revenue from the sale of prepaid products is recognised in the profit or loss as goods and services are provided based on the actual airtime or data usage at the agreed tariff.

BTC accounts for expected unexercised network services as revenue, in proportion to the pattern of rights exercised by the customer upon identifying expected breakages. Dealers are paid commissions which are expensed as part of operating costs when incurred.

b) **Post-paid Products** Mobile post-paid services are voice and data communications solutions, whereby the customer pays for the services after usage as per the service agreement contract. Voice services communications solutions include both domestic and international telephone services and ISDN services. All post-paid products are sold by BTC and there are no dealers or agents involved. Revenue for post-paid network services based on total transaction price allocated to the network services is recognised based on usage over the contractual period by the subscriber.

For mobile post-paid bundled arrangements, the network services and handset are two separate performance obligations and the total transaction price is allocated to the network services and the handset device based on their relative stand-alone selling price ("SSP"). The total transaction price allocated to the handset is recognised upfront since control of the handset has passed to the subscriber.

Payments on handset sales deferred over a period greater than 12 months which has a significant financing component, a portion of the transaction price is allocated to the financing and recognised as "interest income" over the contractual period.

In instances where handset vouchers are bundled with the network services, the handset voucher value is accounted for as a financial receivable and the fair value of the receivable is calculated at inception of the contract. Transaction price allocated to the network services and any other performance obligations in the contract is the residual of the total consideration after deducting the fair value of the receivable. The transaction price allocated to network services is recognised as revenue over the contractual period based on usage.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

REVENUE RECOGNITION (continued)

2) **Mobile Revenue** (continued)

c) **Mobile Handset Revenue (Mobile CPE)** - For sales of mobile handset devices bundled with network services, the network services and handset are two separate performance obligations. The total transaction price needs to be allocated to the network services and the handset device based on their relative stand-alone selling price ("SSP"). The total transaction price allocated to the handset is recognised upfront since control of the handset has passed to the subscriber and the total transaction price allocated to the network services are recognised based on usage over the contractual period. For mobile devices sold separately, revenue is recognised when the handset is delivered to the customer at the point of sale.

3) **Data Revenue**

This is revenue generated from traffic for data services carried over fixed line networks.

Data revenue includes services such as internet services, websites and domains, voice mail, caller identification, call forwarding and short message services. Access to an internet line and data usage represent two separate performance obligations as contained within a contract with a customer. The total transaction price receivable under the contract is allocated to access and data usage performance obligations based on their relative standard selling prices. As the customer is entitled to an unlimited amount of data, revenue is recognised when the internet access and data services are provided to the customer.

4) **Interconnect Revenue (Fixed and Mobile)**

Interconnection revenues are derived from calls and other traffic that originate in other operators' networks. The Company receives interconnection fees based on agreements entered into with other telecommunications or mobile operators both nationally and internationally. These revenues are recognised over-time as the services are performed and in the period in which the services were rendered. Interconnect charges include charges for collecting and delivering calls.

International roaming revenues are derived from calls and other traffic generated by foreign operators' customers in BTC's network. The Company receives international roaming fees based on agreements entered into with other telecommunications operators. These revenues are recognised in the profit or loss in the period in which the services were rendered.

5) **Customer Premises Equipment (CPE): Fixed and Data**

BTC typically sells Private Automatic Branch Exchange or PABX (switchboard) solutions as a bundled service offering which may include usage of PABX equipment, network services, installation and maintenance services. PABX connects customers telephone instruments separately to the public standard telephone network (PSTN).

Customers have the option to either purchase the PABX solution on a once off basis (and pay for the services over a predetermined contractual period) or pay a monthly charge for the PABX system as well as the service offering associated with it.

a) **PABX Equipment and Outright Purchases** - Revenue for the sale of all CPE equipment purchased outright and PABX equipment is recognised as control is passed on delivery. Accordingly, equipment supplied to the customer would be a separate performance obligation.

b) **Not Outright Purchases (Rental)** - Revenue for CPE not purchased outright represent a separate performance obligation contained in a contract with a customer. Network services, installation and maintenance are recognised as separate performance obligations. Because the installation services relate exclusively to the installation of equipment at customers premises, installation is accounted for as a separate performance obligation.

The Company recognises the costs that relate to satisfied performance obligations as expenses when incurred.

6) **Other Services**

Rental Income

Primarily, equipment that is rented out is network towers which are leased to other operators. Revenue is recognised on a straight-line basis over the lease term on ongoing leases and is classified under other services.

Directory Services:

Revenue is recognised when telephone directories are released for distribution, when control is generally passed.

Mobile Financial Services

Revenue is recognised when the customer successfully performs such services as card services (POS, ATM withdrawal, online payments), cash outs, transfers, betting withdrawals and bill payments through smega.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

REVENUE RECOGNITION (continued)

6) **Other Services** (continued)

Practical Expedients

BTC has elected to make use of the following practical expedients:

1. Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. For contracts with a duration of more than one year, the information has been disclosed in note 16.
2. Contract costs incurred related to contracts with an amortisation period of less than one year have been expensed as incurred.
3. Application of the portfolio approach to contracts with similar characteristics.

Capitalisation of Customer Acquisition Costs

The Company pays subscriber acquisition costs comprising union commissions, SIM activation fees, dealer commissions. These direct incremental costs of acquiring a contract are recognised as a contract acquisition cost asset. Costs are amortised in line with the recognition of the related revenue that is expected to be earned by the Company which is normally the contract period given the fact that new commissions become payable upon contract renewal.

COST OF SALES

Cost of sales are recognised as an expense when incurred. This includes costs related directly and wholly attributable to the creation of products or services, such as payments to other operators for network services and interconnection, depreciation of networks assets and related land and buildings, amortisation of Intangible assets, support and maintenance contract costs for network systems, installations, and network repairs.

INTEREST INCOME AND EXPENSE

Interest income - is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable. Revenue is recognised as the interest accrues, using the effective interest rate (EIR).

Interest income is disclosed as investing activities in the statements of cash flows.

Interest expense - In calculating the present value of liabilities, the Company uses its incremental borrowing rate at the liability commencement date because the interest rate implicit is not readily determinable. After the commencement date, the amounts of liabilities are increased to reflect the accretion of interest and reduced for the payments made.

Interest expenses are disclosed as financing activities in the statements of cash flows.

EMPLOYEE BENEFITS

Post-employment benefits

The Company operates a defined contribution pension fund for its eligible citizen employees. The fund is registered under the Retirement Funds Act, 2014. The Corporation contributes to the fund 16% of the pensionable earnings of the members. Pension contributions on behalf of employees are charged to profit or loss in the year to which they relate to and as the related service is provided.

Short-term employment benefits

The cost of short-term employee benefits is recognised when the employee has rendered service to the Company during the annual reporting year. The short -term employee benefits of the Company include the following: salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (car, housing, medical aid and subsidised goods and services).

Termination benefits

The cost of termination benefits is recognised at the earlier of: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In terms of their conditions of employment, expatriate and contract employees receive gratuities at the end of their contract. The cost of employee benefits is recognised during the period the employee renders services, unless the entity uses the services of employee in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related item of property, plant and equipment item. Other than the regular contributions made, the Company does not have any further liability in respect of its employees' pension arrangements.

INVENTORIES

This comprises items of customer premises equipment used in the construction or maintenance of plant (including work-in-progress), and consumable stores and other inventories. Inventories are stated at the lower of cost, determined on the weighted average basis, and estimated net realisable value after due consideration for slow moving and obsolete items.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

INVENTORIES (continued)

Work-in-progress includes contracts carried out for customers and is stated at the lower of cost and estimated net realisable value after due consideration for provisions for any foreseeable losses. Advance payments in respect of such work-in-progress are included under trade and other payables.

DEFERRED TAX

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities which affect neither the tax profit nor the accounting profit at the time of the transaction.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

CURRENT INCOME TAX

Taxation is provided in the financial statements using the gross method of taxation. Current taxation is charged on the net income for the year after taking into account income and expenditure, which is not subject to taxation, and capital allowances on fixed assets. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where the Company operates and generates taxable income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and subsequent accumulated impairment loss, where applicable. Property, plant and equipment includes all direct expenditure and costs incurred subsequently, to add to, replace part of, or major inspection thereof if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a component, as appropriate, only 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. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Improvements to assets held under operating leases are capitalised and depreciated over the useful life of the asset. In the event that the respective lease terminates before the useful lives of the assets, the assets are either disposed or relocated.

Capital work-in-progress (plant and equipment in the course of construction) comprises costs incurred in constructing property, plant and equipment that are directly attributable to the construction of the asset. Assets remain in capital work in progress until they have been put into use or are commissioned, whichever is the earlier date. At that time, they are transferred to the appropriate class of property, plant and equipment. Further details are given in Note 10.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation

For depreciation purposes, each component with different useful lives is depreciated separately. Depreciation is not provided on freehold land as it is deemed to have an indefinite life and on plant and equipment during of construction as they are not yet available for use.

Depreciation is provided on other property, plant and equipment on a straight-line basis. This is from the time they are available for use, so as to write off their cost over the estimated useful lives taking into account any residual values. The residual value of an asset may be equal to or greater than the asset's carrying amount. If it is the case, the asset's depreciation charge is zero until its residual value subsequently decreases to an amount below the asset's carrying amount.

The estimated useful lives assigned to the Company's property, plant and equipment are:

Buildings	50 years
Leasehold land and buildings	unexpired portion of lease or 50 years, whichever is shorter.
Network assets	5 to 45 years
Other plant and equipment	5 to 20 years

Where the expected useful lives or residual values of property, plant and equipment have changed due to technological change or market conditions, the rate of depreciation is adjusted so as to write off their cost over the remaining estimated useful lives to the estimated residual values of such property, plant and equipment.

The useful lives, residual values and depreciation methods of property, plant and equipment are reviewed at each financial year end and adjusted in the current period if expectations differ from the previous estimates. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or asset held for distribution; or is included in a disposal Company that is classified as held for sale or held for distribution the date that the asset is derecognised.

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which it belongs.

An asset's recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Company's assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management's estimates of future cash flows are subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Company's assets. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Impairment losses are recognised as an expense in profit or loss immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have decreased. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised in profit or loss immediately.

INTANGIBLE ASSETS

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

INTANGIBLE ASSETS (continued)

Amortisation of intangible assets with finite lives is over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation period and amortisation method are reviewed at least at the end of each reporting period for all intangible assets with a finite useful life. The amortisation expense on intangible asset with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Computer and billing software and network systems

The Company made upfront payments to purchase software and network systems (which includes software licenses) for Information technology and Network purposes. The software licences for the use of intellectual property are granted for periods ranging between 5 and 20 years depending on the specific licences and are amortised accordingly.

Derecognition of intangible asset

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Distinguishing assets that comprise both a tangible and intangible component

In instances where items are delivered by suppliers which comprise both tangible and intangible components, the different components are priced separately and accounted for separately as either tangible assets (as per IAS 16) or intangible assets (as per IAS 38).

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than Botswana Pula are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates of exchange approximating those ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Profit or loss arising on translation of foreign currencies attributable to the Company are dealt with in profit or loss in the year in which they arise.

The International Telecommunications Union uses SDR as the currency to settle international operator debts. The value of the SDR is determined by summing the values in US Dollars based on the market exchanged rates of basket of major currencies (the US Dollars, EUR, Japanese yen, sterling pound).

INDEFEASIBLE RIGHT OF USE (IRU)

The Company entered into a 10-year transmission capacity IRU agreement with Botswana Fibre Network (BoFiNet) to 2024. The transmission IRU is defined as network capacity in all national and local transmission networks belonging to BoFiNet in respect of which BTC is granted an indefeasible and irrevocable right of use.

A second 15-year agreement from 2019 was entered into with BoFiNet to 2033. A financial liability equivalent to the fair value of the discounted future payments to end of the agreement was recognised and will be written over the agreement with payments made as per agreed payment plan. Interest expense is to be recognised in the profit and loss over period.

An asset was recognised comprising the fair value of the liability recognised and the remaining un-amortised cost emanating from the first agreement since the second agreement was negotiated over the first agreement therefore inextricably interwoven. The asset recognised is amortised on a straight-line basis over the period during which the agreement is effective.

DEVELOPMENT GRANTS

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants received by the Company to specifically fund the acquisition or construction of property, plant and equipment are reflected as development grants and classified as non-current liabilities. Grants that are going to be used in the next financial year are classified as current liabilities.

DEVELOPMENT GRANTS (continued)

Where the grant relates to an asset, the fair value of the grant is credited to a deferred income account called development grants and is released to profit or loss on a systematic basis over the expected useful lives of such property, plant and equipment.

DEFERRED REVENUE

Deferred revenue is recognised on any un- utilised portion of airtime that has been sold as a contract liability.

STATED CAPITAL

Botswana Telecommunications Corporation Limited, a statutory body, was converted to a public Company limited by shares issued on the 1 November 2012. On 8 April 2016 the Company was listed on the Botswana Stock Exchange with 1,050,000,000 authorised shares. Out of the total number of shares listed, 250,000,000 shares were issued on the day of listing. As at 31 March 2026 the Company had 1,050,000,000 issued shares (March 2025: 1,050,000,000 shares). The Government of Botswana remains the majority shareholder with a 54.16% shareholding.

RELATED PARTY TRANSACTIONS

The Government of the Republic of Botswana and its various local authorities and Parastatals constitute a significant portion of the Company's revenues. Other related parties are the members of key management personnel and the Company's directors.

FINANCIAL INSTRUMENTS

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

Financial assets which are debt instruments:

Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

Note 26 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

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

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

Financial asset measured at amortised cost

Classification

Trade and other receivables (note 15) are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these receivables give rise, on specified dates to cash flows that are solely payments of principal outstanding, and the Company's business model is to collect the contractual cash flows on these receivables. The Company does not charge interest on its receivables.

Recognition and measurement

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

They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the related party receivables initially, minus principal repayments using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Company recognises a loss allowance for expected credit losses on all receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience over a period of twenty-four (24) months before the reporting date.

For trade receivables containing significant financing components, the Company applies the simplified approach explained above.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL INSTRUMENTS (continued)

Financial asset measured at amortised cost (continued)

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition. The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the receivable has not increased significantly since initial recognition. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Company consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). Irrespective of the above analysis, the Company considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

Procedurally, past due receivables are first subjected to internal collection procedures before they are handed over to external debt collectors for collection. Once all avenues have been exhausted, these are handed back to the Company where the loans are now recommended for write off to the directors.

The Company writes off a loan 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 bankruptcy proceedings. Any recoveries made subsequent to write-offs are recognised in profit or loss.

Short term Investments

The Corporation considers investments with an original maturity of more than three months to twelve months at the time of purchase and money market funds to be short term investments held at amortized cost. These largely include deposits in short term money market deposits through asset managers. These investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits which are highly liquid, have original maturity of not more than three months and held for the purpose of meeting short-term cash commitments other than for investment or any other purpose. Cash on hand and cash equivalents are carried at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits, net of outstanding bank overdrafts.

Performance bonds

Bank balances for which use by the Company is subject to third party contractual restrictions are included as part of cash unless the restrictions result in the bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed on note 17.5. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

Gains and Losses for Financial Assets

Gains and losses are recognised in profit or loss when the receivable is derecognised or impaired as well as through the amortisation process.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS (continued)

Trade and other payables

Liabilities for trade and other payables are subsequently measured at amortised cost using the effective interest rate method which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Gains and Losses for Financial Liabilities

Gains and losses are recognised in profit or loss when the loan or payable is derecognised as well as through the amortisation process.

Equity instruments

Equity instruments are recorded net of direct issue costs.

Offsetting of financial assets and financial liabilities (Interconnect balances)

Financial assets and liabilities specifically in relation to interconnect charges are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the right to receive cash flow from the asset have expired and it has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either the Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. The asset is only recognised to the extent that the Company has a continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

DIVIDENDS

The Board in consultations with Management determines the amount of dividends to be distributed to the shareholders. Dividends shall be declared in respect of each financial period based on the operating results of the period, financial position of the Company, investment strategy, future capital requirements and other factors. The liability to pay dividends is recognised when dividends are declared. The dividend will be paid net of applicable withholding taxes (10%) under the Botswana Income Tax Act.

Dividends paid are disclosed as operating activities in the statements of cash flows.

PROVISIONS

General provisions are recognised when the Company has a present legal or constructive 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 amount of the obligation. A past event is deemed to give rise to a present obligation if, taking into account all of the available evidence, it is more likely than not that a present obligation exists at reporting date.

LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases including those for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Accounting Policies

FOR THE YEAR ENDED 31 MARCH 2026

LEASES (continued)

Company as a lessee (continued)

i) **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 to 5 years
Telecommunications sites	3 to 15 years
Network assets	5 to 15 years
Other plant and equipment	3 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies under impairment of non-financial assets.

ii) **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

iii) **Short-term leases and leases of low-value assets**

The Company has opted not to apply both the short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value recognition exemption to its short-term leases and low value leases.

Company as lessor

Leases where the Company retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Lease income is recognised as income in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as revenue in the period in which they are earned.

Site rentals are for network towers which are leased to other mobile operators.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	March 2026 P'000	March 2025 P'000
1. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Fixed Voice		
Voice	91,332	139,796
Access	99,786	113,726
Interconnect	9,472	9,669
Customer Premises Equipment (CPE)	164,271	151,435
	364,861	**414,626**
Mobile		
Voice	86,186	105,850
Interconnect	3,797	5,914
Data	312,381	290,424
Short Message Service and Value added services	26,891	28,583
Customer Premises Equipment (CPE)	57,182	64,268
	486,437	**495,039**
Fixed Data		
Usage	249,289	277,037
Access	205,122	217,227
Customer Premises Equipment (CPE)	10,512	12,860
	464,923	**507,124**
Other Revenue		
Directory services	2,732	5,033
Mobile Money Services	38,880	14,097
Value Added Services	2,306	2,843
Property rentals	30,905	28,955
Cost of works	1,183	6,833
Third party collection fees	124	122
Digital Services	77,254	18,088
	153,384	**75,971**
Total revenue from contracts with customers	**1,469,605**	**1,492,760**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

1. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Disaggregation of revenue from contracts with customers:

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product and service lines. In the following table, revenue is disaggregated by major products / service lines and timing of revenue recognition.

	FIXED VOICE			MOBILE			FIXED DATA				
	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)	Usage (P'000)	Access (P'000)	CPE (P'000)	Other Revenue (P'000)	Total Revenue (P'000)
31 March 2026											
Major products / service lines:											
Revenue from external contracts with customers	191,118	9,472	164,271	425,458	3,797	57,182	249,289	205,122	10,512	—	**1,316,221**
Other revenue (directory services, value added services, rentals)	—	—	—	—	—	—	—	—	—	153,384	**153,384**
	191,118	**9,472**	**164,271**	**425,458**	**3,797**	**57,182**	**249,289**	**205,122**	**10,512**	**153,384**	**1,469,605**
Timing of revenue recognition:											
Products transferred at a point in time	—	—	164,271	—	—	57,182	—	—	10,512	—	**231,965**
Products and services transferred over time	191,118	9,472	—	425,458	3,797	—	249,289	205,122	—	153,384	**1,237,640**
	191,118	**9,472**	**164,271**	**425,458**	**3,797**	**57,182**	**249,289**	**205,122**	**10,512**	**153,384**	**1,469,605**
31 March 2025											
Major products / service lines:											
Revenue from external contracts with customers	253,522	9,669	151,435	424,857	5,914	64,268	277,037	217,227	12,860	—	**1,416,789**
Other revenue (directory services, value added services, rentals)	—	—	—	—	—	—	—	—	—	75,971	**75,971**
	253,522	**9,669**	**151,435**	**424,857**	**5,914**	**64,268**	**277,037**	**217,227**	**12,860**	**—**	**1,492,760**
Timing of revenue recognition:											
Products transferred at a point in time	—	—	151,435	—	—	64,268	—	—	12,860	—	**228,563**
Products and services transferred over time	253,522	9,669	—	424,857	5,914	—	277,037	217,227	—	75,971	**1,264,197**
	253,522	**9,669**	**151,435**	**424,857**	**5,914**	**64,268**	**277,037**	**217,227**	**12,860**	**75,971**	**1,492,760**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

		March 2026 P'000	March 2025 P'000
2.	**COST OF SERVICES AND GOODS SOLD – RESTATED**		
	Payment to International carriers and local operators (interconnection)	58,326	53,715
	Amortisation of the Indefeasible right of use (IRU) asset	38,209	38,209
	Depreciation:		
	Land and buildings*	6,452	2,835
	Network Assets	132,902	120,637
	Amortisation of intangible assets	35,705	35,769
	Right of Use Assets	24,600	22,283
	Equipment and material costs	231,888	224,795
	Installation of Customer Premises Equipment (CPE)	9,448	8,615
	Write down of inventories	4,307	2,791
	Cost of directory sales	2,255	2,516
	Cost of prepaid cards	3,296	1,607
	Cost of phones	55,755	39,769
	Licence fee - BOCRA	18,396	21,716
	Space segment rentals and other licence fees**	22,606	14,596
	Mobile financial services costs	29,520	5,576
	Total cost of services and goods sold	**673,665**	**595,429**

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.
** Space segment rentals relate to satellites which the entity rents.
Licence fees relate to computer software.

		March 2026 P'000	March 2025 P'000
3.1	**INTEREST INCOME**		
	Interest from short-term and call accounts deposits	40,037	35,319
	Interest on revenue contracts with a significant financing component	29,993	25,103
		70,030	**60,422**
3.2	**INTEREST EXPENSE**		
	Interest expense on lease liabilities	10,211	10,503
	Interest expense on Indefeasible right of use liability	3,566	4,435
		13,777	**14,938**
4.	**OTHER INCOME**		
	Development grant recognised as income (note 20)	1,783	1,693
	Exchange gain	607	4,901
	Profit on disposal of property, plant and equipment and assets held for sale*	40,716	32,114
		43,106	**38,708**

* Included in the profit on disposal of property, plant and equipment and assets held for sale above is a P7 941 000 excluding VAT (2025 Nil) receivable as at year end.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

		March 2026 P'000	March 2025 P'000
5.	**SELLING AND DISTRIBUTION COSTS:**		
	Product Marketing costs	30,752	23,399
	Sponsorship expense	699	90
		31,451	**23,489**
6.	**ADMINISTRATIVE EXPENSES**		
	Employee costs:		
	Salaries and wages	295,200	303,077
	Pension fund and group life contributions (defined contribution plans)	31,984	30,523
	Training costs	3,170	5,075
	Organisational restructuring costs	4,851	—
	Medical costs	10,160	9,536
	Other related employee costs*	19,370	19,213
	Total employee costs charged to profit or loss	364,735	367,424
	Depreciation - Other equipment	17,097	10,430
	Repairs and maintenance - non-telecommunications equipment	13,700	9,971
	Total Administrative expenses	**395,532**	**387,825**

* Other related employee costs include medical aid expenses, staff welfare and staff uniforms.

		March 2026 P'000	March 2025 P'000
7.	**OTHER EXPENSES**		
	Audit Remuneration		
	Audit fees	2,652	2,575
	Other Services	286	1,199
	Directors fees-sitting allowance	1,407	2,416
	Directors fees-other expenses	274	718
	Billing costs	29,695	23,505
	Consultancy	19,966	27,075
	Financial charges*	21,358	23,767
	Radio Licence fees - BOCRA	73,115	53,150
	Variable lease payments	175	539
	Stationery	1,639	2,503
	Miscellaneous expenses**	14,748	15,572
	Property upkeep	19,221	18,501
	Travel and entertainment	11,081	12,315
	Dealer commission	20,364	20,329
	Vehicle running costs	10,712	10,033
	Utilities -electricity and water	39,047	27,300
	Licenses - system and software	38,858	37,134
	Total Other expenses	304,598	278,631

* **Financial charges**
Financial charges include the following: Bank charges, Insurance premiums and miscellaneous write-offs.

