



Integrated Report 2023



INCLUSIVE



DISRUPTIVE



DIGITAL



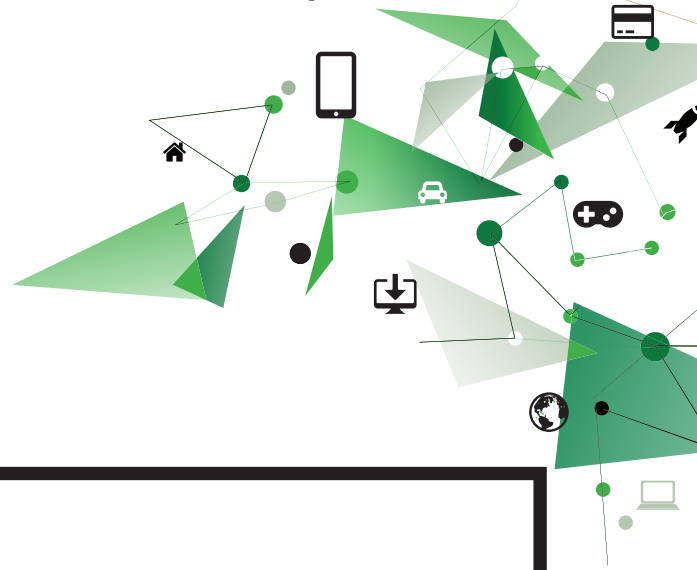


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About this Report

Welcome to our Integrated Report

This report is our first Integrated Report, and reflects our commitment towards sustainability reporting, enhanced governance, and the balanced consideration of our stakeholders.

We recognise that incorporating Environmental, Social and Governance (ESG) considerations in our business is a long-term journey and there will be continuous opportunities for improvement. We affirm our commitment to improved reporting quality and disclosures in future reports. This report provides a review of our performance against our strategy, our governance, the material risks and opportunities we face, as well as our impact on society.

Audience

The contents of this report are relevant to all our stakeholders, these include our staff, customers, investors, strategic partners, government, regulators, and the members of the communities in which we operate.

Scope and boundary

Our 2023 Integrated Report covers the financial year from 1 April 2022 to 31 March 2023.

Reporting principles and frameworks

Our Integrated Report aligns with international standards and best practice. The report reflects key risks and opportunities facing the business and how these factors affect our strategy, performance, and the impact we have in Botswana. This being our first integrated report, we have strived to provide balanced and transparent commentary on our business.

Regulation and reporting frameworks

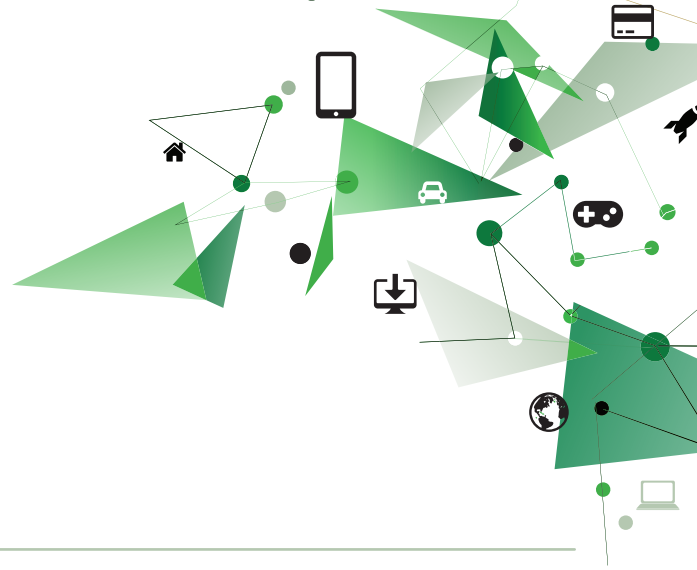
- International Integrated Reporting <IR> Framework (IIRC)
- King III Report on Corporate Governance for South Africa, 2009
- International Financial Reporting Standards (IFRS)
- Botswana Companies Act of 2007, as amended (Cap 42:02) (Companies Act) through the Registrar of Companies

- 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)

The Annual Financial Statements have been audited by the independent auditors, Deloitte & Touche. Their report is on page 92.

Materiality

Material issues are those that have the potential to significantly impact our ability to create stakeholder value over the long-term. We consider our stakeholders' interests, in addition to the risks and opportunities facing the organisation to determine these issues. Materiality assessments are conducted to determine the importance and impact of the matters, and their disclosure. Further, we apply a robust risk management framework throughout our operations.



Forward-looking statements

This report contains some forward-looking statements about the business's anticipated performance, operations, and results. While these statements represent our future expectations, they are based on assumptions and may be affected by known and unknown uncertainties and risks that we have no control over. We cannot guarantee future performance, therefore undue reliance should not be

placed on such opinions, forecasts, or data. The financial information on which the forward-looking statements are based has not been audited or reported on by our independent external auditors, Deloitte & Touche.

Approval of the Integrated Report

The Board of Directors (Board) is responsible for ensuring the integrity of this report. The Board is satisfied

that the report provides a fair and balanced representation of our business and our prospects, and that the report was prepared in accordance with the Integrated Reporting Framework. Additionally, the Board acknowledges that the report reflects a deliberate and incremental improvement approach towards sustainability reporting.

Approved on behalf of the members of the Board by:

Ms. Lorato Boakgomo-Ntakhwana
Board Chairperson

Mr. Anthony Masunga
Managing Director

Feedback on our report

We remain committed to balanced disclosure, and this is our first integrated report. Please share your feedback and opinions on our report by emailing investor@btc.bw

Connect with us on



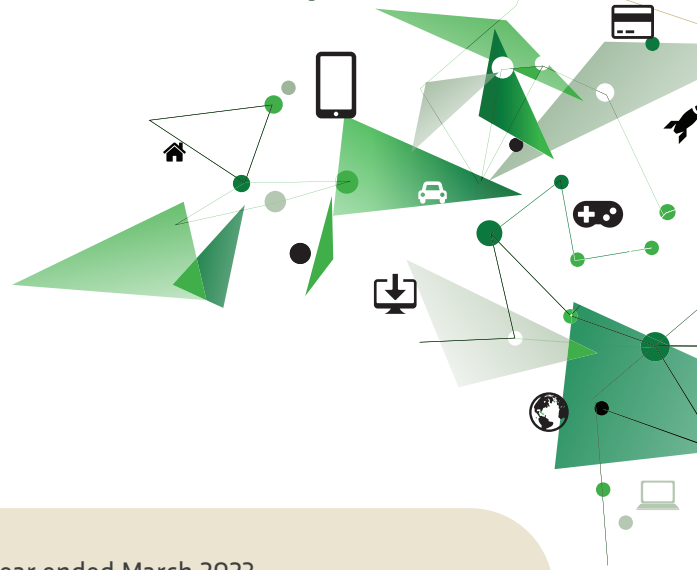
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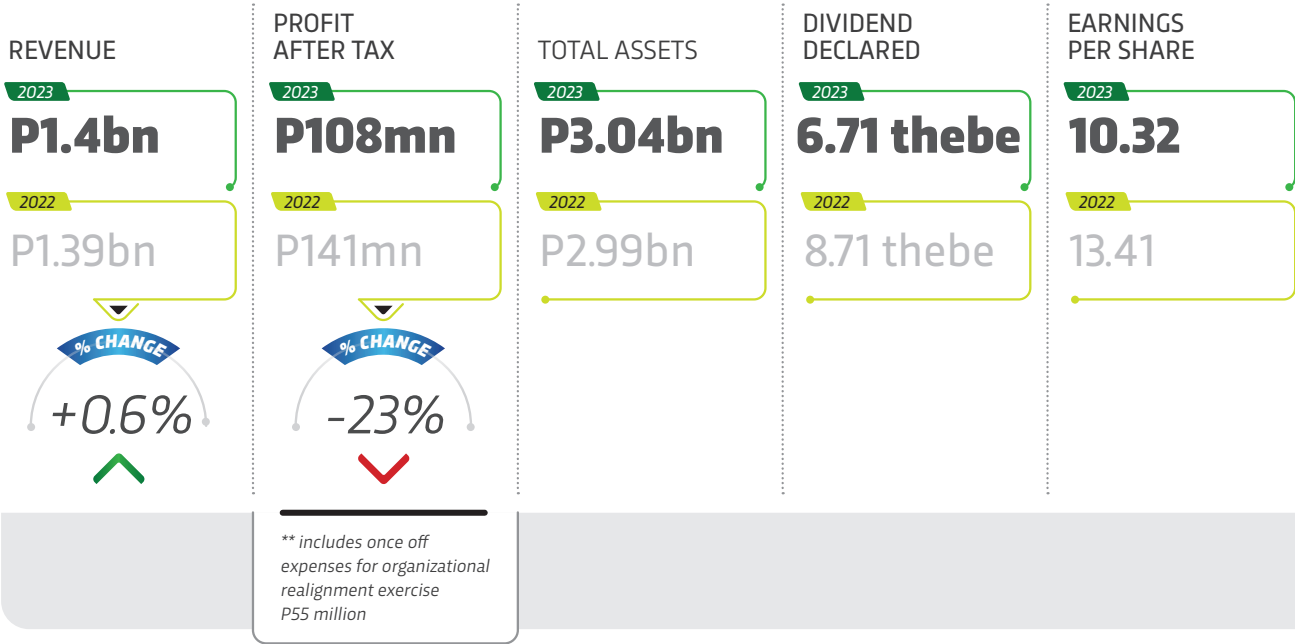
ABOUT BTC

7	2023 at a glance
7	Corporate Information
8	Our Purpose, Values and Strategy
9	Our Footprint
11	History and Milestones



2023 at a Glance

We are proud to present our financial performance for the year ended March 2023. Let's take a quick look at our performance highlights:



Corporate Information

Botswana Telecommunications

Corporation Limited (BTC)
 Incorporated in the Republic of Botswana
 Company Registration number:
 BW00000748937

Registered Office

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

Transfer Secretaries

Central Securities Depository Company
 of Botswana (CSDB)
 Postal address: Private Bag 00417,
 Gaborone, Botswana
 Physical address: Plot 70667, 4th Floor,
 Fairscapes Precinct, Fairgrounds
 Telephone: +267 367 4400/11/12
 Contact: Masego Pheto

Auditors

Deloitte and Touche
 Deloitte House, Plot 64518
 Fairgrounds Office Park,
 P O Box 778, Gaborone, Botswana

Company Secretary

Sidney Mganga

Bankers

- Absa Bank Botswana Limited
- Access Banking Corporation Botswana Limited
- Bank Gaborone Limited
- First National Bank Botswana Limited
- Stanbic Bank Botswana Limited
- Standard Chartered Bank Botswana Limited

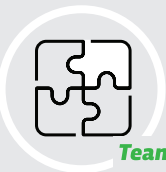


Our Purpose, Values and Strategy

Botswana Telecommunications Corporation Limited (BTC) is a converged telecommunications operator offering Fixed (voice and data), Mobile (voice and data) and Digital Solutions to consumers, enterprises and other licensed service providers. We are listed on the Botswana Stock Exchange (BSE).

<p>Our Purpose:</p> <p>We exist to provide superior digital solutions to our people to enable them to live connected.</p>	<p>Our Vision:</p> <p>To be a leader in digital and communication services</p>	<p>Strategic Intent:</p> <p>BTC will provide exceptional customer-focused digital solutions that transform Botswana and selected Sub-Saharan markets</p>
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Our Values:



Teamwork – We work effectively and efficiently collaborate in the pursuit of common goals



Excellence – We offer superior, supreme, excellent, quality service to all our stakeholders



Agility – We commit to be flexible, innovative and move with speed, timeously, and easily to meet customer needs.



Ethical Conduct – we commit to act with the highest ethical standards and integrity, honesty and fairness at all times in all our interactions with our stakeholders, both internally and externally



Our Strategy to 2025

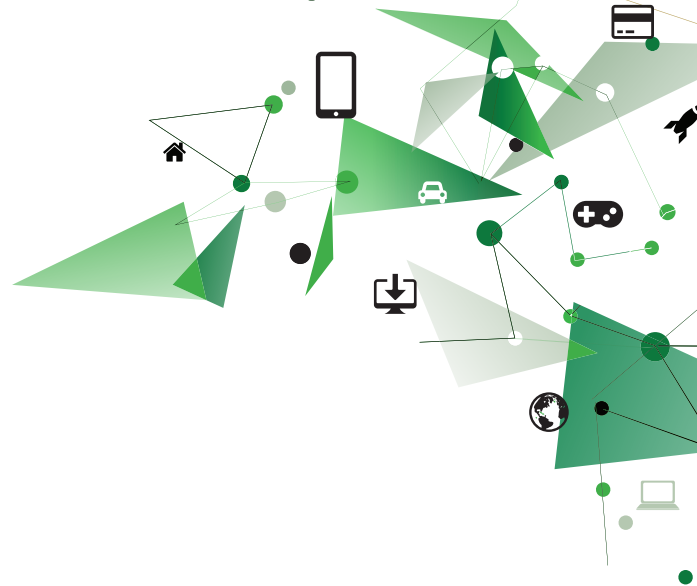
This report reviews the first year of our Strategy 2023 – 2025. This three-year strategy

was developed post Covid-19, the pandemic presented significant shifts in the commercial landscape; introduced new challenges and opportunities for our business. Our strategy continues to focus on providing customer-driven digital solutions while creating stakeholder value. Strategic focus: Delivering exceptional customer-driven digital solutions to the market and creating value for our shareholders

Our strategy is underpinned by 4 key pillars:

1. **Digital Transformation** – we will transform our operations and services to support the digital customer experience.
2. **Customer-driven culture** – build our people and ensure they have suitable knowledge and skills to propel BTC into the digital future. Our product development and operations will be guided by the needs of the customer for us to provide relevant solutions.
3. **ICT Leadership** – we will maintain our market leadership in the ICT sector by continuously building relevant technology capability and solutions. We will leverage our existing network capabilities and our deep expertise to establish strong value propositions.
4. **Growth** – we will pursue new growth opportunities as we aim to grow our revenues and continue to serve our people and stakeholders.

Our Footprint



LOCATION	CONTACT	LOCATION	CONTACT
Airport Junction	3907460	Megaleng	3958283 / 395837 / 3958295 / 3164498
Maun	6860234 or 6800131	Mochudi	5749500
Francistown	2412106	Mogoditshane	3933169 / 3933166
Gamecity	3990708	Molepolole	3636592 / 3636594 / 3636593
Gantsi	6597010 / 6596785	Orapa	2970662 / 2971455
Hukuntsi	6510010	Palapye	4920684 / 4920685 / 4900202
Jwaneng	5880970 / 5880050	Railpark	3990711 / 3990713 / 3990716
Kanye	5442021 / 5442188	Riverwalk	3165280 / 3990112
Kasane	6250250 / 6251490	SelibePhikwe	2620100 / 2615958
Letlhakane	3990720	Serowe	4634878 / 4631785
Lobatse	5332625 / 5334331	Shakawe	6875192
Mahalapye	4720000 / 4710347 / 4710571 / 4711101	Tsabong	6540927 / 6540827

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 Twitter

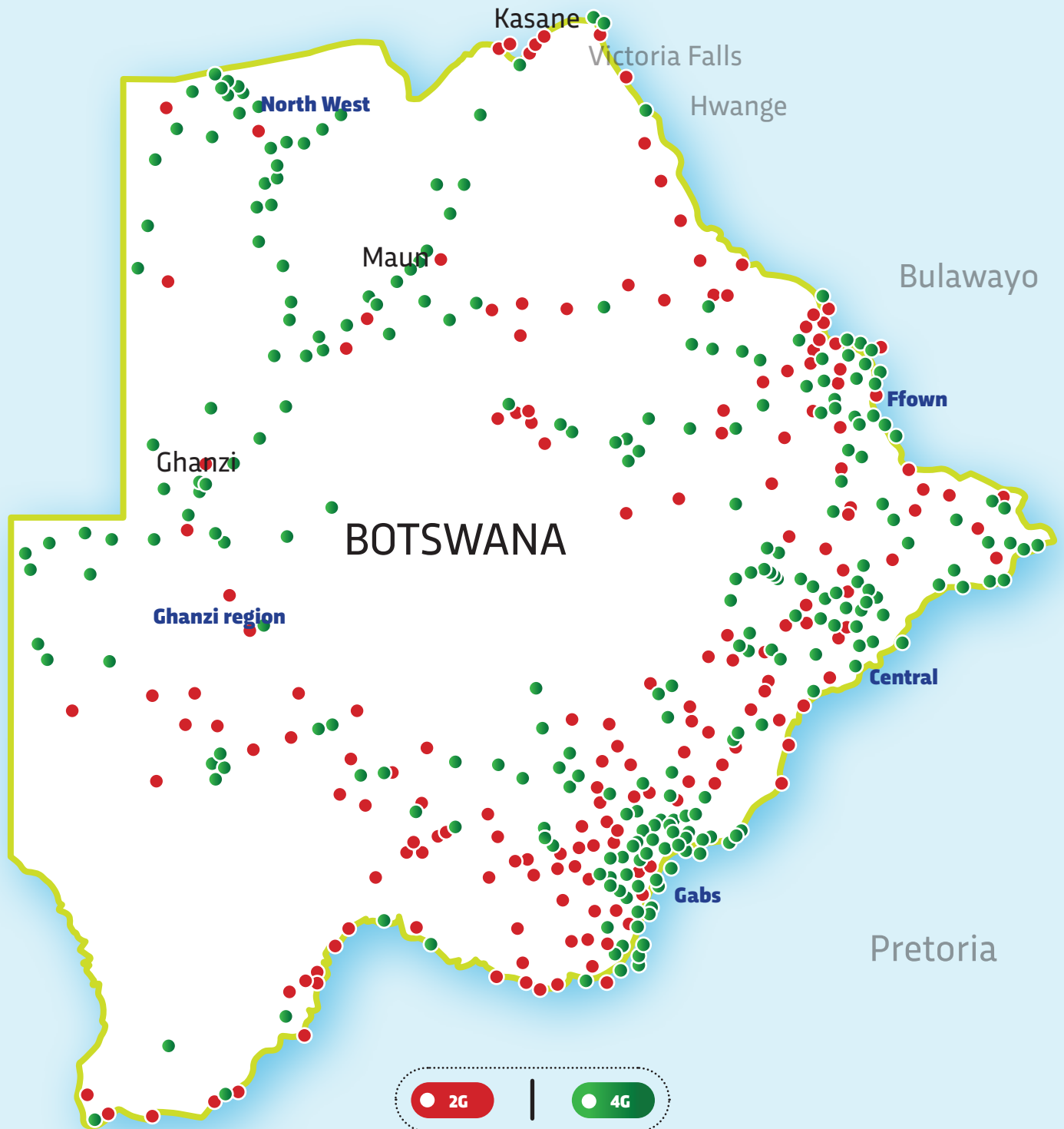
 Instagram

 LinkedIn



Network Coverage

4G/LTE coverage map



History and Milestones



1980 Botswana Telecommunications Corporation was formed through an Act of Parliament from the then Department of Post and Telecommunications.

1980 The Earth Station was commissioned in 1980, connecting Botswana to overseas directly. A new Teletypewriter Exchange Service (Telex) was also commissioned.


1987 Main Development Programme (MDP) I was completed, bringing digital technology to Botswana for the first time. International Direct Dialing was introduced, and telephone access lines grow to 11,700.

1989 BTC declares and pays a dividend to the Government of Botswana.

1991 Main Development Programme linking Maun, Kasane and Ghanzi to the main communications network is completed. Ghanzi receives the automatic telephone service for the first time.

1999 BTC in partnership with the Government of Botswana, embarks on a Rural Infrastructure Development Programme (Nteletsa) to bring telecommunication services to previously under-served communities covering over 127 villages. BTC enters into an interconnect and backhaul network agreement with mobile operators.

2007 BTC is awarded a Public Telecommunications Operator (PTO) license.

2008  **BTC launches a dedicated mobile service under the brand name "beMOBILE"**


2012 The Government of Botswana announces separation of network assets from BTC into a special purpose vehicle (SPV) and announces a privatisation plan for BTC within 2 years.

2013 BTC is incorporated as a limited company under the Companies Act 2003.

2014 BTC completes its obligation to transfer the network assets to Botswana Fibre Network (BoFiNet) and readies for privatisation.

2016 BTC lists on the Botswana Stock Exchange (BSE), becoming the first and only telecommunications service provider to be listed on the local bourse. The privatisation and listing was oversubscribed 1.68 times and remains one of the most iconic and historic Initial Public Offerings (IPOs) in Botswana. The listing brought over 50,000 Botswana shareholders to BTC, thus providing economic inclusion and wealth creation opportunities for citizens.

2016 BTC integrates beMOBILE and BTC brands into one, reflecting its position as a one-stop shop communication business. BTC no longer goes to market as beMOBILE, Fixed lines or Broadband, but as one united BTC with a single refreshed brand.

2017 BTC launches its 4G network, with over 400 4.5G sites covering major villages and towns to date, providing Botswana's widest and fastest 4.5G network. 

2017 BTC embarks on a substantive network transformation project.

2018 BTC launches new converged billing platform to improve efficiency and service delivery.

2019 BTC commissions the Senthaga Data Centre and launches improved VSAT capabilities. 


2020 To further enhance customer experience, BTC launches a programme to invigorate the internal culture and customer experience.

2021 BTC launches the first ever Telecommunications Museum in Botswana, officiated by the Minister of Transport and Communications.

2021 BTC hosts the first ever Enterprise Summit, themed "Digital Shift BW - Transforming Botswana for success in the digital age". This is our Annual flagship Thought Leadership event bringing together key players in the market.

2022 BTC embarks on an ambitious Digital Transformation and Digital Experience programme to transform the organisation.

2022 Progressive events: BTC hosts second Digital Shift Enterprise Summit and hosts Cloud Talks Seminar

2023 **BTC relaunches the BTC Francistown Marathon** 




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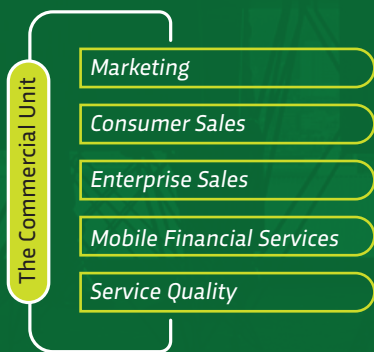
STRATEGIC CONTEXT

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Our Operating Structure



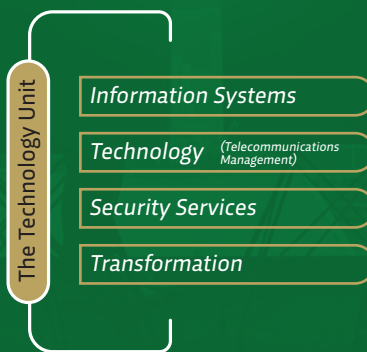
The Commercial Unit



The Commercial Unit of the business comprises Marketing, Consumer Sales, Enterprise Sales, Mobile Financial Services and Service Quality. The Marketing division is responsible for ensuring we take the right products to the market per segment. Consumer Sales focuses on the Retail and SME segments, whereas Enterprise Sales focuses on corporate, parastatals and Government and resellers. The unit is focused on revenue growth and ensuring service quality.



The Technology Unit



The Technology Unit comprises Telecommunications Management, Information Systems, Security Services and the Transformation Office. The unit is responsible for network planning, network build, and operations. In addition, the Technology Unit further oversees the IT environment, corporate security services, and the delivery of the Corporate Strategy and Transformation Agenda.



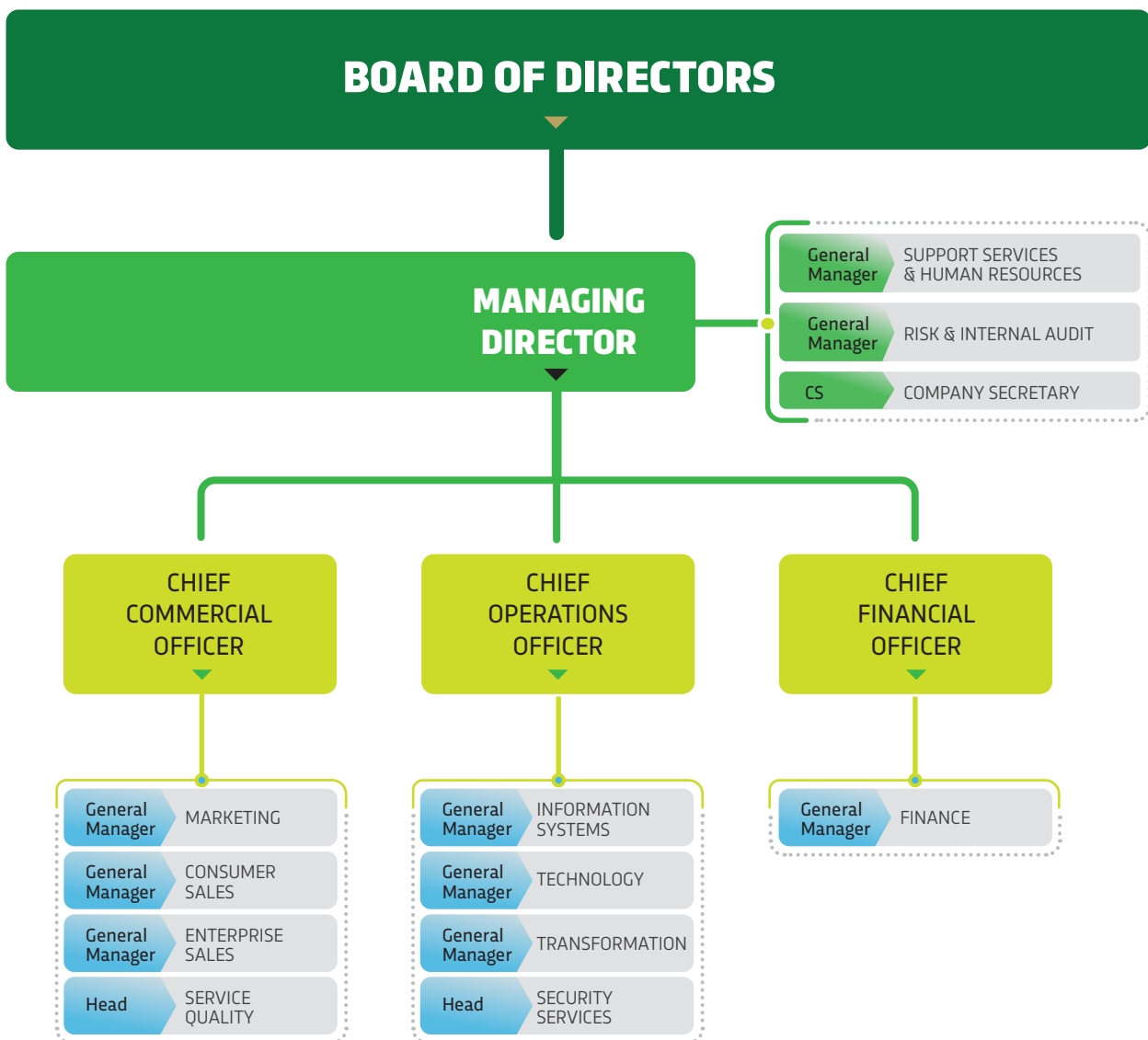
The Support Unit

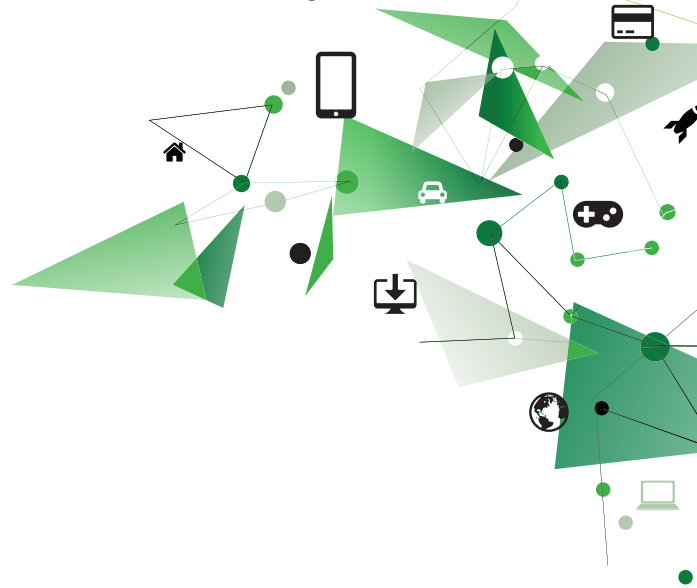


The Support functions consist of Human Resources, Shared Services, Risk Management, Internal Audit, Finance, and the Company Secretary. These functions provide support to the core functions.



Our Organisational Structure





Our Value Creation Model

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
<p>Financial Capital The funds that enable us to carry out our business activities.</p> <ul style="list-style-type: none"> Equity: P2.4 billion Cash and cash equivalents: P571 million 	<p>Retail Mobile voice Mobile data SMEGA mobile money Devices / Routers Home internet VSAT</p> <p>Enterprise / Corporate Office internet Voice and collaboration Managed services Cloud services Network solutions Mobile Services</p>	<ul style="list-style-type: none"> Revenue: P1.4 billion (2022: P1.39 billion) Profit after tax: P108.3 million (2022: P140.8 million) Dividend paid: P52.9 million (2022: P94.3 million) Income tax expense: P40.2 million (2022: P41.6 million) 	<ul style="list-style-type: none"> Shareholders Customers Government Regulators Employees Suppliers and strategic partners Communities Business Partners 	<ul style="list-style-type: none"> Sustainable revenue growth supported by a strong balance sheet and adequate working capital to fund operations. Prudent management of investors' capital investment.
<p>Intellectual Capital Our intangible resources refer to our expertise, industry insights, systems and processes, infrastructure, and our brand.</p> <ul style="list-style-type: none"> Intangible assets: P162.6 million Proprietary technology, software, and IT systems. Operating systems, policies, processes, and procedures. Robust internal governance, audit, and control systems 		<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Government Regulators Suppliers and strategic partners Employees 	Profitable products and services that meet customer demands and capacity requirements
<p>Human Capital The talent, competencies, and capabilities of our people.</p> <ul style="list-style-type: none"> 819 employees Performance management system Experienced Board, Executive and General Management 		<ul style="list-style-type: none"> P2.4 million training spend (2022: P3.0 million) Commitment to creating an environment of continuous learning as we transform to a digital organisation 	<ul style="list-style-type: none"> Employees 	Capable and competent workforce that is well capacitated to execute the digital transformation strategy



Our Value Creation model [continued]

OUR CAPITAL INPUTS	BUSINESS ACTIVITIES	OPERATING OUTPUTS	STAKEHOLDERS IMPACTED	DESIRED OUTCOMES
<p>Social and Relationship Capital Our deliberate relationships with stakeholders and communities, with emphasis on our engagements and commitment to uplift communities.</p> <ul style="list-style-type: none"> BTC Foundation projects Relationships with various stakeholder groups Experienced Board, Executive and General Management 	<p>Sentlhaga Data Centre Colocation services XaaS services Microsoft services Cloud services</p>	<ul style="list-style-type: none"> Donations and sponsorships in the Education sector – school prize giving ceremonies, career fair, UB Foundation sponsorship participation in national Telecommunications events. 	<ul style="list-style-type: none"> Communities Government and Regulators Suppliers and strategic partners 	<ul style="list-style-type: none"> An efficiently administered Foundation that realises measurable impact on communities. Long term efficiency through collaboration with strategic partners.
<p>Manufactured Capital Manufactured physical objects including our buildings and infrastructure.</p>		<ul style="list-style-type: none"> Property, Plant and Equipment: P1.5 billion (2022: P1.4 billion) 	<ul style="list-style-type: none"> Customers Suppliers and strategic partners 	<p>Functional and cost-efficient infrastructure.</p>
<p>Natural Capital Responsible use of renewable & non-renewable resources and processes that enable our business activities.</p>		<ul style="list-style-type: none"> Water and electricity usage P34.5 million (2022: P35.8 million) 	<ul style="list-style-type: none"> Communities 	<p>Sustainable use of energy resources and reduced environmental impact</p>

Our Stakeholder Relationships

Our stakeholders are any individuals or groups that are impacted by or have an impact on our business and may affect our ability to realise our strategy. Sustainable value creation is dependent on our ability to balance the interests and expectations of all stakeholders. Engagements take place at varying levels in the organisation and through the appropriate channels depending on the nature of the stakeholder relationship.

Our engagements through open platforms are proactive opportunities to effectively address stakeholders’ concerns. We respect the interests of the different groups and therefore foster a culture of mutual respect and dialogue.

Stakeholder engagements are a priority area for our Board and Management.

These engagements serve as opportunities for information exchange along with serving as a feedback mechanism regarding our performance and impact. Messages that are shared include BTC’s:

- Adherence to the highest corporate governance standards

- Contribution to the digitisation of the local economy
- Support for local businesses
- Viability as an investment option
- Business sustainability
- Responsibility as a corporate citizen.

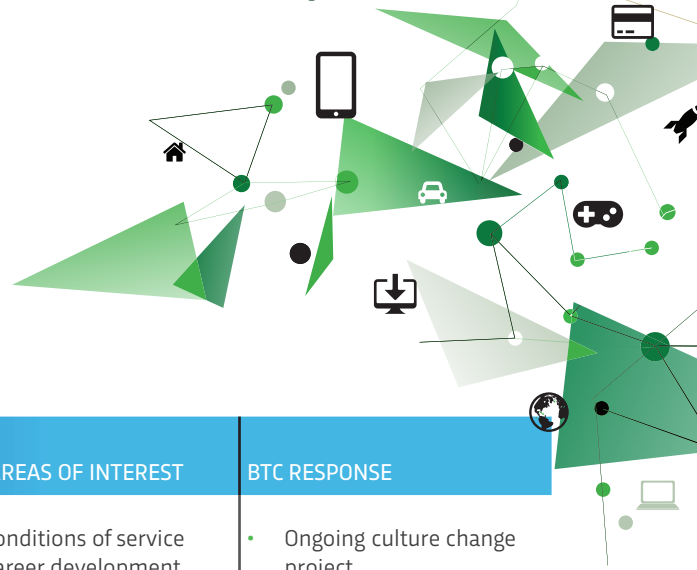
Beyond enhanced stakeholder satisfaction levels, BTC hopes to be recognised as a company that:

- Enables Botswana to live connected anywhere and everywhere.
- Adheres to the highest corporate governance standards.
- Creates and delivers shared value to, with, and for all stakeholders.
- Is a dependable investment.
- Positively impacts communities in

which it operates to move the nation forward.

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

- Increase support for the company strategy, its Board of Directors, and Management.
- Build and maintain relationships with existing and potential investors.
- Build and maintain relationships with key stakeholders.
- Receive important feedback and early warning of potential issues.
- Increase brand affinity and loyalty.
- Enhance digitisation and development of Botswana.



STAKEHOLDER	DESCRIPTION	METHOD OF ENGAGEMENT	KEY AREAS OF INTEREST	BTC RESPONSE
Employees	Our people are integral to our operations and achievement of strategic objectives. We recognise the need to treat employees well to enable them to take care of customers	<ul style="list-style-type: none"> Employee Engagement Survey Internal Customer Satisfaction Survey MD's Staff Addresses Divisional/ Departmental meetings Intranet – Mowana, Yammer, Internal company newsletter Internal communications email 	<ul style="list-style-type: none"> Conditions of service Career development opportunities Safe and conducive work environment Company strategy and performance Training, skills development, and talent management Remuneration and rewards General information dissemination 	<ul style="list-style-type: none"> Ongoing culture change project Implementation of a Talent Management Programme and online training opportunities Company-wide strategy cascade Weekly Safety, Health & Environment (SHE) awareness communications Revamped internal communications platform
Customers	Our purpose is to serve our customers and enable them to live connected.	<ul style="list-style-type: none"> Customer Satisfaction Surveys Call centre Retail shops Social Media Bulk SMS Product launches and marketing campaigns Competitions and loyalty mechanisms 	<ul style="list-style-type: none"> Quality of service Product value offerings Faster data networks and wider coverage Efficient services - improved turnaround times Converged solutions for business customers 	<ul style="list-style-type: none"> Significant investments in network modernisation & expansion to improve network quality and enhance customer experience. Transform into a digital organisation. Continue to improve our website functionality
Suppliers and strategic partners	These parties support our operations and enable us to focus on our core business	<ul style="list-style-type: none"> Meetings Training on our Procurement practices Ongoing site visit audits 	<ul style="list-style-type: none"> Adherence to contractual obligations and payment terms Debriefing on tenders Improving health and safety standards Relationship management for mutual benefit 	<ul style="list-style-type: none"> Introduced strategic sourcing to better manage our suppliers. Timely processing of supplier invoices Promote SHE standards
Government and Regulators	Government is our main shareholder and a key partner in our mandate. Regulators govern our operations and stipulate compliance requirements	<ul style="list-style-type: none"> Active participation in policy fora Formal periodic briefings Ad hoc engagement on regulatory matters Engagement through industry consultative bodies 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Compliance with regulatory and disclosure requirements Ongoing stakeholder engagements Improved service delivery turnaround times Continuously reviewing tariffs for the benefit of our stakeholders

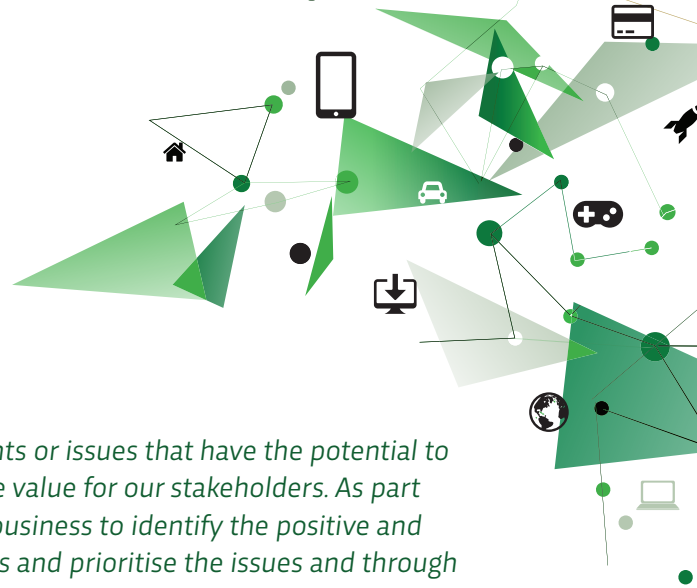


Our Stakeholder Relationships [continued]

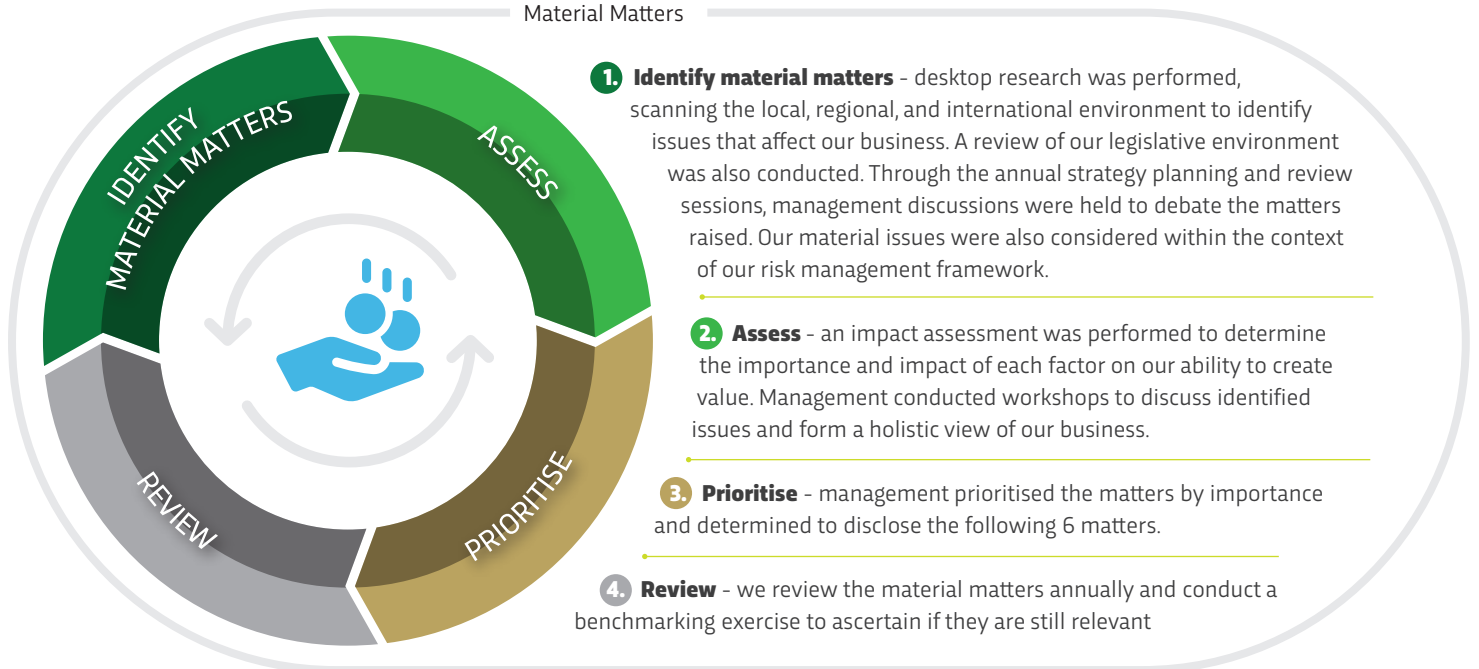
STAKEHOLDER	DESCRIPTION	METHOD OF ENGAGEMENT	KEY AREAS OF INTEREST	BTC RESPONSE
Shareholders and Analysts	Our shareholders own the business and provide the capital for our operations.	<ul style="list-style-type: none"> Annual General Meeting Print, digital, and broadcast media updates Formal one-on-one meetings (Institutional Investors) Annual and interim financial results briefings Social media Radio interviews One-on-one interactions with retail shareholders 	<ul style="list-style-type: none"> 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) Financial literacy 	<ul style="list-style-type: none"> Increased investments on 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 social media platforms to disseminate information to retail shareholders
Media	Media are key communication partners between us and the public. Their reporting has significant impact on our reputation.	<ul style="list-style-type: none"> One-on-one interviews with the Executive Media briefings Radio interviews Media releases Product launches Marketing campaigns loyalty mechanisms 	<ul style="list-style-type: none"> Access to quality and accurate information Quality of service Company performance Products and services Coverage of events and activities 	<ul style="list-style-type: none"> Developed and implemented a media engagement strategy & plan
Communities	We strive to be a good corporate citizen, active and invested in the development of the communities we affect.	<ul style="list-style-type: none"> Corporate Social Investment (CSI) Programmes Print, digital, and broadcast media Events and product launches Formal meetings Courtesy calls 	<ul style="list-style-type: none"> Access to services Quality of service Sponsorships and donations Impact of our operations on the communities 	<ul style="list-style-type: none"> Increased customer service points Network expansion & modernisation. Implement CSI agenda through the BTC Foundation We give back to the community guided by focus areas: <ul style="list-style-type: none"> - Entrepreneurship & Innovation - Wellness & Sports - Arts and Culture - Employee Engagement

Material Matters

BTC's material matters represent the internal and external events or issues that have the potential to significantly impact our ability to create or preserve sustainable value for our stakeholders. As part of our planning process, we conduct a rigorous analysis of the business to identify the positive and negative material factors. We assess the impact on our business and prioritise the issues and through our strategy, develop plans to respond appropriately. The process outlined below is part of our risk management approach approved by the Audit and Risk Committee and the Board.



Material Matters

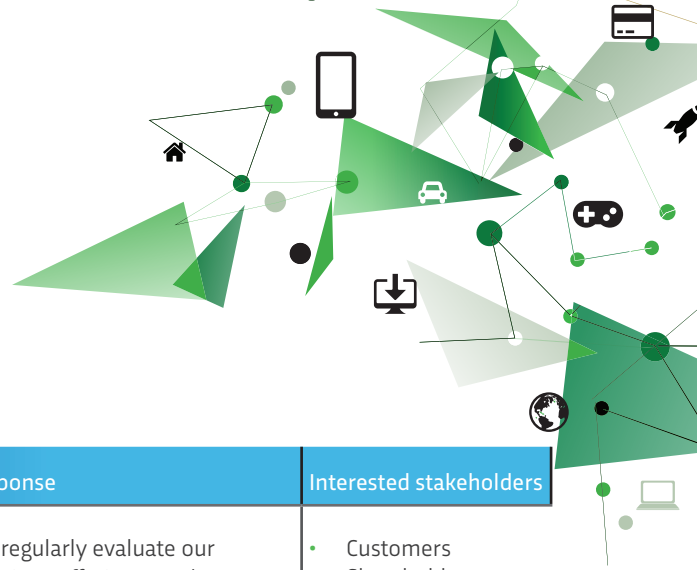


Material matter	Why this is important	Our response	Interested stakeholders
Growth	It is imperative that the business defends its core revenue lines and identifies opportunities for inorganic growth. Diversification of revenue streams is critical; the business aims to diversify from dependency on Government revenue.	<ul style="list-style-type: none"> We continue to grow mobile sales revenue through promotions, and implementation of a content strategy. We plan on introducing broad-based revenue streams, delivered through the development of new products and the introduction of digital distribution channels. We anticipate that our digital channels will positively impact our revenues. 	<ul style="list-style-type: none"> Shareholders Employees Suppliers and strategic partners Communities Media



Material Matters [continued]

Material matter	Why this is important	Our response	Interested stakeholders
<p>Global economic challenges</p>	<p>The global economy continues to experience pressure amid the ongoing Russia-Ukraine conflict and recent financial sector instability. Most developed economies are experiencing high inflation, coupled with rising interest rates and heightened uncertainties, leading to subdued growth expectations.</p> <p>In Botswana, GDP growth is projected to be moderate at 4.0% in 2023 (African Development Bank). Locally, the combination of high inflation and modest wage increases led to falling real wages, thus exerting pressure on consumer affordability, resulting in reduced communications and entertainment spend.</p> <p>Volatile macroeconomic conditions such as fluctuating foreign exchange and inflation rates may weaken consumer spend and enterprise investment, thereby posing a risk to our revenue outlook.</p>	<ul style="list-style-type: none"> We are implementing a revised product and sales strategy. We are bundling our product and offering solution suites to encourage customer retention. We aim to provide more value to our customers while maintaining appropriate price points. We provided customers with solutions to drive down costs, digitise their businesses, create more efficiencies, and combat the effects of inflationary pressures. 	<ul style="list-style-type: none"> Customers Shareholders Employees Government
<p>Digital transformation – quality and capability of network infrastructure and transformation to a digital organisation</p>	<p>In efforts to transform to a digital organisation and meet the escalating demand for high-bandwidth internet access, we are hard-pressed to expedite the upgrade and rollout of our technology. From an inward perspective, we are on a digital transformation journey to remodel our business processes. We are also converting our customers’ experience to a digital one. The realisation of these ambitions is underpinned by having a robust technology platform.</p> <p>Relevant technology infrastructure will enable us to deliver high speed connectivity and a digitised environment and solutions, thus impacting our relevancy, market share and growth.</p>	<ul style="list-style-type: none"> We are currently implementing a robust digital transformation strategy that will culminate in the automation of business processes. We have embarked on a network upgrade to improve our internet speed and capacity to support a digitised and innovative customer experience environment. We have completed the rollout of fibre in 15 sites. Through the UASF project we have upgraded our network from 2G to 4G in 37 sites. We have a robust Business Continuity and disaster recovery management plan for network availability and resiliency. We comply to cyber security requirements including the implementation of a unified security framework and vulnerability management. 	<ul style="list-style-type: none"> Customers Employees Shareholders Government and Regulators Suppliers and strategic partners Communities Media



Material matter	Why this is important	Our response	Interested stakeholders
<p>Highly competitive market and threat of new disruptive competition</p>	<p>Intensified competition from a variety of existing technology solution providers and new market entrants are eroding our market share.</p>	<ul style="list-style-type: none"> We regularly evaluate our solutions offering to enhance our customer value proposition. We stay abreast of the competitive landscape and have improved our research and insights capabilities to ensure we remain relevant in the market. 	<ul style="list-style-type: none"> Customers Shareholders Suppliers and strategic partners Competitors
<p>Copper cable theft</p>	<p>Copper cable theft continues to be a serious threat to our business operations. Cable theft affects our service provision and results in loss of revenue from the service downtime as well as replacement costs. Over the past few years, we have had to make significant unplanned expenditure on copper cable replacements, negatively affecting our profitability hence eroding value for the shareholder.</p>	<ul style="list-style-type: none"> We have undertaken an infrastructure upgrade to rollout fibre and wireless broadband technologies to provide reliable and high-speed connectivity and improve customer experience. We are part of the Critical Infrastructure Forum, made up of key players in the market, who also face challenges with copper cable theft. The aim of the forum is to address the security issues that impede the delivery of critical services to the nation. 	<ul style="list-style-type: none"> Customers Shareholders Government and Regulators Suppliers and strategic partners Media
<p>Customer-centric culture</p>	<p>We are currently undergoing a digital transformation and it is critical that our human capital is aligned to our customer-centric and digital organisation. We also aim to attract and retain suitably qualified talent.</p>	<ul style="list-style-type: none"> In December 2022 we concluded an organisational re-alignment exercise to ensure our talent is the right fit for our corporate objectives. During 2023, we initiated a review of the Employee Value Proposition and Talent Management Strategy. We aim to conclude the process during the current year. We launched LinkedIn Learning as a staff benefit for all employees. Training and development is a continuous process in our organisation and our key focus for 2024 is training our teams on digital skills. BTC has implemented a customer centric organisational structure which defines the digital competency framework for all employees. <p>Refer page 45 for a report on Our People</p>	<ul style="list-style-type: none"> Customers Employees




| INCLUSIVE

| DISRUPTIVE

| DIGITAL

STRATEGIC PERFORMANCE REVIEW



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Chairperson's Statement

BTC continued to show resilience amidst the slow economic environment to deliver solid performance for the year.