** **Miscellaneous expenses**
Miscellaneous expenses include the following: outsourced call centre costs, customs and freight, newspapers and periodicals.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	March 2026 P'000	Restated** March 2025 P'000
8. INCOME TAX EXPENSE			
The components of income tax expense for the year ended are:			
Statement of Profit or loss			
Taxation expense			
Current taxation		7,087	(272)
Charge for the year	23.1	7,087	–
Prior period over provision		–	(272)
Deferred taxation	23.2	23,737	60,158
Charge for the year**		23,766	59,974
Prior period over provision		(29)	184
Capital gains taxation		2,006	–
Taxation expense		**32,830**	**59,886**

Capital gains of P9 million were realised on disposal of an industrial property and the respective capital gains tax from the disposal amounted to P2 million

	Notes	March 2026 P'000	Restated** March 2025 P'000
TAX RATE RECONCILIATION			
Profit before tax		146,171	266,605
Company tax at 22% (2025: 22%)		32,158	58,653
Expenses not deductible for tax purposes or income not taxable*		(1,305)	1,321
Prior period over provision		(29)	(88)
Capital gains taxation		2,006	–
Taxation expense		**32,830**	**59,886**
* Expenses not deductible for tax purposes or income not taxable			
Donations and gifts		210	24
Excess depreciation on passenger motor vehicle		66	–
Profit on disposal of industrial property		(2,263)	–
Capital grants received		1,073	1,669
Amortisation of grants		(391)	(372)
		(1,305)	**1,321**

** Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	March 2026 P'000	Restated* March 2025 P'000
9. EARNINGS PER SHARE			
Profit attributable to ordinary shareholder for basic and diluted earnings per share		113,341	206,719
Stated capital - number of shares (note 19)		1,050,000,000	1,050,000,000
Earnings per share (Thebe)		10.79	19.69

The Company has stated capital of 1,050,000,000 shares as at period end (March 2025: 1,050,000,000 shares). The Government of Botswana is still the majority shareholder with a 54.16% shareholding (Mar: 2025 54.16%).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

There are no dilutive potential ordinary shares for purposes of computing diluted earnings per share.

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

10. PROPERTY, PLANT AND EQUIPMENT

	Notes	Land & Buildings P'000	Network Assets P'000	Plant & Other Equipment P'000	Capital Work in Progress P'000	Total P'000
31 March 2026						
COST						
At beginning of the year - Restated		175,150	2,526,645	247,153	69,630	3,018,578
Additions and net transfers*		—	265,913	37,427	177,538	480,878
Additions		—	—	—	480,878	480,878
Capitalisation from WIP (Transfers)		—	265,913	37,427	(303,340)	—
Retired		(369)	(11,870)	(1,564)	—	(13,803)
Transferred to assets held for sale	18.1	(62)	—	—	—	(62)
At end of the year		**174,719**	**2,780,688**	**283,016**	**247,168**	**3,485,591**
DEPRECIATION AND IMPAIRMENT						
At beginning of the year - Restated		81,410	1,581,269	203,834	—	1,866,513
Depreciation charge for the year		6,452	132,902	17,097	—	156,451
Transferred to assets held for sale	18.1	(53)	—	—	—	(53)
Retired		(89)	(11,863)	(1,480)	—	(13,432)
At end of the year		**87,720**	**1,702,308**	**219,451**	**—**	**2,009,479**
NET BOOK VALUE						
At beginning of the year - Restated		93,740	945,376	43,319	69,630	1,152,065
At end of the year		**86,999**	**1,078,380**	**63,565**	**247,168**	**1,476,112**

* Included in the additions above are accruals amounting to P153 224 000 (2025: P9 917 569) hence cash payments made in the current year amounted to P337 571 000 (2025: P277 765 000).

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

10. PROPERTY, PLANT AND EQUIPMENT

	Notes	Land & Buildings** P'000	Network Assets P'000	Plant & Other Equipment P'000	Capital Work in Progress P'000	Total P'000
31 March 2025						
COST						
At beginning of the year - Restated		176,748	2,731,811	281,694	89,400	3,279,653
Additions and net transfers*		2,243	291,178	10,464	(19,770)	284,115
Additions		—	—	—	284,115	284,115
Transfers		1,676	(585)	(1,091)	—	—
Capitalisation from WIP (Transfers)		567	291,763	11,555	(303,885)	—
Retired		(1,643)	(496,344)	(45,005)	—	(542,992)
Transferred to assets held for sale - Restated	18.1	(2,198)	—	—	—	(2,198)
At end of the year - Restated		**175,150**	**2,526,645**	**247,153**	**69,630**	**3,018,578**
DEPRECIATION AND IMPAIRMENT						
At beginning of the year - Restated		78,561	1,956,852	238,711	—	2,274,124
Depreciation charge for the year - Restated		2,835	120,637	10,430	—	133,902
Transfers		903	(243)	(660)	—	—
Transferred to assets held for sale - Restated	18.1	(154)	—	—	—	(154)
Retired		(735)	(495,977)	(44,647)	—	(541,359)
At end of the year - Restated		**81,410**	**1,581,269**	**203,834**	**—**	**1,866,513**
NET BOOK VALUE						
At beginning of the year - Restated		98,187	774,959	42,983	89,400	1,005,529
At end of the year - Restated		**93,740**	**945,376**	**43,319**	**69,630**	**1,152,065**

* Included in the additions above are accruals amounting to P9 917 569 (2024: P3 567 893) hence cash payments made in the current year amounted to P277 765 000 (2024: P144 530 000).

** Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Review of useful lives and residual values

In line with its accounting policy, the Corporation conducted a comprehensive review of useful lives and residual values on all its assets. There were no changes from prior year.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	Computer and Billing Software P'000	Network Systems P'000	Capital Work in Progress P'000	Total P'000
11. INTANGIBLE ASSETS				
31 March 2026				
COST				
At beginning of the year	568,669	25,949	–	594,618
Additions and net transfers	1,215	37,227	80,033	118,475
Additions	–	–	118,475	118,475
Capitalisation from WIP (Transfers)	1,215	37,227	(38,442)	–
At end of the year	**569,884**	**63,176**	**80,033**	**713,093**
AMORTISATION				
At beginning of the year	427,949	14,735	–	442,684
Charge for the year	31,984	3,722	–	35,706
At end of the year	**459,933**	**18,457**	**–**	**478,390**
NET BOOK VALUE				
At beginning of the year	140,720	11,214	–	151,934
At end of the year	**109,951**	**44,719**	**80,033**	**234,703**
31 March 2025				
COST				
At beginning of the year	600,954	34,905	–	635,859
Additions and net transfers	13,695	4,135	–	17,830
Additions	16,143	1,687	–	17,830
Transfers	(2,448)	2,448	–	–
Capitalisation from WIP (Transfers)	–	–	–	–
Retired	(45,980)	(13,091)	–	(59,071)
At end of the year	**568,669**	**25,949**	**–**	**594,618**
AMORTISATION				
At beginning of the year	440,363	25,490	–	465,853
Transfers	(537)	537	–	–
Charge for the year	34,055	1,704	–	35,759
Retired	(45,932)	(12,996)	–	(58,928)
At end of the year	**427,949**	**14,735**	**–**	**442,684**
NET BOOK VALUE				
At beginning of the year	160,591	9,415	–	170,006
At end of the year	**140,720**	**11,214**	**–**	**151,934**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

12. ASSET IMPAIRMENT

BTC's market capitalisation was below its net asset carrying value at year-end, which is an indicator of impairment under IAS 36 and triggered an impairment assessment. The Company's shares are subject to local ownership restrictions, limiting market participation and potentially resulting in a market value that does not fully reflect the underlying value of the business.

As at 31 March 2026, the Company assessed its property, plant and equipment and finite life intangible assets at the reporting date for any indication of impairment. This was done by comparing the carrying amount of the Company's net assets with the recoverable amount of the assets. The recoverable amount was based on the business' value in use, which in turn, was calculated by forecasting the Company's future enterprise free cash flows for a period of five years, including the terminal value into perpetuity and then determining the value by discounting these free cash flows using a discount rate equal to the weighted average cost of capital (WACC) of 16.27% (16.38% pre-tax) (March 2025: 15.15% (16.47% pre-tax). The entire business was regarded as one cash generating unit (CGU) since common network elements are responsible for the production of all services.

Based on the value-in-use calculation, the estimated value in use of BTC exceeded its carrying amount. As the value-in use range exceeds the carrying amount of the CGU, there is no impairment loss to be recognised.

Valuation key assumptions

The recoverable amount was determined based on value in use. The calculations used cash flow projections over a period of five (5) years based on financial forecasts.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use took into consideration the following assumptions:
- Gross margins
- Discount rate
- Market share during the forecast period
- Growth rates used to extrapolate the cash flows beyond the forecast period

Assumptions

Discount rate (WACC) 2026: 16.27% (March 2025: 15.15%). The pre-tax WACC rate 16.38% (March 2025: 16.47%) Management determined this rate based on past experience as well as external sources of information.
Terminal growth rate into perpertuity: 2%

Sensitivity to changes in assumptions

The value-in-use exceeds net assets by P768 million.

A sensitivity analysis with changes in WACC, the terminal growth rate and EBITDA was performed. The below are the movements;

	Change	Increase/ (decease) in headroom P'000
Changes in WACC		
With Terminal Growth Rate @ 2.0% and EBITDA Margin @ 33.6%	+0.50%	(397,148)
	-0.50%	531,865
Changes in the terminal growth rate		
With WACC @ 16.27% and EBITDA Margin @ 33.6%	+0.50%	72,868
	-0.50%	(67,937)
Changes in the EBITDA Margin		
With WACC @ 16.27% and Terminal growth rate @ 2.%	+0.50%	52,014
	-0.50%	(52,016)

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

13. LEASES

The Company has lease contracts for various buildings, rental of telecommunication sites, network assets and other assets used in its operations. Leases of buildings generally have lease terms between 3 and 5 years, telecommunication sites between 3 and 15 years, network assets between 5 and 15 years while other assets generally have lease term of between 1 and 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company's leases are mainly non-cancellable and include options of extension on terms to be agreed upon by both parties. There are no lease contracts that include variable lease payments.

The Company opted not to utilise the exemption on short-term leases and the leasing of low-value assets.

13.1 Right-of-use assets

	Buildings P'000	Telecommunication Sites P'000	Network Assets P'000	Other P'000	Total P'000
31 March 2026					
COST					
At beginning of the year	22,272	170,620	17,148	1,548	211,588
Additions	5,597	9,707	–	1,993	17,297
Disposals	(2,925)	(7,188)	–	(1,872)	(11,985)
At end of the year	**24,944**	**173,139**	**17,148**	**1,669**	**216,900**
DEPRECIATION					
At beginning of the year	8,179	59,204	6,750	517	74,650
Depreciation charge for the year	5,539	16,511	1,125	1,425	24,600
Disposals	(2,925)	(7,184)	–	(1,872)	(11,981)
At end of the year	**10,793**	**68,531**	**7,875**	**70**	**87,269**
NET BOOK VALUE					
At beginning of the year	14,093	111,416	10,398	1,031	136,938
At end of the year	**14,151**	**104,608**	**9,273**	**1,599**	**129,631**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

13. LEASES

13.1 Right-of-use assets

	Buildings P'000	Telecommunication Sites P'000	Network Assets P'000	Other P'000	Total P'000
31 March 2025					
COST					
At beginning of the year	17,525	166,804	17,148	1,974	203,451
Additions	11,728	5,209	–	1,890	18,827
Lease expiry / termination	(6,981)	(1,393)	–	(2,316)	(10,690)
At end of the year	**22,272**	**170,620**	**17,148**	**1,548**	**211,588**
DEPRECIATION					
At beginning of the year	11,082	44,406	5,625	1,926	63,039
Depreciation charge for the year	4,078	16,173	1,125	907	22,283
Lease expiry / termination	(6,981)	(1,375)	–	(2,316)	(10,672)
At end of the year	**8,179**	**59,204**	**6,750**	**517**	**74,650**
NET BOOK VALUE					
At beginning of the year	6,443	122,398	11,523	48	140,412
At end of the year	**14,093**	**111,416**	**10,398**	**1,031**	**136,938**

13.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Buildings P'000	Telecommunication Sites P'000	Network Assets P'000	Other P'000	Total P'000
31 March 2026					
At beginning of the year	14,424	134,320	12,438	800	161,982
Additions	5,597	9,707	–	1,993	17,297
Accretion of interest	972	8,432	779	28	10,211
Payments	(6,591)	(23,840)	(1,793)	(1,214)	(33,438)
As at end of the year	**14,402**	**128,619**	**11,424**	**1,607**	**156,052**
31 March 2025					
At beginning of the year	7,088	143,675	13,388	50	164,201
Additions	11,728	5,209	–	1,890	18,827
Accretion of interest	796	8,840	843	25	10,504
Payments	(5,188)	(23,404)	(1,793)	(1,165)	(31,550)
At end of the year	**14,424**	**134,320**	**12,438**	**800**	**161,982**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

13. LEASES (continued)

13.2 **Lease liabilities** (continued)

	2026 P'000	2025 P'000
Maturity Analysis:		
Within 1 year	31,064	32,116
Within 2 years	29,615	31,064
Within 3 years	27,831	29,615
Within 4 years	25,325	27,831
Within 5 years	22,584	25,325
Above 5 years	56,500	79,084
	192,919	**225,035**
Less Finance charges allocated to future periods	(36,867)	(63,053)
	156,052	**161,982**
Comprising:		
Non-current liabilities	134,201	146,084
Current liabilities	21,851	15,898
	156,052	**161,982**

The maturity analysis of undiscounted lease liabilities are disclosed in Note 26.8

	2026 P'000	2025 P'000
The following are the amounts recognised in profit or loss:		
Depreciation expense on right-of-use assets - Cost of Sales	24,600	22,283
Interest expense on lease liabilities	10,211	10,504
Total amount recognised in profit or loss	**34,811**	**32,787**

There were no leases not yet commenced to which the Company as lessee is committed.

14. INVENTORIES

	2026 P'000	2025 P'000
Consumable stores	38,860	44,872
Customer premises equipment	12,808	5,256
Total inventories at the lower of cost and net realisable value	**51,668**	**50,128**

The above inventory is disclosed at the lower of cost and estimated net realisable value.

The cost of inventories recognised as an expense included P88 257 000 (2025: P89 700 000) included as part of equipment and material costs in note 2.

The cost of inventories recognised as an expense included P4 307 000 in respect of write downs of inventory to net realisable value (2025: P2 791 000).

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	March 2026 P'000	March 2025 P'000
15. TRADE AND OTHER RECEIVABLES		
Trade receivables	103,405	122,215
Trade receivables from related parties	261,581	245,364
Trade receivables from interconnect balances	11,175	14,578
Staff advances	8,529	5,857
Other receivables	56,184	22,105
Gross trade and other receivables	440,874	410,119
Provision for credit notes - revenue reversals	(11,893)	(10,287)
Debtors impairment	(88,213)	(73,271)
Net trade and other receivables	340,768	326,561
Prepayments	40,619	54,205
Total trade and other receivables	**381,387**	**380,766**
Categorisation into:		
Financial assets at amortised cost	340,768	326,561
Non-financial	40,619	54,205
	381,387	**380,766**

The Company's trade and other receivables are non-interest bearing. For terms and conditions relating to related party receivables, refer to Note 25. Trade receivables from interconnect balances and other receivables are generally 30 to 90 day terms, interest free, unsecured and settlement occurs in cash.

Staff advances are repaid up to twelve months and are non-interest bearing. Staff advances and other receivables are carried at amortised cost which approximates their carrying value.

Exposure to credit risk

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. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The expected loss rates are based on the payment profiles of post paid customers over a period of 24 months before 31 March 2026 and the corresponding historical credit losses experienced within this period. The credit period on trade and other receivables is 30 days (2025: 30 days). No interest is charged on outstanding trade and other receivables .

A loss allowance is recognised for all trade and other receivables, in accordance with IFRS 9 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. As per the Company credit policy, past due receivables are first subjected to the internal collection process until all available avenues are exhausted. They are then handed over to external debt collectors for collections. Any balances uncollected are returned back to the Company at which point an assessment is made for write off.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

15. TRADE AND OTHER RECEIVABLES (continued)

Exposure to credit risk (continued)

In accordance with the simplified approach adopted, 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 is a probability-weighted model which applies an expected loss percentage, based on the net write-off history experienced on receivables, to each ageing category of receivables at the end of each month in order to calculate the total provision to be raised on the receivable balances. It also incorporates information and general economic conditions of the industry as at the reporting date.

Due to the intricate relationship between contract assets and trade recievables, the lifetime expected credit loss ratios determined for the trade recievables are applied on the contract assets.

The changes in percentage movements in the default rates within the credit ratings were analysed at reporting date at a customer profile level and these changes were then applied to existing ECL ratios.

			March 2026 P'000	March 2026 P'000	March 2025 P'000	March 2025 P'000
	Expected credit loss rate (average)		Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Bucketing (Days past due)	Mar-26	March-25				
Current	4%	4%	147,074	5,509	165,001	7,378
31-60 days past due	8%	6%	68,695	5,621	71,032	4,560
61-90 days past due	16%	12%	44,244	7,047	50,859	5,997
91-120 days past due	24%	14%	28,709	7,015	29,773	4,281
121-150 days past due	25%	24%	21,110	5,190	16,484	3,960
More than 150 days past due	44%	61%	131,042	57,831	76,970	47,095
Total			**440,874**	**88,213**	**410,119**	**73,271**

The movement in the average rates is primarily on account of low collections from the Government segment.

The decrease in receivables aged over 150 days is primarily attributable to the collection of historical government debt, resulting in an improved receivables ageing profile.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

15. TRADE AND OTHER RECEIVABLES (continued)

Reconciliation of loss allowance

The following table shows the movement in the loss allowance (expected credit losses) for trade and other receivables.

	Notes	March 2026 P'000	March 2025 P'000
Opening balance		94,592	68,702
Provision raised during the year		17,547	24,973
Balances written off during the year		–	–
Provision for credit notes for receivables already provided for		566	917
Balance at the end of the year		**112,705**	**94,952**
Comprising:			
Trade and other receivables	15	88,213	73,271
Contract assets	16	24,492	21,321
		112,705	**94,952**
Reconciliation of the Provision for Credit Notes*			
Opening balance		10,287	19,841
Revenue reversals during the year		(14,701)	(7,082)
Net provision raised / (reversed) during the year		16,307	(2,472)
Balance at the end of the year		**11,893**	**10,287**

* The Company assesses all revenue reversals made during the year to determine the period to which the respective revenues were recognised and further makes an estimate of revenue reversals that might occur in the ensuing year based on historic events or trends. The revenue reversals are then recognised in the appropriate period with the relevant reduction of the impairment by amount already provided for.

16. CONTRACTS ASSETS AND LIABILITIES

16.1 Contract assets

	Notes	March 2026 P'000	March 2025 P'000
Gross contract assets		121,167	114,453
Provision for expected credit losses	15	(24,492)	(21,321)
Net contract assets		**96,675**	**93,132**
Comprising:			
Non-current assets		44,847	49,212
Current assets		51,828	43,920
		96,675	**93,132**

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16. CONTRACTS ASSETS AND LIABILITIES (continued)

16.1 Contract assets (continued)

BTC recognises contract assets for goods and services for which control has transferred to the customer before consideration is due. These assets mainly relate to mobile handsets or vouchers and PABX delivered to the customer upfront but paid for over the course of the period of the contract and primarily relate to BTC's right to consideration for goods and services rendered but not billed at the reporting date for customer contracts for network services and mobile devices. Contract assets are reclassified to trade and other receivables when the right to payment becomes unconditional and BTC has billed the customer.

UNSATISFIED PERFORMANCE OBLIGATIONS

The following table shows unsatisfied performance obligations resulting from long term customer contracts:

	March 2026 P'000	March 2025 P'000
Aggregate amount of the transaction price allocated to long term customer contracts	110,104	102,493

The table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

No consideration from contracts with customers is excluded from the amounts presented above.

Exposure to credit risk

The average expected credit rate for the contract assets was 20.9% (2025: 18.8%).

16.2 Contract liabilities

	March 2026 P'000	March 2025 P'000
Balance at end of the year	4,031	5,776
Comprising:		
Non-current liabilities	2,021	2,897
Current liabilities	2,010	2,879
	4,031	**5,776**

Contract liabilities are recognised when BTC has received advance payment for goods and services that have not been transferred to the customer. The contract liabilities primarily relate to the advance consideration received from customers for customer contracts on goods and services which are not distinct performance obligations.

17. SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS

17.1 Short term investments

	March 2026 P'000	March 2025 P'000
Money market funds	28,293	56,411
Balance at end of the year	**28,293**	**56,411**

The short term investments consist of funds placed in money markets financial institutions. The funds are redeemable within 48 hours and there are no underlying equity instruments. Short-term investments have maturities of less than one year from the financial reporting date.

These short-term investments have an average interest rate of 12.00% (2025: 7.27%) as of the reporting date.

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FOR THE YEAR ENDED 31 MARCH 2026

17. SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS (continued)

17.2 Cash and cash equivalents at end of the year:

	March 2026 P'000	March 2025 P'000
Cash at bank and on hand	225,115	265,893
Short term deposits	—	172,534
Restricted balances held for the mobile financial services (MFS)	18,797	3,933
Net cash and cash equivalents at end of the year	**243,912**	**442,360**

The short term deposits had effective interest rates of between 0.25% and 14.5% (March 2025: 0.25% and 10%).

Included in the cash and cash equivalents is an amount of USD 60 000 (2025: USD 60 000) which BTC received from a counterparty as security for the potential future bad debts. The liability to the counterparty is disclosed under accruals and other payables (Note 21).

As per the Elecronic Payments Services regulations, every Mobile Money Financial Services provider is required to hold greater of P2 000 000 or 2% of outstanding electronic money liabilities. At the same time, each provider is expected to have dedicated accounts which should not at any time be less than the value of the outstanding electronic money liabilities.

17.3 Statement of Cash Flows - Operating profit before working capital changes:

	Note	March 2026 P'000	March 2025 P'000
Profit before tax (Restated)		146,171	266,605
Adjustment for non-cash movements:			
Exchange loss		3,800	(1,030)
Interest income	3.1	(70,030)	(60,422)
Interest expense	3.2	13,777	14,938
(Profit)/loss on disposal on disposal of property, plant and equipment	4/7	(40,716)	(32,114)
Depreciation of property, plant and equipment (Restated)*	10	156,451	133,902
Amortisation of intangible assets	11	35,706	35,759
Depreciation on right of use assets	13.1	24,600	22,283
Impairment losses and gains on financial assets and contract assets	15	17,547	24,973
Writedown of inventories	2	4,307	2,791
Development grant recognised as income	20	(1,783)	(1,693)
Movement in employee related provisions	22	—	(7,183)
Amortisation of IRU	25.2	38,209	38,209
Operating cash flows before working capital changes		**328,039**	**437,018**

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

17. SHORT TERM INVESTMENTS AND CASH AND CASH EQUIVALENTS (continued)

17.4 Banking Facilities

The Company has facilities with its bankers amounting to P30 million (March 2025: P30 million) in respect of Letters of credit and guarantees: P20 million (March 2025: P20 million), Bank overdraft P10 million: (March 2025: P10 million).

The banking facilities are unsecured.

The unutilised portion of the banking facilities amounted to P30 million (March 2025: P30 million) in respect of letter of credit. The company has foreign currency facilities with its bankers amounting to EUR15.5million (March 2025: Nil) in respect of Letters of credit .The utilized portion of the foreign facilities amounted to P13 million (March 2025: NIL) in respect of letters of credit.

		March 2026 P'000	March 2025 P'000
17.5	Performance Bond	16,650	16,650

The Company was awarded a radio spectrum license by BOCRA on the 16th of Janaury 2025 for the provision of telecommunication services according to conditions as stipulated in the license agreement. One of the conditions required that a performance bond amounting to P16 650 000 (2025: 16 650 000) equating 5% of the peak funding price be held to cover roll-out obligations.

The guarantee is held by the African Alliance Management Company on behalf of the licensee which guarantee is set to be in place until 31 December 2027. Until all the performance obligations are met, the funds cannot be used for any other purposes.

18. ASSETS HELD FOR SALE – RESTATED

		March 2026 P'000	March 2025 P'000
Balance end of the year comprising;			
Residential properties	**18.1**	2,053	2,044
Network assets(Copper)	**18.2**	2,876	7,384
		4,929	**9,428**

18.1 Residential properties (Restated)

In both financial years, the Company held residential properties which the company had decided to immediately dispose in its present condition. The asset was classified as "non-current assets held for sale" on 01 January 2025 as the company intended to recover their carrying amount principally through a sale transaction which is expected to be completed within one year.