Lorato Boakgomo-Ntakhwana
Board Chairperson



0.6% 

GROWTH IN REVENUE

Dear Stakeholders, *this has been a challenging year for BTC, its customers and staff, specifically in the light of an unprecedented increase in theft and vandalism of copper infrastructure. 2022 was the first year of our revised post COVID-19 Strategy which was launched on 1st April in order to respond to the changes in market dynamics and customer priorities after the pandemic.*

The Strategy is designed to ensure that BTC can withstand future risks and challenges to our traditional business, while empowering our people to live connected.

This customer-driven strategy requires us to provide digital solutions and a network that enables our customers to flourish as individuals and businesses by simplifying their daily lives.



Chairperson’s Statement [continued]

Operational Performance

Despite a 4.0% growth in GDP, there is a slowdown in GDP growth from the very good recovery post the pandemic. Growth in 2023/24 is expected to continue at a modest rate of 5%, owing to a subdued consumer spending outlook from our traditional business.

BTC continued to show resilience amidst the slow economic environment to deliver solid performance for the year. Our mobile broadband, mobile money and digital businesses continued with their impressive growth. This enables us to continue to provide solutions that are in line with the changing needs of the markets to our customers through delivery of e-solutions that alleviate the problems that Batswana face daily.

Revenue was up by 0.6%, however profitability was 23% lower than the previous year, with increased costs of copper network replacement and human capital optimisation expenses being the main extraordinary costs incurred during the year. The Enterprise and Small Business segments registered marginal growth despite stagnation on the consumer part of the business.

Network investments

The revised Strategy included increased investment in fibre rollouts to replace legacy copper networks, as well as increasing our LTE and radio networks across the country. This broadband strategy enables us to significantly raise the internet speeds available to our customers leading to an improved service experience.

Our MBB programme added 41 sites to our growing 4.5G footprint across the country, while a number of existing sites were upgraded. There was increased deployment of Fibre to the Building (FTTB) and Fibre to the Home (FTTH) in various areas across the country. Our intension is to ensure that Gaborone, Orapa, and Jwaneng are completely copper free by the end of the next financial year.

Digital Transformation

The COVID-19 pandemic, although behind us now, has made it imperative for us to review the way we work and think, drawing on the experience to future-proof our business. Our long-term success is dependent on the development of much-needed solutions through digitalisation and innovation, leveraging our strong partnership network and our internal capabilities. We will achieve our desired goals through continued investment in IT infrastructure, Cloud and e-solutions, as well as empowering self service capabilities for our customers which is an integral part of our customer-driven strategy.

Board Composition

During the year under review, our Human Resources Committee Chairperson resigned from the Board to focus on her new national responsibility as Head of the Directorate of Public Service Management. Having worked with Ms. Gaone Macholo in various capacities over the years, I am confident that she will rise to the challenge and help drive the national agenda. I wish her luck in her new role.

Outlook

BTC continues to show resilience under very difficult business conditions. We used the lessons learnt over the last 24 months as a catalyst for innovation and we are positioned to exploit the future opportunities. While we foresee additional competition coupled with an uncertain market environment, we have the capacity to tackle any challenges through enhanced solution offerings and a customer-driven business model.

On behalf of the Board, I would like to thank the management team for their exceptional effort amidst an onerous operating environment. I would also like to extend our gratitude to all our stakeholders for their continued support and belief in the homegrown digital solutions partner. Le kamoso.

Lorato Boakgomo-Ntakhwana
Board Chairperson

Managing Director's Statement

We were able to improve customer experience by investing in our network and ICT infrastructure.

Anthony Masunga
Managing Director

10% 

GROWTH IN CASH

to **P571 million** over reporting period, driven by an aggressive collections strategy which led to a positive cash conversion ratio of 13%.

Dear Stakeholders,

I am pleased to present our 2022-2023 Integrated Report, reflecting on our performance during the financial year against our goals, promises and aspirations, also highlighting our priorities and challenges. BTCL faced a myriad of difficulties during the year that required the full attention of my leadership team as well as the Board. Our leadership position

within the national ICT agenda required us to be at the helm of the Fourth Industrial revolution facilitation across the country.

This was the maiden year of our 3-year Strategy 2022-2025 period. After reviewing the operating environment, it was evident that our previous 2020-2023 strategy required augmentation to adequately respond to the emerging challenges and opportunities.



Managing Director's Statement [continued]

The new strategy intends to empower our customers by providing fit for purpose digital solutions that will enable them to live connected wherever they are.

Operating environment

The Botswana economy continued along a path of recovery during the financial year, albeit with a lower GDP growth rate of 4%. We saw a marked increase in the number of people moving back into the office environment which resulted in positive improvement in the uptake of our fixed business solutions. Inflation reduced during the period and is expected to continue on this trajectory to below the 6% threshold leading to reduced cost pressures on customers and hopefully mitigating the slow growth.

Financial performance

The focus for this financial year was the rollout of our Digital Transformation strategy that would see us transition from a telco to a techco, while maintaining dominance in our core business. The return of most of our corporate customers to their offices resulted in a one percent increase in revenue for our fixed business. There was strong growth in the Mobile Broadband, Financial Services and Digital business which compensated for the declining revenues from our mobile voice business.

Despite the revenue growth, profit after tax declined by 23% due to the higher-than-expected cost of replacing copper infrastructure after the incidences of copper cable theft. Profits were additionally hampered by the payment of exit packages for our exited staff members as we prepared the organisation for a digitalised business model.

Cash grew by 10% to P571 million over the reporting period, driven by an aggressive collections strategy which led to a positive cash conversion ratio of 13%. We were able to improve customer experience by investing in our network and ICT infrastructure. Our data solutions, mobile financial services, as well as our digital solutions continued on a positive growth avenue, and supplemented the declining voice service revenues.

Market share

We continue to operate within a very competitive landscape. It is essential that we find solutions that create the maximum value for our clients at a competitive price. Albeit in an environment of reduced demand for telephony especially in the residential areas, BTC continues to be the trendsetter and leader within the fixed solutions environment.

The mobile telephony market grew by 3% during the year to 4.38 million subscribers as consumers continue operating multiple sim cards at a time. The BTC share of the market dropped during this period, in line with the decline in our mobile voice business. The reduction is an indication that consumers are moving to other broadband services like Fibre to the Home (FTTH) and Fixed LTE broadband.

Our infant Digital Business has also shown growth as the market continues to appreciate the state-of-the-art BTC Senthaga Data Centre and associated products, including Cloud hosting and colocation services. The revenue grew by 30% to P9 million during this period. We continue to explore innovative ways through which Senthaga can support our clients.

Smega registered an 11% year-on-year increase on the back of the increased services that we have added on to the platform to augment the functions of the popular debit card. This service facilitates various payments for those that are formally banked, while being a key financial inclusion service platform for the unbanked.

Strategy 2022-2025

The 2022-23 Financial year marked the beginning of our new customer driven strategy through which we reconnect with our purpose of empowering our people to live connected. This strategy focuses on digitalisation as a way to facilitate the ICT needs of our customers, while building a future ready workforce to deliver on the complex evolving needs of our customers into the future. This strategy builds on the previous strategy and will enable us to fully use our Data Centre to design digital solutions for our economy, while also providing strong ICT solutions riding on our ever-expanding fibre, LTE and VSAT networks that ensure access to high-speed internet. Botswana demand this of us and we are committed to ensuring that the national ICT needs are fully delivered.

Conclusion

Let me take this opportunity to thank our staff, the BTC family, for their hard work and focus during a very difficult operating period. We remain committed to our purpose and will ensure that Botswana continue to live connected.

Anthony Masunga
Managing Director

5 Year Financial Review

Table 1 – 5 Year Trend

Performance Statements (P 000's)	2019	Restated 2020	Restated 2021	2022	2023
Revenue from contracts with customers	1,410,352	1,416,977	1,426,409	1,392,257	1,400,027
Cost of services and goods sold (excluding depreciation and amortisation)	(396,361)	(348,167)	(316,016)	(327,969)	(337,028)
Gross Profit	1,013,991	1,068,810	1,110,393	1,064,288	1,062,999
Other income	246	2,105	6,639	18,683	3,923
Selling and distribution costs	(37,332)	(25,385)	(20,016)	(18,242)	(23,120)
Administrative expenses (excluding depreciation)	(390,209)	(395,972)	(397,358)	(385,302)	(424,406)
Impairment losses and gains on financial assets and contract assets	10,683	(18,803)	(12,865)	3,191	24,316
Other expenses	(270,261)	(221,572)	(239,894)	(222,436)	(254,088)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	327,118	409,183	446,899	460,182	389,624
Depreciation and amortisation (of intangibles, IRU and leased assets)	(201,130)	(274,359)	(288,436)	(295,053)	(271,936)
Amortisation of government grants	29,657	29,862	30,990	21,235	1,206
Earnings before interest and taxation (EBIT)	155,645	164,686	189,453	186,364	118,894
Interest income	17,606	7,303	6,360	18,796	48,247
Interest expense	(9,257)	(31,015)	(26,972)	(22,767)	(18,632)
Profit before taxation (PBT)	163,994	140,974	168,841	182,393	148,509
Income tax expense	(15,540)	(22,249)	(30,923)	(41,608)	(40,188)
Profit for the year (PAT)	148,454	118,725	137,918	140,785	108,321
Position Statements (P 000's)					
Property, plant, equipment and Intangible assets	1,772,147	1,741,307	1,776,391	1,633,398	1,651,389
Right of use assets	-	144,629	129,325	115,337	109,170
IRU asset	534,932	496,723	458,514	420,305	382,096
Other non-current assets	38,854	27,451	-	-	28,766
Other current assets	276,948	312,376	263,956	301,112	294,396
Cash and cash equivalents	305,456	118,089	363,273	520,442	570,983
Total Assets	2,928,337	2,840,575	2,991,459	2,990,594	3,036,800
Capital employed	2,094,872	2,084,594	2,241,254	2,281,695	2,351,260
Non-current liabilities	384,908	420,570	338,684	308,520	301,309
Current liabilities	448,557	335,411	411,521	400,379	384,231
Total Equity and Liabilities	2,928,337	2,840,575	2,991,459	2,990,594	3,036,800
Capital Expenditure	455,820	229,968	217,092	133,953	230,091



5 Year Financial Review [continued]

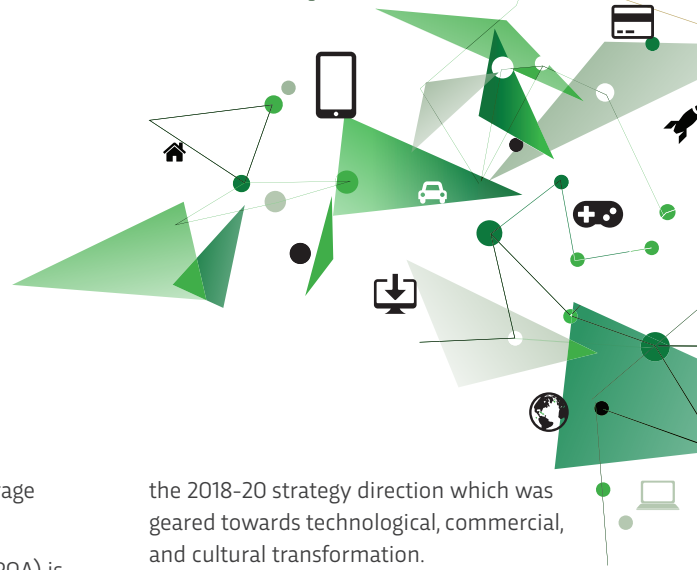
	2019	Restated 2020	Restated 2021	2022	2023
Ratios					
Revenue growth	(10%)	0%	1%	(2%)	1%
Earning per share (Thebe) (1, 050,000,000 shares)	14.14	11.31	13.14	13.41	10.32
EBIDTA margin	23%	29%	31%	33%	28%
Current ratio	1.3	1.3	1.5	2.1	2.3
Capex to revenue ratio	32%	16%	15%	10%	16%
Capex to depreciation charge	2.3	0.8	0.8	0.5	0.8
Turnover ratio (Turnover/ Closing assets)	48%	50%	48%	47%	46%
Return on average equity	7%	6%	6%	6%	5%
Return on average capital employed	6%	5%	5%	5%	4%
Return on average operating assets	6%	4%	5%	5%	4%
Other Operational Data					
Staff strength	914	914	886	864	819
Economic data					
Inflation (consumer price inflation)	3.30	3.30	3.30	10.00	9.90
Value of Pula (1 Pula equals to US \$)	0.0900	0.0810	0.0865	0.0845	0.0758

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 2023. 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 2022. The audited annual financial statements (AFS) and the accompanying notes are prepared in accordance with International Financial Reporting Standards (IFRS) and are 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. These segments are further broken down or analysed into distinct revenue sources notably voice, access service, data usage and provision of customer premises equipment. 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 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 in relation to IFRS, some of the balances re-classified and some of the numbers summarised. Reconciliations or explanations have been included in areas where there are departures from or differences to the audited accounts.



It should be noted that BTC 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 following measures assess 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 Year Review

The commentary is accompanied by a 5-year reproduction of the Company's footprint which highlights the transformation journey that the Company has undergone and includes the following highlights:

BTC has remained a self-financing and debt free enterprise since fully paying off its government loans and redeeming the bonds that were issued. This is in line with a defined programme over the period of investments in infrastructure through several projects aimed at modernising the infrastructure and expanding network capacity where needed. There has been steady migration to next generation service provider networks to support the converged service offerings and requirements of our customers.

The cornerstone of this transition has, to a large extent, been propelled by our innate ability to initiate and build successful partnerships and forge highly valued relationships with a large number of associates. The sustainability of these relationships has played a pivotal role in our quest to provide world class service. The 2021 financial year saw the ushering in of the new 3-year strategy focusing on strengthening of the core business, optimisation of efficiencies and return on assets in addition to pursuit of growth opportunities. This was a follow up to

the 2018-20 strategy direction which was geared towards technological, commercial, and cultural transformation.

Against a backdrop of global and regional disruptions affecting the Company, including COVID-19, the Russia-Ukraine war and the impact on global commodity prices, the Company's performance for the period remained resilient and we are optimistic that our strategy for 2023-25 will leverage on our upgraded technology platforms to provide returns.

BTC has embarked on a purpose-driven digital transformation programme to create more value for its customers through our services and innovative solutions. We are focusing on driving greater customer uptake of our digital platforms to access our services and offers anywhere and anytime.

Over the reporting period, the Company underwent an organisational restructuring exercise whose primary objectives included the creation of a more fit-for-purpose organisation that supports the strategic repositioning of the business into the future. The exercise was intended to ensure that the Company had the right human capital in the right jobs that would contribute towards its future viability and long-term financial sustainability. The total separation costs from the exercise amounted to P55 million.

BTC has not been spared the on-going copper theft cable saga that has been plaguing the country for some time and which has seen the Company intensifying its efforts towards accelerating the de-coppering of the network and increasing its capital budget to facilitate the provision of high-speed mobile, radio and fibre network services. The total impact of copper cable theft amounted to P56m million.



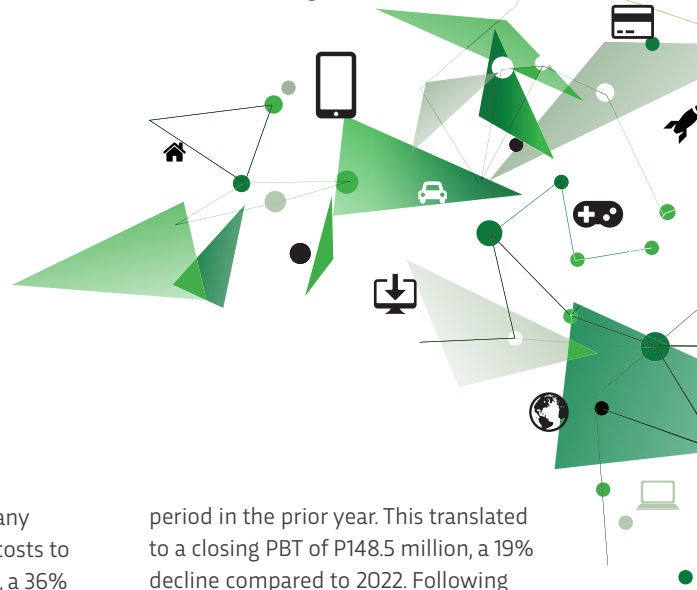
5 Year Financial Review [continued]

Current Year Performance Review

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

Table 2 – Results of operations based on statement of Profit and Loss as published.

Performance Statements (P 000's)	2019	Restated 2020	Restated 2021	2022	2023	Variance Y-o-Y 2023 vs 2022	
						P'000	%
Revenue from contracts with customers	1,410,352	1,416,977	1,426,409	1,392,257	1,400,027	7,770	1%
Cost of services and goods sold	(578,117)	(609,764)	(594,446)	(604,751)	(594,196)	10,555	(2%)
Gross Profit	832,235	807,213	831,963	787,506	805,831	18,325	2%
Other income	29,903	31,967	30,990	39,918	5,129	(34,789)	(87%)
Selling and distribution costs	(37,332)	(25,385)	(21,015)	(18,242)	(23,120)	(4,878)	27%
Administrative expenses	(409,583)	(408,734)	(409,295)	(403,573)	(439,174)	(35,601)	9%
Impairment losses and gains on financial assets and contract assets	10,683	(18,803)	(12,865)	3,191	24,316	21,125	662%
Other expenses	(270,261)	(221,572)	(233,334)	(222,436)	(254,088)	(31,652)	14%
Earnings before interest and taxation (EBIT)	155,645	164,686	186,444	186,364	118,894	(67,470)	(36%)
Interest Income	17,606	7,303	6,360	18,796	48,247	29,451	157%
Interest expense	(9,257)	(31,015)	(26,972)	(22,767)	(18,632)	4,135	(18%)
Profit before taxation (PBT)	163,994	140,974	165,832	182,393	148,509	(33,884)	(19%)
Income tax expense	(15,540)	(22,249)	(30,498)	(41,608)	(40,188)	1,420	(3%)
Profit for the year (PAT)	148,454	118,725	135,334	140,785	108,321	(32,464)	(23%)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	327,118	409,183	446,899	460,182	389,624		
Earning per share (Thebe) (1,050,000,000 shares)	14.14	11.31	12.89	13.41	10.32		
Profitability ratios (%)							
	2019	2020	2021	2022	2023		
Revenue growth	(10%)	0%	1%	(2%)	1%		
Gross profit margin	59%	57%	58%	57%	58%		
EBIDTA margin	23%	33%	32%	33%	28%		
Operating margin	11%	11%	13.1%	13.4%	8.5%		
Net Profit margin	11%	8%	9%	10%	8%		



The Company surpassed the prior year's revenue figure by registering a P7.8 million increase, closing the year at P1.4 billion as compared to P1.39 billion achieved in 2022. A 2% decline in the Cost of Services and Goods sold from P604.8 million in 2022 to P594.2 million in 2023 is ascribed to the on-going cost containment measures and resulted in a 2% increase in the gross profit figure for the period under consideration.

The above was largely reversed in the earnings before interest and taxation

(EBIT) metric where the Company lost P67.5 million in operating costs to finish the year at P118.9 million, a 36% decline from the prior year's figure of P186.4 million. Earnings before interest, depreciation, taxation, and amortisation (EBIDTA) also declined by P70.6 million to close the period at P389.6 million.

There was an increase of P29.5 million in interest income and an additional P4.1 million improvement in the interest expense resulted in a total improvement of P33.9 million compared to the same

period in the prior year. This translated to a closing PBT of P148.5 million, a 19% decline compared to 2022. Following several years of the Company benefitting from taxation losses, this position has unfortunately begun to reverse and consequently the P40.2 million tax for the current year almost equates to last year's P41.6 million. BTC ended the year with a profit after tax (PAT) of P108.3 million, P32.5 million lower than in the 2022 financial year.

Revenue Analysis by business streams

Table 3 – Revenue analysis by business streams

All figures in P'millions	2019	Restated 2020	Restated 2021	2022	2023	CAGR	2019	2020	Restated 2021	Restated 2022	2023
	<i>Current year amount</i>						<i>Revenue Contribution</i>				
Fixed Voice	481	471	408	405	417	(36%)	34%	33%	29%	29%	30%
Mobile	471	425	452	438	432	(2.2%)	33%	30%	32%	31%	31%
Fixed data	433	473	506	486	487	2.9%	31%	33%	35%	35%	35%
Other revenues	26	48	60	63	64	20.4%	2%	3%	4%	5%	5%
Total revenues	1,410	1,417	1,426	1,392	1,400	(0.2%)	100%	100%	100%	100%	100%
<i>Change in revenue (in P millions)</i>						<i>Change in revenue (in percentage)</i>					
		19/20	20/21	21/22	22/23		19/20	20/21	21/22	22/23	
Fixed Voice		(10)	(64)	(3)	12		(2.1%)	(13.5%)	(0.6%)	3.0%	
Mobile		(46)	28	(14)	(6)		(9.9%)	7%	(3.2%)	(1.4%)	
Fixed data		41	33	(20)	1		9%	7%	(4.0%)	0.2%	
Other revenues		22	12	3	1		87%	25%	4.5%	1.6%	
Total revenue		7	9	(34)	8		0%	0.7%	(2.4%)	0.6%	

CAGR = Compound Annual Growth from 2019 to 2023



5 Year Financial Review [continued]

The Company's revenue from contracts with customers is derived from three major business streams – fixed voice revenue, mobile revenue, and fixed data (sometimes referred to as fixed broadband or just broadband), as well as through directory services, property rentals, third party collection services, value added services and mobile money services (Smega).

There was a change in fortunes for the fixed voice stream which registered a P12 million increase to end the year at P417 million. However, due to the issue of shifting customer preferences from voice to data centric services, coupled with increasing competition and telecommunication industry regulation, the overall compound annual growth rate (CAGR) declined by 3.6% between 2019 and 2023. On a positive note, as long as the bulk of the institutional and business communication remains largely fixed voice centric, this segment is still expected to remain a significant contributor to BTC despite the gradual decline.

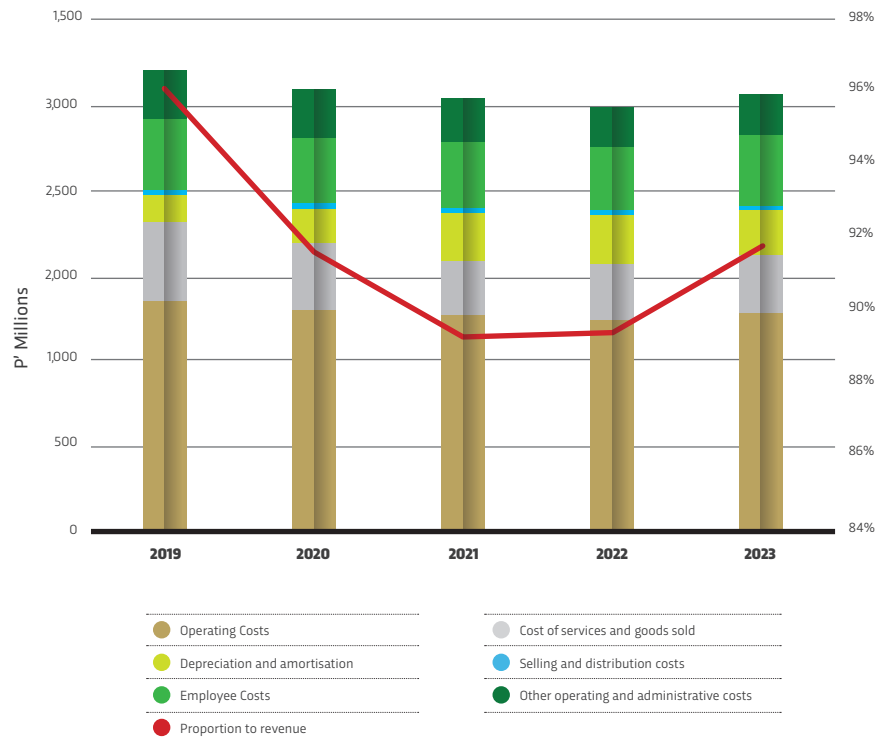
Similar to the fixed voice category, the voice component continues to drag down the overall performance of the mobile voice segment as it declined by P53 million to end the year at P124.3 million compared to P177.5 million in the same period last year. This was however offset by the increases in data services and customer premises equipment (CPE) which appreciated by P41.8 million and P12.5 million respectively. Short message services (SMS) delivered P31.4 million to the overall pot which ended the year at P431.9 million, a 1.4% decline compared to the 2022 financial year.

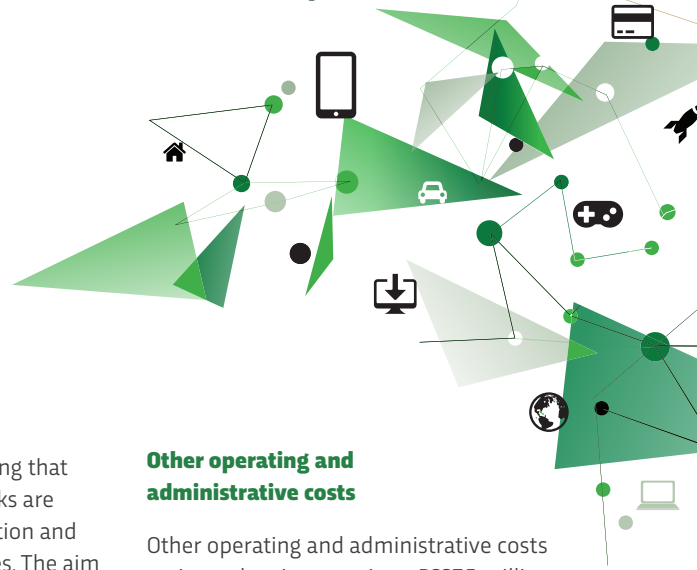
Fixed data contributes the lion's share of BTC's revenues with its proportion remaining steady at 35% for an impressive three years in succession. All three sub-components of usage, access and customer premises equipment delivered close to identical figures to prior year at P263.6 million, P209.8 million and P14.1 million respectively, resulting in a total for this category of P487.5 million, compared to P486.4 million for the same period last year.

The company also managed to match the prior year other revenues figures which increased by P1.0 million to finish the year at P64.0 million. All the components delivered similar results to the prior year, with only the digital services growing by P2.0 million to end the year at P8.8 million. The category registered the highest CARG of 20.4%.

Total Operating Costs

(Chart 1.0) – Total Costs (Trend, proportion to revenue)





To counter the declining revenue trend that the Company has experienced over the last few years, cost optimisation has become a key strategic initiative resulting in the proportion of the costs to revenue remaining relatively level over the past 5 years. The 3-year strategy 2021-2023 launched in the past financial year has a primary focus of streamlining operations to gain cost efficiencies throughout the business.

Cost of services and goods sold

Cost of services and goods sold (excluding depreciation and amortisation), which averaged about 26% of total revenue over the past 5 years comprises payments for interconnection to international carriers and local operators, equipment and material costs. This category ended the year at P337.0 million, P9.1 million higher than the corresponding period last year. The increase was driven by increases in in the equipment and material costs which were up by P30.4 million, of which P56m was attributable to replacement of stolen copper cables. This was however offset by savings on cost of phones and write up on inventories, which together accounted for P16 million.

Depreciation and amortisation charges

Against the backdrop of BTC's technological transformation programme up to 2021, whose main target was the modernisation of its network by consistently investing in the latest generation network technology, the Company's long-term objective has

since changed to one of ensuring that further investments in networks are backed up by strong monetisation and commercialisation programmes. The aim going forward therefore is to continue growing the value of the Company on a stable net assets base. With the reining in of capital expenditure and some assets coming to the end of their useful lives, depreciation and amortisation charges have begun to decline and expectations are that the downward trajectory will endure for the foreseeable future. The decrease in this category was P23 million compared to the same period last year, ending the year at P272 million.

Selling and distribution costs

Selling and distribution costs are actively managed in line with overall growth (or lack thereof) of the revenues from contracts with customers, ending the year at P23.1 million, P4.9 million higher than prior year, and in line with the reduced revenues during the current year.

Employee costs

With reference to employee costs, an organisational restructuring exercise was conducted which saw a reduction in the workforce in November 2022, and in line with the 5-year trend, the net amount spent amounted to P55 million, following 4 months of savings. Consequently, the current year saw employee costs totalling P417 million, P38 million more than the same period last year.

Other operating and administrative costs

Other operating and administrative costs registered an increase in to P237.5 million, P11.7 million above the 2022 financial year. From a materiality perspective, the major contributors to the changes in the category were in the consultancy and radio licensing costs which went up by P19 million and P13 million respectively. The increase in consultancy relates to the digital transformation programme discussed above, whereas the increase in radio licensing came about due to changes in the annual fees by the regulator.

These increases were however countered by decreases in dealer commissions, which declined by P12 million to P28 million compared to the prior year due to the reduction in mobile voice revenues, the introduction of a debtors' system and enhanced debtor management. This has resulted in an improvement in the Company's cash position, reduced impairment losses and gains of P21.1 million on financial assets and contract assets charges.



5 Year Financial Review [continued]

Cash-flows, cash positions and liquidity ratios

(Table 4) – Cash-flows, cash positions and liquidity ratios

All figures in P' millions	2019	2020	2021	2022	2023
Profit before Tax	164.0	141.0	168.8	182.4	148.5
Net increase/ (decrease) in cash and cash equivalents	(144.6)	(187.3)	245.2	157.2	50.5
Cash-flows from operating activities	264.5	153.1	529.2	365.5	273.6
Cash-flows utilised for investing activities	(409.9)	(216.9)	(193.0)	(114.8)	(139.9)
Cash-flows from / (used in) financing activities	2.9	(121.8)	(95.9)	(92.7)	(82.2)
Net foreign exchange on cash & cash equivalents	(2.1)	(1.7)	5.0	(0.8)	(0.9)
Cash and cash equivalents at beginning of the year	450.1	305.5	118.1	363.3	520.5
Cash and cash equivalents at end of the year	305.5	118.1	363.3	520.5	571.0
Analysis of closing bank balances					
Cash and bank and on hand	36.2	33.7	139.8	121.6	93.4
Short term deposits	269.2	84.4	223.5	398.8	477.6
	305.5	118.1	363.3	520.4	571.0
Interest Income received	176	73	6.4	18.8	48.2
Banking Facilities	110	15	20	20	20
<u>Liquidity ratios</u>					
Current ratio	1.3	1.3	1.5	2.1	2.3
Quick ratio	1.2	1.1	1.4	1.9	2.1
Solvency ratio	36.5%	42.1%	56.8%	61.5%	46.5%
Solvency ratio (excluding development grants)	40.9%	45.6%	59.0%	62.3%	48.2%

The table above summarises our cash-flow position for the past 5 years ending March 2023 as reported in our statement of cash-flow in the accompanying annual financial statements.

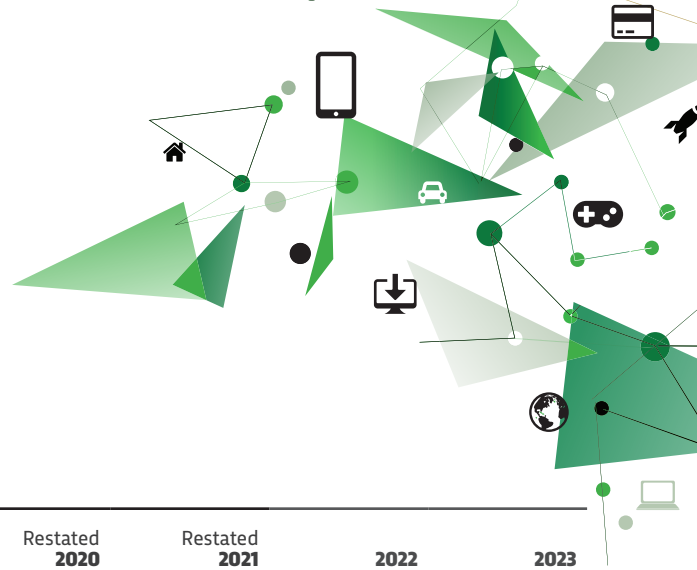
BTC saw a decrease in profit after tax from P141 million to P108 million achieved in the previous year, primarily due to the once off costs of organisational restructuring, an increase in regulatory costs and the significant costs of replacing stolen copper cables. The decline was

somewhat ameliorated by the continuing robust cost containment programme on the back of stagnant revenue growth.

With the decision to scale down on the level of capital expenditure, a significant improvement in debt collections and the decision not to pay an interim dividend, there has been an improvement on both the current and quick ratios relative to prior year. Due to the reduced profit after tax, the solvency ratio declined from 62% to 47%.

With cash balances amounting to P571.0 million, coupled with unutilised borrowing capacity, management still considers the balances adequate to meet the Company's anticipated capital expenditure requirements and other obligations into the foreseeable future.

BTC's financing strategy remains unchanged with no debt finance raised in the current year.



Capital structure and shareholders' return ratios

(Table 5) – Capital structure and capital ratios

All figures in P' millions	2019	Restated 2020	Restated 2021	2022	2023
Profit for the year (available for distribution)	148.5	118.7	137.9	140.8	108.3
Ordinary dividends declared	(139.0)	(97.7)	(32.9)	(94.3)	(52.9)
Final (relating to previous year)	(101.9)	(60.2)	-	(55.8)	(52.9)
Interim (relating to current year)	(37.1)	(37.5)	(32.9)	(38.5)	-
Balance to Accumulated Profits	9.5	21.1	105.0	46.5	55.4
Shareholders equity at end of year	2,095	2,085	2,241	2,282	2,351
Opening balance	2,063	2,095	2,085	2,241	2,282
Other comprehensive income / other reserves	23	(31)	52	(6)	14.2
Profit for the year (incl. restatement)	149	119	138	141	108.3
Ordinary dividends paid	(139)	(98)	(33)	(94)	(52.9)
Analysis of total equity and liabilities	2,928	2,841	2,992	2,991	3,037
Shareholders equity	2,095	2,085	2,241	2,282	2,351
Development grants	88	58	27	9	24
Other liabilities	745	698	723	699	661
Capital ratios (%)					
Return on average capital employed (ROCE)	11.4%	6.7%	6.6%	7.3%	4.5%
Return on average shareholders equity (ROE)	7.4%	5.7%	6.6%	6.4%	4.7%
Return on average assets (ROA) - PBT approach	6.2%	4.4%	4.8%	4.8%	3.6%
Total assets turn-over	65.9%	52.6%	49.1%	47.8%	46.5%
Capex to revenue	32.3%	16.2%	15.2%	9.6%	16.4%
Weighted average cost of capital (WACC)	13.0%	12.0%	13.6%	13.6%	13.6%

Capital structure and shareholders' return ratios.

Shareholders' equity increased by P69.5 million over prior year to P2.35 billion following a profit after tax of P108.3 million. In view of the subdued performance in the current year, the Board of Directors has declared only one dividend for the financial year ended March 2023 of 6.71 thebe, reflecting a dividend yield of 13%. The declaration and payment of dividends reflects BTC's aim in achieving a comparable market-based return for its shareholders through a steady or increasing dividend. This objective is balanced with the need to always meet its commitments and other obligations with a view to achieving desired growth in shareholder value required while retaining a proportion of profits for reinvestment within the business.



Performance Review

Our strategic goal and digitalisation journey will see BTC transforming from a Telco to a Techco in pursuit of our mission to address the needs of the new digital customer. This transition will enable us to be the go-to partner for digital solutions, by using innovative business models, adopting new technologies, providing customer driven solutions and automating some processes, thus becoming a true digital organisation.

As a leader in the ICT sector, we continued to build relevant technology capability and solutions leveraging on our extensive network infrastructure. We continued with our LTE (4.5G) and Fibre To The Home (FTTH) rollout, enabling mobile broadband internet connectivity for our customers and facilitating the provisions of both residential and enterprise broadband solutions through our LTE and fixed broadband infrastructure across the

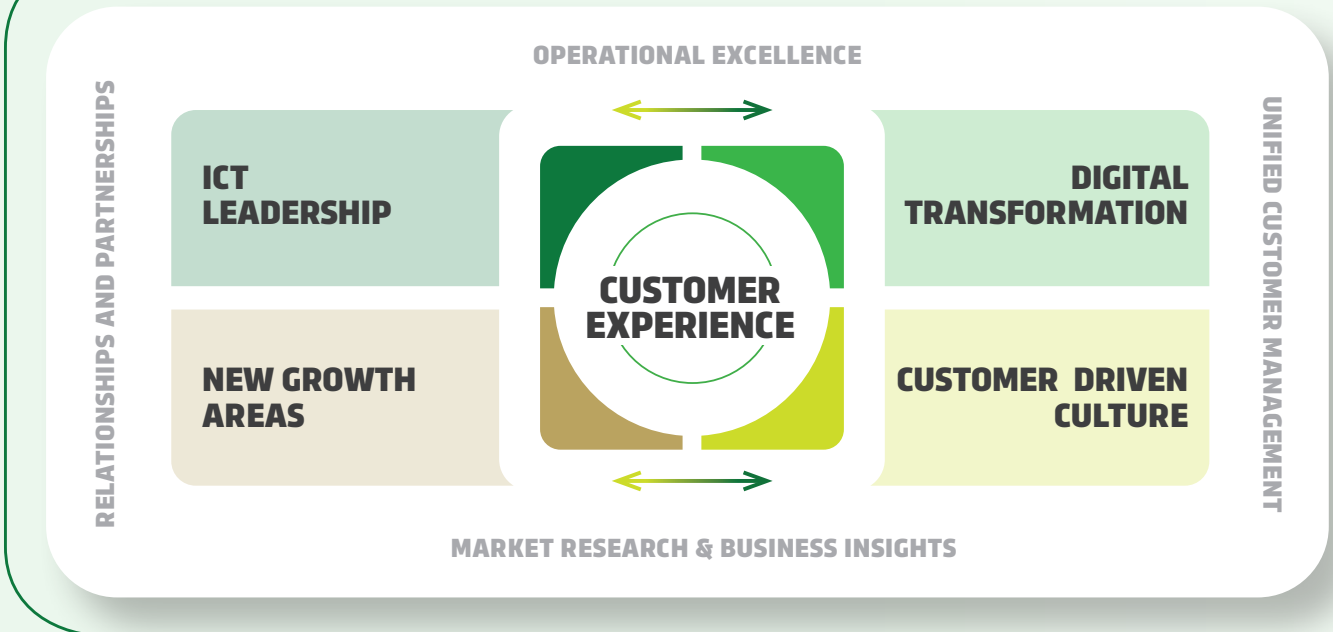
country. Through the widely adopted Fast Connect product suite, BTC continued to entrench the LTE value proposition in the market, as well as ensuring availability of affordable 4G devices to drive mobile broadband revenue growth.

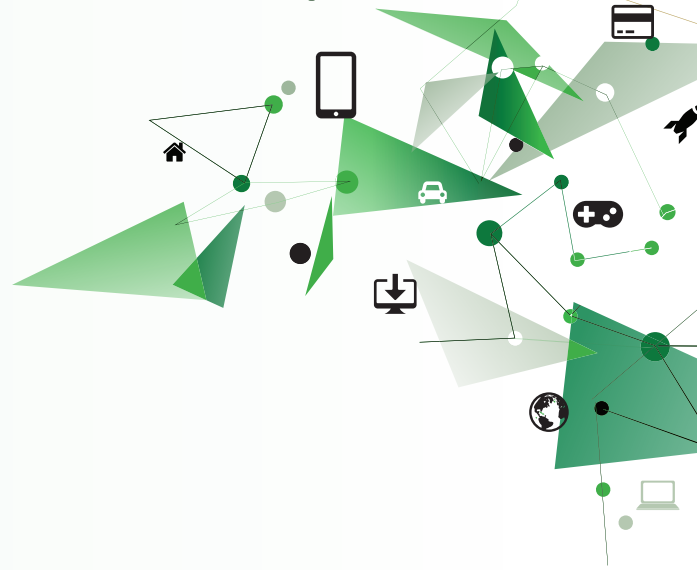
Due to the fast-paced nature of the industry, we are under pressure to continuously look for ways to meet the evolving expectations of the customer.

One of our fundamental goals is to be a customer-centric organisation, and it is to this end that we achieved the key strategic initiatives outlined below.

Our Strategic focus: Delivering exceptional customer-driven digital solutions to the market and creating value for our shareholders.

Four Key Pillars





PERFORMANCE AGAINST OUR STRATEGY

ICT LEADERSHIP

Maintain our market leadership in the ICT sector by continuously building relevant technology capability and solutions.

We will leverage our existing network capabilities and our deep expertise to establish strong value propositions.

Modernisation of the service provider network

The service provider network encompasses the Enterprise, IP core, MPLS network and Internet Edge networks. These networks facilitate improved capacity and scalability of our IP based networks, as well as reliability of the communication services provided to our valued customers. The BTC Service Provider Network supports traffic growth and all revenue streams of the business such as MBB, FBB, VSAT & DATA Centre. The new network shall accommodate FTTH, Internet, hosted services traffic towards the Data Centre and access network towards Mobile sites. These networks have capacity ranging from a minimum of 10Gbps to 100Gbps which is a significant upgrade from 1Gbps. The network has the capability to dynamically adapt network traffic policy across the entire network, monitor service levels, and automatically adjust to the growing demands from digitisation.

De-coppering programme

During this year we embarked on an aggressive de-coppering programme which is intended to replace copper infrastructure with either fibre optic or wireless broadband technologies. This is partly in response to the escalated copper theft observed over the years that affected BTC's ability to provide reliable internet and voice connectivity to its customers. The de-coppering programme also presents an opportunity for us to modernise the telecommunications network infrastructure and ready it to support the capacity requirements of digital services and digital content consumption. This consumption has grown exponentially post COVID-19, and our network is currently supporting public and private enterprises that have embarked on their own digital transformation journeys.

Key achievements and highlights

- Accelerated rollout of Fibre-to-the-Home (FTTH) in Gaborone and Orapa
- Concluded rollout of FTTH in the Jwaneng Township
- Greater Gaborone – Block 6, Block 9, Block 7, Kgale View, Tlokweng Masetlheng, Sefoke Ward were added to our fibre cable networks.
- Francistown Molapo connected to the FTTH network

- Fixed wireless Point-to-Multi-Point (PtMP) technology was rapidly rolled out in 28 localities. These localities are villages and urban areas where FTTH could not be deployed.
- Over 759 Mobile Network sites distributed across the country of which 561 are LTE/4.5G enabled.
- Initiated a project to modernise the Mobile Voice Core Network.
- 41 new LTE sites were rolled out in the Northwest region, and Central/Boteti region covering Palapye and the mining towns of Letlhakane and Orapa.
- 41 existing LTE sites were upgraded to increase capacity and address the exponential growth and demand of mobile data services. Our LTE (4.5G) network supports combined mobile data throughput of 293Mbps per site. This bandwidth was previously only available in Gaborone and Francistown, but now capability has been extended to the rest of the country, providing all our customers with high-speed mobile broadband.
- Offering innovative solutions, such as fixed-wireless access and satellite (VSAT) connections, to customers in hard-to-reach areas across the spread of Botswana including tourism facilities, and farms hence supporting business enablement that drive ease of doing business in Botswana.



Strategic Performance Review [continued]

DIGITAL TRANSFORMATION

Transform our infrastructure, operations, and services to support the digital customer experience.

Digital touchpoints upgrade

We revamped our website and mobile application to make them more user friendly. These are popular channels of interaction with customers for:

- Service applications
- Fault reporting and cable theft incidents
- Online bill payments
- Statement generation
- General enquiries or requests

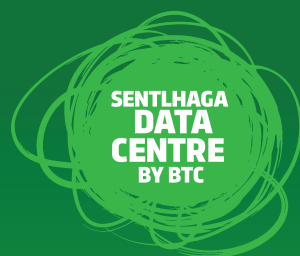
Digital payment channels

Customers are now able to pay for services through the following channels: mobile application, our website and banking digital channels. We have automated mobile services disconnection and reconnection for non-payments and payments respectively. This has resulted in lean operations and efficient debt collection that is in turn contributing positively to our financial performance.

Electronic billing

In pursuit of digital customer experience, we continued to build our digital ecosystem to focus on the customer. We enhanced the efficiency of bill generation and distribution, as well as our debt collection operations. Our billing timelines have reduced significantly to an average of one day. Email invoice distribution is instant, while invoice upload to customer portals takes place within five days after the end of each month, allowing customers to access their online bills through the portal at their convenience. This improvement is one of our transformational efforts to improve customer experience.

Currently, more than 86% of our customers receive their bills electronically.



Senthaga Data Center

- Senthaga Data Center with its cloud engine continues to provide cloud native digital services to customers.
- Reviewed and re-positioned our cloud strategy to be more customer centric, capitalising a partnership ecosystem approach including quick onboarding of partners and customers.
- Expansion of data center services to cater for the growing demand of digital services.
- Data center customer base doubled from FY2022 to FY2023. Enterprises from different sectors of the economy migrated their ICT services to Senthaga.

Some of the services taken up by customers:

1. Data Storage & Archiving
2. Data Backup & Restore
3. Application Disaster Recovery
4. Data Center Disaster Recovery
5. Virtual Data Center
6. Virtual Machine as a Service
7. Email as a service

Outlook: We will continue to expand our digital service portfolio to introduce new suites of solutions to address business needs.

CUSTOMER DRIVEN CULTURE

Build our people and ensure they have suitable knowledge and skills to propel BTC into the digital future.

Our product development and operations will be guided by the needs of the customer

Key achievements and highlights

- Deliberate investments in training and development courses for our employees
- Introduction of LinkedIn Learning to encourage uptake of soft skills development

NEW GROWTH AREAS

Pursue new growth opportunities as we aim to expand our revenues and continue to serve our people and stakeholders.

Mobile Financial Services (Fintech)

We drive financial inclusion in Botswana through our BTC SMEGA mobile financial services, which also come with a Visa card that enables customers to perform transactions, through Point of Sale (POS), ATM or online. The services can also be accessed through USSD and a mobile app. We offer a range of services and transactions capability and have onboarded strategic partners to enable financial payments. We have also introduced innovations that provide SWIFT services in partnership with different stakeholders in the ecosystem. We have seen satisfactory growth with this product and are anticipating a continued growth trajectory driven by improved functionalities.



SMEGA is the only MNO that offers a saving club account, named the Motshelo Account, which was revamped during year under review to provide ease of opening and activation of the account. The account offers improved security and safety, providing all members with SMS notification for each transaction performed on the account. The Motshelo saving account membership was increased from 40 to maximum of 10,000 members.

We plan on advancing SMEGA functionality to enable the shift from card payments at points of sale (POS) to contactless digital wallets.

Data and Analytics

We started an initiative to build capabilities around Big Data and Analytics preparing us to have enterprise-wide data driven decision making capabilities that will improve business agility and efficiency. The first phase of this intelligent reporting and Predictive Analytics initiative will be concluded during the second quarter of FY2024. This project will be followed by others such as Artificial Intelligence, Machine Learning and Data Harvesting for commercialisation.

CUSTOMER EXPERIENCE AND SERVICE QUALITY

We have seen a significant improvement in the customer satisfaction Index (CSI) and Net Promoter Score (NPS). This is due to the improvements on the quality of our LTE mobile network across the country, notwithstanding the challenges that we faced due to the unprecedented levels of vandalism and copper cable theft.

Leveraging Technology

Telecom industry growth is driven by the continued focus on building robust network infrastructure to provide reliable connectivity leveraging the scalability of fibre technology and broadband fixed wireless and 4G technology. This has positioned BTC as a dependable service provider and partner of choice in Botswana that delivers reliable connectivity to businesses and homes.

During the year we implemented key strategic projects that were aimed at transforming our operations towards becoming a digital enterprise that delivers efficient services leveraging on various technologies. We have consequently reduced the use of copper in our fixed network, which will reduce both incidences of copper theft, maintenance costs of the network, as well as frequent network disruptions. The fibre network rollout in Gaborone and select towns enables speeds of up to 100 Mbps increasing customer experience and satisfaction. This is a continuation of the strategy to rollout fibre to the "x" (FTTx) technology in Urban areas and major villages which was started in 2018 with the intent to provide fixed broadband services to homes and offices. We are confident that we will be able to monetise this investment in the medium and long term future.

As part of BTC strategy to transform our Network infrastructure, we leveraged the existing virtualised environment that was built as part of the Mobile Broadband

project (MBB) in 2019. The changes are building blocks towards a single voice core network to facilitate fixed mobile convergence (FMC), Voice over Broadband (VoBB) and easy migration to support Voice over New Radio (VoNR) in 5G networks. This 2-year project will be completed in October 2023.

Efficiency and Asset Utilisation

In an effort to improve our balance sheet efficiency, we implemented our Real Estate Strategy which involves offloading properties that are not meeting our return requirements and re-evaluating the use of other properties. Disposal of non-performing residential properties is ongoing and should be concluded during the next financial year.



Refined Commercial Focus

During the period under review, we focused on positioning Enterprise Solutions in the market with significant attention to delivering digital services, driving higher speed broadband with 4G devices, and digital platform adoption. The dedicated team that we introduced to drive mobile and fixed broadband growth was able to significantly increase broadband traffic, improve 4G device penetration and grow the mobile subscriber base. With the widest broadband coverage in the country, we are able to connect our customers with broadband services through Fibre, Satellite and Mobile (4.5G mobile coverage). We have rolled out over 561 sites delivering LTE and fibre connectivity accross Botswana. Additionally, our VSAT coverage provides access to technology in outlying areas that can't be covered through terrestrial infrastructure.

We continued to make strides in our consumer relevance aspirations. We embarked on a fierce transformation of commercial strategies. The focus was primarily around digital transformation, customer experience, people, culture and pursuing a long-term value strategy that prioritises the interests of customers and other stakeholders. This shift is critical in building the trust, agility and resilience needed for highly competitive future projections. The transformational strategy aligned the regular way of working across the value chain by all business partners and top management.