There were delays from the buyer (Government) however management is of the view that the transaction would crystallise within the next financial year.

		March 2026 P'000	March 2025 P'000
Balance beginning of the year		2,044	–
Additions	10	62	2,198
Accumulated depreciation charged for the year before classification as held for sale	10	(53)	(154)
Balance transferred from property, plant and equipment		**2,053**	**2,044**

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

18. ASSETS HELD FOR SALE – RESTATED (continued)

18.2 Network assets (Copper)

During the 2024 financial year, the Company, as part of its strategic network deployment plan decided to migrate its copper fixed line customers to a combination of fibre and mobile solutions. Under IFRS 5:9 while the sales process is supposed to be within one year, the process of selling this copper is expected to exceed one year due to logistical and operational constraints (including wide geographical distribution and the stage of physical extraction and transport). The company has determined the criteria in IFRS 5:9 are still met for classification of these assets as held for sale. This process is ongoing and expected to be completed in the 2027 financial year. New technological solutions have recently been implemented to speed up customer migration. The impact is that the Company will realise the value of copper not yet recovered from the operational environment, principally through contracted sales transactions. The sales transactions will dispose of the copper in the condition received from the decommissioning of the copper network. These assets continue to be classified as "non-current assets held for sale" on 31 March 2026.

The copper assets were remeasured to the lower of their carrying amount or fair value less cost to sell. Fair value less cost of sales was determined as the best estimate by management as to the quantity/tonnage of copper expected to be recovered and realised, per the sales contracts, in the coming year less expected costs to sell (e.g. for recovery, transport, shrinkage etc.).

	March 2026 P'000	March 2025 P'000
Cost at 1 April	7,384	12,664
Disposal	(4,508)	(5,280)
Balance at end of the year	**2,876**	**7,384**
19. STATED CAPITAL		
Balance	478,892	478,892
Authorised and issued capital		
Authorised shares		
1,050,000,000 (March 2025: 1,050,000,000) ordinary shares of no par value	478,892	478,892
Ordinary shares issued and fully paid		
1,050,000,000 (March 2025: 1,050,000,000) ordinary shares of no par value	478,892	478,892
The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholder meetings of the Company.		
Cash dividends on ordinary shares paid:		
Final dividend for 2025: 10.83 thebe per share: (2024: 23 thebe per share)	113,715	241,500
Interim dividend for 2026: 5.15 thebe per share (2025: 4 thebe per share)	54,075	42,000
	167,790	**283,500**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

19. STATED CAPITAL (continued)

The dividend is paid net of 10% withholding tax as per the Botswana Income Tax Act. BTC shares are only available to the following:

a) Natural persons who are citizens of Botswana
b) Corporate entities registered or operating in Botswana which are wholly citizen owned; or
c) Unincorporated associations, partnerships, and investment funds (whether managed directly or by institutional investors registered in Botswana) which are wholly citizen owned; or
d) Trusts whose ultimate beneficiaries are all Botswana citizens; or
e) Local pension funds managed by institutional investors registered in Botswana; or
f) Any other entities operating in Botswana which are wholly citizen owned; or
g) Entities (whether or not falling into categories ii, iii or iv above) which are wholly citizen owned which manage investment funds for the benefit of citizens only.

	March 2026 P'000	March 2025 P'000
20. DEVELOPMENT GRANTS		
Balance at the beginning of the year	34,477	28,579
Additional grants for the year	4,884	7,591
Recognised as income during the year (note 4)	(1,783)	(1,693)
Balance at the end of the year	**37,578**	**34,477**
Relating to:		
Universal access and service fund grants	37,578	34,477
	37,578	**34,477**
Comprising:		
Non-current liabilities	35,021	26,910
Current liabilities	2,557	7,567
	37,578	**34,477**

Universal Access and Service Fund

Since 2018, agreements have been reached with the Universal Access and Service Fund (UASF) for the construction of telecommunication network base stations and provision of broadband across several communities across the country.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	March 2026 P'000	March 2025 P'000
21. TRADE AND OTHER PAYABLES		
Trade payables	171,543	129,146
Deferred revenue	21,899	22,552
Interconnection balances	5,097	9,238
Mobile money balances	106,181	76,358
Accruals and other payables	296,244	145,713
	600,964	**383,007**
Categorisation into:		
Financial liabilities measured at amortised cost	579,065	355,028
Non-financial	21,899	27,979
	600,964	**383,007**

Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 day terms (March 2025: 30-60 days) and are not secured. Other payables are non-interest bearing and have an average settlement date of three months and are not secured.

Interconnection balances relate to terminating charges owing on BTC outgoing calls to international operators and for other local mobile networks. These are settled on a 30-90 day term and are not secured.

	Leave Pay P'000	Gratuity P'000	Other* P'000	Total P'000
22. EMPLOYEE RELATED PROVISIONS				
Balance at 1 April 2024	18,379	6,117	20,133	44,629
Charged to employee expenses	5,561	3,337	20,133	29,031
Utilised	(12,216)	(4,868)	(19,130)	(36,214)
Balance at 31 March 2025	**11,724**	**4,586**	**21,136**	**37,446**
Charged to employee expenses	6,101	2,364	19,370	27,835
Utilised	(2,322)	(3,804)	(39,469)	(45,595)
Balance at 31 March 2026	**15,503**	**3,146**	**1,037**	**19,686**
Comprising:				
Current liabilities			17,350	33,670
Non-current liabilities			2,336	3,776
			19,686	**37,446**

Employee related provisions comprise of leave pay, gratuity and other. In terms of BTC policy, employees are entitled to accumulate vested leave benefits. Of the leave days earned in respect of any period of twelve (12) months, not less than eight (8) days shall be taken no later than six months immediately after the period in respect of which leave is earned. This leave shall be forfeited if not taken. Gratuities are normally paid at the end of an employee's contract which in the case of BTC is between 1 to 5 years.

* Other relates to performance incentives, overtime payments and other payroll related accruals.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

23. TAXATION

	Notes	March 2026 P'000	March 2025 P'000
23.1 Income Tax			
Opening balance		–	897
Prior year over provision		–	272
Charge for the year	8	(7,087)	–
Capital gains on an industrial property	8	(2,006)	–
Closing balance		(15,138)	–
Net income tax paid/ (received)		**(24,231)**	**1,169**

23. TAXATION (continued)

23.2 Deferred Taxation

	Net balance as at 01 April 2025 P'000	Recognised in profit or loss P'000	Recognised in equity P'000	Closing balance as at Period end P'000
31 March 2026				
Deductible temporary differences				
Deferred revenue	(4,974)	156	–	(4,818)
Contract liabilities	(1,271)	384	–	(887)
Expected credit losses (ECL)	(23,073)	(4,339)	–	(27,412)
Leases	(5,510)	(303)	–	(5,813)
Unutilised tax losses	(23,823)	23,823	–	–
Unrealised foreign exchange loss / (gain)	(662)	101	–	(561)
Taxable temporary differences				
Indefeasible right of use (IRU)	53,805	(5,363)	–	48,442
Contract assets	2,620	(311)	–	2,309
Prepayments	11,925	(4,549)	–	7,376
Property, plant and equipment	82,291	14,138	–	96,429
	91,328	**23,737**	**–**	**115,065**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

	Net balance as at 01 April 2024 P'000	Recognised in profit or loss P'000	Recognised in equity P'000	Closing balance as at Period end P'000
23.2 Deferred Taxation				
31 March 2025 – Restated*				
Deductible temporary differences				
Deferred revenue	(7,053)	2,079	–	(4,974)
Contract liabilities	(3,192)	1,921	–	(1,271)
Expected credit losses (ECL)	(19,480)	(3,593)	–	(23,073)
Leases	(5,234)	(276)	–	(5,510)
Unutilised tax losses	(67,120)	43,297	–	(23,823)
Unrealised foreign exchange loss / (gain)	(253)	(409)	–	(662)
Taxable temporary differences				
Indefeasible right of use (IRU)	59,358	(5,553)	–	53,805
Contract assets	2,470	150	–	2,620
Prepayments	6,935	4,990	–	11,925
Property, plant and equipment	65,539	16,752	–	82,291
	31,970	**59,358**	**–**	**91,328**

The Company has no tax losses (March 2025: P108 million), emanating from normal business operations and the losses were fully recognised for deferred tax purposes based on the recoverability assessment performed. Tax losses of any financial year can be carried forward for the next 5 years.

There are no un-recognised deferred tax assets and liabilities as at current or previous reporting date.

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

23. TAXATION (continued)

23.2 Deferred Taxation (continued)

Below is the analysis of the tax losses (P'000)

	2022	2023	2024	2025	2026
Loss brought forward	306,961	412,148	516,223	305,089	108,287
Loss for the year	105,187	104,075	–	–	–
Cumulative loss brought forward from prior years	**412,148**	**516,223**	**516,223**	**305,089**	**108,287**
Loss brought forward	–	516,223	516,223	305,089	108,287
Loss for the year	412,148	–	–	–	–
Utilised	–	–	(211,134)	(196,802)	(108,287)
Time expired	–	–	–	–	–
Loss carried forward	**412,148**	**516,223**	**305,089**	**108,287**	**–**

	March 2026 P'000	March 2025 P'000
24. CAPITAL COMMITMENTS		
Contracted but not paid	11,659	24,865
Authorised but not contracted	344,125	319,311
Total capital commitments	**355,784**	**344,176**

These commitments will be financed by development grants and internally generated funds.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

25. RELATED PARTY TRANSACTIONS

Relationships

Shareholder with 54.16% ownership	Government of Botswana	
Members of the Board of Directors	Refer to General information page 96	
Members of Key Management	Jürgen Peschel	Appointed 01 July 2025
	Boitumelo Paya	Acting Chief Executive Officer to 30 June 2025
	Sidney Mganga	
	Aldrin Sivako	Mutual separation on 30 September 2025
	Abel Bogatsu	Contract ended on 31 October 2025
	Peter Olyn	Mutual separation 10 September 2025
	Lebudi Kgetse	Contract ended on 30 September 2025
	Same Kgosiemang	Contract ended on 31 August 2025
	Boitumelo Masoko	Resigned 30 June 2025
	Matlhogonolo Maje	Acting Chief Marketing Officer to 15 September 2025
	Nelson Disang	Mutual separation on 30 September 2025
	Charles Modisenyane	Retired on 30 November 2025
	Abel McErick	Appointed 10 November 2025
	Sipho Ntebang	Appointed 03 November 2025
	Luka Disho	Appointed 01 May 2025
	Sefalana Mophuting	Appointed 27 October 2025
	Mike Siachitema	Appointed 15 September 2025

Directors, Management and employees shareholdings

The Company has employees who hold shares that were purchased on the open market. As at 31 March 2026 no shares were held by members of the Board of Directors (March 2025: 200 000) while 223 942 (March 2025: 631 201) shares were held by members of key management.

Trading transactions

The following related party transactions were based on agreed prices as per signed contracts:

	Billing		Balance due	
	March 2026 P'000	March 2025 P'000	March 2026 P'000	March 2025 P'000
Sales and outstanding balances due from related parties				
The Government of the Republic of Botswana	635,965	610,528	238,497	225,563
Parastatals	108,347	107,870	23,084	19,801
	744,312	**718,398**	**261,581**	**245,364**
Purchases and outstanding balances due to related parties				
Parastatals	215,149	256,810	6,795	11,850

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

25. RELATED PARTY TRANSACTIONS (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are the rendering or receiving of services between a party related to the Company. In general BTC uses a cost plus a variable margin in the pricing model applied. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 March 2026, the Company recognised provision for expected credit losses of P35 345 160 relating to amounts owed by related parties (2025: P16 507 665).

BoFiNet (Botswana Fibre Network)

BoFiNet is a wholesale provider of national and international telecommunication infrastructure and offered BTC an IRU worth P340 million for 10 years up to 2024. The P340 million was fully paid.

In the 2019 financial year, BTC entered into a second 15 year IRU agreement with BoFiNet for P555 million. A discount of P98 million was obtained and payment terms agreed for the P457 million up to 2029. Unlike the first IRU, this particular agreement gives BTC unlimited capacity up to an aggregate of 300Gbps.

25.1 IRU liability

A financial liability equivalent to the fair value of the discounted future payments to 2029 was recognised under the second agreement and will be written off over the term of the agreement with payments made as per agreed payment plan. Interest expense is to be recognised in the profit and loss over period.

As the first agreement was fully paid for, no liability was recognised.

	March 2026 P'000	March 2025 P'000
At beginning of the year	61,112	74,077
Repayments during the period	(17,400)	(17,400)
Accretion of interest	3,566	4,435
As at end of the period	**47,278**	**61,112**
Comprising:		
Current liabilities	14,760	13,834
Non-current liabilities	32,518	47,278
	47,278	**61,112**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

25. RELATED PARTY TRANSACTIONS (continued)

25.2 IRU Asset

The second agreement was negotiated as an extension and replacement of certain rights under the first agreement. The Company evaluated that the second IRU replaced the first agreement and accordingly a single asset was recognised comprising the fair value of the liability recognised and the remaining un-amortised cost emanating from the first agreement.

	March 2026 P'000	March 2025 P'000
At beginning of the year	305,678	343,887
Amortisation during the year	(38,209)	(38,209)
At end of the year	**267,469**	**305,678**

BoFiNet provide services to licensed telco operators both Nationally and Internationally. Botswana Government has acquired stakes in the EASSy and WACS submarine cables, which are managed by BoFiNet.

Compensation of key management personnel		
Compensation	28,642	27,162
	28,642	**27,162**

The remuneration for key management staff is determined by the Human Resource Remuneration and Nominations Committee. The non-executive members of the Board do not receive pension entitlement from the Company .

Directors' Interests

Emoluments per director (in Pula) (March 2026)

Director	Fees	Remuneration	Bonus	Fringe and other benefits	Total
Jürgen Peshel (Chief Executive Officer)	–	2,549,706	–	27,724	2,577,430
Boitumelo Paya (Chief Executive Officer - Acting)	–	4,009,400	460,000	21,747	4,491,147
Mokgethi Frederick Magapa	92,700	–	–	–	92,700
Ranjith Priyalal De Silva	82,000	–	–	–	82,000
Bafana Molomo	82,000	–	–	–	82,000
Thato Kewakae	312,500	–	–	–	312,500
Mcedisi Roger Solomon	195,000	–	–	–	195,000
Amantle Kgosiemang	253,500	–	–	–	253,500
Itemogeng Basadi Pheto	229,000	–	–	–	229,000
Kgotso Bannalotlhe	160,500	–	–	–	160,500
Total emoluments paid	**1,407,200**	**6,559,106**	**460,000**	**49,471**	**8,475,777**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

25. RELATED PARTY TRANSACTIONS (continued)

Directors' Interests

Emoluments per director (in Pula) (March 2025)

Director	Fees	Remuneration	Bonus	Fringe and other benefits	Total
Anthony Masunga (Managing Director)	–	4,575,728	650,000	42,975	5,268,703
Boitumelo Paya (Chief Executive Officer - Acting)	–	2,446,732	220,000	30,510	2,697,242
Mokgethi Frederick Magapa	431,500	–	–	–	431,500
Andrew Reginald Johnson	125,000	–	–	–	125,000
Ranjith Priyalal De Silva	271,500	–	–	–	271,500
Bafana Molomo	325,500	–	–	–	325,500
Thato Kewakae	423,500	–	–	–	423,500
Mcedisi Roger Solomon	286,000	–	–	–	286,000
Amantle Kgosiemang	273,000	–	–	–	273,000
Itemogeng Basadi Pheto	279,500	–	–	–	279,500
Total emoluments paid	**2,415,500**	**7,022,460**	**870,000**	**73,485**	**10,381,445**

26. FINANCIAL RISK MANAGEMENT

26.1 Financial risk management objectives and policies

The Company's principal financial liabilities are trade payables, IRU liability and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Exposure to currency, liquidity, interest rate and credit risk arises in the normal course of the Company's business.

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FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.2 Currency risk

The Company undertakes certain transactions denominated in foreign currencies with international operators and other foreign suppliers. Hence, exposure to exchange rate fluctuations arise. The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows (the analysis below gives a combined impact of assets and liabilities):

	EUR P'000	USD P'000	GBP P'000	ZAR P'000	Total P'000
March 2026					
Closing exchange rate	0.0608	0.0705	19.4074	1.1700	
Trade Payables	27,542	49,320	59	965	77,886
Interconnection balances	198	1,620	–	–	1,818
Accruals and other payables	153,086	13,200	–	1,062	167,348
Total Liabilities	**180,826**	**64,140**	**59**	**2,027**	**247,052**
Interconnect balances	437	4,797	–	–	5,234
Cash and cash equivalents	1,183	372	–	149	1,704
Total assets	**1,620**	**5,169**	**–**	**149**	**6,938**
Net liability	**179,206**	**58,971**	**59**	**1,878**	**240,114**
March 2025					
Closing exchange rate	0.0655	0.0708	18.4034	1.2901	
Trade Payables	40,509	8,500	–	5,235	54,244
Interconnection balances	233	703	–	–	936
Accruals and other payables	4,257	7,324	–	169	11,750
Total Liabilities	**44,999**	**16,527**	**–**	**5,404**	**66,930**
Interconnect balances	37	541	–	–	578
Cash and cash equivalents	158	935	–	237	1,330
Total assets	**195**	**1,476**	**–**	**237**	**1,908**
Net liability	**44,804**	**15,051**	**–**	**5,167**	**65,022**

The Company's currency risk exposure emanates from liabilities that were yet to be settled as at year end and mainly cash holdings denominated in foreign currencies.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.3 Foreign Currency sensitivity analysis

The Company is mainly exposed to the currencies of South Africa (Rand), the United States (US Dollar) and the European Union (Euro).

The following table details the Company's sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit.

The analysis below gives a combined impact of assets and liabilities.

Pre Tax Profit/(Loss)

	March 2026 P'000	March 2025 P'000
10% decrease		
Euro	(17,921)	(4,480)
United States Dollar	(5,897)	(1,505)
British Pound	(6)	—
Rand	(188)	(517)
Net Effect	**(24,012)**	**(6,502)**
10% increase		
Euro	17,921	4,480
United States Dollar	5,897	1,505
British Pound	6	—
Rand	188	517
Net Effect	**24,012**	**6,502**

26.4 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.

Trade receivables and contract assets

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables and contract assets as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables and contract assets have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due.

In determining the level of likely credit losses on write-off of trade receivables and contract assets, the Company has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators may have on future collection and default rates.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.4 Credit Risk (continued)

Trade receivables and contract assets (continued)

At 31 March 2026, the ECL provision for trade receivables was P88 214 000 (Mar 2025: P73 271 000) - Note 15 Trade receivables are considered irrecoverable where;

- no alternative payment arrangements have been made, or if made, are not being adhered to by the customer;
- alternative collection efforts (mainly through external debt collection agencies) have failed and;
- the amounts in question are disputed.

ECL provision on contract assets was P24 492 000 (March 2025: P21 321 000) - Note 16.

Cash & cash equivalents and short term investments

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. The credit risk on liquid funds is low because the counterparties are commercial banks and fund managers with high credit ratings assigned by international credit-rating agencies.

There is no history of default on banks and financial institutions therefore no expected credit loss. (Mar 2025: Nil).

Significant concentrations of credit risk

The Company has identified the below significant credit risk exposure as single counterparties or groups of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities and this includes sectors such as Corporate clients, Government clients, etc. The credit risk related to these counterparties or groups of counterparties is however limited since the counterparties are Government agencies or businesses possessing an implied high credit rating.

Below is the significant concentration of credit risk per counterparty:
Government agencies: P238 497 000 (2025: P245 364 000)
Short term deposits with financial institutions: nil (2025:P172 534 000)
Short term investments: P28 293 000(2025: P56 411 000)

The carrying amount of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk. The Company holds no collateral with which to secure its financial assets.

	March 2026 P'000	March 2025 P'000
Financial assets and other credit exposures (Not rated)		
Perfomance bond	16,650	16,650
Trade debtors including those from related parties	440,874	410,119
Contract assets	121,167	93,132
Short term investments	28,293	56,411
Short term deposits	—	172,534
Cash and bank	243,912	269,826
	850,896	**1,018,672**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.5 Financial instruments designated at fair value through profit and loss

At the reporting date the Company held no financial instruments designated at fair value through profit and loss (FVTPL).

26.6 Financial assets held or pledged as collateral

At the reporting date the Company held $60,000 (March 2025: $60 000) received from a counterparty as security for potential bad debts. The Company had not pledged any of its financial assets as collateral.

26.7 Interest income by financial instrument

	Financial assets at amortised cost P'000
March 2026	
Interest income	70,030
Interest income	**70,030**
March 2025	
Interest income	60,422
Interest income	**60,422**

26.8 Liquidity and interest risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity of its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	1 - 5 years P'000	5+ years P'000	Total P'000	Carrying amount P'000
Financial Liabilities 2026							
Trade and other payables	—	579,065	—	—	—	579,065	579,065
IRU liability	1,450	2,900	13,050	34,800	—	52,200	47,278
Lease liabilities	2,631	7,849	20,584	105,354	56,500	192,918	156,052
	4,081	**589,814**	**33,634**	**140,154**	**56,500**	**824,183**	**782,395**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.8 Liquidity and interest risk management (continued)

	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	1 - 5 years P'000	5+ years P'000	Total P'000	Carrying amount P'000
Financial Liabilities 2025							
Trade and other payables	—	355,028	—	—	—	355,028	355,028
IRU liability	1,450	2,900	13,050	52,200	—	69,600	61,112
Lease liabilities	2,534	7,514	18,989	100,727	75,578	205,342	161,982
	3,984	**365,442**	**32,039**	**152,927**	**75,578**	**629,970**	**578,122**

The Company maintains an overdraft facility with Standard Chartered Bank Botswana Limited. At 31 March 2026, the Company had cash and cash equivalents of P243 million (2025: P442 million).

26.9 Interest rate sensitivity analysis

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relate to the fixed deposits and call deposits with financial institutions.

To manage interest rate risk, the Company enters into fixed deposits with financial institutions, in which the Company accrues interest at specified intervals.

The table below has been determined based on the exposure of financial instruments to interest rates at the reporting date. For variable rate assets, the analysis is prepared assuming the amount of the assets held at the reporting date was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the If the market interest rates had been 1% higher/lower and all other variables were held constant, the change in the Company's profit and equity reserves would be as shown in the table below:

		Increase/(decease) in in pre tax profit/(loss) for the year
2026		
Interest rate risk		
Change in interest rate	+1%	2,889
	-1%	(2,889)
2025		
Interest rate risk		
Change in interest rate	+1%	5,154
	-1%	(5,154)

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.10 Fair values

Set out below is a comparison, by class, of the carrying amount and fair values of the Company's financial instruments:

Financial assets	Carrying amount P'000	Fair value P'000
March 2026		
Performance bond	16,650	16,650
Trade and other receivables	340,768	340,768
Short term investments	28,293	28,293
Cash and cash equivalents	243,912	243,912
	629,623	**629,623**
Financial liabilities		
Trade and other payables	579,065	579,065
IRU liability	47,278	47,278
Lease liabilities	156,052	156,052
	782,395	**782,395**
March 2025		
Performance bond	16,650	16,650
Trade and other receivables	326,561	326,561
Short term investments	56,411	56,411
Cash and cash equivalents	442,360	442,360
	841,982	**841,982**
Financial liabilities		
Trade and other payables	355,028	355,028
IRU liability	61,112	61,112
Lease liabilities	161,982	161,982
	578,122	**578,122**

Management assesed that the fair value of cash and cash equivalents and short term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

26. FINANCIAL RISK MANAGEMENT (continued)

26.11 Categories of Financial Assets and Liabilities

The table below summarises categories of financial assets and financial liabilities held by the Company.