We also observed a shift in customer behaviour towards digital platforms to enquire, purchase and pay online. This was matched by an increase in our mobile and MFS customer bases. We intend to continue to increase both our market share and Average Revenue Per User (ARPU).

Unlimited Internet Connectivity through Fibre

We continued to revamp our services and introduced new offers to align our customer's dynamic needs. Through extensive analysis of bandwidth utilisation patterns, BTC has developed an understanding of our customers demand for higher speed products. We have responded by developing fit-for-purpose solutions and offerings with low lag time. Our home users are able to get unlimited

internet speeds up to 4Mbps to 100Mbps. This technology enables customers to browse, stream and download content wherever there are. This unlimited fibre internet connectivity allows customers to connect multiple devices to the internet without throttling. Customers are able to apply for new fibre internet or upgrade to higher speeds through the BTC website.

Everywhere Connectivity with LTE

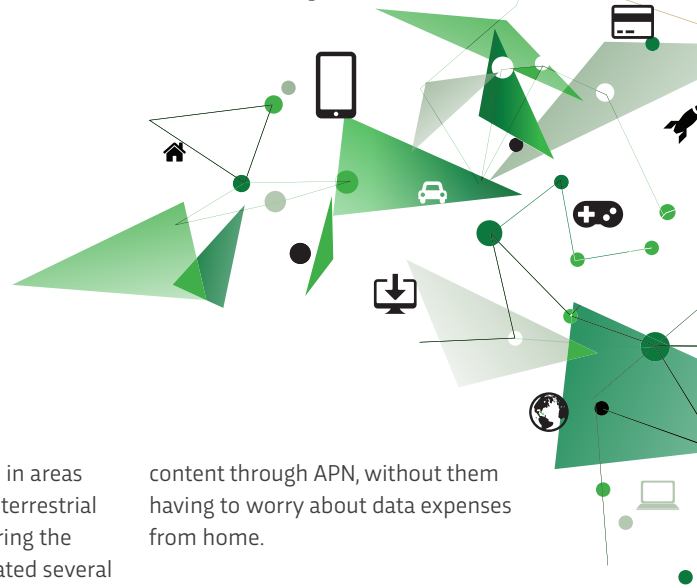
We revamped our mobile internet offers to a 6Mbps unlimited internet offer called Fast Connect. This product allows customers to enjoy internet wherever BTC has 4G coverage. The coverage allows customers to get up to 150GB capacity on their mobile routers and to access internet wherever they are.

FinTech Business

We drive financial inclusion in Botswana through our BTC mobile financial services (SMEGA), which also comes with a Visa card that enables customers to perform transactions, through Point of Sale (POS), ATM or online. The services can also be accessed through USSD and a mobile app. We offer a range of services and transactions capability and have onboarded strategic partners to enable financial payments. We have observed strong growth in our mobile financial services because of increased customer satisfaction and retention.

Through SMEGA, we continue to support Botswana Government's call for financial inclusion of those who do not have access to traditional banking services due to the high costs of maintaining and operating a bank account. Our customers in both rural and urban areas have been empowered and enabled to participate in the growth of our economy through mobile money services, as it has enabled easy and affordable access to digital financial services.

SMEGA provides mobile payments and digital wallets which have substantially increased as a means of transacting without the need to be physically present. SMEGA has minimised physical cash payments, and thus opening the door to an increase in digital payments. We plan on advancing SMEGA functionality to enable the shift from card payments at points of sale (POS) to contactless digital wallets. SMEGA has an extensive network of active service points throughout the country. It is through these distribution points that customers can open an account, make deposits (cash-in) and withdrawals (cash-out) from their BTC SMEGA accounts, and buy a Visa card for their SMEGA account. We are the only MNO that offers a club savings account on the mobile money product.



Through the bulk payments functionality on the SMEGA platform, businesses can make various payments to their employees such as the disbursement of salaries, wages, allowances and more. This functionality helps businesses do away with the need to carry large sums of cash on their premises to pay employees, as funds are paid directly to the employees' SMEGA digital wallets. This innovative security feature eliminates the threat of theft or heists that are usually inherent in handling large sums of cash. In addition, the bulk payment functionality enables businesses to optimise their operations, as employees do not have to halt work to physically receive their wages.

As we continue to make strides in growing our digital footprint, BTC has also introduced other channels through which customers can access all our services.

Customers can access the BTC SMEGA service through a USSD short code by dialling *173# or downloading the self-service SMEGA App onto their smart devices to access their SMEGA accounts.

PRODUCT DEVELOPMENT AND SERVICES IMPROVEMENT

VSAT Solutions

Our VSAT solutions enable remote connectivity for mining, hospitality businesses, farming, and residential areas. VSAT is a small sized telecommunications earth station that can give access to internet and transmit and receive data, voice, fax, or video conferencing via satellite. VSAT is the best connectivity and communication solution for business and homes in remote areas or for

emergency temporary services in areas that are hard to reach through terrestrial connectivity infrastructure. During the period under review, we facilitated several engagements to educate customers about our VSAT offers and value adds.

Mobile Data

On the mobile data side, we revamped our volume-based internet packages called Turn Up, to allow customers to get more Gigabit data through their mobile devices. We also reviewed our social media-based package called Live social to allow customers to have more Gigabit data access to enjoy social media content such as Facebook, Instagram, Twitter and TikTok.

Content Packages

We introduced mobile streaming services through content partnership to enable customers to have access to Showmax content, over and above the DSTV bundles that we had on our product menu.

E-Learning

Introduced a smart class solution that gives schools an interactive digital experience in the classroom. The solution provides content for both students and teachers to interact in and outside school through the BTC Classmate platform. This was made possible through partnering with local innovators to combine tools, devices and academic content which was bundled with our broadband connectivity. This e-learning suite not only equips the school but helps teachers and parents improve students' academic performance through an inclusive and accessible learning ecosystem. In addition, we developed an education solution that enables schools to offer remote-based students access to school educational

content through APN, without them having to worry about data expenses from home.

4G Mobile Penetration

We continue to focus on migrating our customers to 4G enabled handsets, to allow them to enjoy our fast speed mobile data connectivity of up to 150Mbps. We partnered with mobile device distributors to ensure full time availability of low-mid to high end 4G enabled devices at all our stores. We have also prepared our stores and touchpoints to support this initiative by ramping up sim swap services to migrate customers 4G enabled sim cards. As we continue to roll out more 4.5G mobile sites, public awareness campaigns are critical to encourage customers to upgrade their mobile handsets and to swap their sim cards.

Roaming Capability Improvement

We ensured the retention and growth of key roaming destinations by onboarding strategic roaming hubs. We signed new agreements with international networks and operators, increasing the total roaming footprint to 281 networks in 139 countries. We have a footprint in the top 18 African tourist destinations and in 16 international destinations that Botswana frequent. We launched LTE roaming with 88 networks to improve international roaming user experience. Despite adding new networks in foreign markets, the roaming business continued to be under pressure due to the use of data calls over social media platforms, such as WhatsApp, Skype, and Telegram.



Refined Commercial Focus [continued]

CHANNELS

Digital Store and Ground Force

Our digital store services our online customers and enables them to place orders for new services, enquiries and query logging. The digital store has a tele-marketing function that focuses on retention, upgrades, and referrals. The store also runs activations and door to door sales campaigns through ground force teams.

Proactive Indirect Sales to Serve Mass Consumers

We continuously increase our footprint by onboarding strategic partners such as retailers, banks, and street hawkers/runners that are in every corner of the country. The dealer network is a critical sales channel for both airtime sales and SMEGA transactions. This channel serves as an economic empowerment and support tool for communities, through airtime resellers, mainstream dealers, service points and street vendors/runners through initiatives and programs designed to assist in the business' sustainability.

Digital Partnerships

As more customers migrate into digital space and show a preference for digital touchpoints, BTC continues to assist them by engaging strategic partners such as commercial banks to enable customers to buy BTC airtime and data through utilization of BTC Mobile App and SMEGA App and USSD.

Strategically Placed Retail Stores

We have a footprint of 25 retail stores across the country. These outlets offer a one-stop service shop to both SME and retail consumers. To increase our reach, we have opened a new store in Hukuntsi to service the Kgalagadi North region. We have relocated our Mogoditshane shop to a new location which is bigger and has an improved look and feel with easy access. Our Shakawe store, launched last year, continues to provide impressive results.

Interactive Contact Centre

We provide 24/7 Contact Centre operations to ensure our accessibility to customers. In addition to our call centre agents, we have introduced digital facilities for ease of access. Customers can also log their enquiries and faults through the BTC website.

SME Relationship Management

We serve the economically important SME segment, which is a key driver of Botswana's economic growth. We position ourselves to serve them through transactional and digital services to improve their operations and efficiencies. This segment has taken up our digital and cloud services through the BTC Sentlhaga Data Centre and continues to acquire the latest technologies which afford them convenience, such as LTE modems, contact centre services as well as our latest PABX services.

Corporate Solutions and Relationship Management

Our corporate segment is a critical and significant contributor to our revenues. We support our enterprise customers by providing fit-for-purpose ICT services relevant to their businesses. A team of dedicated Relationship Managers is assigned to this segment to manage personalised relationships that result in a better understanding of customers' requirements, enabling BTC to provide bespoke solutions. As outlined in our strategic performance review, we have collaborated with our partners and launched innovative digital solutions, including cloud and cyber security to provide converged services and assist our customers to accelerate their technology transformation.

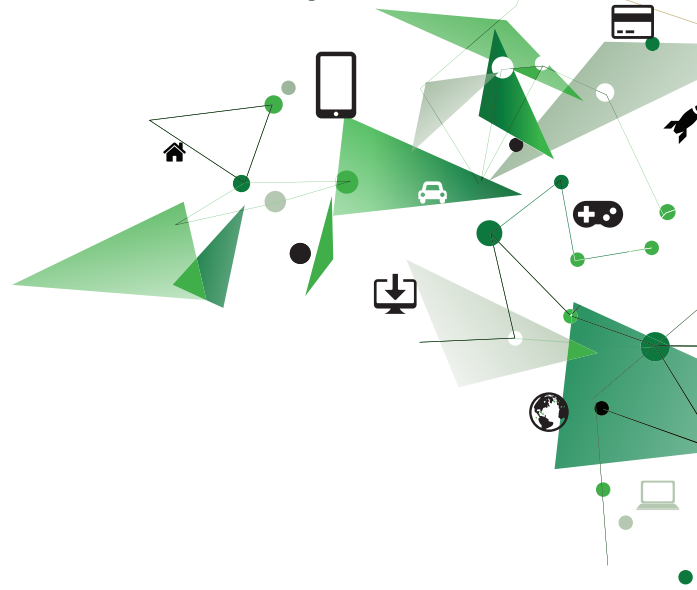




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OUR PEOPLE AND COMMUNITIES

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Our People

As an ambitious and purpose-driven organisation, we recognise that the realisation of our vision requires a well-qualified and highly engaged workforce. At the core of our operations is a customer-driven culture and we are of the view that happy employees will produce good results leading to happy customers. In other words, if our people are happy, our customers will likewise be satisfied. We endeavour to create a work environment that brings out the best in our people. Our key focus for 2023 was to continue driving the culture transformation initiative as we move to become a digital organisation.

RECRUITMENT AND TALENT ACQUISITION

We completed our organisational re-alignment exercise in December 2022. The overarching goal was to ensure that our workforce is fit for purpose and ready to deliver our ambitious corporate strategy. The telecommunications industry is highly evolutionary and requires continuous upskilling and reskilling of its workforce to acquire the requisite skills and competencies. It is imperative that we adjust accordingly to remain relevant and maintain a highly competent workforce. We will continue to build capacity through outsourcing, acquisition of talent and training our current team to ensure that the Company remains sustainable into the future.

TALENT MANAGEMENT

We continue to assess and manage talent in line with our strategic intent to ensure we have the right people in the right roles. Our approach is to facilitate conversations that differentiate talent according to

actual performance and potential, and develop plans to upskill our employees. The implementation of differentiated and targeted Learning and Development Plans remain key to the success of our Talent Management Strategy.

PERFORMANCE MANAGEMENT

We continue to implement our Performance Management System (PMS) and the workforce is encouraged to have iterative performance conversations throughout the year. We strongly believe continuous communication between employees and their supervisors is valuable for clarifying priorities, sharing performance expectations and assisting with career path planning. These activities, when managed with integrity, result in improved individual performance that propels the entire organisation to greater heights. Our PMS is linked to our rewards and remuneration practices, and a discretionary bonus based on company performance.

SUCCESSION PLANNING

The BTC Succession Plan is reviewed on an annual basis to ensure that it is still relevant and fit for purpose, and that there is adequate cover for all key roles. This not only contributes towards ensuring that there is minimal exposure, but it also ensures business continuity in the event of staff movement. The Succession Plan guarantees that there is a pool of employees who are developed and prepared for potential growth opportunities in managerial and leadership positions.

FOSTERING A LEARNING CULTURE

We continue to invest in various training and development initiatives to ensure our people perform at their best. Building strategic and technical capability is at the core of our people strategy – we desire a high-performance workforce. We view continuous learning as a deliberate approach to gain new skills, increase technical knowledge, stimulate innovation, and improve employee engagement. Our 2023 highlights are overleaf:



Our People [continued]

Development Training

The following are the management and leadership programmes that our people participated in during the year under review.

Qualification	Number trained
Executive Development Programme	3
Senior Management Development Programme	4
Management Development Programme	15
New Managers Development Programme	21
DevOps Culture and Practice Enablement	12

Information Technology (IT) certifications

We have invested in recognised information technology certifications for our employees holding specialist roles; this will go a long way to enhance our technology skills and capabilities and to promote continuous growth. We are confident these certifications will bear fruits in our digital transformation journey.

Certification	Number trained
Agile Business Analysis Foundation & Practitioner	2
Certified Security Operations Analyst	1
PRINCE 2 Agile Foundation & Practitioner	2
Managing Successful Programmes	1
Certified Fibre Optic Technician	15
CCNP Service Provider	4
CCIE Part qualified	1
NSE 8	1
Certified Internal Auditor (Bootcamp & Exam)	2
Certified Talent Management Practitioner	1

LinkedIn Learning

BTC introduced LinkedIn Learning as a self-learning platform to inculcate a culture of self development and individual driven development. Soft skills training was provided on the following topics for the benefit of employees.

- Business Etiquette and Professional Conduct
- Technology Appreciation
- Contract Management
- Workplace Discipline and Grievance Handling

PROMOTING HEALTH AND WELLBEING

The health and wellness of our people is of absolute importance and particular attention is given to ensuring that wellness is a priority. The COVID-19 pandemic highlighted the importance of supporting the holistic wellness of our people. We have structures in place to support employees and ensure a safe working environment.

- We hosted virtual wellness talks where professionals came in to share knowledge on topics including substance abuse, oral health, non-communicable diseases, mental health, financial counselling and the dangers of tobacco usage.
- We facilitated wellness screening for non-communicable diseases, HIV/AIDS, cervical cancer, breast cancer screenings held for all employees nationwide.
- The BTC Sporting club participated in sporting events such as the Inter-telecom Games in Eswatini, BTC Marathon, and Dithhaletsanyo Games.
- Psychosocial and financial counselling services were availed to employees for mental wellness.

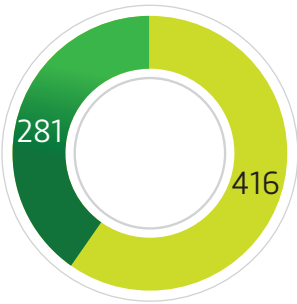
SAFETY, HEALTH, AND ENVIRONMENT (SHE)

We have all-encompassing Safety, Health, and Environmental policies in place. Over time, we have evolved beyond physical SHE considerations to encompass public safety assurance on a wide range of issues such as:

- Enhanced risk management
- Environmental protection
- Ensuring critical infrastructure functions safely through our major hazard prevention and control approaches
- Cyber-security awareness and training for employee protection

PEOPLE STATISTICS

Staff Complement



● Male ● Female

* breakdown based on permanent employees only

Staff complement	697 permanent
	122 temporary

Gender Mix

The number of male employees in the Company surpasses that of females purely due to the nature of the industry within which we operate. We continue to promote women in ICT and the Telecommunications sector by attracting more women in BTC at all levels and in all disciplines.

Corporate Social Investment (CSI)

Our Corporate Social Investment (CSI) is driven by our firm belief that while growth and profitability are essential, corporations must pursue societal goals related to sustainable development.

The BTC Foundation is a vehicle through which BTC delivers its corporate social investment activities and projects. We take a long-term view with respect to our CSI. We value impact and sustainability more than immediate results. The Foundation seeks to be responsive to the needs of the communities in which BTC, its partners, and suppliers operate. Our mandate is to have a long-term impact on the lives of communities in pursuit of social, economic, and environmental sustainability.

The Foundation invests in socially and environmentally impactful community projects and initiatives. This is done through partnerships with non-profit organisations, sponsorship of CSI projects, and direct donations to support causes in line with our values and focus areas. The BTC Foundation projects and activities are important stakeholder engagement platforms. The vision, mission, and values of the Foundation are:

Values:

- 1. Giving back to the community** – We are committed not only to making a profit but also to ensuring the well-being of communities.
- 2. Positive impact** – We pride ourselves on the impact we have on our people.
- 3. Integrity** – We are committed to creating a trust for mutual benefit.
- 4. Excellence** – We uphold high levels of excellence in everything we do.

This framework focuses on stakeholder engagement, materiality, monitoring and evaluation, and reporting of projects and activities. These are essential stakeholder engagement platforms for the company, and BTC employees are integral to the culture of socially responsible conduct and are therefore involved in all BTC Foundation initiatives.

Vision: "To excel in changing the lives of our people"

Mission: "We create social value for communities through partnerships"



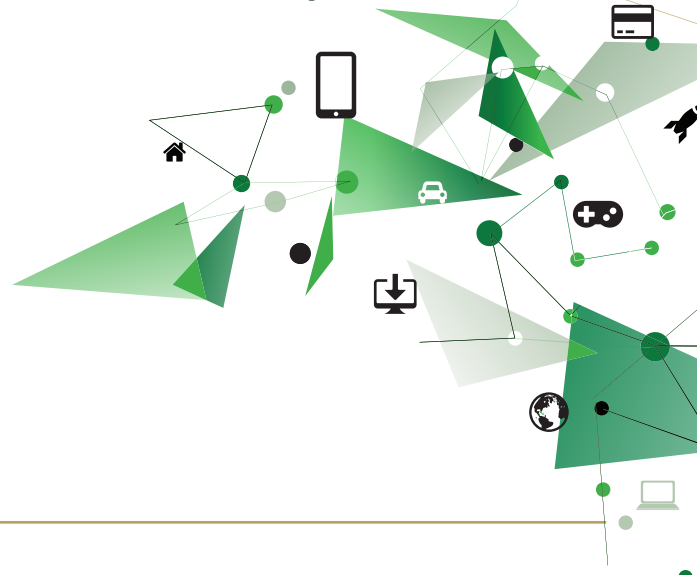
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Corporate Social Investment (CSI) [continued]

BTC FOUNDATION FOCUS AREAS

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





BTC FOUNDATION PROJECTS

1. BTC commemorates World Telecommunications and Information Society Day in Mmathubudukwane

BTC joined ICT stakeholders to commemorate Women & Girls in ICT Day, on Friday 13th May 2022 at Mabalane Community Hall in Kgatleng District. The Women & Girls in ICT commemorations are held annually under the World Telecommunication and Information Society Day (WTISD), whose purpose is to help raise awareness on the possibilities that the use of the Internet and other Information and Communication Technologies (ICTs) can bring to societies and economies.

The Women and Girls in ICT Day was commemorated under the theme "Access and Safety". This is a special day set aside to celebrate the role of women in ICT and the digital economy. It is a time to reflect on the achievement of championing the initiative to drive gender equality, empowerment of women and girls and align local programs with global developments. This day is held to remind all stakeholders to support, encourage and inspire women and girls to play their role in the ICT space.

BTC, through its foundation, donated two desktop computers, a heavy-duty photocopier, and a generator to Mmathubudukwane clinic.



2. BTC rewards 25 excelling Junior certificate examinations students in Molepolole



The BTC Foundation honoured and rewarded 25 excelling Junior Certificate Examination (JCE) students in Molepolole at a prize-giving ceremony held at Dithejwane Junior Secondary School. The event was officiated by the Minister for State President, Honourable Kabo N. S. Morwaeng.

In a quest to encourage the student community to work hard in their academics and to reward them for their efforts. Dithejwane Junior Secondary School attained a 55.7% overall pass rate and attained position 18 nationwide, which is a substantial improvement as they could not achieve at least a 50% pass rate the previous academic year. The students were rewarded with 25 tablets to aid in their academic journeys.





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Corporate Social Investment (CSI) [continued]

3. BTC empowers Bonnington Junior Secondary School



As part of giving back to the community, BTC joined the Bonnington Junior Secondary School’s prize giving ceremony held under the theme “Striving for excellence in the era of Covid-19”. BTC handed over two desktop computers to the school’s library as an effort of encouraging a digitised education system in Botswana. The computers will be used by both teachers and learners for computer literacy lessons and research purposes as well as assistance with their overall learning. Despite the challenges brought by the Covid-19 pandemic, Bonnington produced excellent results. With a 69.2% quality pass rate, Bonnington JSS attained third position nationally, and the best in the region.

4. BTC hosts the 2nd annual BTC Digital Shift BW Enterprise Summit

BTC hosted the Digital Shift BW Enterprise Summit in Gaborone as part of participation in the digital network community. The Summit is an annual interactive hybrid event that started in 2021 and is aimed at sharing the wide range of possibilities available to all Batswana through digital transformation. The second annual Summit was themed “Geared towards Inclusive & Disruptive Digital Solutions.”



5. BTC sponsors the University of Botswana Foundation Golf Day



BTC sponsored the 15th annual University of Botswana (UB) Fundraising Golf Day. The golf day event, which is organised by the UB Foundation, raises funds to augment its Graduate Scholarship Endowment Fund that supports post-graduate scholarships. BTC revealed a two-year sponsorship at an annual amount of P150,000 bringing the total sponsorship amount to P300,000 for the years 2022 and 2023. The golf day took place on the 8th July 2022. The first sponsorship started in 2022 as UB commemorated its 40th anniversary.



6. BTC contributes at Tshokwe Primary School prize giving ceremony

As a responsible corporate company, BTC took initiative to appreciate and reward students that performed well. BTC found it fit to be a partner in transforming the educational teaching and learning landscape in Botswana and developing a well-rounded learner who can compete globally in the digital era. BTC took part in the prize giving ceremony at Tshokwe Primary School by donating two desktop computers to the school, which is located 40 kilometres outside Selebi-Phikwe.



7. BTC inspires students at Molefi Senior Secondary School Career Fair

Through the BTC Foundation, we continued to inspire communities by contributing time, expertise and knowledge that will impact the future generation. BTC took part in a career fair held at Molefi Senior Secondary School in Mochudi to sensitise form five students about careers and expose them to the ICT industry. The career fair, which was held two months before students sat for the final Botswana General Certificate Examinations (BGCSE), targeted 800 form five students.



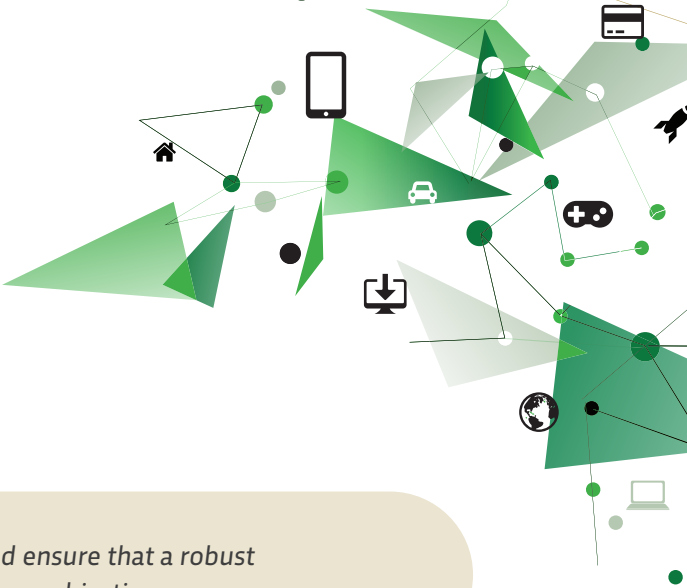


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OUR GOVERNANCE



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Board of Directors

The Board's primary duty is to define BTC's purpose and ensure that a robust strategy is in place to achieve the organisation's long term objectives.





Board Profiles

Ms. Lorato Boakgomo-Ntakhwana



*Independent Non-Executive Director
Board Chairperson*

Chairperson: Directors Affairs and Governance Committee

Member: Human Resources Committee

Date of Appointment: October 2016

Nationality: Botswana

Ms. Boakgomo-Ntakhwana is a career banker whose professional experience spans over 30 years. She previously held the position of Deputy CEO of FNB International and Portfolio Executive for Emerging Countries. Prior to this role, she was the CEO of First National Bank Botswana (FNBB) Limited. She has been associated with the FirstRand Group since August 2008, where she served as a Board Member and Board Committee Member in several countries.

Currently, she is the Managing Director of Sally Dairy. Ms. Boakgomo-Ntakhwana has a Bachelor of Commerce degree from the University of Botswana and a Master of Business Administration (MBA) from Loyola College in Baltimore, USA. She also holds several other professional qualifications.

Mr. Andrew Johnson



Independent Non-Executive Director

Chairperson: Technology and Investment Committee

Member: Audit and Risk Committee

Date of Appointment: May 2017

Nationality: South African

Mr. Johnson is a telecommunications expert whose career in the industry spans over 37 years, with a special focus on mobile telecommunications and fibre infrastructure development. His career experience includes such roles as Chief Technical Officer for the MTN Group, Chief Executive Officer for MTN Rwanda, and Chief Technical Officer for MTN Uganda, as well as other positions within MTN Group. Prior to that, he worked as a Telecommunications Engineer for Eskom.

Mr. Johnson has extensive business and technology management consulting experience within Sub-Saharan Africa and the Pacific region in 18 different countries for the African Development Bank, World Bank and other entities and operators. He has worked as Principal Consultant at Tubitayeho Telecomms Consulting in South Africa for the past 15 years to date.

He has also previously served as a Director for MTN subsidiaries in Cameroon, Cote d'Ivoire, Nigeria, Rwanda and Uganda, whilst working for MTN Group and MTN International.

Mr. Johnson holds a BSc (Eng) Electrical - Light Current, from the University of the Witwatersrand in South Africa, with a specialisation in Telecommunications and Alternative Energies.

Mr. Ranjith Priyalal De Silva



Independent Non-Executive Director

Chairperson: Audit and Risk Committee

Member: Directors Affairs and Governance Committee

Date of Appointment: May 2017

Nationality: Sri Lankan

Mr. De Silva is a Chartered Accountant whose expertise covers Auditing, Accounting, Tax Planning, Financial Investigations and Fiscal Management.

Now retired, he has over 36 years of experience in the profession primarily spent at PriceWaterhouseCoopers (PwC) Botswana, where he was a Partner for 19 years and Chief Operating Officer for 9 years. While with PwC Botswana, he served a large portfolio of Audit/Tax Clients and provided Business Advisory Services to many large privately-owned corporates in Botswana.

Mr. De Silva is an Independent Non-Executive Director for three Old Mutual subsidiaries in Botswana and of Debt Participation Capital Funding Limited. He is a member of numerous professional bodies including being an Associate Member of the Chartered Institute of Management Accountants (CIMA) of the UK, and a Fellow Member of the Botswana Institute of Chartered Accountants (BICA) and the Institute of Chartered Accountants of Sri Lanka.



Mr. Bafana Molomo



Independent Non-Executive Director

Member: Audit and Risk Committee, Technology and Investment Committee

Date of Appointment: September 2018

Nationality: Botswana

Mr. Molomo is Co-founder and Managing Partner at Aleyo Capital, a Botswana-based private equity fund manager. He was previously the Chief Investment Officer at Botswana Development Corporation (BDC), having joined from Vantage Capital, a leading mezzanine fund manager based in Johannesburg and operating across Sub-Saharan Africa.

At Vantage, Mr. Molomo was a Senior Associate originating and structuring deals in South Africa, Botswana, Namibia and Mozambique. Prior to that, he was with Venture Partners Botswana (VPB) in Botswana and Namibia as a Senior Investment professional in the private equity team, and as an Investment Analyst with Fleming Asset Management. He brings extensive experience in private equity, corporate finance, strategy and project finance.

Mr. Molomo holds a Bachelor of Commerce (Economics and Finance) degree and a Master's in Business Administration degree from the University of Cape Town. He also holds a Postgraduate Diploma in Business from the University of Pretoria's Gordon Institute of Business Science (GIBS). He has also held several Board roles in hospitality, healthcare, ICT, property, FMCG and beverage companies.

Ms. Gaone Macholo



Independent Non-Executive Director

*Independent Non-Executive Director
Chairperson: Human Resources Committee*

Date of Appointment: October 2020

Retired: September 2022

Nationality: Botswana

Ms. Macholo is a seasoned human capital executive with professional experience spanning 25 years in the health, telecommunications, mining and financial services sectors. She has previously held various executive positions, including at First National Bank Botswana (FNBB), Debswana and BCL.

Currently the Chairperson of G4S Botswana Limited, Ms. Macholo is a strong believer in the alignment of people strategies to employees' productivity, age and professional experience. She prioritises maintaining cordial and constructive relations with the Union as a vital stakeholder for any business.

Ms. Macholo holds a Bachelor of Administration in Social Sciences from the University of Botswana and a Master's Degree in Public Health & Management from the University of Massachusetts, USA. She has also attended a myriad of leadership, business management and technical courses, including the Executive Leadership Programme from the University of Cape Town.

Mr. MacLean Letshwiti



Independent Non-Executive Director

Member: Technology and Investment Committee, Directors Affairs and Governance Committee

Date of Appointment: October 2016

Nationality: Botswana

Mr. Letshwiti is a respected entrepreneur whose expertise spans across business management, commercial and industrial development, and project appraisal and monitoring. He was instrumental in setting up Avis Rent-a-Car in Botswana. He is currently a Director of several companies, namely: Kalahari Mining and Machinery, Laurelton Diamonds Botswana (a subsidiary of Tiffany & Co. and a company listed on the New York Stock Exchange), and Avis Rent-a-Car.

He has served on several Boards of listed companies, including the Botswana Insurance Holdings Limited (BIHL) Group, of which he was Chairman. He was also a Board Member of Botswana Housing Corporation (BHC), among other entities.

Mr. Letshwiti holds a Bachelor of Arts degree in Administration from the University of Botswana and Swaziland (Botswana campus) and a number of other professional and leadership qualifications.



Board Profiles [Continued]

Mr. Thari G. Pheko



Independent Non-Executive Director

Chairperson: Human Resources Committee

Member: Audit and Risk Committee

Date of Appointment: September 2018

Nationality: Botswana

Mr. Pheko is the Founding Chief Executive and Member of Botswana Communications Regulatory Authority (BOCRA) Board, having been the Chief Executive of the sector-specific regulator, Botswana Telecommunications Authority (BTA) for six years prior to its dissolution in 2013. He successfully managed the transition from BTA to BOCRA, moving the organisation towards a wider integrated ICT regulatory mandate.

Mr. Pheko served with several consultancies, including Consultancy on the Information Society and ICT Development Strategy and the formulation of the National ICT Policy for Botswana. He previously served on the Board of BotswanaPost and was a part-time lecturer in Management Information Systems at University of Botswana. He was President of Botswana Information Technology Society and a Commissioner of the Botswana National Commission for United Nations Educational, Scientific and Cultural Organisation (UNESCO). He currently serves on the Board of Trustees of the Boitumelo Foundation.

Mr. Pheko holds a Bachelor of Science (Hons) in Business Finance and Economics and a Master of Science in Management Information Systems, both from the University of East Anglia, UK. He has attended numerous Executive Management Programs from University of Cape Town, University of Kent Canterbury, Rutgers University and other professional institutions.

Mr. Thato Kewakae



Independent Non-Executive Director

Member: Human Resources Committee, Technology and Investment Committee

Date of Appointment: September 2021

Nationality: Botswana

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 BotswanaPost. Mr. Kewakae currently sits on the Botswana Housing Corporation (BHC) Board and is part of the Finance/Audit and HR Committees.

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 Program at the University of Stellenbosch in Cape Town and a Project Management Course at Wits University.

Mr. Anthony Masunga



*Executive Director
Managing Director*

Date of Appointment: January 2017

Nationality: Botswana

As Managing Director, Anthony is tasked with leading the transformation of BTC post the listing on the Botswana Stock Exchange with the overall objective of the delivery of sustainable stakeholder value. He provides overall strategic leadership to the business, including ensuring adherence to the highest corporate governance standards, management of all financial results, building customer-centric organisation, building fit-for-purpose technology solutions and processes, brand repositioning human capital management and stakeholder relations.

His leadership experience spans over a number of years through serving in different portfolios such as BTC's Chief Operating Officer, Acting Group General Manager Commercial, Privatisation Programme Manager, and Chief Technical Officer in one of the mobile operators in Botswana. He was the founding General Manager of beMOBILE (now BTC Mobile) where he successfully established Botswana's third Mobile Network Operator entrant.

Anthony has over 23 years' experience in the field of Telecommunications and Information Technology. He holds a BSc Computer Science degree from McGill University, Canada, and a Master of Business Administration degree from De Montfort University in the UK. He is also an Alumni of the University of Stellenbosch Business School, having completed the Executive Development Programme and Africa Directors' Programme. He has board experience drawn from IT, Telecommunications, and healthcare industries.





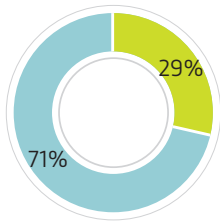
Executive Committee

BTC is proud to have an Executive Management team that wields unrivalled expertise and experience and who are united in their ambition to deliver on BTC's Strategy.





Management
Diversity >



● Female ● Male

Average age

49





Executive Committee Profiles

Anthony Masunga



Managing Director

Date of Appointment: January 2017

As Managing Director, Anthony is tasked with leading the transformation of BTC post the listing on the Botswana Stock Exchange with the overarching objective of delivering sustainable stakeholder value. He provides overall strategic leadership to the business, including ensuring adherence to the highest corporate governance standards, management of financial performance, building a customer-centric organisation, building fit-for-purpose technology solutions and processes, brand repositioning human capital management and stakeholder relations.

His leadership experience spans over a number of years through serving in different portfolios such as BTC's Chief Operating Officer, Acting Group General Manager - Commercial, Privatisation Programme Manager, and Chief Technical Officer in one of the mobile operators in Botswana. He was the founding General Manager of beMOBILE (now BTC Mobile) where he successfully established Botswana's third Mobile Network Operator entrant.

Anthony has over 23 years' experience in the field of Telecommunications and Information Technology. He holds a BSc Computer Science degree from McGill University, Canada, and a Master of Business Administration degree from De Montfort University in the UK. He is also an Alumni of the University of Stellenbosch Business School, having completed the Executive Development Programme and Africa Directors' Programme. He has board experience drawn from IT, Telecommunications, and healthcare industries.

Boitumelo Paya



Chief Financial Officer

Date of Appointment: April 2020

Boitumelo is responsible for providing leadership direction and management of the finances and of the accounting team. Additionally, she is tasked with managing the processes for financial forecasting and budgets, overseeing preparation of all financial reporting, advisory on long-term business and financial planning for the business, internal and external financial reporting, stewardship of a company assets, and ownership of cash management processes. Boitumelo also plays a crucial role in forward-looking and expanding to incorporate strategy and business partnership.

She is armed with over 22 years' work experience in executive financial management, including finance integration, business transformation, financial planning & analysis, audit and assurance, strategic decision support, investor relations and Mergers & Acquisitions support. She has held various senior positions in the past, including Finance Director at Kgalagadi Breweries and Malawi Beverages respectively, and Finance Executive at SABMiller plc in the UK.

She is a Fellow Member of the Chartered Certified Accountants (FCCA) as well as a Fellow Member of Botswana Institute of Chartered Accountants (BICA). She also holds a Master of Business Administration degree from the University of Derby. She has previously undertaken the Management Development Programme through the University of Pretoria's Gordon Institute of Business Science (GIBS).

Aldrin Sivako



Chief Operations Officer

Date of Appointment: October 2017

Aldrin is responsible for the Technical arm of the business, overseeing the Information Systems, Technology, and Transformation divisions. He is also responsible for BTC's Corporate Security Services, which covers Physical and Cybersecurity. He provides leadership in implementing the Company's Technology and Digital Strategy, leading the delivery of corporate programmes portfolio and identifying and forging relationships with strategic partners.

Aldrin is an astute Telecommunications Engineering Executive with over 22 years of experience in the telecommunications industry. He has led Telecommunication engineering transformation initiatives covering technology strategy formulation and execution, new business development/product development and management. He was the founding Technical Executive of Botswana Fibre Networks (BoFiNet) from inception and previously served as the Chief Technical Officer of Liquid Telecom Botswana.

Aldrin holds a Master of Business Administration degree from the Management College of South Africa (MANCOSA), and a Bachelor of Engineering (Hons) degree in Telecommunication Systems from Coventry University in the UK. He is an Alumni of the University of Stellenbosch Business School Executive Development Programme, and the Africa Directors Programme.



Edward Wicks



Chief Commercial Officer

Date of Appointment: April 2018

Edward oversees the Commercial arm of BTC, directing and driving performance in the Marketing, Enterprise Sales, Consumer Sales and Quality of Service functions. He is responsible for the delivery of the Company's Commercial Strategy.

Edward has been in the telecommunications industry for more than 27 years and has in-depth knowledge and expertise in most aspects of telecommunications. This includes commercial management, strategic marketing, product development, business development and distribution. He has held various senior positions and directorships prior to his time at BTC. As a strategic consulting expert, he has also been involved in launching two new mobile networks in Botswana.

Edward holds a Bachelor of Commerce (Honours) degree from the University of Edinburgh. Edward's contract came to an end in April 2023.

Sidney Mganga



Company Secretary

Date of Appointment: May 2018

Sidney is tasked with advising the Board and Company on governance matters and providing secretarial services to the Board. He also oversees the Legal and Regulatory functions of the Company to ensure compliance with statutory and regulatory requirements.

He has over 19 years' cumulative private sector experience in legal, compliance and regulation and corporate governance.

Sidney holds a Bachelor of Laws (LLB) degree from the University of Botswana and is also an Associate Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators of Southern Africa (ICSA). Sidney also completed a Postgraduate Certificate in Advanced Tax & Audit from Botswana Accountancy College (BAC). He has also undergone Senior Management Development Programme (SMDP) training with the University of Stellenbosch Business School.

Abel Bogatsu



General Manager - Finance

Date of Appointment: November 2010

Abel oversees the operation and management of all financial systems and processes within the business. This includes but is not limited to treasury, budgeting, credit and financial control, working to ensure compliance with regulatory and financial reporting standards. He also provides professional finance input into the creation and maintenance of the BTC Business Strategy to deliver sustainable shareholder value.

Abel has more than 27 years' experience in both the private and public sectors. He holds a Bachelor of Commerce degree in Accounting from the University of Botswana and is a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Accountants (BICA). He is an Alumni of the University of Stellenbosch Business School Executive Development Programme.



Executive Committee Profiles [Continued]

Same Read Kgosiemang



General Manager - Internal Audit and Risk Management

Date of Appointment: January 2017

Same oversees the Risk and Internal Audit Division and is tasked with ensuring that BTC has and maintains a robust Risk and Internal Audit Strategy. This includes working to provide BTC Board and Management with an independent and objective assurance on risk management, internal controls and governance processes. He ensures business continuity, sustainability and compliance with best practice corporate governance and reporting standards. Additionally, Same is responsible for the functions of Revenue Assurance and Fraud Management which are a requisite in telco operations as they are prone to revenue leakages and network fraud.

Same has over 26 years' experience in Internal Audit and Risk Management. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and a Fellow Member of the Botswana Institute of Chartered Accountants (BICA). He is also a Member of the Institute of Internal Auditors (IIA) USA and the Institute of Risk Management (IRM) in the UK. He is an Alumni of the University of Stellenbosch Business School Executive Development Programme.

Mmamotse M Monageng



General Manager - Support Services & Human Resources

Date of Appointment: January 2017

Mmamotse has more than 20 years of experience in the Human Capital profession, 10 of which have been in the telecommunications industry. She provides oversight over the People function within a strategic framework to deliver high employee satisfaction and inculcate a high-performance culture. Mmamotse is responsible for leading the development of key strategies such as talent acquisition and talent management, and ensuring that BTC's human capital is apt for the corporate strategy. She is also tasked with providing strategic guidance in ensuring the delivery of high standards of safety, health and environmental services.

She holds a Bachelor of Commerce degree from Curtin University of Technology in Western Australia, majoring in Human Resource Management and Industrial Relations, as well as a Postgraduate Diploma in Strategic Management from the University of Derby.

Peter Olyn



General Manager - Technology

Date of Appointment: January 2018

Peter is mandated with planning, building and managing the operational functions of the vast BTC telecommunications network. He also works to develop strategic plans to transform and deploy the BTC network to achieve business targets.

Peter has over 23 years' experience in the telecommunications industry. He holds a Bachelor of Engineering degree in Electronics and Electrical Engineering from the University of Botswana. He is also an Alumnus of the Stellenbosch Business School, having undertaken the Executive Management Development Training Programme.



**Kutlo
Mokgosana**



General Manager - Transformation

Date of Appointment: October 2018

Kutlo is responsible for driving the delivery of transformational and strategic programmes, synergies and collaborations in line with BTC's Corporate Strategy and the business' Management, Innovation and Digital Strategy as well as Quality & Processes functions, working to achieve high customer service standards.

Kutlo has over 17 years' experience from the mining and logistics sectors. He has a Bachelor of Accountancy degree from University of Botswana. He is also a certified Prince2 Practitioner and a Balanced Scorecard Graduate, and an Alumnus of the London Business School Emerging Leaders Programme and the University of Stellenbosch Business School Executive Development Programme, respectively.

**Nelson
Disang**



General Manager - Information Systems

Date of Appointment: September 2018

Nelson directs BTC's overall Information Systems (IS) Strategy to ensure that the Company's IS-Enabled investments are aligned to the strategic business initiatives and are future ready to seamlessly integrate to the digital transformation capabilities. He provides leadership in Digital Transformation technological capacity building.

Nelson has been in the IT industry for 19 years and has in-depth knowledge and expertise in IT management, risk optimization, resource optimization and benefit realization. His experience cuts across the telecommunications and power industry having worked for Huawei Technologies, Mascom Wireless and Botswana Power Corporation (BPC) prior to joining BTC.

Nelson has a Bachelor of Science Computer Engineering degree from Clarkson University, New York, and is a certified Balanced Scorecard practitioner with the Balanced Scorecard Institute, as well as a certified IT Governance practitioner and a professional member of Information Systems Audit and Control Association (ISACA). He has undergone Leadership training with University of Stellenbosch as follows; Management Development Programme, Senior Management Development Programme and Executive Development Programme.

**Boitumelo
Masoko**



General Manager - Consumer Sales

Date of Appointment: October 2017

Boitumelo develops and directs implementation of the Sales Strategy for the Consumer and Small and Medium segment. This means a focus driving sales and revenue growth, thus contributing towards the delivery of shareholder value for BTC. She covers broad areas of Dealer and Agent Network Management, BTC Shop operations, Mobile Financial Services, and the Small and Medium Accounts segment.

Boitumelo is an experienced and result-oriented professional with over 25 years' experience in the telecommunications industry, majority of which has been spent at BTC. She has a strong background in strategic planning, sales and customer care management and operational delivery.

Boitumelo holds a Bachelor of Arts in Social Sciences from the University of Botswana, as well as a Master's Degree in Science in Strategic Management from the University of Derby. She completed her Executive Development Programme at UNISA Graduate School of Business Leadership (SBL) and thereafter undertook the Executive Development Programme at University of Stellenbosch.



Executive Committee Profiles [Continued]

**Malebogo
Mosinyi**



General Manager - Marketing

Date of Appointment: April 2019

Malebogo is responsible for developing and delivering BTC's Marketing Strategy. This includes a focus on positioning BTC to compete effectively in a highly competitive and mature telecommunications market through fixed and mobile products and services.

Malebogo has 17 years' experience in Marketing, Insights and Research. She oversees the insights and research function, product conceptualization and development for both the Consumer and Enterprise product development, communication and brand positioning. She has worked in various organizations prior to joining BTC in 2016, including the Botswana Institute for Development Policy Analysis (BIDPA), Bank Gaborone and Kgalagadi Breweries.

She holds a Master of Commerce in Management practice specializing in international trade law and policy; holds a Master's degree in Economics and a Bachelor's degree in Social Sciences from the University of Botswana. She has also completed her Executive Development Program (EDP) through the University of Stellenbosch.

**Lebudi
Kgetse**



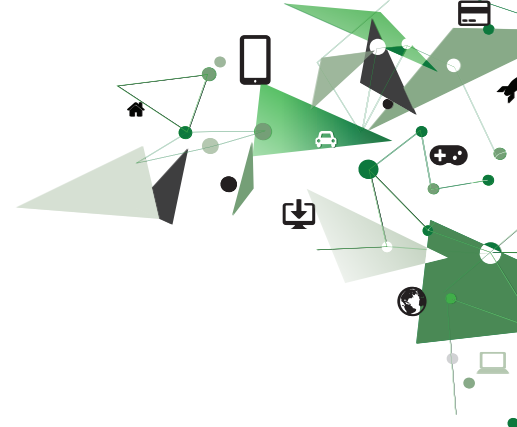
General Manager - Enterprise Sales

Date of Appointment: November 2019

Lebudi is tasked with maintaining a comprehensive Sales Strategy for the Enterprise Market segment, working to drive sales and revenue growth and thus contributing towards the delivery of Shareholder value for BTC. He is responsible for positioning BTC to compete effectively in a highly competitive and mature telecommunications market for Fixed, Mobile and Digital products and services.

He has over 22 years' experience in the Telecommunications industry, having spent most of his career at BTC and growing within the business. He has experience in customer relationship management and strategy development, amongst other areas.

Lebudi holds a Master of Business Administration degree from North West University in South Africa and a Bachelor of Commerce degree from the University of Botswana. He also holds a Diploma in Telecommunications Management, Associate Diploma in Banking, Postgraduate Certificate in Enterprise Risk Management and Prince 2 Foundation Certificate in Project Management. He successfully completed the Senior Management Development Programme (SMDP) through the University of Stellenbosch.



Corporate Governance Statement of Commitment

As a listed entity, BTC strives to achieve and uphold the highest principles of business ethics, corporate governance and reporting. In complying with the guidelines of the BSE Code of Corporate Governance, BTC has complied with the principles of King III and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2024 financial year. BTC's corporate governance practices are continually being reviewed and improved by benchmarking against accepted international best practice.

Corporate Governance

The Board is the custodian of corporate governance and is responsible for ensuring that the business of BTC is conducted according to sound corporate governance principles. This is done through approving key policies and ensuring that the Company meets its obligations to all stakeholders.

The Board directs BTC's strategic planning, its risk assessment, internal controls, financial and operational management to ensure that BTC's obligations to its stakeholders are understood and observed. BTC also acknowledges its corporate social responsibility and provides assistance and developmental support to the communities in which it operates, and to deserving institutions at large.

Adherence to sound principles of corporate governance by BTC is critical to earning and maintaining the trust of key stakeholders and, ultimately achieving its performance goals, while acknowledging that the methods it employs to achieve these goals are as important as the goals themselves.

The BTC Board is committed to the practice of good corporate governance and subscribes to the following:

- The King Code III of Good Governance, and now transitioning to King Code IV
- The Companies Act
- The BSE Equity Listings Requirements
- The International Financial Reporting Standards (IFRS)
- The Global Reporting Initiative's (GRI) Sustainability Reporting - guidelines on Economic, Environmental and Social performance.

Compliance with King III

In addition to complying with the BSE Code of Corporate Governance, the Company has complied with the principles of King III and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2024 financial year.

BTC believes that compliance with recognised best practices will provide superior levels of performance in terms of sustainable returns to all stakeholders. We take into consideration not only the interests of the Company and its shareholders, but the wider environment including suppliers, employees and the community as a whole. A representative of our stakeholders is included on page 16 of this report.

This Report is prepared in compliance with the principles of King III. Where the Directors have deemed it impractical to apply certain recommended practices, the rationale is explained under the relevant section.



Board's Governance and Structure

The governing body of BTC is the Board of Directors which consists of the Chairperson, the Managing Director and seven other independent members appointed by the shareholders in line with the Companies Act. BTC has a unitary Board structure with the majority of members being Non-Executive Directors. The preponderance of Independent Non-Executive Directors is strongly encouraged on the Board.

The roles of the Chairperson and the Managing Director are separate, and the composition of the Board ensures a balance of authority precluding any one Director from exercising unfettered powers of decision making.

The Board retains full control over BTC and monitors executive management in the implementation and execution of strategies and policies. The Board is assisted in fulfilling its responsibilities by the following sub-committees:

- Audit and Risk Committee
- Human Resources Committee
- Technology and Investment Committee
- Directors' Affairs and Governance Committee

The responsibility for the implementation and monitoring of corporate governance in BTC rests with the Board, which is assisted by the above-mentioned sub-committees. The delegation of authority to Committees does not absolve nor transfer any of the responsibilities of the Board to the respective Committees, and the Board remains ultimately accountable to the shareholders of the Company.

The Board is led by a Non-Executive Chairperson. During the financial year under review, the Board was chaired by Ms Lorato Boakgomo-Ntakhwana, who is an Independent Non-Executive Director. The Chairperson has no executive function but meets regularly with Senior Executive Management to monitor progress and discuss relevant business issues and is available to respond to stakeholder queries or other issues relating to

BTC. Non-Executive Directors have the opportunity to meet separately without the BTC Managing Director as and when circumstances warrant.