Financial assets	Financial assets at amortised cost P'000	Financial liabilities measured at amortised cost P'000	Total P'000
2026			
Performance Bond	16,650	–	16,650
Trade and other receivables	340,768	–	340,768
Short term investments	28,293	–	28,293
Cash and cash equivalents	243,912	–	243,912
Total financial assets	**629,623**	**–**	**629,623**
Financial liabilities			
Trade and other payables	–	579,065	579,065
IRU liability	–	47,278	47,278
Lease liabilities	–	156,052	156,052
Total financial liabilities	**–**	**782,395**	**782,395**
Financial assets			
2025			
Performance Bond	16,650	–	16,650
Trade and other receivables	326,561	–	326,561
Short term investments	56,411	–	56,411
Cash and cash equivalents	442,360	–	442,360
Total financial assets	**841,982**	**–**	**841,982**
Financial liabilities			
Trade and other payables	–	355,028	355,028
IRU liability	–	61,112	61,112
Lease liabilities	–	161,982	161,982
Total financial liabilities	**–**	**578,122**	**578,122**

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

27. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure continuity as a going concern for the Company while at the same time maximising the shareholders' return through the optimisation of the debt and equity balances. The Company has access to financing facilities, the total unused portion amounting to P30 million (2025: P30 million) at the reporting date. The Company expects to meet its other obligations from operating cash flows and the proceeds of maturing financial assets.

The capital structure of the Company consists of net debt and equity. Net debt comprises of trade and other payables, contract liabilities, lease liabilities and IRU liability after deducting cash and cash equivalents. Equity comprise of share capital, reserves and retained earnings.

	Notes	March 2026 P'000	March 2025 P'000
Debt			
Trade and other payables	21	600,964	383,007
Employee related provisions	22	19,686	37,446
Lease liabilities	13.2	156,052	161,982
IRU liability	25.1	47,278	61,112
Total debt		**823,980**	**643,547**
Short term investments	17.1	28,293	56,411
Cash and cash equivalents	17.2	243,912	442,360
Net (assets) / liabilities		**551,775**	**144,776**
Equity			
Stated Capital	19	478,892	478,892
Accumulated profits*		1,487,021	1,541,470
Total equity		**1,965,913**	**2,020,362**
Total Capital		**2,517,688**	**2,165,138**
Gearing ratio		22%	7%

Total capital is derived by adding total equity and net debt.

* Details relating to the restatement due to a change in accounting policy are disclosed in note 29.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

28. SEGMENT REPORTING

In 2016, BTC refreshed its fixed, mobile and fixed mobile convergence strategy in order to bring synergy in its business operations. Both identifiable fixed and mobile business units were brought together to share resources including human capital. Therefore operating expenses, assets, liabilities are reported on an overall basis for the Company given the integrated nature of the Company's business. Management tracks revenue streams on the basis as outlined in note 1.

All operations take place in Botswana. There are therefore no identifiable geographical segments.

29. RESTATEMENT DUE TO CHANGE IN ACCOUNTING POLICY

Change in accounting policy in carrying of land and building from revaluation to the cost model.
Previously the Company carried land and buildings at a revalued amount which is the revalued amount on the date of the revaluation less any subsequent accumulated depreciation less any subsequent accumulated impairment losses. All property, plant and equipment are now stated at historical cost less accumulated depreciation and subsequent impairment loss, where applicable. The change has been effected by restating each affected financial statement line item for prior periods as if land and buildings have always been carried under the cost model.

The reason for the change is that, for impairment assessment under IAS 36, all assets of the company are evaluated as one cash generating unit and the value-in-use is determined on the assumption that the whole business is one cash generating unit. The cost model provides a more stable and predictable measure of asset value aligning better with long term usage. Moving to the cost model stabilises the accounting treatment, avoids accounting mismatches, and enhances the accuracy with which all non-financial assets are assessed for impairment as one cash generating unit.

The impact of the restatement is set out below;

	As previously reported	Cumulative movements to March 2025			Restated
	P'000	Opening	Current year	Total	P'000
As at 31 March 2025					
Property, plant and equipment	1,638,484	(501,254)	14,835	(486,419)	1,152,065
Asset held for sale	14,742	—	(5,314)	(5,314)	9,428
Accumulated profits	1,539,358	3,506	(1,394)	2,112	1,541,470
Before depreciation transfer net of deferred tax	1,539,358	3,506	4,515	8,021	1,547,379
Depreciation transfer net of deferred tax*	—	—	(5,909)	(5,909)	(5,909)
Revaluation reserve	385,663	(393,713)	8,050	(385,663)	—
Deferred tax liability	199,510	(111,047)	2,865	(108,182)	91,328

* In the prior year, a P5 909 000 depreciation transfer net of tax was adjusted from the revaluation reserve to accumulated profits.

The transaction cannot therefore be adjusted through the income statement section as it occurred in the other comprehensive income section.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2026

29. RESTATEMENT DUE TO CHANGE IN ACCOUNTING POLICY (continued)

Change in accounting policy in carrying of land and building from revaluation to the cost model. (continued)

	As previously reported P'000	Adjustments P'000	Restated P'000
As at 31 March 2024			
Property, plant and equipment	1,506,783	(501,254)	1,005,529
Accumulated profits	1,614,745	3,506	1,618,251
Revaluation reserve	393,713	(393,713)	—
Deferred tax liability	143,017	(111,047)	31,970
Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2025			
Cost of services and goods sold	603,005	(7,576)	595,429
Gross profit	889,755	7,5768	97,331
Profit before tax	259,029	7,576	266,605
Income tax expense	(56,825)	(3,061)	(59,886)
Profit for the year	202,204	4,515	206,719
Extract from the statements of cash flows for the year ended 31 March			
Profit before tax	259,029	7,576	266,605
Adjustment for non cash movements:			
Depreciation of property, plant and equipment	141,478	(7,576)	133,902

30. CONTINGENT LIABILITIES

BTC had contingent liabilities at 31 March 2026 of P9 628 452 (March 2025: P7 716 352) in respect of employment related litigation, including claims for alleged unfair and unlawful dismissal cases. BTC has disclaimed liability and is defending all actions. It is impractical to estimate the potential financial effect of these claims but legal advice indicates that it is not probable that a significant liability will arise. All matters are currently before the courts of law and BTC considers it probable that judgments in some of the matters would be in its favour.

The Company is also subject to telecommunications regulations and has complied with all regulations. There are no contingencies associated with the Company's compliance or lack of compliance with such regulations.

31. EVENTS AFTER THE REPORTING PERIOD

Dividends

On 23 June 2026, the Directors declared that a dividend of 1.12 thebe be paid for the financial year ended 31 March 2026.

There are no events, facts or circumstances of a material nature that have occurred subsequent to the reporting date which necessitate an adjustment to the disclosure in these annual financial statements or the notes thereto.

btc

INTEGRATED REPORT **2026**

OUR GOVERNANCE

6

Board of Directors

METRIC	RESULT
Total	5
Male	4 (80%)
Female	1 (20%)
Average Age	51 years

Board Profiles

Mr. Thato Kewakae
Board Chairperson-Interim
Independent Non-Executive Director

Date of Appointment: September 2021
Nationality: Motswana

Mr. Kewakae is a well-rounded business professional and executive with a business and ICT background that is supplemented by working experience from across various industries. He is experienced in leading growth in private sector business, in consultancy and providing support services for both the public and the private sectors. Mr. Kewakae has served as Managing Director at Cabling for Africa Botswana for six years.

He previously worked as Information Systems Manager at the Botswana Institute for Development Policy Analysis (BIDPA) and as Manager: Special Projects and Chief Information Officer of Botswana Post and left the company as their Chief Operations Officer. Mr. Kewakae used to serve as a non-Executive member of the BHC Board and was a member of their FARC and HRC Committees.

Presently he is responsible for leading a team that is driving digital transformation projects at one of our local diamond mining companies. He holds a Master of Business Administration degree from the University of Botswana and a Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India. He has also successfully completed the Executive Development Programme at the University of Stellenbosch in Cape Town and a Project Management Course at Wits University.

Ms. Itemogeng Basadi Pheto
Independent Non-Executive Director

Date of Appointment: January 2024
Nationality: Motswana

Ms. Itemogeng Basadi Pheto is currently Chief Human Capital Officer , Sky Bridge Logistics with over 20 years work experience from a spectrum of industries including Mining, Construction, in parastatals and hospitality industries. Basadi has over 10 years working at an Executive level operating as a Human Resources Manager. She possesses a Business Administration with Honours from the University of the Western Cape and a Bachelor of Arts from University of Port Elizabeth. Her experience ranges from core HR functions such as resourcing, performance management, Learning and Development, employee wellness, payroll, HR systems, with a strong focus on employee relations. She has also had experience of leading corporate and social responsibility projects.

Basadi has worked in unionised environments where she has had the opportunity to facilitate Union and Management relations. She has been involved in the review of Policies and Procedures including the drawing up of collective agreements. Pheto is passionate about, employee engagement, employee capacity building and employee welfare issues. She is currently the Manager Human Resources for Komatsu Botswana.

Board Profiles [cont]

Mr. Mcedisi Rodger Solomon
Independent Non-Executive Director

Date of Appointment: January 2024
Nationality: Motswana

Mr. Mcedisi Roger Solomon is a seasoned leader with a wealth of experience and skill in the financial services sector, health management sector, Administration and Management. He believes in a balance of both character and skill. As a qualified teacher and business practitioner, Mr. Solomon holds a Masters in Business Administration from Herriot Watt University in Edinburgh, Diploma in Education from University of Botswana, Masters of Arts in Political Leadership and Government from School Of Government MIT University in Pune India. Mr. Solomon is certified in AML, Corporate Governance, Enterprise Risk Management, Insurance, and leadership development programmes.

As a Trade Union leader, Mr. Solomon has served in the National Executive of Botswana Teachers Union for six years. He completed a successful term Union as the Union's National Treasurer. Mr. Solomon served in different boards and management positions from 2008 to date. He served as a member of the Botswana Public Officers' Medical Aid Scheme Management Committee, National Economic Diversification Council, Getbucks, More Power Investments, Chartered Insurance Brokers, and Pecuniary Services. He was the founding Managing Director for More Power Investments, Chartered Insurance Brokers, and Percuniary Services. He is currently the Group Managing Director of More Power Investments - a company wholly owned by Botswana Teachers Union.

Mr Kgotso Bannalotlhe
Independent Non-Executive Director

Date of Appointment: September 2025
Nationality: Motswana

Kgotso Bannalotlhe is a seasoned financial services executive with over two decades of leadership experience across banking and financial markets in Botswana and the wider African region. He currently serves as Regional Chief Executive for Botswana, Lesotho, and eSwatini at Letshego Holdings, while also leading Letshego Financial Services Botswana.

Previously, he was CEO of Access Bank Botswana, where he successfully integrated the BancABC acquisition, expanded the branch network, and positioned the bank for growth. He has also held senior roles at Barclays Bank Botswana as Head of Corporate and Investment Banking, and at Standard Chartered Bank in Botswana and Tanzania, where he drove strong revenue growth and market leadership.

He holds a BCom in Finance from the University of Melbourne and an Executive Master's in Positive Leadership and Strategy from IE University. Kgotso is a values-driven leader focused on impact, transformations, and delivering sustainable business growth in competitive environments

Board Profiles [Cont]

Mr. Jürgen Peschel
Chief Executive Officer

Date of Appointment: July 2025
Nationality: German

Mr. Jürgen Peschel is a seasoned Chief Executive Officer (CEO) in the telecommunications space whose career spans over three decades of progressive leadership in cutting edge telecommunications, Information and Technology (IT), digitisation and fintech across Europe, North America and emerging markets including Africa. He has led both group as well as local operator functions providing strong transformative leadership to develop telecommunications providers into the digital era and driving innovation in products and services to grow revenues for sustainable profitable growth. He is known for his in-depth expertise in emerging technologies to spearhead innovation, driving digitisation and focusing on quality of service and business excellence to deliver exceptional customer experience.

Mr. Peschel's leadership encompasses both mobile, fixed and enterprise businesses and he has been instrumental in launching and scaling pioneering solutions, most notably, playing a key role in the rollout of MPesa, the world's leading mobile payment platform.

He has served as Director of a major Nigerian payment service bank and held senior executive positions at tier-1 operators including Deutsche Telekom and Vodafone across major developed markets. For more than ten years, he has led operations in emerging markets at Digicel and Vodafone in the Caribbean and Africa, and his most recent job was CEO & Managing Director of 9mobile (formerly Etisalat) in Nigeria.

Mr. Peschel holds a Master of Science in Computer Science from the University of Ulm, Germany, and delivered his thesis in Artificial Intelligence at the University of Manitoba, Canada. He also earned a degree in Business Administration from the Université de Saint-Boniface, Canada, and has completed the Management Development Programme at IMD, Switzerland.

THE PEOPLE BEHIND BTC'S LEADERSHIP

At BTC, leadership is not defined by position alone, but by the ability to create impact, inspire people, and shape the future of Botswana's digital economy. Across the Executive Committee each leader brings a unique perspective, yet they are united by a common purpose: building an organisation that goes beyond connectivity.

The Chief Digital Solutions Officer, Dr Abel McErick sees leadership as the art of engineering change. A curious strategist and innovator at heart, he is driven by solving complex problems and redefining what is possible in fintech, enterprise solutions, and digital transformation. Inspired by the precision and discipline of Formula 1, he believes true leadership lies in creating the conditions for others to exceed expectations and building solutions that transform lives.

For Chief Finance Officer, Boitumelo Paya, leadership is rooted in sustainable growth and long-term value creation. Guided by integrity, accountability, and excellence, she views finance as more than numbers; it is a strategic force that enables transformation, strengthens resilience, and positions BTC for the future. Her vision is to leave behind an organisation built on strong governance, financial discipline, and empowered leadership.

Chief Consumer Sales Officer, Sipho Ntebang, believes leadership is about unlocking belief in people. Passionate about consumer growth and high-performing teams, he focuses on building trust, empowering others, and turning strategy into meaningful market impact. Beyond the workplace, his dedication to mentorship and youth development reflects his belief that leadership should leave people stronger and more capable than before.

For Chief Enterprise Sales Officer, Sefalana Mophuting, leadership is deeply connected to people, progress, and transformation. She is driven by helping businesses grow, mentoring teams, and creating customer-focused solutions that contribute to economic development. She believes meaningful impact comes from building partnerships, driving accountability, and creating value that extends far beyond connectivity.

Company Secretary, Sidney Mganga, approaches leadership through the lens of trust, governance, and responsibility. He believes leadership is about balancing commercial ambition with integrity and ensuring organisations grow sustainably and responsibly. His focus is on building strong institutions, enabling sound decisions, and fostering a culture where accountability and innovation coexist.

Chief Marketing Officer, Mike Siachitema, sees himself as a builder of brands, businesses, and commercial growth engines. Energised by the intersection of strategy, customer behaviour, and execution, he views BTC's transformation from telco to techco as an opportunity to create real change in people's lives. For him, leadership is about creating environments where talented people can thrive and succeed together.

Chief Human Capital Officer, Luka Disho, believes leadership begins with people. A transformational leader focused on culture and organisational growth; he is passionate about shaping meaningful employee experiences and developing future-ready leaders. Guided by empathy, accountability, and courage, he sees the true power of leadership in aligning people, structure, and culture to drive sustainable impact.

At the centre of this collective vision is Chief Executive Officer, Jürgen Peshel, whose leadership philosophy is grounded in execution, accountability, and sustainable growth. Having led businesses through uncertainty and transformation, he believes strong leadership is about creating organisations that remain meaningful to both the economy and society.

In reflecting on the collective leadership philosophy of BTC's Executive Committee, he summarises it simply:

"Leadership is not about authority; it is about accountability."

Executive Committee

METRIC	RESULT
Total Executive	8
Male Executives	6 (75%)
Female Executives	2 (25%)
Average Age	47 years

Executive Management Committee Profiles

MR JÜRGEN PESCHEL
Chief Executive Officer

- **Role:** Chief Executive Officer
- **Date Joined:** July 2025
- **Years of Experience:** 30+
- **Qualifications;**
  - *Masters in Computer Science*
- **Industries Worked**
  - *Telecommunications since 1995*
  - *Fintech since 2007*

Quote

"Behind every successful strategy is alignment, discipline, and the courage to make difficult decisions."

BOITUMELO PAYA
Chief Financial Officer

- **Role:** Chief Finance Officer
- **Date joined:** April 2020
- **Years of Experience:** 25+
- **Qualifications**
  - *Association of Certified Chartered Accountants (ACCA) UK*
  - *Master of Business Administration (MBA) University of Derby (UK).*
- **Industries worked**
  - *Telecommunications*
  - *Brewing and Beverage Manufacturing (FMCG)*
  - *Global Consumer Goods / Multinational Corporate Finance*
  - *Education and International Development*
  - *Financial Services and Lending*
  - *Professional Services / Audit and Assurance*

Quote

"Sustainable growth is built on disciplined leadership, sound governance, and long-term value creation."

MIKE SIACHITEMA
Chief Marketing Officer

- **Role:** Chief Marketing Officer
- **Date Joined:** September 2025
- **Years of Experience:** 14+
- **Qualifications**
  - *Master of Business Administration candidate, University of Cape Town*
  - *Bachelor of Business Administration, Copperbelt University*
  - *Industries Worked*
  - *Telecommunications*
  - *Financial Services*

Quote

"Transformation succeeds when strategy, creativity, and people come together with purpose."

LUKA DISHO
Chief Human Capital Officer

- **Role:** Chief Human Capital Officer
- **Date Joined:** May 2025
- **Years of Experience:** 20+
- **Qualifications**
  - *MBA (General): University of Botswana*
  - *MBA (Management Consulting): University of Stellenbosch Business School*
  - *Honours Degree in Business Management: University of Stellenbosch*
  - *Bachelor of Business Administration: University of Botswana;*
  - *Professional Member: Institute of People Management (IPM); Human Resources Business Strategy Professional (HRSBP).*
- **Industries Worked**
  - *Telecommunications*
  - *Financial Services*
  - *Public Sector*

Quote

"An organisation's greatest strength will always be its people and culture."

Executive Management Committee Profiles [Cont]

SEFALANA MOPHUTING
Chief Enterprise Sales Officer

- **Role:** Chief Enterprise Sales Officer
- **Date Joined;** October 2025
- **Years of Experience:** 20+
- **Qualifications**
  - *Master of Science (MSc) in Strategic Management – University of Derby, UK*
  - *Bachelor of Social Sciences – University of Botswana*
  - *Associate Diploma in Marketing – Damelin*
- **Industries Worked**
  - *Telecommunications, ICT*
  - *Consulting & Market Research*

Quote

"Real progress happens when businesses, people, and partnerships grow together."

SIPHO NTEBANG
Chief Consumer Sales Officer

- **Role:** Chief Consumer Sales Officer
- **Date of appointment:** November 2025
- **Years of experience:** 20+
- **Qualifications:** BSc. Honours in Economics - University of Zimbabwe, 1992.
- **Industries Worked**
  - *FMCG Retail & Wholesale chains;*
  - *Manufacturing & distribution.*
  - *Transport and Logistics*
  - *Telecommunications Industry*

Quote

"Great leadership unlocks confidence in people and inspires them to achieve more than they thought possible."

DR. ABEL J. MCERICK
Chief Digital Solutions Officer

- **Role:** Chief Digital Solutions Officer
- **Date Joined:** November 2025
- **Years of Experience:** 17 years
- **Qualifications:**
  - *Doctor of Business Administration.*
  - *Master of Research in Business Administration*
  - *B.Sc. Computer Systems Engineering,*
- **Industries Worked:**
  - *Banking and Financial Services*
  - *Telecommunications*
  - *Software Engineering*

Quote

"Innovation begins when we challenge what is possible and engineer solutions that change lives."

SIDNEY MGANGA
Company Secretary

- **Role:** Company Secretary
- **Date Joined:** May 2018
- **Years of Experience:** 20 +
- **Qualifications**
  - *Executive Master of Business Administration (EMBA) – Sheffield Hallam University, United Kingdom*
  - *Senior Management Development Programme (SMDP)- Stellenbosch University*
  - *Chartered Company Secretary (ACIS) – Chartered Governance Institute of South Africa*
  - *Bachelor of Laws (LLB) – University of Botswana*
  - *Post Graduate Diploma in Advanced Tax and Audit – Botswana Accountancy College*
  - *Admitted Attorney, Conveyancer and Notary Public of the High Court of Botswana*
- **Industries Worked**
  - *Telecommunications*
  - *Financial Services and Banking*
  - *Pension Funds and Retirement Services*
  - *Tourism and Hospitality*
  - *Development Finance*
  - *Corporate Legal Practice*
  - *Regional Multi-Jurisdictional Corporate Governance and Regulatory Advisory*

Quote

"Trust and accountability are the foundation of every resilient institution."

The Board's Commitment to Good Governance

The Board's Commitment to Good Governance

BTC is committed to the continuous development and implementation of robust governance structures, policies, and practices that promote accountability, transparency, and sustainable value creation for its shareholders and broader stakeholders. The Board recognises that effective corporate governance is fundamental to the long-term success, resilience, and credibility of the Company, particularly within a dynamic and highly regulated telecommunications, fintech and digital services environment.

As a listed entity, BTC upholds the highest standards of business ethics, corporate governance, and integrated reporting. The Company remains compliant with the BSE and continues to apply the principles of King III, while progressing towards alignment with the King IV Code of Corporate Governance. This transition reflects BTC's commitment to outcomes-based governance, with a focus on fostering an ethical culture, achieving good performance, maintaining effective control, and enhancing legitimacy. This transition is aimed at strengthening BTC's governance framework, as it seeks to ensure that its governance within the Company remains relevant, effective, and responsive to emerging risks and opportunities.

Governance Frameworks

The Board acts as the steward of corporate governance and is responsible for ensuring that BTC's affairs are conducted in line with sound governance principles. In providing leadership, the Board sets the tone at the top by promoting ethical conduct and embedding a culture of good governance throughout the organisation. This is achieved through the approval of key policies, effective oversight of management, and ongoing monitoring of the Company's compliance with its legal, regulatory, and stakeholder obligations.

Governance at BTC is both purposeful and results oriented. The Board integrates governance with strategy, risk management, and performance oversight to ensure that the Company delivers on its purpose of building digitally connected communities. Through its direction of strategic planning, oversight of financial and operational performance, and supervision of internal control systems, the Board ensures that risks are appropriately managed and that opportunities are pursued in a structured and ethical approach.

BTC recognises its responsibility as a corporate citizen and remains committed to contributing positively to the communities in which it operates. The Company continues to support developmental initiatives and promotes sustainable practices that enhance social and economic well-being.

The Board acknowledges that adherence to sound corporate governance principles is essential to maintaining stakeholder trust and achieving the Company's strategic objectives. It further recognises that the manner in which the Company achieves its objectives is as important as the outcomes themselves.

In fulfilling its mandate, the Board is committed to advancing the core governance outcomes of an ethical culture, sustainable performance, effective control, and enhanced legitimacy. These outcomes underpin BTC's governance framework and strengthen its standing as a responsible and purpose-driven organisation.

In support of these objectives, BTC's governance framework is informed by amongst others the following key standards and frameworks:

- The King Code of Corporate Governance (King III, with a planned transition to King IV).
- The Companies Act of Botswana.
- Data Protection Act
- The Botswana Stock Exchange Equity Listings Requirements.
- International Financial Reporting Standards (IFRS); and
- The Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

Through the consistent application of these principles and frameworks, BTC remains committed to strengthening its governance practices and ensuring that it continues to operate in a transparent, accountable, and sustainable manner.

Application of the King Code of Corporate Governance

BTC remains committed to the application of sound corporate governance principles in line with recognised local and international best practice. In addition to complying with the Botswana Stock Exchange ("BSE") Code of Corporate Governance and the BSE Equity Listings Requirements, the Company has applied the principles of King III during the financial year under review and continues to make steady progress towards alignment with the King IV Code of Good Governance, with full alignment targeted by the end of the 2026 financial year.

The Board recognises that the application of these governance frameworks enhances organisational performance, strengthens accountability, and supports the delivery of sustainable value to all stakeholders. In this regard, BTC adopts a holistic approach to governance, taking into account not only the interests of shareholders, but also those of employees, customers, suppliers, regulators, and the communities in which the Company operates.

This Integrated Report has been prepared in accordance with the principles of King III, while incorporating elements of King IV's outcomes-based approach to governance. Where the Company has not fully applied certain recommended practices, the Board has exercised its judgement and provided appropriate explanations for such instances in the relevant sections of this Report.