Definition of independence

For purposes of this Report, Directors are classified as follows:

- **Executive Directors:** Who are involved in the day-to-day management of BTC and are in its full time employ
- **Non-Executive Directors:** Include Directors who may be nominees or representatives of a shareholder
- **Independent Non-Executive Directors:** Being Directors who are neither involved in the day-to-day management of BTC, nor are nominees or representatives of a shareholder.

Board Charter

The Board operates in terms of a formal Charter, the purpose of which is to regulate the conduct of its business in accordance with sound corporate governance principles.

The objectives of the Charter are to ensure that all Directors acting on behalf of BTC are aware of their duties and responsibilities and the legislation and regulations affecting their conduct. Furthermore, it seeks to ensure that sound corporate governance principles are applied in all dealings by the Directors. The Charter sets out the responsibilities to be discharged by Directors collectively and individually.

Appointment of Directors

In making Board appointments, the broad principles that are followed are to maintain an independent and vibrant Board that constructively challenges Management's strategies and evaluates performance against agreed benchmarks and applicable codes of conduct. A balance is maintained among Non-Executive Directors which ensures that the majority of these are independent Directors. The BTC Board regularly reviews its required mix of skills, experience and other qualities such as its demographics and diversity so as to assess the effectiveness of the Board. This review is by means of a self-evaluation of the BTC Board as a whole, its committees and the contribution of each individual Director.

The Directors are chosen for their business acumen and their wide range of skills and experience.

The Board gives strategic direction to BTC, appoints the Managing Director and ensures that succession planning is in place. In appointing Directors, emphasis is placed on achieving the necessary balance of skills, experience, professional and industry knowledge to meet BTC strategic objectives. The selection and appointment of Directors is a formal and transparent process. It is a matter for the whole Board assisted by the Directors' Affairs and Governance Committee and is subject to approval by the shareholders at the Annual General Meeting (AGM) of the company. Succession planning is also reviewed regularly.

Shareholders are ultimately responsible for the composition of the Board and it is in their interests to ensure that the Board is properly constituted.



Appointments and Retirements

During the financial year under review, Ms. Gaone Macholo retired from the Board on the 26th September 2022. For the year under review the BTC Board was constituted by the following directors:

Member	Position	Date and period of Appointment	Qualifications
Ms Lorato Boakgomo-Ntakhwana	<i>Chairperson</i>	Appointed in October 2016	BA Commerce (UB); MBA (Loyola College, USA)
Mr McLean Letshwiti	<i>Independent Member</i>	Appointed in October 2016	BA Administration (BOLESWA)
Mr Anthony Masunga	<i>Managing Director</i>	Appointed in January 2017	BSc (Computer Science); MBA, (McGill University, Canada);
Mr Andrew Johnson	<i>Independent Member</i>	Appointed in May 2017	BSc (Eng) Electrical [Telecommunications and Alternative Energies] (University of the Witwatersrand, RSA)
Mr Ranjith Priyalal De Silva	<i>Independent Member</i>	Appointed in May 2017	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 UK (ACMA)
Mr Thari Pheko	<i>Independent Member</i>	Appointed 27 September 2018	BSc (Hons) in Business Finance and Management; M.Sc. in Management Information Systems (University of East Anglia, UK)
Mr Bafana Molomo	<i>Independent Member</i>	Appointed 27 September 2018	BCom (Economics and Finance); MBA (University of Cape Town); Post-graduate Diploma in Business (University of Pretoria's Gordon Institute of Business Science)
Ms. Gaone Macholo (Retired 26 September 2022.)	<i>Independent Member</i>	Appointed 23 October 2020	BA Social Sciences (UB), Master's Degree in Public Health (University of Massachusetts, USA), Certificate in Industrial Relations (Wits University, RSA)
Mr. Thato Kewakae	<i>Independent Member</i>	Appointed 28 September 2021	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).

The Managing Director 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.



BOARD'S GOVERNANCE AND STRUCTURE [Continued]

Responsibilities of the Board and the Executive Management

BTC is led by a Board that brings leadership, commitment, and rigour to the business of the organisation, as well as its good governance in pursuit of its statutory mandate, ensuring proper and effective control of the BTC's business and carrying out periodic evaluation of corporate performance.

The Board is also responsible for guiding corporate governance by establishing committees and structures within the organisation to assist it in the effective fulfilment of its responsibilities.

The Board delegates certain functions to well-structured Sub-committees without abdicating its own responsibility.

The Board, directly or through its sub-committees:

- Approves BTC's Corporate Strategies, annual budgets and business plans
- Approves significant capital expenditure projects, selection of suppliers and major financial proposals
- Assesses the comprehensive system of reporting on financial and non-financial matters, strategy and other operational matters
- Ensures compliance with applicable laws and regulations
- Approves acquisitions and divestments
- Assesses key business risks and monitors the management of those risks

- Ensures the effectiveness of internal control systems
- Appoints senior management, evaluates and monitors their performance.

Management is required to implement BTC's approved plans and strategies and to support the Board. The Board monitors management's performance on an ongoing basis.

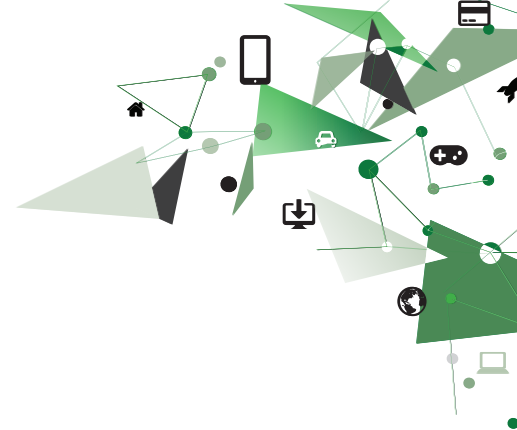
Division of Responsibilities between the Board and Executive Management

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 conduct themselves according to the highest ethical standards. BTC strives to always make relevant disclosures of information to stakeholders in a transparent manner.

BTC has in place a Code of Ethics and Conduct which establishes the principles and guidelines of conduct and behaviours that individuals are subject to. In addition, the purpose of the Code is to ensure ethical leadership and ethical interactions with both internal and external stakeholders. The Directors' Affairs and Governance Committee reviews compliance with the Code of Ethics and Conduct in BTC.



Board's Sub-committees and Attendance

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 Audit and Risk 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.

These Sub-Committees have formal charters and report to the Board on regular intervals. The Committees are fully mandated by the BTC Board as to their membership, scope of authority, responsibilities and duties. These committees are chaired by independent Non-Executive Directors and are comprised of a majority of Independent Non-Executive Directors.

The Board is supported by specialist Committees as follows:

Audit and Risk Committee

Members

Mr. Ranjith Priyalal De Silva (*Chairperson*)
Mr. Bafana Molomo
Mr. Andrew Johnson
Mr. Thari Pheko

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. The internal and external auditors attend these meetings and have unrestricted access to the Chairperson.

The Company's Audit and Risk 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 Audit and Risk Committee members' independence from Management.

The main responsibility of the Audit and Risk 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.

The activities of the Audit and Risk Committee are set out in the Report of the Audit and Risk Committee on page 73.

Technology and Investment Committee

Members

Mr. Andrew Johnson (*Chairperson*)
Mr. Maclean Letshwiti
Mr. Bafana Molomo
Mr. Thato Kewakae

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
- 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



Technology and Investment Committee [Continued]

- 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 in a timely manner.

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 the 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 the BTC’s cash flow, as well as whether they comply with the 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

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

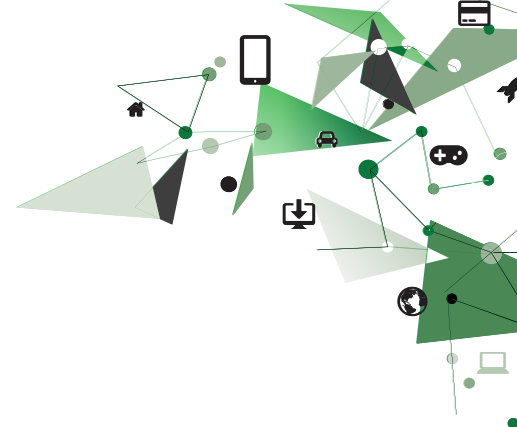
Mr. Thari Pheko (*Chairperson*)
 Ms. Lorato Boakgomo-Ntakhwana
 Mr. Thato Kewakae

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 the 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

Ms. Lorato Boakgomo-Ntakhwana (*Chairperson*)
Mr. Ranjith Priyalal De Silva
Mr. Maclean Letshwiti

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 Managing Director
- 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 Managing Director
- 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.

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.

Board and Committee Meetings

A minimum of four (4) Board meetings are 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's 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 BTC. The BTC Board monitors Management, ensuring that material matters are subject to BTC Board approval, and reserves to itself a range of key decisions to ensure that it retains proper direction and control of BTC.

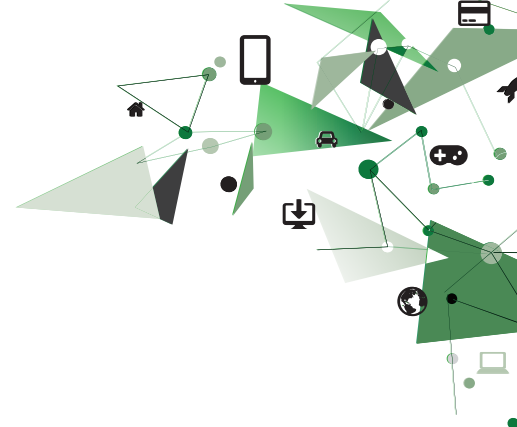
A summary of meetings held and attended is presented overleaf.



Meeting attendance

For the year under review the BTC Board was constituted by the following directors:

	MAIN BOARD		TECHNOLOGY & INVESTMENT COMMITTEE		AUDIT AND RISK COMMITTEE		HUMAN RESOURCES COMMITTEE		DIRECTORS AFFAIRS AND GOVERNANCE COMMITTEE	
	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Ms. Lorato Boakgomo-Ntakhwana	√	9/9					√	4/4	√	1/1
Mr. McLean Letshwiti	√	9/9	√	4/4						1/1
Mr. Anthony Masunga	√	9/9	√	4/4	√	5/5	√	4/4	√	1/1
Mr. Andrew Johnson	√	9/9	√		√	5/5				
Mr. Ranjith Priyalal De Silva	√	9/9			√	5/5			√	1/1
Mr. Thari Pheko	√	9/9			√	5/5	√	4/4		
Mr. Bafana Molomo	√	9/9	√	4/4	√	5/5				
Ms. Gaone Macholo <i>(Retired 26 September 2022.)</i>	√	2/2					√	1/1		
Mr. Thato Kewakae	√	7/9	√	3/4			√	3/3		



REPORT OF THE AUDIT AND RISK COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2023.

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 Audit and Risk 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 her role and that the Finance function is suitably resourced and skilled to carry out its obligations
- Reviewed the content 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 2023.

Annual financial statements

The Audit and Risk Committee has evaluated the annual financial statements for the year ended 31 March 2023 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 Audit and Risk Committee
- Statutory and regulatory requirements.



REPORT OF THE HUMAN RESOURCES COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2023. This report sets out the Company’s remuneration philosophy.

Remuneration principles

The remuneration principles apply to all the BTC’s operations. It is the BTC’s 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 on career development through training and development.

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, and individuals’ personal performance and the BTC’s 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; and
- Allowances

Short term incentives (STI)

Employees have an element of STI based remuneration, comprising one of the following:

- A pool-based Performance Incentive Bonus which award 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.

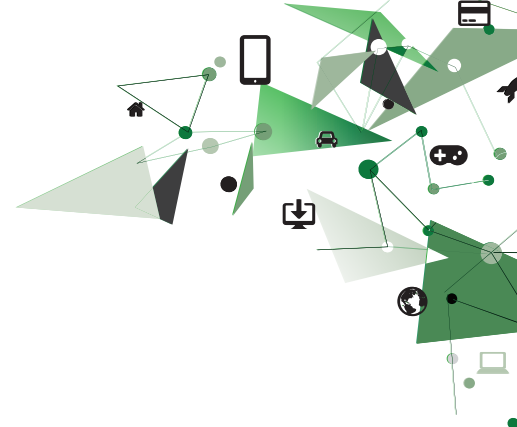
Non-Executive Directors’ Remuneration

The remuneration for the Non-Executive Directors for the year ended 31 March 2023 was approved by the shareholders at BTC’s Annual General Meeting on 26 September 2022.

Directors; Remuneration and Shareholding

Except for the Managing Director, members of the Board are not entitled to monthly or annual salaries. Members of the Board and Sub-committees are paid a sitting allowance.

MEMBER	POSITION	DIRECTORS REMUNERATION (amount in Pula)	DIRECTORS SHAREHOLDING (number of shares)
Ms. Lorato Boakgomo-Ntakhwana	Chairperson	295,500	254,488
Mr. Anthony Masunga	Managing Director	3,268,579	250,000
Mr. McLean Letshwiti	Director	167,500	243,000
Mr. Andrew Reginald Johnson	Director	250,500	NIL
Mr. Ranjith Priyalal De Silva	Director	255,500	NIL
Mr. Thari Pheko	Director	318,500	110,000
Mr. Bafana Molomo	Director	312,500	NIL
Ms. Gaone Macholo (Retired 28 September 2022)	Director	36,500	NIL
Mr. Thato Kewakae	Director	199,500	Nil



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 2023, other than with the exceptions stated below:

COMPLIANCE WITH KING III PRINCIPLES

Principle	Description of Principle	Compliance	Compliance status and additional comments
1. Ethical Leadership and Corporate Citizenship			
P 1.1	The Board should provide effective leadership based on an ethical foundation.	√	In accordance with the Board Charter, the Board is the curator of the values and ethics of BTC. BTC recognises that good governance emanates from effective, responsible leadership, which is characterised by ethical values. The Company has in place a Code of Ethics and Conduct to ensure ethical leadership and ethical interactions with both internal and external BTC stakeholders
P 1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	BTC Corporate Social Responsibility reports adequately reflects the Company's commitment to good corporate citizenship.
P 1.3	The Board should ensure that the Company's ethics are managed effectively.	√	BTC has a Code of Ethics and Conduct integral to the Company's employment conditions, which promotes, amongst other things the ethical values of responsibility, accountability, fairness and transparency.
2. Board and Directors			
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	√	In accordance with the Board Charter, the Board is committed to the highest standards of corporate governance
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	√	The Board, in accordance with the Board Charter, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. BTC's risk management process considers the full range of risks including strategic and operational risks covering all areas of performance.
2.3	The Board should provide effective leadership based on an ethical foundation.	√	See 1.1 above
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	See 1.2 above
2.5	The Board should ensure that the Company's ethics are managed effectively.	√	See 1.1 above



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE [Continued]

COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
2. Board and Directors [CONTINUED]			
2.6	The Board should ensure that the Company has an effective and independent Audit and Risk Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by an independent Non-Executive Director.
2.7	The Board should be responsible for the governance of risk.	√	The Board, through its Audit and Risk Committee, oversees the management of risks company-wide.
2.8	The Board should be responsible for information technology (IT) governance.	√	The Board through the Technology and Investment Committee and the Audit and Risk Committee is responsible for this area.
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	A compliance framework is monitored by the BTC legal team. In the Board's view, BTC is in compliance with all laws and regulations (see also 6.1).
2.10	The Board should ensure that there is an effective risk-based internal audit.	√	The Internal Audit function, with the help of the external auditors, handles this function prudently
2.11	The Board should appreciate that stakeholder's perceptions affect the Company's reputation.	√	As part of the risk assessment process, the Board, through its Audit and Risk Committee, evaluates all risks relating to reputational issues arising from customers, employees, shareholders, government agencies, local communities, etc.
2.12	The Board should ensure the integrity of the Company's Integrated Report.	√	Annual financial statements are reviewed by the Audit and Risk Committee and the Board. Further the significant components of the Annual Report are reviewed by the Board before being officially released.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	√	As part of the Internal Audit Charter, the Internal Auditors review the Company's internal control systems and provide a report to the Audit and Risk Committee and to the Board. The Audit and Risk Committee as part of its reporting, confirms the adequacy of the internal controls in operation at the Company.
2.14	The Board and its Directors should act in the best interests of the Company.	√	The terms of appointment and the acceptance of appointment as Directors dictate that the Directors act in the best interest of the Company and that all conflicts of interest are declared and/or reported and adequately dealt with.



Principle	Description of Principle	Compliance	Compliance status and additional comments
2. Board and Directors [CONTINUED]			
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 always ensures that it meets the solvency tests. The Company also prepares a three-year business plan incorporating financial forecasts for early detection of any financial distress situations.
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 Chairperson is an Independent Non-Executive Director chosen at the Annual General Meeting of the Company. The Managing Director, the equivalent of the CEO, is not the Chairperson of the Board.
2.17	The Board should appoint the chief Executive Officer and establish a framework for the delegation of authority.	√	The Managing Director (equivalent to the CEO) 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, all but one of the positions on the Board are filled by Independent Non-Executive Directors.
2.19	Directors should be appointed through a formal process.	√	A formal framework on the appointment of Directors is in place. Currently, Directors are selected by the Directors Affairs and Governance Committee and approved by the Board before being recommended for approval by shareholders at the Annual General Meeting.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	√	BTC Directors undergo a formal induction and there is ongoing training that is done throughout the year for the Development of Directors.
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	√	The Company Secretary is a legal professional and a chartered company secretary, suitably qualified to handle the company secretarial matters of BTC.



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE [Continued]

COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
2. Board and Directors [CONTINUED]			
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	√	The Company does carry out evaluations albeit not every year.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	√	The Board has appointed four sub-committees viz. the Audit and Risk Committee, the Technology and Investment Committee and the Human Resources Committee and the Directors' Affairs and Governance Committee.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	√	Each committee has terms of reference. All memberships to these committees are approved by the Board.
2.25	Companies should remunerate directors and executives fairly and responsibly.	√	All Directors except the Managing Director are currently remunerated for time spent at meetings, in line with the fees approved by shareholders
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	√	The Annual Report adequately discloses all remuneration paid to Directors, their shareholdings and other relationships with the Company.
2.27	Shareholders should approve the Company's remuneration policy.	√	The Company's remuneration policies are approved only by the Board save for the remuneration philosophy which must be approved by shareholders.
3. Audit Committees			
3.1	The Board should ensure that the Company has an effective and independent Audit Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by an Independent Non-Executive Director.
3.2	Audit Committee members should be suitably skilled and experienced Independent Non-Executive Directors.	√	BTC has an effective and independent Audit and Risk Committee comprising qualified accounting professionals and chaired by an Independent Non-Executive Director.
3.3	The Audit Committee should be chaired by an Independent Non-Executive Director.	√	The Audit and Risk Committee is chaired by an Independent Non-Executive Director.



Principle	Description of Principle	Compliance	Compliance status and additional comments
3. Audit Committees [CONTINUED]			
3.4	The Audit Committee should oversee integrated reporting.	√	The annual financial statements are evaluated and approved by the Audit and Risk Committee together with the integrated report.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.	√	The Audit and Risk Committee ensures that internal audit function provides the umbrella guarantee in collaboration with other assurance providers namely Risk Management, Regulatory Compliance, Revenue Assurance and Fraud Management. External auditors also review the work carried out by Internal Audit to provide assurance and determine the level of reliance to be placed on internal audit work.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	√	All members of the Audit and Risk Committee are adequately qualified and they have reviewed and are satisfied that the resources at the BTC Finance function are suitably qualified.
3.7	The Audit Committee should be responsible for overseeing of internal audit.	√	The Internal Audit function's annual audit plans are approved by the Audit and Risk Committee. The Internal Audit function periodically reports to the Board and has unfettered access to the Committee.
3.8	The Audit Committee should be an integral component of the risk management process.	√	The Audit and Risk Committee periodically reviews the Company's risk profile and risk management approach. The Committee is of the view that the risks are being adequately addressed.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	√	The Audit and Risk Committee recommends the appointment of the external auditors to the Board and to the Annual General Meeting. They also oversee the external audit process.
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	√	The Audit and Risk Committee formally reports to the Board after each meeting. A report of the Committee is included in the Annual Report.



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE [Continued]

COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
4. The Governance of Risk			
4.1	The Board should be responsible for the governance of risk.	✓	The Board is aware of this risk and has delegated this task to the Audit and Risk Committee.
4.2	The Board should determine the levels of risk tolerance.	✓	The Board has established levels of risks, their impact and likelihood. The risk that can be tolerated and the risks that it is willing to take are continuously examined by the Audit and Risk Committee. A risk register is in place to address this.
4.3	The Risk and Audit Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	✓	The Audit and Risk Committee is a sub-committee of the Board and assists the Board in its responsibility for the governance of risks.
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 to design and implement risk management measures and to monitor the risks.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	✓	The Audit and Risk Committee meets periodically to consider various matters including discussions of the risk assessments, risk framework and methodology.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	✓	The Audit and Risk Committee looks at the risk frameworks and methodologies and ensures that unpredictable risks are well managed. This is an on-going process.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	✓	The annual risk management report is submitted to the Audit and Risk Committee and to the Board containing the risk responses. These are periodically monitored.
4.8	The Board should ensure continual risk monitoring by management.	✓	A risk register is in place for purposes of managing all risks and the Board reviews it quarterly.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	✓	The Audit and Risk Committee provides the required level of comfort in the evaluation of the effectiveness of the risk management process.
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 containing all high level and operational risks, their impact and the level of responses are included in the Annual Report.



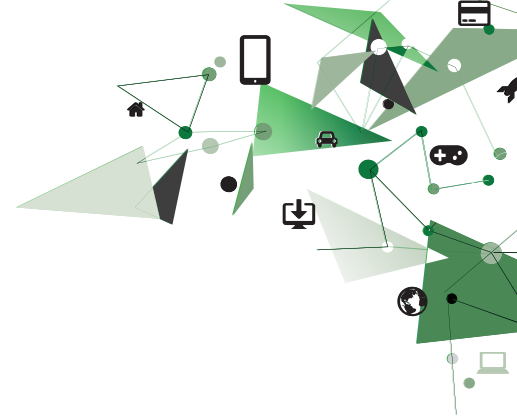
Principle	Description of Principle	Compliance	Compliance status and additional comments
5. The Governance of Information Technology (IT)			
5.1	The Board should be responsible for information technology (IT) governance.	√	The Board understands the importance of the information technology governance and associated risks. It has delegated the responsibility for IT governance issues through the Managing Director to the appropriate management personnel.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	√	IT is a significant component of BTC's operations, most of which are based on IT platforms, technologies and processes and are crucial to its performance and sustainability. As such, adequate attention is being given to IT Governance and sustainability.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	√	The responsibility for investing, implementing and managing the IT function is delegated to the management as well as other functions within the IT infrastructure.
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.	√	The management of IT-related risk is the duty of management. Risks relating to IT are part of the overall risk management function within BTC. IT management ensures good project management principles are applied.
5.6	The Board should ensure that information assets are managed effectively.	√	In BTC, the IT assets are an integral part of the overall asset structure of the Company and are, therefore, adequately managed.
5.7	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	√	IT risk management is part of the overall risk management profile of the Audit and Risk Committee.



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE [Continued]

COMPLIANCE WITH KING III PRINCIPLES [CONTINUED]

Principle	Description of Principle	Compliance	Compliance status and additional comments
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.	√	A compliance framework is monitored by the BTC legal team through the office of the Company Secretary. In the Board's view, BTC is compliant with all laws and regulations.
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 for new Board members attempts to sensitise the Directors with all laws and regulations affecting the company as well as their roles and responsibilities which include fiduciary duties.
6.3	Compliance risk should form an integral part of the Company's risk management process.	√	Compliance to laws and regulations is identified under different risk dimensions, such as market risks, regulatory risks, finance risks, etc., and are adequately considered.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	√	BTC has an adequate level of responsibilities ensuring compliance with all applicable laws and regulations.
7. Internal Audit			
7.1	The Board should ensure that there is an effective risk based internal audit	√	The Company has a dedicated Internal Audit function responsible for this detail
7.2	Internal audit should follow a risk-based approach to its plan.	√	See 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.	√	The Internal Audit reports quarterly to the Audit and Risk Committee on audits carried out in order to assess effectiveness of the internal controls.
7.4	The Audit Committee should be responsible for overseeing internal audit.	√	See 7.1 above
7.5	Internal audit should be strategically positioned to achieve its objectives.	√	See 7.1 above



Principle	Description of Principle	Compliance	Compliance status and additional comments
8. Governing Stakeholder Relationships			
8.1	The Board should appreciate that stakeholder's perceptions affect a company's reputation.	√	The Board is aware of reputational risk and its potential effect on the Company's operations, performance and results. It takes reputational issues seriously and these are regularly discussed at Board meetings.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	√	The BTC management structure and the organisational responsibility adequately deal with the issues relating to the various 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 its responsibilities to address the relationship with stakeholders to various Board committees to and, in some instances, to the management.
8.4	Companies should ensure the equitable treatment of shareholders.	√	BTC is an equal opportunity employer and carries out its activities within ethical guidelines and with the utmost impartiality. As such, all shareholders are treated equitably and receive information simultaneously
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	√	BTC has adopted a responsible practice in communicating transparently and effectively with its various stakeholders.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	√	BTC has dispute resolution mechanisms with various stakeholder, such as customers, employees, suppliers, community, shareholders, etc.
9. Integrated Reporting and Disclosure			
9.1	The Board should ensure the integrity of the Company's Integrated Report.	√	The Board upholds globally recognised high standards of reporting and rigorously ensures the integrity of any data before disclosure for reporting purposes.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	√	Sustainability reporting is included as part of the Annual Report.