BTC remains committed to the continuous enhancement of its governance practices and to the progressive adoption of King IV principles, with a focus on achieving the key governance outcomes of ethical culture, good performance, effective control, and legitimacy.

Understanding Independence within the Board

To support a clear understanding of the governance structures outlined in this Integrated Report, Directors are categorised as follows:

- Executive Directors: Directors who are involved in the day-to-day management of BTC and are in its full-time employment.
- Non-Executive Directors: Directors who are not involved in the daily operations of the Company and may include nominees or representatives of shareholders.
- Independent Non-Executive Directors: Directors who are independent of management and free from any relationships or interests that could materially influence their objectivity, and who are neither involved in the day-to-day management of BTC nor representatives of any shareholder.

BTC Board and Governance Structures

The governance of BTC is vested in the Board of Directors, which serves as the Company's highest decision-making body. The Board comprises the Chairperson, the Chief Executive Officer, and appointed Independent Non-Executive Directors, all appointed by shareholders in accordance with the Companies Act. BTC operates under a unitary Board structure, with a majority of its members being Non-Executive Directors. This composition, supported by a strong presence of Independent Non-Executive Directors, promotes objective decision-making and effective oversight.

The Board is constituted to ensure an appropriate balance of skills, experience, diversity, and independence, enabling it to discharge its governance responsibilities effectively. This collective capability allows the Board to provide strategic direction while maintaining robust oversight of management.

A clear separation of roles exists between the Chairperson and the Chief Executive Officer, ensuring a balanced distribution of authority and preventing the concentration of decision-making power in any single individual. This separation reinforces accountability and supports sound governance practices across the organisation.

In discharging its mandate, the Board advances and supports BTC in accelerating transformation and unlocking growth through the following principles:

- Sustainability
- Shareholder value
- Ethical leadership
- Strategic Direction
- Internal controls and assurance
- Board effectiveness
- Stakeholder Engagement
- Governance Risks and Opportunities

Appointment of Directors

The appointment of Directors is conducted through a formal and transparent process, led by the Directors' Affairs and Governance Committee. The Committee is responsible for identifying and evaluating suitably qualified candidates for consideration by the Board and subsequent recommendation to shareholders.

Director appointments remain subject to shareholder approval at the Annual General Meeting ("AGM"), underscoring the critical role shareholders play in determining the composition of the Board. Through this governance process, shareholders contribute to ensuring that the Board is appropriately constituted to provide effective oversight, uphold sound governance practices, and guide the strategic direction of the Company.

The Board's Commitment to Good Governance

Board Composition

The Board is comprised of diverse and independent Directors to provide strategic leadership, effective oversight, and accountable governance to BTC. As such, for the period under review, the Board was constituted by the following directors:

Member	Position	Date and period of Appointment	Qualifications
Mr Mokgethi F. Magapa	Director and Former Board Chairperson	Appointed November 2023 and assumed Chairmanship on 22 January 2024 Retired from the Board on 23 September 2025	Bachelor of Science from the University of Botswana, Post-Graduate Certificate in Telco Policy & Regulatory Management from the University of the Witwatersrand, Management Development Programme from the University of Stellenbosch Executive Leadership Training from NKD/DHL Training.
Mr Jürgen Peschel	Chief Executive Officer	Appointed in July 2025	Master of Science in Computer Science from the University of Ulm, Germany, and delivered his thesis in Artificial Intelligence at the University of Manitoba, Canada. Degree in Business Administration from the Université de Saint-Boniface, Canada, and has completed the Management Development Programme at IMD, Switzerland
Mr Ranjith Priyalal De Silva	Director	Appointed in May 2017 Retired on 23 September 2025	Fellow Member of the Botswana Institute of Chartered Accountants (FCA); Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA); Associate of the Chartered Institute of Management Accountants of the UK (ACMA)
Mr Bafana Molomo	Director	Appointed 27 September 2018 Retired on 23 September 2025	BCom (Economics and Finance): MBA (University of Cape Town): Post-graduate Diploma in Business (University of Pretoria's Gordon Institute of Business Science)
Mr Thato Kewakae	Director Interim Board Chairperson	Appointed 28 September 2021 and subsequently appointed interim Board Chairperson on 23 September 2025	Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India, Master of Business Administration (University of Botswana), Executive Development Program at the University of Stellenbosch in Cape Town, Project Management Course (Wits University)
Ms Amantle Kgosiemang	Director	Appointed 1 January 2024 Retired 01 April 2026	Fellow Member of Chartered Accountants of both the Association of Certified Chartered Accountants (ACCA, UK) and the Botswana Institute of Chartered Accountants (BICA)
Mr Mcedisi R. Solomon	Director	Appointed 1 January 2024	Diploma in Education from the University of Botswana, MBA from Heriot-Watt University in Edinburgh, Master of Arts in Political Leadership and Government from the School of Government, MIT University in Pune, India
Ms Itemogeng B. Pheto	Director	Appointed 1 January 2024	BA Industrial & Organisational Psychology (University of the Port Elizabeth), Admin (HONS) Industrial Psychology (University of the Western Cape), Certificate in Industrial Relations (Wits Business School)
Mr Kgotso Bannalotlhe	Director	Appointed 23 September 2025	BCom in Finance from the University of Melbourne and an Executive Master's in Positive Leadership and Strategy from IE University, Spain

Board Change	Director Names	Effective Date
Appointments	**Mr Kgotso Bannalotlhe** (Independent Non-Executive Director)	23 September 2025
	Mr Jürgen Peschel (Executive Director)	01 July 2025
Retirements	**Mr Mokgethi F. Magapa** (Board Chairperson)	23 September 2025
	Mr Bafana Molomo (Independent Non-Executive Director)	23 September 2025
	Mr Ranjith Priyal De Silva (Independent Non-Executive Directors)	01 April 2026
	Ms Amantle Kgosiemang (Independent Non-Executive Director	01 April 2026

The Chief Executive Officer is engaged on a fixed-term contract of employment with agreed and set targets which are appraised by the Board from time to time. The contract may be renewed if the Board is satisfied with his performance.

Responsibilities of the Board and the Executive Management

The Board, either directly or through its sub-committees, provides strategic direction and oversight across the key areas necessary to ensure the sustainable performance and sound governance of BTC. In discharging its responsibilities, the Board focuses on a number of core governance objectives aimed at safeguarding the Company's long-term interests and those of its stakeholders.

In this regard, the Board is responsible for setting and approving BTC's strategic direction, including the approval of corporate strategies, annual budgets, and business plans. It further exercises oversight over significant capital allocation decisions, including major capital expenditure projects, procurement of key suppliers, and other material financial proposals, ensuring that such decisions are aligned with the Company's strategic priorities and financial sustainability.

The Board also ensures the integrity and adequacy of reporting across the organisation by assessing both financial and non-financial information, including operational performance, strategic progress, and broader business developments. This enables informed decision-making and enhances transparency and accountability.

A key focus of the Board is to ensure that BTC operates within the framework of applicable laws, regulations, and internal policies. In addition, the Board oversees major corporate transactions, including acquisitions and divestments, ensuring that these are undertaken in a structured and value-driven manner.

Risk governance remains central to the Board's mandate. The Board identifies and evaluates key business risks and monitors the effectiveness of management's risk mitigation strategies. This is complemented by oversight of the Company's internal control environment, ensuring that appropriate systems are in place and operating effectively to safeguard assets and support reliable reporting.

The Board is also responsible for the appointment of senior management and for overseeing their performance. Through regular monitoring and evaluation, the Board ensures that management remains aligned with the Company's strategic objectives and governance expectations.

The Board's Commitment to Good Governance [Cont]

Executive Management is tasked with the implementation of the Board-approved strategies and plans and is accountable for the day-to-day operations of the business. The Board maintains ongoing oversight of management's performance, ensuring that execution remains disciplined, effective, and consistent with the Company's strategic and governance objectives.

Division of Responsibilities between the Board and Executive Management

There is a clear division of responsibilities between the Executive Management and the BTC Board.
The Executive Management have responsibility for the daily operations of the business and the execution of BTC's strategy, subject to the policies and positions adopted by the BTC Board.

Ethical Standards

Members of the Board and all employees are required to uphold the highest standards of ethics, integrity, and professional conduct in the execution of their duties. BTC remains committed to transparent engagement with stakeholders through the timely and appropriate disclosure of relevant information.
The Company has implemented a comprehensive Code of Ethics and Conduct, which sets out the principles, standards, and behavioural expectations applicable to all employees and Directors. The Code is intended to promote ethical leadership, accountability, and responsible conduct in all interactions with internal and external stakeholders.

Oversight of compliance with the Code of Ethics and Conduct is undertaken by the Directors' Affairs and Governance Committee, which monitors adherence to ethical standards across the organisation and supports the continued strengthening of BTC's governance framework.

Board Sub-Committees

In the course and scope of discharging their mandate, the Directors are empowered to delegate part of their duties to various Board Sub-Committees. Certain functions of the Board are facilitated through the main Sub-Committees, including the Finance and Audit Committee, the Human Resources Committee, Directors' Affairs and Governance Committee and the Technology and Investment Committee; each constituted in accordance with section 20.3.2 of the Company Constitution.
The Board operates through duly constituted Sub-Committees established to support the effective discharge of its governance and oversight responsibilities. Each Sub-Committee operates in accordance with a formal charter approved by the Board, which clearly defines its membership, scope of authority, responsibilities, and duties.
The Sub-Committees report to the Board on a regular basis and act within the mandates delegated to them by the Board.
The Sub-Committees are chaired by Independent Non-Executive Directors and comprise a majority of Independent Non-Executive Directors, thereby reinforcing objectivity, accountability, and sound corporate governance practices.

During the period under review, the Board maintained the following Sub-Committees:

- Finance and Audit Committee
- Human Resources Committee
- Technology and Investment Committee
- Directors' Affairs and Governance Committee

These Sub-Committees enable the Board to dedicate focused attention to specific areas of governance and provide detailed oversight in key functional areas of the business. Through this structure, the Board is able to enhance the effectiveness and efficiency of its decision-making and governance processes.

Notwithstanding the delegation of certain responsibilities to the Sub-Committees, the Board retains ultimate accountability for the governance, performance, and affairs of the Company. The Board continues to exercise oversight over the activities and recommendations of its Sub-Committees and reins responsible for all decisions taken in the best interests of the Company and its stakeholders.
The Board is supported by the Sub-Committees as follows:

Finance and Audit Committee

Members

- Ms Itemogeng Basadi Pheto
- Mr Kgotso Bannalotlhe (Retired 01 April 2026)
- Ms Amantle Kgosiemang (Chairperson from 23 September 2025, retired 01 April 2026)
- Mr Ranjith Priyalal De Silva (Chairperson, retired 23 September 2025)
- Mr Bafana Molomo (retired 23 September 2025)

Purpose of the Committee

The Committee operates within defined terms of reference as set out in its Charter, and the authority granted to it by the Board, and meets at least quarterly, with more meetings being held when necessary. The internal and external auditors attend these meetings and have unrestricted access to the Chairperson.

The Company's Finance and Audit Committee is composed of at least four Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. There are no relationship overlaps that could interfere with the Finance and Audit Committee members' independence from Management.

The main responsibility of the Finance and Audit Committee is to assist the Board in discharging its responsibilities under the Companies Act and ensuring compliance with other applicable legislation and requirements of regulatory authorities. In particular, it monitors financial controls, accounting systems and reporting, compliance with legal and statutory requirements, evaluation and the management of risk and internal control systems, and the effectiveness of the internal and external auditors. The Committee also evaluates BTC's exposure and response to significant risks, including risks to its sustainability.

In discharging its mandate, the Finance and Audit Committee is supported by the following:

Internal Audit

The Internal Audit function provides independent and objective assurance to the Board, through the Finance and Audit Committee, in support of effective governance, risk management, and internal control processes. Operating under a formally approved Internal Audit Charter, the function adopts a risk-based approach in developing and executing its annual audit plan, which is reviewed and approved by the Committee. Internal Audit assesses the adequacy and effectiveness of BTC's governance, risk management, and control environment, identifies control deficiencies, and monitors the implementation of corrective actions. Regular reports are submitted to Executive Management and the Finance and Audit Committee to support oversight, accountability, and continuous improvement.

The function operates in accordance with the Institute of Internal Auditors' professional standards, the King Code of Corporate Governance, and other applicable frameworks. As part of BTC's combined assurance model, Internal Audit collaborates with other assurance providers to strengthen coordinated assurance coverage across material risk areas and support the achievement of the Company's strategic objectives.

External Audit

The external auditors provide independent assurance on BTC's system of internal financial controls and express an opinion on the Annual Financial Statements, thereby enhancing the credibility and reliability of financial disclosures within established materiality thresholds. The Finance and Audit Committee reviews and approves the external audit plan to ensure that key risk areas are appropriately addressed, while safeguarding the independence of the external auditors.

As part of BTC's combined assurance approach, there is close coordination between internal and external audit functions, ensuring comprehensive coverage of all material areas and minimising duplication of effort. In accordance with the Companies Act, Deloitte & Touche was appointed by shareholders at the AGM as the external auditors for the financial year under review.

The activities of the Finance and Audit Committee are set out in the Report of the Finance and Audit Committee on page 190.

Technology and Investment Committee

Members

- Mr Mcedisi R. Solomon
- Mr Thato Kewakae (Retired 01 April 2026)
- Ms Amantle Kgosiemang (retired 01 April 2026)
- Mr Bafana Molomo (Chairperson, retired 23 September 2025)

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board, and meets at least quarterly, with more meetings being held when necessary. BTC's Technology and Investment Committee is composed of no fewer than three Non-Executive Board Members. The role of the Committee is to assist the Board to ensure that it fulfils its corporate governance and oversight responsibilities for BTC's strategy in relation to Technology and Investment opportunities.

The duties of the Committee include the following:

On Technology, to:

- Review BTC's technology planning and strategy, including the financial, tactical and strategic benefits of proposed significant technology-related projects and initiatives:
- Receive reports on existing and future trends in technology that may affect BTC's strategic plans, including monitoring overall industry trends

The Board's Commitment to Good Governance [Cont]

- Provide oversight over new innovative technology developments for future deployment within BTC
- Increase awareness of key technology changes and innovations within BTC and in the marketplace
- Review and endorse technology investments and projects including monitoring and reviewing post-implementation results of all such key technology projects
- Consider the negative impact that technology could have on the environment and provide sustainable solutions for Management's action
- Ensure that there are appropriate systems in place for the management of information assets and the performance of data functions
- Ensure that there are systems in place for private information (such as intellectual property, investment decisions and tendering processes) to be treated by BTC as an important business asset and that all personal information that is processed by BTC is identified
- Ensure that an Information Security Management System (ISMS) is developed and incorporates the following high-level information security principles:
  - Confidentiality of information
  - Integrity of information
  - Availability of information and information systems on time.

On Investment activities, to:

- Review the performance of BTC investments linked to BTC's overall investment strategy.
- Consider capital projects, acquisitions and disposal of assets in line with BTC's overall strategy.
- Consider changes in the scope of projects that exceed limits, as may be determined by the Board from time to time, in approving the tender regulations, whether once-off or collectively, of the approved project estimate.
- Approve and advise the Board on any other investment.
- Consider the viability of the capital projects and/or acquisitions and/or disposals and the effect they may have on BTC's cash flow, as well as whether they comply with BTC's overall strategy.
- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets.
- Oversee the proper value delivery of technology and ensure that the expected return on investment from significant technology investments and projects is delivered and that the information and intellectual property contained in the information systems are protected.

On Mergers and Acquisitions activities, to:

- Evaluate and review mergers and acquisitions approval policies for investment, acquisition, enterprise services, joint venture and divestiture transactions, and consider requests from Management to approve such proposed transactions.
- Evaluate the execution, financial results and integration of completed investment, acquisition, enterprise services, joint venture and divestiture transactions.
- Report to the Board, and make recommendations to the Board, as to the scope, direction, quality, investment levels and execution of investment, acquisition, enterprise services, joint venture and divestiture transactions
- Oversee and recommend strategic alliances
- Oversee loans and loan guarantees of third-party debt and obligations
- Oversee investor relations activities.

On material tender decisions, to:

- Review quarterly reports on the decisions of the Management Tender Committee
- Award tenders in line with BTC's approved procurement policy and tender regulations
- Review significant technology expenditures, including the associated budget for BTC and its business segments
- Receive reports from management, as and when appropriate, concerning the implementation of BTC's technology initiatives, including the cost compared to budget, the expected benefits and the timelines of implementation.

Human Resources Committee

Members

- Ms Itemogeng B. Pheto (Chairperson)
- Mr Mcedisi R. Solomon
- Mr Kgotso Bannalotlhe

Overview

The Committee operates within defined terms of reference as set out in its charter, and the authority granted to it by the Board, and meets at least quarterly, with more meetings being held when necessary. BTC's Human Resources Committee is composed of at least three Non-Executive Board Members.

The Committee's mandate includes:

- Review and monitor BTC's strategic human resource initiatives and their compliance with BTC's human resource policies.
- Ensuring alignment of the remuneration strategy and policy with BTC's business strategy
- Determining remuneration packages needed to attract, retain and motivate high-performing staff.
- Ensuring that remuneration relative to other comparable companies is pitched at the desired level, taking relative performance into account.

Directors' Affairs and Governance Committee

Members

- Mr Thato Kewakae (Chairperson)
- Ms Itemogeng Basadi Pheto
- Mr Kgotso Bannalotlhe
- Mr Mokgethi F. Magapa (Chairperson, retired 23 September 2025)
- Mr Ranjith Priyalal De Silva (retired 25 September 2025)
- Ms Amantle Kgosiemang (Retired 01 April 2026)

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board, and meets at least twice a year, with more meetings being held when necessary.

The Committee's mandate includes:

- Ensuring the establishment of a formal process for the appointment of Directors and make recommendations for consideration by the Board pertaining to the appointment and removal of Directors, including the Chief Executive Officer
- Maintaining objectivity and neutrality in determining the remuneration and benefits of Directors
- Ensuring that a succession plan is in place for the Directors, including the Chief Executive Officer
- Overseeing the performance and evaluation of the Board
- Ensuring that a process of nominating, electing and appointing Directors is in place
- Reviewing compliance with the Code of Ethics and Conduct by Executive and Non-Executive Directors.

Providing oversight of the Company's risk management strategy and framework, ensuring that key risks are identified, assessed, managed, and monitored in alignment with the Company's strategic objectives, business purpose, and long-term sustainability.

Overseeing the adequacy and effectiveness of the Company's risk governance processes, internal control environment, and compliance with applicable regulatory and Botswana Stock Exchange Listings Requirements.

Ad-hoc Committees

Ad-hoc Committees are appointed by the Board, as and when necessary, to consider specific issues before submission to the Board for a final decision. The Board, as it finds necessary, determines the terms of reference of such committees.

A minimum of four Board meetings is scheduled each financial year to consider strategic and key issues, financial matters, operational performance and any specific proposal for capital expenditure and investment, where applicable.

Additional meetings are convened on an ad-hoc basis to consider extraordinary items of importance which may require urgent attention.

Board meetings are convened by a formal notice incorporating a detailed agenda together with relevant written proposals and reports. Information is distributed in a timely manner prior to Board meetings to facilitate adequate preparation for thorough discussion at these meetings. A number of decisions may be taken between Board meetings by written resolution in accordance with the BTC founding documents.

Attendance and Meetings of the Board and Board Committees

The BTC Board is expected to meet at least quarterly and retains full control over the Company. The BTC Board monitors Management, ensuring that material matters are subject to Board approval, and reserves to itself a range of key decisions to ensure that it retains proper direction and control of the Company.

Board and Committee Meetings

A summary of meetings held and attended for the period under review is presented below:

	MAIN BOARD		TECHNOLOGY & INVESTMENT COMMITTEE		FINANCE AND AUDITCOMMITTEE		HUMAN RESOURCES COMMITTEE		DIRECTORS AFFAIRS AND GOVERNANCE COMMITTEE	
	Member	Atten-dance	Member	Atten-dance	Member	Atten-dance	Member	Atten-dance	Member	Atten-dance
Mr Mokgethi F. Magapa *(retired 23 September 2025)*	√	2/2							√	2/2
Mr Priyalal De Silva *(retired 23 September 2025)*	√	2/2			√	2/2			√	2/2
Mr Bafana Molomo *(retired 23 September 2025)*	√	2/2	√	2/2	√	2/2				
Mr Thato Kewakae	√	6/6	√	4/4			√	2/2	√	4/4
Ms Amantle Kgosiemang *(Retired 01 April 2026)*	√	6/6	√	4/4	√	4/4			√	2/2
Mr Mcedisi R. Solomon	√	5/6	√	4/4			√	3/4		
Ms Itemogeng B. Pheto	√	6/6			√	4/4	√	4/4	√	1/2
Mr Kgotso Bannalotlhe *(appointed 23 September 2025)*	√	4/4			√	2/2	√	2/2	√	2/2
Ms Boitumelo Paya *(appointed 02 August 2024 up to 30 June 2025)*	√	1/1	√	1/1	√	1/1	√	1/1	√	1/1
Mr Jürgen Peschel *(appointed 1st July 2025)*	√	5/5	√	3/3	√	3/3	√	3/3	√	3/3

REPORT OF THE HUMAN RESOURCES COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2026. This report sets out the Company's remuneration philosophy.

Remuneration philosophy
The remuneration philosophy applies to all BTC operations. It is BTC philosophy to:

- Appropriately compensate employees for the services they provide the business
- Reward and recognise employees for the attainment of specific BTC performance targets as well as the attainment of individual performance goals through variable pay
- Inculcate a positive culture through proper recognition structures
- Attract and retain talented, skilled, and high-performing employees to effectively manage the operations and growth of the business
- Motivate employees to perform in the best interests of BTC and its stakeholders
- Assist its employees in career development through training and development.

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, and individuals' personal performance and BTC business model. Remuneration comprises elements of fixed remuneration and performance-based variable remuneration.

Remuneration structure
The various elements of the remuneration structure are discussed below.

Remuneration
The basic element of remuneration is a base salary that is required to attract and retain a given set of skills, competencies, and experience.

Employee benefits and retirement funding
Other components of reward are given to employees. These are subject to local competitive practice and legislation. BTC provides, where appropriate, through third parties, additional elements of compensation:

- Pension or Retirement savings, comprising full or partially matched (with employee) contributions towards retirement savings, subject to local competitive practice and legislation.
- Gratuity
- Group Life Assurance
- Medical Aid
- Allowances.

Short-term incentives (STI)
Employees have an element of STI-based remuneration, comprising one of the following:

- A pool-based Performance Incentive Bonus, the award of which is at the Board's discretion
- A bonus triggered by the achievement of the budgeted Profit Before Tax (PBT) as determined by the Board at the beginning of the financial year under review
- An individual award based on performance.

Non-Executive Directors' Remuneration
The remuneration for the Non-Executive Directors for the year ended 31 March 2026 was approved by the shareholders at BTC's Annual General Meeting on 23 September 2025.

Except for the Chief Executive Officer, members of the Board are not entitled to monthly or annual salaries. Members of the Board and Sub-committees are paid a sitting allowance.

No Director directly held shares in Botswana Telecommunications Corporation Limited during the period under review. Details relating to Directors' shareholding are set out in the table below under the remuneration of Directors.

Remuneration of Directors
For the year ended March 2026, a total of **P1,407,200** was paid to Independent Non-Executive Directors as depicted in the table below:

MEMBER	POSITION	DIRECTORS' REMUNERATION (AMOUNT IN PULA)	DIRECTORS SHAREHOLDING (NUMBER OF SHARES)
Mr Mokgethi F. Magapa *(retired 23 September 2025)*	Board Chairperson	92,700	NIL
Mr Jürgen Peschel *(appointed 1 July 2025)*	Chief Executive Officer	2,577,430	NIL
Ms Boitumelo Paya *(appointed 2 August 2024 up to 30 June 2025)*	Acting Chief Executive Officer	4,491,147	200,000
Mr Ranjith Priyalal De Silva *(retired 23 September 2025)*	Director	82,000	NIL
Mr Bafana Molomo *(retired 23 September 2025)*	Director	82,000	NIL
Mr Thato Kewakae	Board Chairperson - Interim	312,500	NIL
Ms Amantle Kgosiemang *(retired 01 April 2026)*	Director	253,500	NIL
Mr Mcedisi R. Solomon	Director	195,000	NIL
Ms Itemogeng B. Pheto	Director	229,000	NIL
Mr Kgotso Bannalotlhe *(appointed 23 September 2025)*	Director	160,500	NIL

Board and Committee Meetings [Cont]

REPORT OF THE FINANCE AND AUDIT COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2026.

The report is presented in accordance with the recommendations contained in the King III Report on Corporate Governance. The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board.

The Finance and Audit Committee ensures that there is appropriate independence relating to non-audit services provided by the external auditors.

During the period under review the following activities, amongst others, were carried out:

- Reviewed and commented on the Annual Financial Statements and the accounting policies and ensured that the Annual Financial Statements of the Company comply with all statutory requirements
- Monitored compliance with accounting standards and legal requirements
- Reviewed the quality and effectiveness of the external audit process, the External Auditor's Report to the Committee and Management's responses
- Reviewed interim reports, results announcements and other releases of price-sensitive information
- Reviewed significant judgements and/or unadjusted differences resulting from the audit, as well as any reporting decisions made
- Recommended the appointment of Deloitte & Touche as the registered Independent Auditors
- Set the terms of Deloitte & Touche 's engagement
- Determined the fees to be paid to Deloitte & Touche and ensured that the fees are fair and equitable
- Maintained a non-audit services policy which determines the nature and extent of any non-audit services that Deloitte & Touche may provide to the Company
- Ensured that the BTC's existing combined assurance model addresses the significant risks facing the business
- Formed an integral component of the risk management process and, amongst others, monitored:
  - Financial reporting risks
  - Internal financial controls
  - Fraud risks as they relate to financial reporting
  - Information technology (ICT) risks in so far as they relate to financial reporting
- Played an oversight role in respect of the internal audit function to ensure its effectiveness
- Approved the Internal Annual Audit Plan
- Monitored closure of reported audit findings
- Reviewed developments in corporate governance and best practice and considered their impact and implications on BTC and in particular ensured that the principles of King III are embedded throughout the business
- Satisfied itself that the Chief Financial Officer is appropriately qualified and experienced to fulfil his role and that the Finance function is suitably resourced and skilled to carry out its obligations
- Reviewed the text of various reports, including the Going Concern Statement, Corporate Governance Report and Directors' report for inclusion in the Integrated Annual Report for the year ended 31 March 2026.

Annual financial statements

The Finance and Audit Committee has evaluated the consolidated annual financial statements for the year ended 31 March 2026 and ensured that they comply, in all material aspects, with the requirements of the Companies Act and appropriate International Financial Reporting Standards. The Committee has therefore recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Conclusion on fulfilment of duties and obligations

Given the above, the Committee is of the opinion that it has appropriately addressed its key responsibilities in respect of:

- Internal control
- Financial accounting control
- Risk management
- Selected stakeholder reporting that relates to the Finance and Audit Committee
- Statutory and regulatory requirements.

Internal Audit

BTC has an Internal Audit function that reports directly to the Finance and Audit Committee to assure the adequacy and effectiveness of controls to mitigate risks to its strategic, operational, financial and compliance objectives. Internal controls, however, can only provide reasonable and not absolute assurance against material misstatements or loss. The key elements of the system of internal control are delegation, operations, planning, empowerment, competence, monitoring and reporting, and internal audit.

The systems are designed to provide reasonable assurances to the integrity and reliability of the financial statements and other operational information. Such systems of internal controls are designed to manage rather than eliminate the risks of failure to meet business objectives, providing a reasonable but not an absolute assurance against material loss or misstatement.

Based on the information received from management, the Finance and Audit Committee and the Internal Audit Division, the Board believes that the systems of internal controls can be reasonably relied upon and that there was no material threat to the effectiveness of the system of internal control during the year under review.

Internal Audit Function

According to the King III Code of Corporate Governance, the Internal Audit Division is accountable to the Board and/or its committees in discharging its governance responsibilities. It is for this reason that BTC has an independent Internal Audit function which administratively reports directly to the Chief Executive Officer, with a dual reporting responsibility to the Finance and Audit Committee.

The Internal Audit process provides an assurance that significant risks are subject to periodic review and that control processes are in place, and weaknesses are identified and mitigated. The Internal Audit is also expected to advise the Board whether the BTC framework of risk management, internal control and governance processes, as designed by the management, is adequate and functioning. The Internal Audit Department has an Internal Audit Charter setting out the independence of the function, which has been adopted by the Finance and Audit Committee and signed by the Chairperson of that Committee.

BTC's Internal Audit function is designed to add value and enhance the Company's operations. It helps the Company to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In performing its duties, Internal Audit is principally guided by the Institute of Internal Auditors' professional practice framework, King III and other relevant standards in undertaking internal audit responsibilities.

The Internal Audit Charter places considerable emphasis on:

- Independence of the internal audit function
- Integrity and professionalism within internal audit
- Risk-based internal auditing.

The Internal Audit function reports administratively to the Chief Executive Officer and functionally to the Board through the Finance and Audit Committee. Internal Audit also advises the Board on BTC's risk management framework, control effectiveness and compliance with laws and regulatory requirements.

The Internal Audit follows a risk-based methodology to develop the annual audit plan, which is reviewed and approved by the Finance and Audit Committee. The Chairperson of the Finance and Audit Committee appraises the Board on the duties of the Internal Audit function quarterly. All the work is conducted by appropriately qualified and experienced team members and follows the Institute of Internal Audit Standards.

A summary of audit results, progress against delivery of the audit plan and progress in closing both Internal and External Audit findings items are presented bi-weekly to the Executive Management and quarterly to the Finance and Audit Committee. The Committee actively reviews the Internal Audit submissions and appraises the Board accordingly.

Through the anonymous tip-off line managed by Deloitte & Touche, Internal Audit investigates all reported cases and conveys its findings and recommendations to the Chief Executive Officer and the Directors' Affairs and Governance Committee.

Monitoring Results and Management Reporting

Effective internal controls should prioritise the timing of information required as per the applicable laws and the needs of management. All reporting of financial and other results is carried out as an effective monitoring mechanism; actual results are compared against the annual plans and against the historical trends of the previous years.

Risk Management

Effective risk management is integral to BTC's objectives of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. Operating risk is the potential for loss to occur through a breakdown in control information,

Board and Committee Meetings [Cont]

business processes and compliance systems. Key policies and procedures are in place to manage operating risk exposure involving segregation of duties, transaction supervision, monitoring, financial and managerial reporting. In addition to the above, the Board has endeavoured to ensure that control systems, designed to safeguard BTC assets and maintain proper accounting records that facilitate the production and availability of reliable information, are in place and are functioning as planned.

The programme ensures that a wider range of risks arising as a result of BTC's diverse operations are effectively managed in support of the uninterrupted communications services to Botswana and the creation and preservation of shareholder wealth. The significant business risks to the Company, financial, operational and compliance, which could undermine the achievement of BTC's business objectives, are identified, mitigation is established, and risk owners are appointed. Business risks are reviewed quarterly.

A Risk Management Report is included on page 207 to 213.

Going Concern

The Board has considered and recorded all relevant facts and assumptions and has concluded that BTC has adequate resources to continue in operational existence for the foreseeable future. Their statement in this regard is also contained in the statement of the Director's responsibility for the Annual Financial Statements.

Approval of Annual Financial Statements

BTC's financial statements have been reviewed by the Finance and Audit Committee, approved by the Board and can be signed off by any two Directors. In practice, however, they are usually signed on behalf of the Company by the Chairperson and the Chief Executive Officer.

External Auditors

The external auditors provide an independent assessment of BTC's systems of internal financial control and express an independent opinion on the Annual Financial Statements. The external audit function provides reasonable assurance on the accuracy of financial disclosures within the approved thresholds of materiality. The external auditors' plan is reviewed by the Finance and Audit Committee to ensure all significant areas of concern are covered, without infringing on the external auditor's independence and right to the audit.

Close cooperation between the internal and external auditors ensures that there is adequate coverage of all material areas within BTC. In terms of the Companies Act, the shareholders at the Annual General Meeting appointed Deloitte & Touche, a firm of Certified Auditors, as the auditors for the year under review.

Compliance with Laws and other legal Requirements

BTC considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. BTC's Company Secretary function facilitates the management of compliance through analysing statutory and regulatory requirements, drafting compliance management plans and subsequently implementing those plans throughout BTC and monitoring the implementation of suggested controls to ensure compliance with applicable statutory and regulatory requirements.

The Compliance Checklist and Legal Register rolled out to the business covers dissemination of new legislation, handling of regulatory visits, development and review of risk universes, and various regulatory reporting procedures.

Various pieces of legislation, including the Companies Act, the Communications and Regulatory Act, the Competition Act, the Financial Intelligence Act (FIA), the Bank of Botswana Act (Electronic Payments Regulations) and the Data Protection Act, were analysed for purposes of developing and reviewing the risk universes of the business. The Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board, through the Company Secretary's office, strives to ensure that the businesses of BTC comply with the laws and regulations of Botswana.

Company Secretary and Professional Advice

The Company Secretary, Mr S. Mganga, is a qualified legal professional with the requisite governance and company secretarial experience. The Company Secretary is accountable to the Board and provides guidance on governance matters, Board procedures and compliance with applicable statutory and regulatory requirements. All Directors have unrestricted access to the advice and services of the Company Secretary and may obtain independent professional advice, at BTC's expense, where necessary in the discharge of their duties.

In accordance with the BSE Equity Listings Requirements, the Board annually considers and satisfies itself as to the competence, qualifications and experience of the Company Secretary and is satisfied that these remain appropriate for the effective discharge of the role. The Board further considered the relationship between the Company Secretary and the Board and is satisfied that the Company Secretary maintains an arm's-length relationship with the Board and is able to provide independent guidance to Directors. The Company Secretary and the secretariat function undertake ongoing professional development to remain abreast of developments in corporate governance, ESG, risk management and corporate reporting.

Further details of the Company Secretary's qualifications and experience are provided on page 179 of this Report.

Relationship with Employee Representatives

As part of maintaining harmonious relations and a conducive employee relations climate within the Company, the Botswana Telecommunications Employee Union (BOTEU) and Management continue to engage each other through the established communication, consultation and negotiation fora.

Employee Share Ownership Plan ("ESOP")

As part of the BTC Initial Public Offer ("IPO"), the Government of the Republic of Botswana ("the Government" or "Majority Shareholder") reserved 5% of the issued share capital of BTC (52,500,000 shares) for the benefit of Citizen BTC Employees.

Initially, the shares were to be deposited into an Employee Share Trust and dividends accrued were to be shared equally amongst employees. The Government, through a Presidential Directive (CAB 10(A)/2016), amended the terms of the Employee Share Scheme to allow employees to directly purchase the reserved shares. This amendment was approved at the 2016 Annual General Meeting.

820 out of 950 eligible BTC Employees purchased 19,269,200 of the reserved shares at 85thebe per share, a 15% discount to the IPO price of P1.00. A total of 33,230,800 shares (3.16% of the issued share capital of BTC) remain in the hands of the Government.

The Company and Majority Shareholder are still in discussion about how both the Company and BTC employees can benefit from the remaining shares, which are still in the hands of the Government.

Environment, health, safety and sustainability

BTC strives to conform to, and to exceed, environmental, health and safety laws in its operations and seeks to add value to the quality of life of its employees through preventative health programmes.

Sustainability and ESG

The Board remains committed to embedding sustainability and Environmental, Social and Governance (ESG) considerations into the Company's strategy, operations, and decision-making processes. In fulfilling its oversight responsibilities, the Board monitors the Company's sustainability priorities, ethical conduct, stakeholder impact, and long-term value creation objectives, while promoting responsible business practices aligned with applicable regulatory requirements and evolving stakeholder expectations.

Board Succession

The Board recognises the importance of effective succession planning in maintaining an appropriate balance of skills, experience, diversity, and independence. Accordingly, the Board remains committed to structured succession planning processes aimed at ensuring continuity of leadership, strengthening governance effectiveness, and supporting the long-term strategic objectives of the Company.

Board Development and Training

The Board is committed to the continuous development of Directors to ensure they remain equipped with the requisite knowledge, skills, and awareness to effectively discharge their fiduciary and governance responsibilities. Ongoing training and development initiatives are undertaken to enhance the Board's understanding of emerging regulatory developments, governance trends, industry dynamics, and strategic matters relevant to the Company's operating environment.

Board Evaluation

The Board is committed to maintaining high standards of corporate governance through regular assessments of its effectiveness, performance, and governance practices. Periodic Board, Committee, and individual Director evaluations are conducted to identify areas for improvement, strengthen Board effectiveness, and ensure that the Board continues to operate efficiently in support of the Company's strategic objectives and stakeholder interests. Due to the significant number of Director retirements during the year under review, no Board evaluation was conducted. The Board resolved to defer the evaluation pending reconstitution of the Board.

Compliance with the Corporate Governance Code

To improve the corporate governance principles and to enhance the Board's accountability, BTC voluntarily decided to subject itself to the world-class code on Corporate Governance, the King III Code on Corporate Governance (www.kingIII.co.za). The statement below, which is based on the code published by the King Committee, measures the degree of its compliance to the respective codes. BTC has complied with the Codes of Best Practice throughout the financial year ended 31 March 2026, other than with the exceptions stated below:

Compliance with the Corporate Governance Codes

The Table below provides insights into how the Board complied with the King Code Principles of Corporate Governance:

Principle	Description of Principle	Compliance	Comments on Application
1. Ethical Leadership and Corporate Citizenship			
1.1	The Board should provide effective leadership based on an ethical foundation	√	The Board promotes and upholds an ethical culture across BTC, recognising that sound governance is grounded in responsible and values-driven leadership. In line with its Charter, the Board provides oversight of the Company's ethical standards and ensures that these are embedded throughout the organisation. This is supported by a Code of Ethics and Conduct, which guides behaviour and fosters ethical interactions with stakeholders.
1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	BTC demonstrates its commitment to responsible corporate citizenship through its corporate social responsibility initiatives and reporting, which reflect the Company's contribution to the well-being of the communities in which it operates. See page 87 to 93 .
1.3	The Board should ensure that the Company's ethics are managed effectively	√	BTC has established a Code of Ethics and Conduct, which forms an integral part of the Company's employment framework and guides behaviour across the organisation. The Code promotes a culture of integrity in all business interactions and operations. This is further reinforced through a whistleblowing platform managed by an independent third party, which enables employees and stakeholders to report unethical conduct under confidential and anonymous conditions.
2. Board and Directors			
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	√	In line with its Charter, the Board is committed to upholding the highest standards of corporate governance and ensuring that these principles are consistently applied across the organisation. See page 180 to 181.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	√	In line with its Charter, the Board ensures that BTC's strategic objectives, vision, and mission are aligned with performance and sustainability considerations. This is supported by a comprehensive risk management framework that addresses both strategic and operational risks across all areas of the business. See page 207 to 213.
2.3	The Board should provide effective leadership based on an ethical foundation.	√	Covered under 1.1 above
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	Covered under 1.2 above

Principle	Description of Principle	Compliance	Comments on Application
2. Board and Directors			
2.5	The Board should ensure that the Company's ethics are managed effectively.	√	Covered under 1.1 above
2.6	The Board should ensure that the Company has an effective and independent Finance and Audit Committee.	√	BTC maintains an effective and independent Finance and Audit Committee, which reports to the Board and is chaired by an Independent Non-Executive Director, thereby ensuring objective oversight of financial reporting, risk management, and internal controls. See page 184 to 185.
2.7	The Board should be responsible for the governance of risk.	√	The Board provides oversight of the Company's enterprise-wide risk management framework, ensuring that key risks are identified, assessed, and effectively managed. See page 191 to 192.
2.8	The Board should be responsible for information technology (IT) governance.	√	The Board oversees the governance of information technology, ensuring that appropriate systems, controls, and risk management practices are in place. This is achieved through governance of the Technology and Investment Committee.
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	BTC maintains a structured compliance framework, which is monitored by the legal Department to ensure adherence to applicable laws and regulatory requirements. Based on this oversight, the Board is satisfied that the Company has complied, in all material respects, with relevant legal and regulatory obligations. The DAGC Provides oversight on compliance to applicable laws and regulations.
2.10	The Board should ensure that there is an effective risk-based internal audit.	√	The Internal Audit function, supported by the external auditors, provides combined assurance on the effectiveness of internal controls, risk management, and governance processes. See page 190 to 191.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation.	√	As part of its risk governance responsibilities, the Board, through the Finance and Audit Committee, oversees the identification and management of reputational risks arising from internal and external stakeholders.
2.12	The Board should ensure the integrity of the Company's Integrated Report.	√	The Finance and Audit Committee and the Board review the Annual Financial Statements to ensure their accuracy and integrity. In addition, the Finance and Audit Committee and the Board review the key components of the Annual Report prior to publication, ensuring that disclosures are complete, balanced, and aligned with applicable reporting standards.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	√	In accordance with the Internal Audit Charter, the Internal Audit Department reviews the effectiveness of the Company's internal control systems and reports its findings to the Finance and Audit Committee and the Board. Based on these assessments, the Finance and Audit Committee provides assurance to the Board on the adequacy and effectiveness of internal controls in operation.

Compliance with the Corporate Governance Code [Cont]

Principle	Description of Principle	Compliance	Comments on Application
2. Board and Directors			
2.14	The Board and its Directors should act in the best interests of the Company.	√	Directors are required to act in the best interests of the Company at all times. Directors are further obligated to declare any actual or potential conflicts of interest, which are appropriately managed in accordance with established governance processes. Covered under 1.1 above.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed, as defined in the Act.	√	The Company maintains ongoing compliance with applicable solvency test requirements and adopts a forward-looking approach to financial sustainability. This is supported by the preparation of a rolling three-year business plan, incorporating financial forecasts to enable the early identification and management of potential financial distress.
2.16	The Board should elect a Chairman of the Board who is an Independent Non-Executive Director. The CEO of the company should not also fulfil the role of Chairman of the Board.	√	The Board is chaired by an Independent Non-Executive Director appointed by shareholders at the Annual General Meeting. The roles of Chairperson and Chief Executive Officer are clearly separated, ensuring an appropriate balance of authority and effective governance.
2.17	The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority.	√	The Chief Executive Officer is appointed by the Board on a fixed-period contract basis. The Company has a well-defined organisational structure with strategies, targets and authority to achieve them. A delegation of authority framework is also in place.
2.18	The Board should comprise a balance of power, with a majority of Non-Executive Directors. The majority of Non-Executive Directors should be independent.	√	Currently, the Board is comprised of Independent Non-Executive Directors, except for one position held by the Chief Executive Officer, thereby supporting objective decision-making and effective oversight.
2.19	Directors should be appointed through a formal process.	√	The Board maintains a framework for the appointment of Directors. Candidates are identified and evaluated by the DAGC, considered by the Board, and ultimately submitted to shareholders for approval at the AGM.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	√	The Board undergoes a formal induction process upon appointment, complemented by ongoing training and development programmes throughout the year to enhance its skills.
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	√	The Company Secretary is qualified and chartered, equipped with expertise to provide the Board with expert guidance on governance, regulatory, and company secretarial matters.

Principle	Description of Principle	Compliance	Comments on Application
2. Board and Directors			
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	√	The Board undergoes evaluation on a periodic basis to support continuous improvement in governance effectiveness.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	√	The Board has established four standing committees to support the effective discharge of its responsibilities. See page 184 to 187.
2.24	A governance framework should be agreed upon between the group and its subsidiary boards.	√	Each Committee operates under a formal Charter that defines its roles and responsibilities. Membership for each Committee is approved by the Board to ensure appropriate skills, independence, and effective oversight.
2.25	Companies should remunerate directors and executives fairly and responsibly.	√	Non-Executive Directors are remunerated for their meeting attendance in accordance with fees approved by shareholders, while the Chief Executive Officer is remunerated separately as part of the executive management structure.
2.26	Companies should disclose the remuneration of each director and certain senior executives.	√	The Annual Report provides disclosures of the Chief Executive Officer and Directors' remuneration and shareholding within the Company. See page 189.
2.27	Shareholders should approve the Company's remuneration policy.	√	The Board approves the Company's remuneration policies, while the overarching remuneration philosophy is subject to shareholder approval, appropriate governance and alignment with stakeholder interests. See page 188 to 189.
3. Audit Committees			
3.1	The Board should ensure that the Company has an effective and independent Audit Committee.	√	Addressed by 2.6 above
3.2	Audit Committee members should be suitably skilled and experienced Independent Non-Executive Directors.	√	BTC maintains an effective and independent Finance and Audit Committee, comprising suitably qualified and experienced members, and chaired by an Independent Non-Executive Director, thereby ensuring robust oversight of financial reporting and risk management.

Compliance with the Corporate Governance Code [Cont]

Principle	Description of Principle	Compliance	Comments on Application
3. Audit Committees			
3.3	The Audit Committee should be chaired by an Independent Non-Executive Director.	√	Addressed by 3.2 above.
3.4	The Audit Committee should oversee integrated reporting.	√	Addressed by 2.12 above.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	√	The Finance and Audit Committee oversees the application of a combined assurance model, ensuring coordinated assurance across Internal Audit and other key assurance functions, including Risk Management, Regulatory Compliance, Revenue Assurance, and Fraud Management. The external auditors also review the work of Internal Audit to assess its effectiveness and determine the appropriate level of reliance. See page 190 to 191.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	√	The Finance and Audit Committee is satisfied that the Finance function is appropriately resourced and that its personnel possess the requisite qualifications, experience, and expertise to effectively discharge their responsibilities.
3.7	The Audit Committee should be responsible for overseeing the internal audit.	√	The Finance and Audit Committee reviews and approves the Internal Audit function's annual audit plan and periodically reports on its activities to the Board. The Internal Audit function has direct access to the Committee, ensuring independence and effective oversight.
3.8	The Audit Committee should be an integral component of the risk management process.	√	The Directors' Affairs and Governance Committee periodically reviews the Company's risk profile and the effectiveness of its risk management framework to ensure key risks are being appropriately identified, assessed, and managed.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	√	The Finance and Audit Committee recommends the appointment of the external auditors to the Board for approval by shareholders at the AGM. The Committee also oversees the external audit process, ensuring the independence, effectiveness, and quality of the audit.
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	√	The Finance and Audit Committee provides reports to the Board following each of its meetings, ensuring that the Board is kept informed of key matters. A summary of the Committee's activities and deliberations is also included in the Annual Report for stakeholder transparency.

Principle	Description of Principle	Compliance	Comments on Application
4. The Governance of Risk			
4.1	The Board should be responsible for the governance of risk.	√	Addressed by 2.7 above.
4.2	The Board should determine the levels of risk tolerance.	√	The Board has determined the levels of risks, their impact and likelihood within the Company. The Finance and Audit Committee regularly reviews these parameters and oversees the maintenance of a comprehensive risk register to support effective risk management.
4.3	The Risk and Audit Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	√	Addressed by 4.2 above.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	√	The Board has delegated to management the responsibility for designing, implementing, and monitoring the Company's risk management processes, while retaining overall oversight of risk governance.
4.5	The Board should ensure that risk assessments are performed on a continuous basis.	√	Addressed by 4.2 above.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	√	The Directors' Affairs and Governance Committee reviews the Company's risk management frameworks and methodologies to enhance its ability to anticipate and respond to emerging and unpredictable risks. This is an ongoing process aimed at strengthening resilience and effective risk management.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	√	An annual risk management report is submitted to the Directors' Affairs and Governance Committee and the Board, outlining key risks and corresponding mitigation measures. The implementation and effectiveness of these responses are subject to ongoing monitoring.
4.8	The Board should ensure continual risk monitoring by management.	√	The Company maintains a comprehensive risk register to support the identification, assessment, and management of risks, which is reviewed by the Board on a quarterly basis.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	√	A risk management report is included in the Annual Report, providing an overview of key risks, their impact, and the measures implemented to manage them.

Compliance with the Corporate Governance Code [Cont]

Principle	Description of Principle	Compliance	Comments on Application
5. The Governance of Information Technology (IT)			
5.1	The Board should be responsible for information technology (IT) governance.	√	The Board recognises the importance of information technology governance and the associated risks, and has delegated responsibility for its implementation to management, through the Chief Executive Officer, while retaining overall oversight.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	√	IT is an integral to BTC's operations, underpinning key platforms, processes, and services that are critical to the Company's performance and long-term sustainability. Accordingly, there is significant emphasis on the governance of IT and its alignment with business and sustainability objective.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	√	Addressed on 5.1 above.
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	√	Responsibility for managing the IT governance framework is delegated to management. The framework supports effective and efficient decision-making around the utilisation of IT resources to facilitate the achievement of the Company's objectives. The Technology and Investment Committee also oversees this process on behalf of the Board.
5.5	IT should form an integral part of the Company's risk management.	√	Management is responsible for the identification and management of IT-related risks, which are integrated into the Company's overall risk management framework. In addition, IT management applies established project management principles to ensure the effective delivery of technology initiatives.
5.6	The Board should ensure that information assets are managed effectively.	√	IT assets form an integral part of the Company's overall assets and are managed through established governance and control processes to ensure their effective utilisation.
5.7	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	√	IT risk management forms part of the Company's enterprise risk management framework and is overseen by the Finance and Audit Committee as part of its broader risk governance responsibilities.

Principle	Description of Principle	Compliance	Comments on Application
6. Compliance with Laws, Rules, Codes and Standards			
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	Addressed by 2.9 above.
6.2	The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.	√	The induction process is designed to familiarise the Board with the legal and regulatory environment applicable to the Company, as well as their roles, responsibilities, and fiduciary duties, enabling them to contribute effectively from their appointment.
6.3	Compliance risk should form an integral part of the Company's risk management process.	√	Compliance with applicable laws and regulations is incorporated into the Company's risk management framework and is assessed across various risk categories, including market, regulatory, and financial risks.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	√	BTC has established defined roles and responsibilities across the organisation to ensure compliance with applicable laws and regulatory requirements.
7. Internal Audit			
7.1	The Board should ensure that there is an effective risk based internal audit	√	The Company maintains a dedicated Internal Audit function, which provides independent assurance over the effectiveness of internal controls, risk management, and governance processes.
7.2	Internal audit should follow a risk-based approach to its plan.	√	Addressed by 7.1 above.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	√	Addressed by 3.7 above
7.4	The Audit Committee should be responsible for overseeing internal audit.	√	Addressed by 7.1 above.
7.5	nternal audit should be strategically positioned to achieve its objectives.	√	Addressed by 71 above.

Compliance with the Corporate Governance Code [Cont]

Principle	Description of Principle	Compliance	Comments on Application
8. Governing Stakeholder Relationships			
8.1	The Board should appreciate that stakeholder's perceptions affect a company's reputation.	√	The Board recognises the potential impact of reputational risk on the Company's operations, performance, and financial outcomes, and maintains ongoing oversight of such risks through regular consideration and discussion at Board level.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	√	The Company's management structure and organisational responsibilities support the effective identification and management of matters relating to various key stakeholders.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	√	The Board has delegated responsibility for stakeholder engagement and relationship management to its committees and, where appropriate, to management, while retaining overall oversight.
8.4	Companies should ensure the equitable treatment of shareholders.	√	BTC operates as an equal opportunity organisation and conducts its activities in accordance with established ethical standards and principles of fairness. In this regard, all shareholders are treated equitably and are provided with timely and consistent access to relevant information.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	√	BTC adopts a structured and transparent approach to stakeholder communication, ensuring that engagement is effective to maintain accountability.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	√	BTC has established dispute resolution mechanisms to address concerns raised by key stakeholders, including customers, employees and suppliers to ensure that disputes are managed fairly and in a timely manner.

Principle	Description of Principle	Compliance	Comments on Application
9. Integrated Reporting and Disclosure			
9.1	The Board should ensure the integrity of the Company's Integrated Report.	√	The Board upholds internationally recognised reporting standards and ensures the integrity and reliability of information disclosed in the Integrated Report through rigorous review and verification processes.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	√	Sustainability reporting is integrated into the Annual Report, providing stakeholders with a comprehensive view of the Company's ESG performance.

Regulatory and compliance environment

Regulatory and Compliance Environment
BTC operates within a highly regulated environment; therefore, compliance with applicable laws and regulations remained a key priority. While ITC has controls and compliance frameworks in place, the Company recognizes that certain areas require further enhancement to ensure that it remains responsive to the evolving regulatory and compliance environment.

BTC's key compliance areas include:

Implementation of BOCRA Consumer Protection Policy
BTC continued to align its customer-facing products, services, and processes with the requirements of the BOCRA Consumer Protection Policy. This included enhancements to transparency in billing, fair contract terms, complaint handling processes, and customer communication practices, ensuring that customer rights are adequately protected and regulatory expectations are met.

Compliance with the BOCRA Act and Telco Regulations
The Company maintained ongoing compliance with the requirements of the BOCRA Act and associated regulations, including those relating to licensing obligations, quality of service standards, and regulatory reporting. Continued engagement with the regulator ensured that BTC remained aligned with evolving directives and industry expectations.

Adherence to SIM Registration Guidelines
BTC implemented and strengthened controls to ensure compliance with SIM registration and customer identification requirements, including Know-Your-Customer (KYC) obligations. This included enhancing verification processes and monitoring mechanisms to mitigate risks associated with SIM misuse, fraud, and non-compliant subscriber records.

Implementation of Electromagnetic Field (EMF) Monitoring Tools
BTC implemented Electromagnetic Field (EMF) monitoring tools to ensure compliance with the BOCRA EMF Guidelines and applicable international safety standards governing electromagnetic emissions. These tools support the continuous monitoring of network infrastructure, enabling the Company to assess and manage exposure levels in line with regulatory requirements.

Financial Services Regulatory Compliance
BTC remains unwavering in its commitment to regulatory compliance, recognising it as a cornerstone of sustainable growth and a critical enabler of its fintech strategy. The success of BTC's digital financial services, particularly its mobile money and super app ecosystem, is firmly anchored on robust regulatory foundations, strong governance, and a proactive compliance culture.

Strengthening AML/CFT Frameworks
In preparation for the upcoming ESAMLG regional assessment, BTC has significantly intensified its focus on Anti-Money Laundering, Counter Financing of Terrorism, and Counter-Proliferation Financing (AML/CFT/CPF) compliance. During the reporting period, the Compliance function undertook a comprehensive alignment of internal policies to address emerging risks associated with non-network-agnostic mobile money platforms.

This included:
- Enhancing AML/CFT policies to reflect evolving fintech risks and regulatory expectations
- Developing and refining compliance processes to ensure end-to-end regulatory adherence
- Implementing technology-driven Know Your Customer (KYC) solutions to strengthen customer due diligence
- Advancing automated and near real-time transaction monitoring and reporting to the Financial Intelligence Agency (FIA)

These initiatives are designed not only to ensure compliance but also to proactively mitigate illicit financial flows within the financial ecosystem.

Technology-Driven Compliance and Financial Crime Prevention
BTC continues to leverage innovation to enhance compliance effectiveness. The integration of advanced analytics, automation, and digital identity solutions will improve the efficiency, accuracy, and timeliness of regulatory reporting and fraud detection.

Furthermore, BTC has implemented targeted AML/CFT programmes aimed at addressing prior regulatory findings.

These programmes are focused on:
- Closing identified compliance gaps
- Strengthening internal controls
- Raising awareness among customers and the general public on financial crime prevention

Through these efforts, BTC contributes meaningfully to national and regional initiatives aimed at safeguarding financial systems.

Industry Collaboration and Public-Private Partnerships
In June 2026, BTC's Compliance, Fraud, and Innovation teams will host the Botswana Public-Private Partnership forum under the theme:
"Using Technology to Curb Money Laundering, Fraud and Terrorism Financing."

This initiative reflects BTC's leadership role in fostering collaboration between regulators, financial institutions, and technology players to collectively address financial crime risks and promote a secure digital economy.

Expanding Regulatory Engagement
As BTC expands its mobile money offerings to include credit solutions and other non-banking financial services, the organisation is entering a new regulatory landscape under the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

BTC is fully committed to meeting all NBFIRA requirements, building on its strong record of compliance with established regulators, including the Botswana Communications Regulatory Authority (BOCRA), the Bank of Botswana (BoB), and the Financial Intelligence Agency (FIA).

This transition marks a new chapter in BTC's compliance journey, underpinned by the same rigour, discipline, and accountability that define its regulatory approach. At BTC, compliance is a shared responsibility embedded across all levels of the organisation. The Board of Directors, Executive Leadership, Senior and Middle Management, and all employees are collectively accountable for upholding the highest standards of regulatory compliance.

To reinforce this culture:
- Compliance adherence is integrated into performance management frameworks
- Regulatory compliance is treated as a non-negotiable business imperative
- Continuous training and awareness programmes are conducted to build internal capacity

In conclusion, BTC's steadfast commitment to regulatory compliance ensures that its fintech innovations are delivered within a secure, transparent, and trusted framework. By continuously strengthening its AML/CFT capabilities, embracing technology, and fostering collaboration, BTC is well-positioned to meet evolving regulatory expectations while contributing to the integrity and resilience of the financial system.

Complexities in the wake of ensuring compliance
- **Evolving and Expanding Regulatory Requirements:** BTC continues to strengthen its regulatory monitoring capabilities and enhance internal coordination across functions to ensure timely interpretation and implementation of regulatory changes.
- **Customer Identification and SIM Registration Requirements:** The Company is enhancing its verification processes, strengthening controls, and engaging with regulators to refine practical implementation approaches while mitigating risks such as fraud and SIM misuse.
- **Fraud Risk and Control Management**: BTC continues to strengthen its fraud risk management controls and has increased collaboration between compliance, fraud and law enforcement agencies to reduce fraud-related incidents. In addition, awareness initiatives are implemented to respond to these prevailing fraudulent activities.

Compliance with the Data Protection Act

BTC has made measurable progress toward aligning its operations with the requirements of the Data Protection Act. From a strategic and governance perspective, compliance readiness is moderately advanced, with key frameworks, policies, and oversight structures increasingly taking shape. Operational compliance remains at a transition phase where compliance is defined at a high level and is slowly being embedded into day-to-day processes.

Accelerating Implementation Momentum
BTC has demonstrated strong commitment to data protection through several notable milestones: establishment and refinement of data protection policies; rollout of data

Regulatory and compliance environment [Cont]

protection training sessions and gap analysis workshops across departments to drive accountability and awareness; increasing inclusion of privacy considerations in initiatives such as e-KYC, digital platforms, and customer onboarding process; improved visibility of key data protection risks, particularly in high-impact areas such as customer data handling, direct marketing, and third-party processing and completion of baseline assessments to measure both compliance readiness and operational effectiveness.

Future Plans and Strategic Focus

To bridge the gap between compliance readiness and operational compliance, BTC will focus on the following priority areas:

- **Operationalisation of Controls:** Embedding data protection requirements into daily workflows, systems, and performance metrics across all departments.
- **Strengthening Third-Party Governance:** Enhancing due diligence, contracting, monitoring, and enforcement mechanisms for agents, dealers, and vendors.
- **Data Governance Enhancement:** Implementing robust data classification, retention schedules, and automated deletion mechanisms to ensure lifecycle compliance.
- **Retail and Frontline Compliance Focus:** Targeted interventions in retail environments, including mandatory display of privacy notices and stricter handling of customer KYC data.
- **Continuous Monitoring and Audits:** Establishing ongoing compliance tracking, internal audits, and reporting frameworks to improve accountability.
- **Capacity Building and Culture Shift:** Driving a stronger compliance culture through continuous training, leadership accountability, and integration of data protection into performance objectives.

BTC is on a clear trajectory toward full compliance with the Data Protection Act, with strong foundational elements already in place. The next phase will see a deliberate shift from policy development to disciplined execution, ensuring that data protection principles are consistently applied across all operational levels. Sustained focus on accountability, enforcement, and cultural adoption will be critical in achieving full compliance and maintaining trust with customers and regulators.

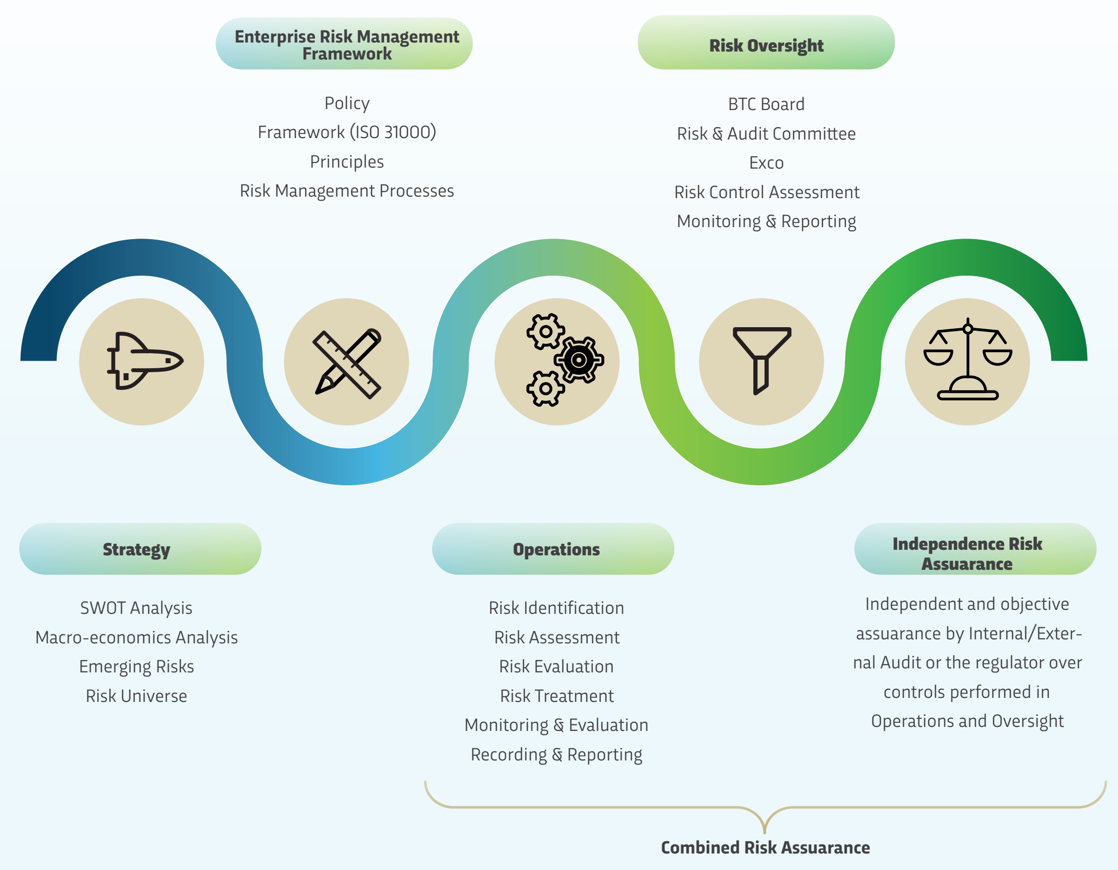
Risk and Opportunity Considerations

Board Responsibility for Sound Risk Management

BTC's approach to risk governance and management is embedded in a disciplined Enterprise Risk Management Framework (ERMF) that supports the achievement of strategic objectives and the delivery of sustainable value over the short, medium, and long term. The ERMF is designed to remain responsive to changes in the external and internal environment and is aligned to the ISO 31000 Risk Management Standard and the principles of King IV.

The Board has overall accountability for the governance of risk and exercises oversight through the Directors' Affairs and Governance Committee. The Committee is responsible for monitoring the effectiveness of risk management practices, ensuring alignment with the Board-approved risk appetite, and overseeing the integration of risk considerations into strategy, performance, and decision-making. Management, under delegated authority from the Board, is responsible for implementing the ERMF and embedding risk management across the organisation.

RISK MANAGEMENT PROCESS



Risk and Opportunity Considerations [Cont]

Risk Management Model

BTC applies a Three Lines of Defence model to ensure clarity of responsibility, effective oversight, and independent assurance over risk management and internal controls.

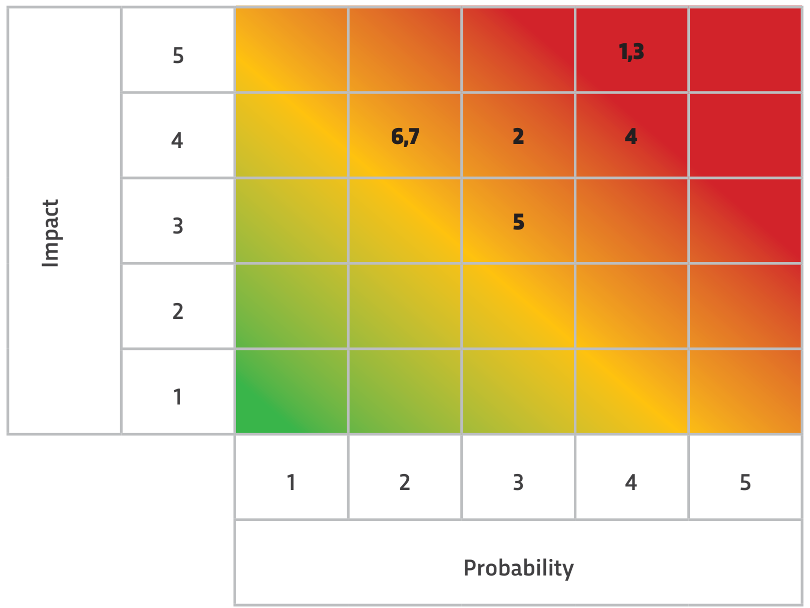
First Line of Defence – Management and Operations
Operational management is accountable for identifying, assessing, managing, and reporting risks arising from day-to-day activities. Business unit heads and functional managers act as risk owners and are responsible for implementing appropriate controls and mitigating actions to manage risks within approved tolerance levels. Risk identification is informed through ongoing operational engagement and is progressively aggregated and linked to strategic objectives to support enterprise-wide risk awareness.

Second Line of Defence – Risk Management and Compliance
The Risk Management, Compliance, Revenue Assurance and Fraud Management functions provide oversight and specialist support by developing policies, frameworks, and methodologies that guide consistent risk management practices across the company. The functions monitor key risk and control indicators, facilitate risk assessments, and promote risk awareness and capability building. This oversight supports Management and the Board in evaluating the adequacy and effectiveness of risk responses.

Third Line of Defence – Internal Audit
Internal Audit provides independent and objective assurance to the Board and Management on the effectiveness of governance, risk management, and internal control systems. The function reports functionally to the Finance and Audit Committee and administratively to the Chief Executive Officer, preserving its independence. Through a risk-based and systematic approach, Internal Audit evaluates the design and operating effectiveness of controls over financial reporting, operations, and information systems, contributing to the integrity and reliability of reported information.

Assurance and Control Environment
The independence, authority, and responsibilities of the Internal Audit function are set out in the Internal Audit Charter, approved by the Finance and Audit Committee. Internal Audit activities are conducted in accordance with the Institute of Internal Auditors' International Professional Practices Framework (IPPF), King IV, and other applicable standards.

TOP RISKS HEATMAP



Strategic Objectives:
1. Market & Competition risk
2. Technology Risks
3. Cyber Security
4. Customer Experience
5. Operational Efficiency
6. Talent & Capability Building
7. Regulatory & Legal Compliance

LEGEND:
- High: 13 - 25
- Medium: 5 - 12
- Low: 1 - 4

NO.	Risk	Definition	Mitigating activities and monitoring	Opportunities arising from managing risks	Board Over-sight Committee	Management Oversight Committee
1	**Market & Competition risk MM1, 5, 6, 7**	Intense market competition may pressure BTC pricing, margins and market share, posing a risk to revenue stability and long-term profitability, a decline in mobile voice revenue & pressure on fixed revenue	• Strengthen collection to manage customer default and credit risks • Partnership with the government on their digital transformation strategic direction to diversify revenue generation (rural digital access, e-learning, telehealth, digital inclusion) • Review FBB product proposition by increasing speeds, bundling the service with OTT players, i.e. Netflix, to offer more value, improving onboarding & service experience • Aggressive campaign to improve overall brand visibility	- BTC is working on several innovative solutions, some through strategic Partnerships to deliver VAS and generate alternative revenue streams	Finance and Audit Committee, Directors Affairs and Governance Committee & Technology and Investment Committee	Executive Management Committee & EXCO Risk Management Committee
2	**Technology Risks MM3, 5, 7, 8**	The risk of legacy systems, delayed adoption of new technologies due to difficulty in integrating new systems into legacy systems. Copper cable theft & Power Outages added to network downtimes. negatively impacting service availability and customer experience.	Acceleration of mobile and fixed network modernisation. • Network Infrastructure Modernisation & Expansion- stability, availability & accessibility. • 4G Coverage Extension (700MHz Rollout) (Approx. 60 Sites) Legacy Technology Management. • Replacement of the Obsolete Hardware for internal workloads Modernisation of the billing platform Backup power reliability-Core Sites Cooling Modernisation. Provision of UPS batteries for BTC Shops	BTC places priority on the continuous investment and modernisation of the network as part of the growth strategy.	Finance and Audit Committee, Directors Affairs and Governance Committee & Technology and Investment Committee	Executive Management Committee, EXCO Risk Management Committee & Information Technology Steering Committee

Risk and Opportunity Considerations [cont]

NO.	Risk	Definition	Mitigating activities and monitoring	Opportunities arising from managing risks	Board Over-sight Committee	Management Oversight Committee
3	**Cyber Security**	BTC faces growing risks from cyberattacks, including DDoS, ransomware and data breaches, which could result in service outages, regulatory noncompliance breaches and erosion of customer trust and brand reputation	Regular Patch Management for all systems (Automated vulnerability reports have been configured for system custodians to action) Security and Privacy by de-sign in Projects, Strategic Sourcing, Legal & Regulatory and line of business Security Awareness Training for Technical teams Supplier database cleanup, Vendor Risk Assessments through the Security GRC platform DDOS solution upgrade Implementation of a Data Loss Prevention solution	Differentiate through "security-as-a-value proposition" by embedding advanced cybersecurity into all products and offering managed security services to enterprises and government. Strong privacy practices can be monetised via trusted digital platforms, secure fintech services, and compliance-ready solutions. Investment in cyber resilience strengthens customer trust and opens new B2B revenue streams.	Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee	Executive Management Committee, EXCO Risk Management Committee & Information Technology Steering Committee
4	**Customer Experience**	Inability to meet evolving customer expectations for seamless connectivity and personalised service may decrease BTC market	Network modernisation, Expansion of Power Systems Mobile Network Access Capacity Upgrades, DR expansion, SPOF -This will address issues of congestion in areas where the upgrades will be done and improve the QoS for mobile and Fast Connect customers. Fastrack omnichannel support, AI-driven self-service. The self-service will address the critical pain points that drive customers to go to physical stores, e.g. automatic service reconnection after payment. Review of existing manual CRM process & implement a Modern CRM System.	Strengthening service to build brand loyalty, reduce churn, and support long-term revenue resilience	Audit and Risk Committee, Directors Affairs and Governance Committee & Technology and Investment Committee	Executive Management Committee & EXCO Risk Management Committee & Information Technology Steering Committee

NO.	Risk	Definition	Mitigating activities and monitoring	Opportunities arising from managing risks	Board Over-sight Committee	Management Oversight Committee
5	**Opera-tional Efficiency**	BTC faces the risk of internal processes and heavy struc-ture that im-pact customer responsiveness, efficiency, and slow execution, especially in a market that de-mands speed.	Organisational optimisation and review to align to a more customer-centric and agile strategy, cross-func-tional teams aligned to products, customer seg-ments, journey and clusters. 5a. Initiative started to re-view all customer journeys end-to-end, which will lead to fur-ther automation, eliminate process gaps and augment customer experience 5b. Overhaul legacy business Processes and redesign and align to the current customer service needs and workflows. • Lead to Cash Sales Process • Agile provisioning process • MMSPOS Integrations (BPC, Syspro, CRM-Creation implementa-tion)	Strong culture underpins strategic agility. Address-ing culture risk boosts productivity, retention, and innovation.	Technology and Invest-ment Committee	Executive Management Committee & EXCO Risk Management Committee
6	**Talent & Capability Building**	BTC faces the risk of losing skill, talent and critical capabil-ities to deliver high-quality services, adopt new tech-nologies and remain com-petitive in a dynamic telco landscape.	Build a digital talent pipeline to address the skills gap. Develop and deploy talent for succession in EXCO and criti-cal roles. Leadership development and performance Manage-ment Optimisation Review the current PMS to align with people, pro-cesses and technology to enable agility, innovation and cus-tomer satisfaction, including quality metrics.	The Employee Culture Transformation Program provides BTC with an opportunity to attract, develop, engage, and retain critical talent by creating a strong organizational culture that supports em-ployee growth, innovation, and commitment. This will enhance workforce resil-ience, strengthen critical capabilities, accelerate technology adoption, and improve BTC's long-term competitiveness and service delivery.	Human Resource Committee	Executive Manage-ment Committee,

Risk and Opportunity Considerations [Cont]

NO.	Risk	Definition	Mitigating activities and monitoring	Opportunities arising from managing risks	Board Oversight Committee	Management Oversight Committee
7	**Regulatory & Legal Compliance**	Changes in regulatory requirements, licensing and industry-specific compliance may increase BTC operational complexity, including exposure to financial penalties, data protection laws	Enhanced monitoring of the legal and regulatory environment to track changes in telecom regulations, licensing rules, and government directives—both locally and internationally. Stakeholder engagement—maintain regular communication with regulatory bodies like BOCRA. This has led to the establishment of the inaugural Telecommunications Operators Association of Botswana. Automate KYC systems—deploy digital KYC platforms that integrate with national ID databases and biometric verification systems to streamline onboarding. BTC to onboard only KYC-compliant customers.	Position the business as a trusted regulatory leader by proactively aligning with the existing and emerging statutory and regulatory landscape. Engage regulators as partners to co-develop frameworks, strengthening license security while enhancing brand credibility and stakeholder trust.	Directors Affairs and Governance Committee	Executive Risk Management Committee

Specialised Risk Management Functions

Revenue Assurance and Fraud Management

Revenue Assurance and Fraud Management are embedded functions within BTC, mandated by the board in the value chain to provide operational direction in terms of providing controls, investigation and closure of leakages.

Revenue Assurance as a function ensures the integrity of our financial processes, safeguarding against revenue leakages and inaccuracies. The RA activities contribute to profit, revenue, and cash inflow through the use of data quality to improve revenue-generating processes such as usage, subscriptions, interconnect, rating, billing and roaming.

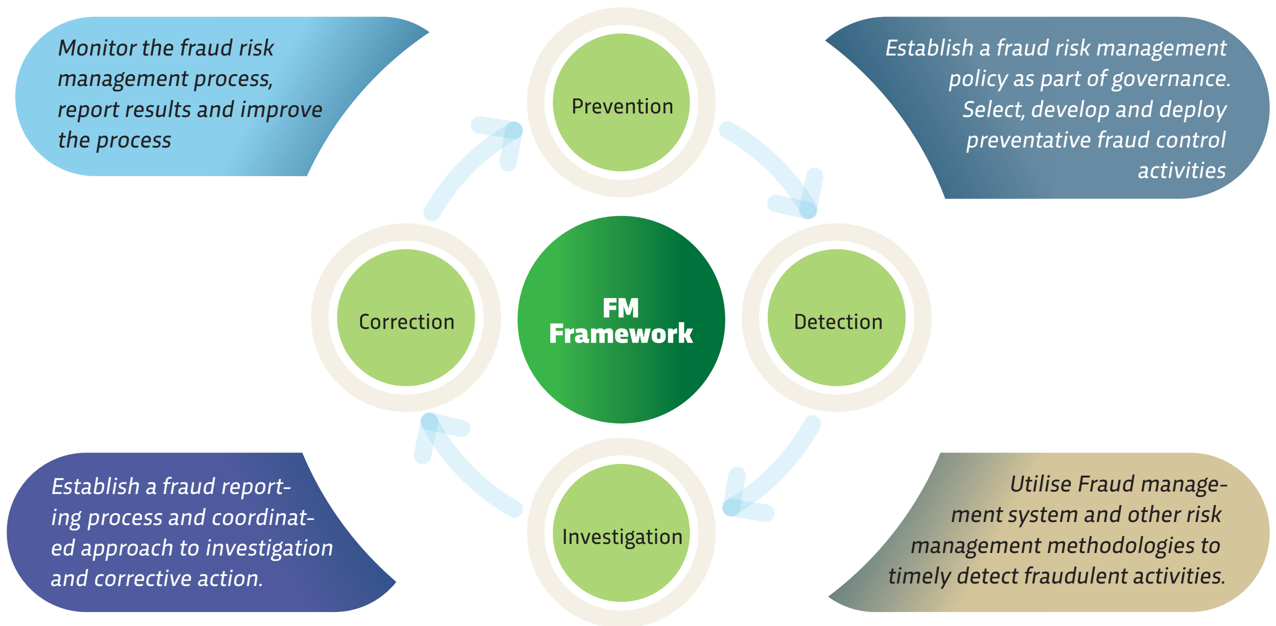
Assurance Areas

Fraud Management

BTC has put in place a strong governance structure, with focus emphasised on effective processes for fraud risk assessment, which is enforced to be followed by all BTC partners and stakeholders. Important aspects of this framework are fraud prevention, fraud detection, and fraud investigation and closure. Fraud risk assessment is considered within the larger context of enterprise risk management.

BTC, as a telecom service provider, has deployed a modern technology Fraud Management System to combat criminal activities in the networks, offering early detection of fraudulent activities and prompt responses aimed at mitigating long-term loss, building customer trust, and ensuring a positive customer experience, as well as protecting shareholder value.

Fraud Management Framework



SHAREHOLDER INFORMATION

Shareholder Analysis

FOR THE YEAR ENDED 31 MARCH 2026

SHARE ANALYSIS - ORDINARY SHAREHOLDERS

Ordinary shareholders	Number of Shareholders	Percentage to Total Shareholders	Total Shares Held	Percentage to issued shares
1-2000	24,381	61.33	29,810,680	2.84
2001-5000	8,285	20.84	34,344,471	3.27
5001-10000	3,627	9.12	33,060,788	3.15
10000-50000	2,649	6.66	65,330,126	6.22
50001-100000	417	1.05	33,961,186	3.23
100001-500000	302	0.76	71,283,562	6.79
500001-1000000	46	0.12	34,572,340	3.29
1000001-100000000	43	0.11	212,136,847	20.20
OVER 100000000	1	0.0025	535,500,000	51.00
TOTAL **39,751**	**100.00**	**1,050,000,000**	**100.00**	

TOP 25 SHAREHOLDERS

Name	Holdings	%
1. Botswana Privatisation Asset Holdings	535,500,000	51.00
2. BPOPF Morula Act MEM DEP EQ	34,647,244	3.30
3. Ministry of Transport & Communications	33,230,800	3.16
4. Botswana Public Officers Pension fund - Transition	21,575,236	2.05
5. Farouk Ismail	14,389,618	1.37
6. STNB RE Botswana Public Officers Pension Fund	13,836,517	1.32
7. Ninety-one-Debswana Pension Fund (Domestic Equities)	9,756,475	0.93
8. Nicholas West Eric	7,022,112	0.67
9. Kgori Capital	6,050,373	0.58
10. Botswana Police Savings and Loans Guarantee Scheme	5,884,495	0.56
11. Ditiro Lentswe Clement	5,077,814	0.48
12. Botswana Privatisation Asset Holdings	4,502,790	0.43
13. Motor Vehicle Fund	4,232,400	0.40
14. Botswana Public Officers Pension Fund	4,142,130	0.39
15. Mbiganyi Tibone Charles	3,426,051	0.33
16. Bob DCSPF-MCP	3,391,588	0.32
17. SCBN (PTY) LTD RE: BIFM 028914400011	2,703,419	0.26
18. STNB RE First ILight Multi Manager G Stanbic nominees Botswana re First Light Multi Manager Growth Fund	2,265,632	0.22
19. Joseph Kgotlaetsile Molemi	2,258,199	0.22
20. Simon Hirschfeld	2,051,934	0.20
21. BIFM Alexander Forbes Retirement Fund	2,047,884	0.20
22. Reginah Dumilano Sikalesele	1,812,256	0.17
23. FNBB Nominees (PTY) LTD RE: IAM BBBSPF	1,810,981	0.17
24. SCBN (PTY) LTD RE: Ninety One 3292505	1,771,379	0.17
25. Stanbic Nominees Botswana RE BIFM MLF	1,603,816	0.15
OTHERS	325,008,857	30.95
	1,050,000,000	**100.00**

SHAREHOLDING CATEGORIES

Category	Number of Shareholders	Percentage to Total Shareholders	Shares held	Percentage to issued shares
PUBLIC SHAREHOLDERS				
CORPORATE	366	0.92	138,229,528	13.16
NOMINEES	11	0.03	5,596,273	0.53
PRIVATE INDIVIDUALS	39,368	99.04	332,700,609	31.69
TRUSTS	3	0.01	240,000	0.02
SUB TOTAL	**39,748**	**99.99**	**476,766,410**	**45.41**
NON PUBLIC SHAREHOLDERS	3	0.01	573,233,590	54.59
TOTAL	**39,751**	**100.00**	**1,050,000,000**	**100.00**

Notice of the 2026 Annual General Meeting

Notice is hereby given that the 2026 Annual General Meeting of BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED ("BTC") will be held at Fairground Holdings Botswana in Gaborone, Botswana on Tuesday, 22nd September 2026 at 09:00hrs, to transact the following business:

Agenda:

ORDINARY BUSINESS

1. **To read the notice convening the meeting.**

2. **Ordinary Resolution No.1**
   Presentation of Annual Financial Statements and Auditors Report
   To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2026, together with the Report of the Auditors and Report of the Audit Committee as contained in the Integrated Annual Report.

3. **Ordinary Resolution No.2**
   Dividends
   To approve a full and final dividend of 6.27 thebe per share that was declared by the Directors and paid by the Company.

4. **Ordinary Resolution No.3**
   Appointment of Directors
   To confirm the appointment by way of separate vote the following Directors in accordance with Clause 17.4 the Constitution:
   4.1 Ms. Lorato Mosetlhanyane
   4.2 Mr. Andries Delport
   4.3 Ms. Hilda Mocuminyane-Hlanti
   4.4 Ms. Mythri Sambasivan-George
   4.5 Ms. Ikanyeng Molemele
   Brief CVs in respect of each Director offering themselves for appointment are attached herewith as an Annexure A. The Board recommends the appointment of these Directors.

5. **Ordinary Resolution No.4**
   Re- election of directors of the Company
   To re-elect by way of separate vote the following Directors of the Company, who retire by rotation in terms of Clause 17.4.1 of the Constitution and, being eligible, offer themselves for re-election.
   5.1 Mr. Mcedisi Rodger Solomon
   5.2 Ms. Itemogeng Basadi Pheto
   Brief CVs in respect of each Director offering themselves for re-election are contained in the Integrated Annual Report.
   The Board recommends the re-election of these Directors.

6. **Ordinary Resolution No.5**
   Remuneration of Non-Executive Directors
   To consider and approve the remuneration paid to Non-Executive Directors of the Company for the year ended 31st March 2026 as reflected on page 129 of the Integrated Annual Report.

7. **Ordinary Resolution No.6**
   Appointment of External Auditors
   To appoint Ernst & Young, upon recommendation of the Finance and Audit Committee, as the independent registered Auditors of the Company for the ensuing year.

8. **Ordinary Resolution No.7**
   Remuneration of External Auditors
   To approve the remuneration paid to the External Auditors, Deloitte & Touche for the year ended 31st March 2026 as reflected on page 129 of the Integrated Annual Report.

9. **Ordinary Resolution No.8**
   Re-election of the members of the Finance and Audit Committee
   To appoint or re-elect by way of separate vote, the following Non-Executive Directors as members of the Finance and Audit Committee in line with the King Code of Corporate Governance:
   9.1 Ms. Lorato Mosetlhanyane
   9.2 Mr. Kgotso Bannalotlhe
   9.3 Ms. Itemogeng Basadi Pheto
   9.4 Ms. Mythri Sambasivan-George

   The members' appointment or re-election shall be effective from the conclusion of the Annual General Meeting at which this resolution is passed until the conclusion of the next Annual General Meeting of the Company.

   Brief CVs in respect of each Director offering themselves for appointment or re-election are contained in the Integrated Annual Report.
   . The Board recommends the appointment and re-election of these Directors to the Finance and Audit Committee.

10. **Special Resolution No.9**
    To consider and, if deemed fit, pass the following Special Resolution, to amend the Company's Constitution in accordance with the Companies (Amendment) Act, 2025, which came into effect on 24 January 2025.

    A copy of the proposed Constitution will be available for inspection and details of the proposed changes are overleaf marked Annexure "A".

11. **Special Resolution No.10**
    Substantial gifts made by the Company, details of which are available at the Company's registered office for perusal as reflected on page 91 to 92 of the Integrated Annual Report.

12. **Any Other Business**
    To answer any questions put by shareholders in respect of the affairs and the business of the Company.

13. **To close the meeting**

Voting and Proxies

A member entitled to attend, and vote may appoint a proxy (who need not be a member of the Company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the Transfer Secretaries at the below stated address not less than 48 hours before the meeting. Central Securities Depository Botswana is authorized to receive and count postal votes.

By Order of the Board
Company Secretary

Transfer Secretaries
Central Securities Depository Botswana
Private Bag 00417, Gaborone
Physical address: Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400 /11/12

Annexure A

Profiles of the New Directors

1. Ms. Lorato Mosetlhanyane

Lorato N. Mosetlhanyane is a seasoned executive, leadership coach and former Chief Financial Officer with over 17 years of executive experience in telecommunications, life insurance and banking, complemented by more than a decade in executive coaching and leadership development. As Founder and Managing Director of PinnaLead, she advises organisations on leadership, organisational transformation and executive effectiveness, having previously held senior finance leadership roles at Botswana Life Insurance Limited, including Chief Financial Officer and Acting Chief Executive Officer, with responsibility for financial strategy, governance, risk, treasury and business transformation. She also previously served in finance leadership roles at Botswana Telecommunications Corporation.

She has significant board and governance experience, having served for ten years as an Independent Non-Executive Director of Access Bank Botswana, including five years as Board Chairperson, and as an Independent Non-Executive Director of G4S Botswana. Her expertise encompasses corporate governance, financial strategy, organisational transformation, stakeholder management and leadership development. She holds an MBA from Oxford Brookes University, is an ACCA-qualified Chartered Accountant, and is a Professional Certified Coach (ICF) with executive coaching certifications from the University of Cape Town Centre for Coaching and the John C. Maxwell Leadership Programme.

2. Mr. Andries Delport

Andries Delport is a telecommunications executive with almost 40 years of experience in telecommunications, information technology, engineering and business leadership. He is currently the Managing Director of OneReach Networks (Pty) Ltd, a wholesale fibre infrastructure company focused on expanding fibre connectivity in rural and underserved areas of South Africa. Prior to this, he was the Chief Executive Officer of CIVH Africa and Chief Technology Officer of CIVH, and previously served as Chief Executive Officer of Dark Fibre Africa (DFA). He spent nearly 24 years at Vodacom Group, including almost a decade as Group Chief Technology Officer and various executive leadership roles covering operations, engineering, technology and strategy. Throughout his career, he has overseen large-scale network transformation, multi-billion Rand capital investment programmes, technology governance and commercial strategy, establishing himself as a leading telecommunications executive.

He brings extensive board and governance experience, having served on the boards of Vodacom South Africa, Vodacom Tanzania, Vodacom Mozambique, Vumatel, DFA, Maziv and several other technology and infrastructure entities, and as Chairman of Afinet, a Zimbabwean telecommunications infrastructure company. His expertise spans telecommunications strategy, fibre infrastructure, digital transformation, technology governance, operations management, project execution and business strategy. He holds a Master of Business Leadership (Cum Laude) from the University of South Africa and a Bachelor of Science in Electronic Engineering from the University of KwaZulu-Natal, combining deep technical expertise with proven executive and board leadership.

3. Ms. Mythri Sambasivan-George

Mythri Sambasivan-George is a finance and strategy executive with over 25 years of experience spanning banking, financial services, professional services and ecosystem development across Africa and internationally. She has held senior executive roles including Group Chief Financial Officer of FMBcapital Holdings Plc, Vice President – Strategic Finance at TradeWinds Experience Inc., and Founder and Managing Director of Vetri Consulting. Her earlier leadership roles at Letshego Group and KPMG provided extensive experience in commercial and financial strategy, IFRS, governance, assurance, sustainability, organisational transformation and business growth.

She has significant board and governance experience, currently serving as a Non-Executive Director of Old Mutual Botswana Group and previously serving as an Independent Non-Executive Director of Stanbic Bank Botswana, where she was a member of the Audit and Credit Committee. Her expertise encompasses financial strategy, ESG and sustainability integration, governance, strategic planning, M&A, enterprise performance enhancement and innovation. She holds professional qualifications as ACMA, CGMA, FCCA and FCPA (BICA), together with a Certificate in Integrating Sustainability and Impact from Oxford Saïd Business School, making her a strong candidate for finance, audit and governance oversight roles.

4. Ms. Hildah Mocuminyane-Hlanti

Hilda D. Mocuminyane-Hlanti is a legal, governance and regulatory executive with over 25 years of experience across telecommunications, financial services and the public sector. She has held senior executive roles including Registrar of Companies and Intellectual Property Authority (CIPA), Head of Legal and Board Secretary at the Non-Bank Financial Institutions Regulatory Authority (NBFIRA), Director of Legal Services and Board Secretary at Air Botswana, and Corporation Secretary and Head of Legal at Botswana Telecommunications Corporation (BTC). Throughout her career, she has led corporate governance, regulatory compliance, legal advisory, enterprise risk management and policy development, with notable achievements including leading the delivery of Botswana's Online Business Registration System (OBRS) and driving governance and process transformation initiatives.

She has extensive board and committee experience, previously served on the NBFIRA Board and also served on the boards of Botswana Post, Botswana Railways, Botswana Savings Bank, Local Enterprise Authority (LEA), BOTUSAFE and Tshwaragano Brigades. Her expertise spans corporate governance, board advisory, regulatory compliance, contract negotiation, stakeholder management, strategic leadership and organisational transformation. She holds a Master of Science in Strategic Management from the University of Derby and an LLB from the University of Botswana, complemented by executive leadership and governance programmes, positioning her as a highly experienced board governance and legal professional.

5. Ms. Ikanyeng Molemele

Ikanyeng Molemele is an ICT and digital transformation executive with extensive international experience in information technology, telecommunications and organisational change management across Botswana and the United Kingdom. She is the Chairperson of the Botswana Digital & Innovation Hub (BDIH) and Principal Consultant at IkyCom Solutions, where she leads digital transformation, IT service management (ITSM), governance and organisational change initiatives. Her career includes leading major technology programmes for the European Bank for Reconstruction and Development (EBRD), Vodafone, O2, Huawei, Ericsson, 3 Hutchison, Virgin Media and British Telecom, as well as advising organisations on digital strategy, cybersecurity, service management and business transformation.

She brings significant leadership and governance experience in digital innovation, having overseen large-scale ICT infrastructure projects, including the Vodafone–O2 5G network integration, EBRD's multinational data centre migration, and enterprise-wide IT governance and change management programmes. Her expertise spans digital transformation, ICT governance, organisational change management, technology strategy, stakeholder engagement, cybersecurity and IT service management. She holds an MBA in Organisational Change Management from the University of Liverpool, completed the MIT Sloan Executive Programme in Corporate Innovation, and holds certifications in ITIL, PRINCE2, Artificial Intelligence, IT Governance and Organisational Policy Development.

Annexure [Cont]

Insert of Clause 3.4 – Definition of Beneficial Owner

"Beneficial Owner" has the meaning assigned to it under the Act which as at the date of this Constitution, means a natural person who ultimately owns or controls a customer or a natural person on whose behalf a transaction is being conducted, including a natural person who exercises ultimate effective control over a legal person or arrangement, such that;

(i) in relation to a legal person

(ii) is a natural person who either directly or indirectly holds such percentage of shares, as may be prescribed, voting rights or other ownership interest:

(iii) Provided that to the extent that there is doubt as to whether the person identified hereunder is the beneficial owner or where no natural person is identified as the beneficial owner, the natural person exercising control of the legal person through other means shall be the beneficial owner,

Or

(iv) is a person who holds the position of senior managing official where no natural person was identified as a beneficial owner in terms of subparagraph (i)

Insertion of Clause 48 – Controllers of the Company

48.1 The powers exercised in the Company shall be under the ultimate effective control of the Board, each Director and each Shareholder, and ultimately the Beneficial Owners who exercise ultimate effective control in the Company or hold a senior managing position.

48.2. Annexure I contains a list of natural persons having ultimate effective control over the Company in terms of section 41 (b) of the Act.

Proxy form

Only for use and completion by holders of Ordinary shares of BTC in certificated or dematerialized "own name registered" form. Other dematerialized shareholders must inform the CSDB or broker of their intention to attend the annual general meeting to be held at Fairground Holdings Botswana on Tuesday, 22nd September 2026, in order that the CSDB or broker may issue them with the necessary Letters of Representation to attend, or provide the CSDB or broker with their voting instructions should they wish not to attend the annual general meeting in person. Please read the notes overleaf before completing this form.

I/We ....

(Name in block letters)

of (Address) ....

Telephone(work) ....

being a shareholder of BTC and a holder of .... number of ordinary shares, hereby appoint

1. ....or failing him/her

2. .... or failing him/her

3.The Chairperson of Annual General Meeting as my /our proxy to act for me/us at the Annual General Meeting of the Company to be held by means of audio or audio and visual communication in Gaborone, Botswana on Tuesday, 22nd September 2026 at 09:00hrs, and at any adjournment thereof for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions and/or abstain from voting as indicated in the resolution to be considered at the said meeting.

		FOR	AGAINST	ABSTAIN
Ordinary resolution 1	Agenda no 2			
Ordinary resolution 2	Agenda no.3			
Ordinary resolution 3	Agenda no.4			
	4.1 Ms. Lorato Mosetlhanyane			
	4.2 Mr. Andries Delport			
	4.3 Ms. Hilda Mocuminyane-Hlanti			
	4.4 Ms. Mythri Sambasivan-George			
	4.5 Ms. Ikanyeng Molemele			
Ordinary resolution 4	Agenda no.5			
	5.1 Mr. Mcedisi Rodger Solomon			
	5.2 Ms. Itemogeng Basadi Pheto			
Ordinary resolution 5	Agenda no.6			
Ordinary resolution 6	Agenda no.7			
Ordinary resolution 7	Agenda no. 8			
Ordinary resolution 8	Agenda no.9			
	9.1 Ms. Lorato Mosetlhanyane			
	9.2 Mr. Kgotso Bannalotlhe			
	9.3 Ms. Itemogeng Basadi Pheto			
	9.4 Ms. Mythri Sambasivan-George			
Special resolution 9	Agenda no.10			
Special Resolution 10	Agenda no.11			

Signed at: ....

Date: .... Signature: ....

Assisted by (where applicable):..

Full names of signatory/ies if signing in a representative capacity

Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 - 11 on the reverse side hereof

Notes to the Form of Proxy

1. A BTC Shareholder must insert the name of a proxy or the name of two alternative proxies of the Shareholder's choice in the space provided with or without deleting "Chairperson of the Annual General Meeting".The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairperson, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.

4. The Chairperson of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5. The date must be filled on this proxy form when it is signed.

6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.

7. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

8. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.

9. Where Ordinary Shares are held jointly, all Shareholders must sign.A minor must be assisted by his/her guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered with the transfer secretaries.

10. Forms of Proxy must be lodged or posted to the Transfer Secretaries, Central Securities Depository Company of Botswana (CSDB), Private Bag 00417, Gaborone

11. Dematerialised shareholders, other than with "own name registration", must NOT complete this form of proxy and must provide their CSDB or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and CSDB or broker.

Megaleng, Khama Crescent Plot 50350
P.O. Box 700 Gaborone, Botswana

www.btc.bw