Internal Audit and Risk Management

Internal Audit

BTC has an Internal Audit function that reports directly to the Audit and Risk Committee to provide assurance on 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 and 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 Audit and Risk 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 in 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 key responsibility of Internal Audit is 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 Managing Director, with a dual reporting responsibility to the Audit and Risk 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's 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 Audit and Risk 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 Managing Director and functionally to the Board via the Audit and Risk Committee. Internal Audit also advises the Board on BTC's risk management framework, control effectiveness and compliance to laws and regulatory requirements.

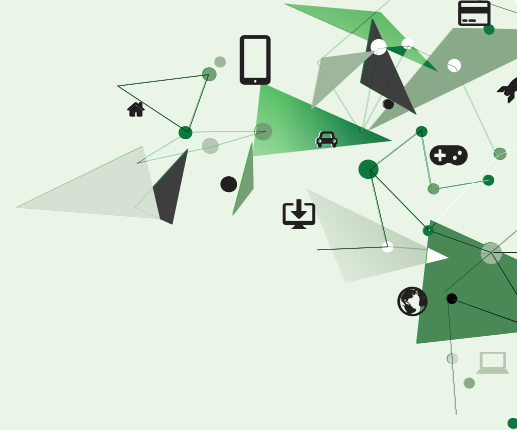
The Internal Audit follows a risk-based methodology to develop the annual audit plan, which is reviewed and approved by the Audit and Risk Committee. The Chairperson of the Audit and Risk Committee appraises the Board on the duties of the Internal Audit function on quarterly basis. All the work is conducted by appropriately qualified and experience 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 Audit and Risk 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 Managing Director 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 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 the 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, 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 the BTC's assets and maintain proper accounting records that facilitates 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 appointed. Business risks are reviewed on a semi-annual basis.

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 Director's responsibility for the Annual Financial Statements.

Approval of Annual Financial Statements

The financial statements of BTC have been reviewed by the Audit and Risk 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 BTC Chairperson and the Managing Director.

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 Audit and Risk 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, Competition Act, the Financial Intelligence Act (FIA) and Bank of Botswana Act (Electronic Payments Regulations) 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.



Risk Management [Continued]

Company Secretary and Professional Advice

The Company Secretary is Mr. S. Mganga. All Directors have unlimited access to the advice and services of the Company Secretary, who is accountable to the Board for ensuring that all prescribed procedures are complied with, and that sound corporate governance and ethical principles are adhered to. Any Director is entitled to seek independent professional advice concerning the discharge of his or her responsibilities at BTC's expense, though the encouraged practice is to arrange this through the Company Secretary.

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 forums.

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 for 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 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 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.

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 2023, other than with the exceptions stated below:

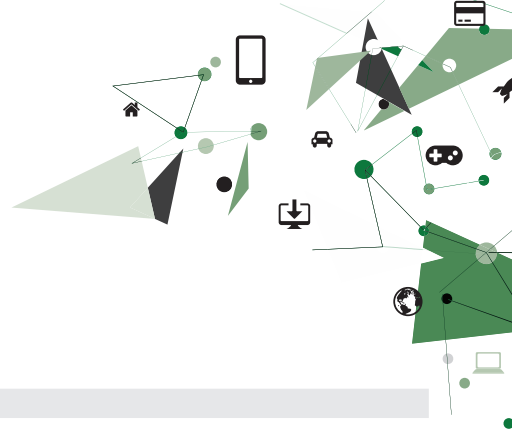




ANNUAL FINANCIAL STATEMENTS

31 March 2023

89	Board approval of the annual financial statements
90	General information
91	Directors' report
92	Independent auditor's report
99	Audited financial statements



Board approval of the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

The Members of the Board are responsible for the annual financial statements of Botswana Telecommunications Corporation Limited (“BTC” or “Company”), prepared in accordance with International Financial Reporting Standards and the Botswana Companies Act (CAP 42:01).

The Audit and Risk Committee, which consists of four members of the Board and the Managing Director, 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 Audit and Risk 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 99 to 157 which were approved on 22 June 2023 and are signed on its behalf by:

LORATO BOAKGOMO-NTAKHWANA
CHAIRPERSON

ANTHONY MASUNGA
MANAGING DIRECTOR



General information

FOR THE YEAR ENDED 31 MARCH 2023

DIRECTORS	Lorato Boakgomo-Ntakhwana Anthony Masunga Maclean Letshwiti Andrew Johnson Ranjith Priyalal De Silva Thari Pheko Bafana Molomo Gaone Macholo Thato Kewakae	Chairperson Managing Director <i>(Retired 26 September 2022)</i>
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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
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REGISTERED OFFICE	Megaleng, Khama Crescent Plot 50350 P.O. Box 700 Gaborone, Botswana
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COMPANY NUMBER	BW0000748937
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NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

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 and directory 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
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AUDITOR	Deloitte & Touche P.O. Box 778 Gaborone, Botswana
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FUNCTIONAL AND PRESENTATION CURRENCY	Botswana Pula
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Directors' report

FOR THE YEAR ENDED 31 MARCH 2023

Our Business

Botswana Telecommunications Corporation Limited ("BTC") is a converged telecommunications operator offering 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, except as modified by the revaluation of certain assets, and on the going concern basis. The annual financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Standard 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.

Financial Results

The annual financial statements of the Company for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 22 June 2023.

The results for year are disclosed in the statement of profit or loss and other comprehensive income on 97. The Company's profitability was under pressure, reflecting a demanding operating and economic environment. Performance was primarily impacted by the once off restructuring costs and an escalation in replacement costs for stolen copper cables from our network. The results are as follows:

- 0.6% increase in Revenue (2023:P1,400 billion 2022:P1,392 billion)
- 18.6% decrease in Profit Before Tax (2023:P149m, 2022: P182m)
- 23.1% decrease in Profit After Tax (2023:P108m, 2022 P141m)

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 22 June 2023, the directors declared that a dividend of 6.71 thebe be paid for the financial year ended 31 March 2023. The dividend shall be payable to all shareholders registered in the books of the Company at close of business on 4 August 2023. The ex-dividend date will be 2 August 2023. The dividends will be paid net of applicable withholding taxes under the Income Tax act on or before 16 August 2023.



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Botswana

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Independent Auditor's report

FOR THE YEAR ENDED 31 MARCH 2023

To The Shareholders Of Botswana Telecommunications Corporation Limited

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of Botswana Telecommunications Corporation Limited (the Company) set out on pages 99 to 157, which comprise the statement of financial position as at 31 March 2023, 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 financial statements, including a summary of significant accounting policies.

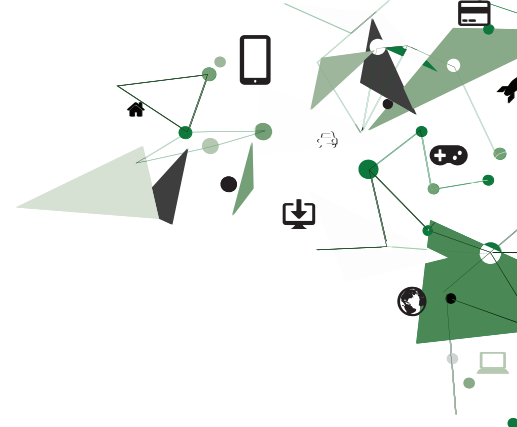
In our opinion, the financial statements give a true and fair view of the financial position of Botswana Telecommunications Corporation Limited as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters.

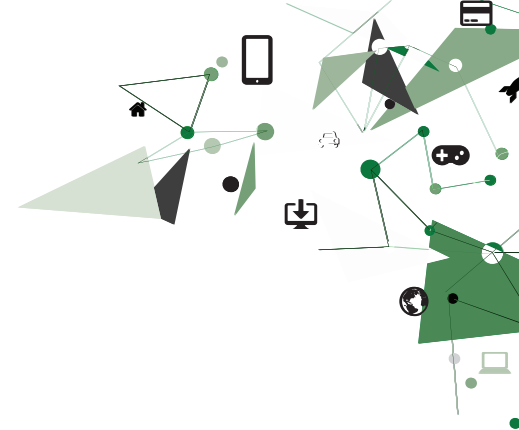


Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="116 565 331 591">Revenue recognition</p> <p data-bbox="116 646 729 738">The Company's revenue streams are characterised by small transactions and high data volumes. The billing processes are automated, and dependent on IT systems.</p> <p data-bbox="116 773 743 864">Due to the complexity involved and materiality of the revenue balance, revenue recognition has been identified as a key audit matter which is subject to significant audit effort.</p> <p data-bbox="116 899 729 963">Revenue recognition with respect to fixed voice, data and mobile revenue streams is complex because of the following:</p> <ul data-bbox="116 998 743 1821" style="list-style-type: none"> <li data-bbox="116 998 743 1406">• During the current year and prior years, management processed manual revenue adjustments/reversals due to errors in billings previously made. Since these revenue adjustments/reversals are material, this poses a risk in relation to revenue recognition. Management assessed that, because these billing errors will take time to clean up and close process gaps, the Company developed an estimate of the future revenue adjustments/reversals to be processed relating to revenues already billed as at year end and build these into the revenue recognition process. At year end, management exercises significant judgement in relation to the proportion of future reversals which relate to revenue already billed in the current year and prior years. <li data-bbox="116 1441 743 1533">• 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. <li data-bbox="116 1568 743 1692">• The billing system does not have an automated end- to-end interface functionality with the general ledger system resulting in manual upload of data using a preformatted csv file. <li data-bbox="116 1727 743 1821">• The potential impact of small errors is significant due to the possibility of automated replication through the large volumes of transactions. 	<p data-bbox="791 646 1428 709">To address this risk, we performed various procedures, including the following:</p> <ul data-bbox="791 744 1428 1437" style="list-style-type: none"> <li data-bbox="791 744 1428 928">• Evaluated the design and implementation and operating effectiveness of relevant controls around revenue recognition, focusing on the process used in the determination of deferred revenue for unused airtime, determination of provision for revenue adjustments and processing of manual revenue journals. <li data-bbox="791 963 1428 1054">• Discussed with management and evaluated the reasons for the revenue adjustments processed in the current year and prior years. <li data-bbox="791 1089 1428 1214">• Discussed with the Revenue Assurance Team and obtained an understanding of the controls in place to ensure the completeness, accuracy, and occurrence of the recorded revenue. <li data-bbox="791 1249 1428 1312">• Involved IT and Data Analytics specialists to test controls in the overall IT environment around the billing systems. <li data-bbox="791 1347 1428 1437">• Tested the design and implementation of certain automated controls with respect to routing of billing data and calculation of invoices. <p data-bbox="791 1472 1428 1502">In addition, we performed the following substantive procedures:</p> <ul data-bbox="791 1537 1428 1852" style="list-style-type: none"> <li data-bbox="791 1537 1428 1692">• 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. <li data-bbox="791 1727 1428 1852">• Performed tests of detail on the revenue adjustments made after year end and evaluated their impact on the current financial year and evaluated whether their effect on the current year was accurately adjusted for.



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]	
<ul style="list-style-type: none"> • Revenue is a significant balance on the financial statements and is a key performance indicator. <p>Related disclosures in the financial statements:</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Performed analytical procedures and independently determined the estimate of the future revenue reversals affecting the current and prior financial years using the historical information. • Performed a retrospective review of the prior year revenue adjustments provisions and evaluated their adequacy. • 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 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. <p>In conclusion, we considered the amount recorded as revenue and the related financial statements disclosures to be appropriate.</p>



Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of property, plant and equipment and intangible assets</p> <p>Significant judgements are involved in the assessment and determination of impairment of the non-financial assets of the Company.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>In addition, we performed the following substantive procedures:</p> <ul style="list-style-type: none"> • We tested the mathematical accuracy of the value in use model used by management. • Through involvement of our internal valuation specialists, assessed the appropriateness of the valuation model applied by management, and assumptions adopted for reasonableness with reference to market practice and the requirements of IAS 36. • 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.



Independent Auditor's report - To The Shareholders Of
Botswana Telecommunications Corporation Limited [Continued]

Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of property, plant and equipment and intangible assets [Continued]</p>	
<p>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.</p> <p>Related disclosures in the financial statements:</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Using valuation specialist, we independently calculated a WACC discount rate using our independently sourced data. This was compared to the discount rate used by management. We found the discount rate used by management to be within an acceptable range of our independent calculations. • Tested the reasonableness of the key inputs used in the computations which included the future growth rates, and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and took into consideration the impact of current macroeconomic factors on future projections. • Compared the revenue growth rates and EBITDA margins used to calculate the cash flow forecasts to the latest board approved budgets, both of which cover a period of five years. We further benchmarked the revenue growth rate assumptions to industry data and historical trends to assess comparability. • 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 financial statements for compliance with IAS 36. <p>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.</p>



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 Financial Statements 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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.

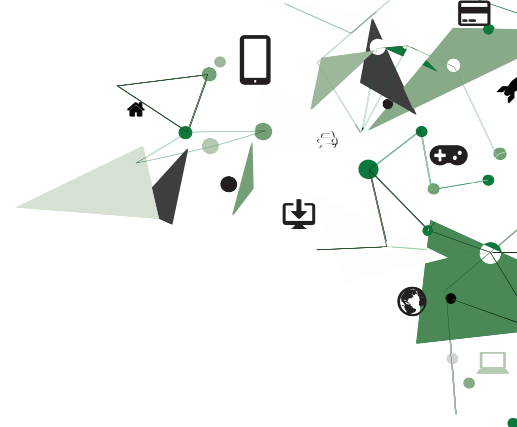
The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.



Deloitte.

Independent Auditor's report - To The Shareholders Of
Botswana Telecommunications Corporation Limited [Continued]

Auditor's Responsibilities for the Audit of the Financial Statements [Continued]

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

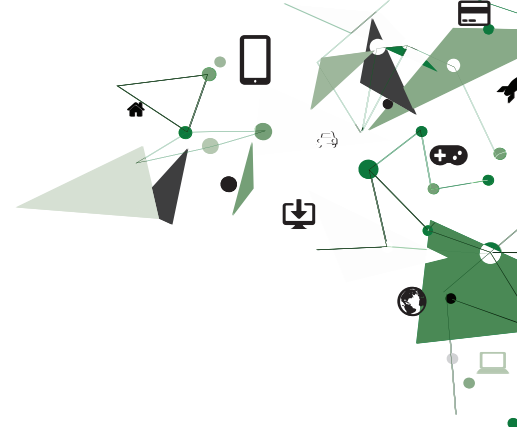
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public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

Firm of Certified Auditors
Practicing Member: Cecilia Veeta Ramatlapeng (CAP 008 2023)

28 June 2023
Gaborone



Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	March 2023 P'000	March 2022 P'000
Revenue from contracts with customers	1	1,400,027	1,392,257
Cost of services and goods sold	2	(594,196)	(604,751)
Gross profit		805,831	787,506
Interest income	3.1	48,247	18,796
Interest expense	3.2	(18,632)	(22,767)
Other income	4	5,129	39,918
Selling and distribution costs	5	(23,120)	(18,242)
Administrative expenses	6	(439,174)	(403,573)
Impairment reversals on financial assets and contract assets	15	24,316	3,191
Other expenses	7	(254,088)	(222,436)
Profit before tax		148,509	182,393
Income tax expense	8	(40,188)	(41,608)
Profit for the year		108,321	140,785
Other comprehensive income not to be reclassified to profit /loss in subsequent periods			
Impairment on assets transferred to held for sale		-	(7,761)
Income tax effect		-	1,707
Other comprehensive income for the year		-	(6,054)
Total comprehensive income for the year		108,321	134,731
Basic and diluted earnings per share (Thebe):	9	10.32	13.41



Statement of financial position

AS AT 31 MARCH 2023

	Notes	March 2023 P'000	March 2022 P'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	1,488,810	1,449,452
Intangible assets	11	162,579	183,946
Right of use assets	13.1	109,170	115,337
IRU asset	26.2	382,096	420,305
Contract assets	16.1	28,766	-
		2,171,421	2,169,040
Current assets			
Inventories	14	54,832	53,419
Trade and other receivables	15	215,605	179,580
Contract assets	16.1	23,130	35,081
Income tax receivable	24.1	829	810
Cash and cash equivalents	17.1	570,983	520,442
		865,379	789,332
Assets held for sale	18	-	32,222
		865,379	821,554
Total assets		3,036,800	2,990,594
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	19	478,892	478,892
Revaluation reserve	20	334,826	361,375
Accumulated profits		1,537,542	1,441,428
		2,351,260	2,281,695
Non-current liabilities			
Development grants	21	23,220	8,543
Lease liabilities	13.2	112,259	115,753
IRU liability	26.1	74,077	120,590
Contract liabilities	16.2	5,142	-
Deferred tax liability	24.2	80,649	55,640
Employee related provisions	23	5,962	7,994
		301,309	308,520
Current liabilities			
Trade and other payables	22	287,666	279,765
Contract liabilities	16.2	5,377	13,522
Lease liabilities	13.2	18,068	16,718
IRU liability	26.1	46,513	60,022
Current portion of development grants	21	860	860
Current portion of employee related provisions	23	25,747	29,492
		384,231	400,379
Total Liabilities		685,540	708,899
Total equity and liabilities		3,036,800	2,990,594

Statement of changes in equity

FOR THE YEAR ENDED 31 MARCH 2023

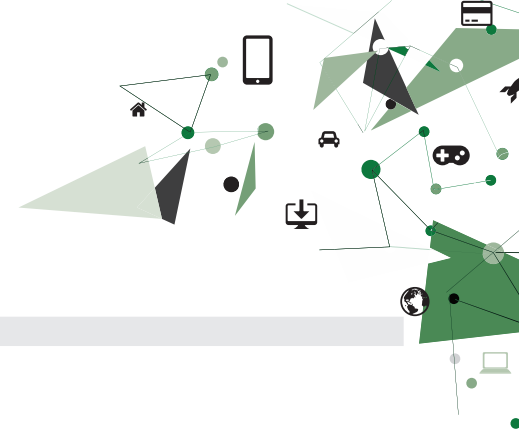
	Notes	Stated Capital P'000	Revaluation Reserve P'000	Accumulated Profits P'000	Total P'000
Balance at 1 April 2021		478,892	382,363	1,379,999	2,241,254
Profit for the year		-	-	140,785	140,785
Other comprehensive income for the year		-	(6,054)	-	(6,054)
Total Comprehensive Income		-	(6,054)	140,785	134,731
Ordinary dividend declared	19	-	-	(94,290)	(94,290)
Depreciation transfer for land and buildings	20	-	(14,934)	14,934	-
Balance at 31 March 2022		478,892	361,375	1,441,428	2,281,695
Profit for the year		-	-	108,321	108,321
Other comprehensive income for the year		-	-	-	-
Total Comprehensive Income		-	-	108,321	108,321
Ordinary dividend declared	19	-	-	(52,920)	(52,920)
Transfer to retained earnings upon disposal of residential properties	20/24.2	-	(21,889)	28,063	6,174
Depreciation transfer for land and buildings	20/24.2	-	(4,660)	12,650	7,990
Balance at 31 March 2023		478,892	334,826	1,537,542	2,351,260



Statement of cash flows

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	March 2023 P'000	March 2022 P'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating cash flow before working capital changes	17.2	352,721	439,539
Working capital adjustments:			
Increase in inventories		(1,413)	(8,197)
(Increase)/decrease in trade and other receivables, contract assets and prepayments		(29,406)	5,001
Increase in trade and other payables and contract liabilities		4,880	22,023
Cash generated from operations		326,782	458,366
Ordinary dividend paid to shareholders		(52,187)	(92,676)
Income tax paid	24.1	(1,034)	(169)
Net cash from operating activities		273,561	365,521
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Investment to expand operations:			
Purchase of property, plant and equipment	10	(209,321)	(113,050)
Purchase of intangible assets	11	(16,221)	(20,903)
Proceeds from disposal of property, plant and equipment		2,421	387
Proceeds from assets held for sale		34,992	-
Interest income received		48,247	18,796
Net cash used in investing activities		(139,882)	(114,770)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Grants received	21	15,883	3,465
Interest paid on lease liabilities and IRU liability		(18,984)	(23,130)
Principal payment of lease liabilities		(19,105)	(17,125)
Principal payment of IRU liability		(60,022)	(55,946)
Net cash from financing activities		(82,228)	(92,736)
Increase in cash and cash equivalents		51,451	158,015
Net foreign exchange difference on cash and cash equivalents		(910)	(846)
Cash and cash equivalents at beginning of the year		520,442	363,273
Cash and cash equivalents at end of the year	17.1	570,983	520,442



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 were authorised for issue by the Members of the Board in accordance with a resolution on 22 June 2023.

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 and customer premises equipment.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except as modified by the revaluation of certain assets as indicated in the accounting policies below. 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 have 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 International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Standard Interpretations Committee.

ADOPTION OF NEW ACCOUNTING POLICIES

BTC has adopted the following new accounting pronouncements as issued by the IASB, which were effective for the Company from 01 April 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments became effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. These however do not have any impact on the annual financial statements of the Company as it has not had any business combinations in the current year nor is part of a Group.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

ADOPTION OF NEW ACCOUNTING POLICIES [Continued]

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

There has not been any impact on the Company as there has not been any sale of items produced on bringing any asset to their respective locations or conditions necessary for their operations in a manner intended by management.

Amendments to IAS 37 - Onerous Contracts – Costs of fulfilling a contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate

directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments became effective for annual reporting periods beginning on or after 1 January 2022. Its adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment became effective for annual reporting periods beginning on or after 1 January 2022. The standard is not applicable to the Company as it is not part of a Group.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9.

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the

terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment became effective for annual reporting periods beginning on or after 1 January 2022. Its adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendment is applied prospectively, i.e., for fair value measurements on or after the date an entity initially applies the amendment. The amendment became effective for annual periods beginning on or after 1 January 2022.

The Company does not do hedge accounting hence no impact to the annual financial statements.



STANDARDS ISSUED BUT NOT EFFECTIVE

The new and revised standards and interpretations that are issued, 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, if applicable, when they become effective.

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

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

IFRS 17- Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4). IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

This standard is not applicable to the Company as it does not issue insurance contracts.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Company's annual financial statements in future periods should such transactions arise.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

STANDARDS ISSUED BUT NOT EFFECTIVE [Continued]

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

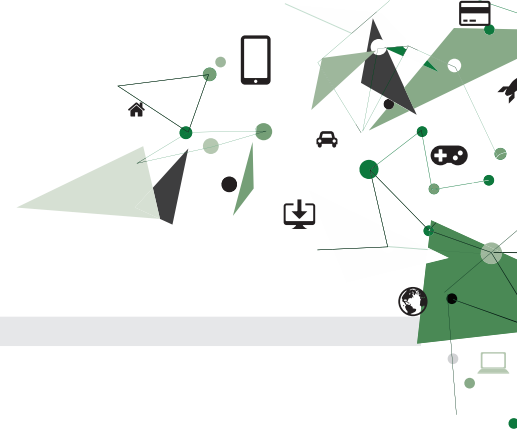
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.



The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. Management is currently assessing the impact the amendments will have on the Company.

Amendments to IFRS 16 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. Management is currently assessing the impact the amendments will have on the Company.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and Judgments

The preparation of financial statements in conformity with International Financial Reporting 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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES [Continued]

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. 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 balance sheet 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

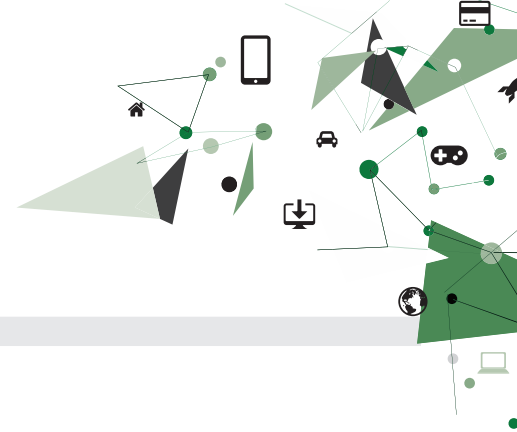
Determining whether the entity is acting as a principal or an agent requires judgement and consideration of all relevant facts and circumstances. When deciding the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the entity 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 are

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 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 2023. 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 12-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.

Revaluation of land and buildings

Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The properties are valued on the basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. Fair value of the properties was determined using the comparable market valuation method. Management considers that valuations are performed frequently enough (after every three years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The independent valuer has made the following assumptions during the revaluation process and at arriving at the property values:

- That the properties are free from any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials.
- That the properties are not contaminated and that the sites have stable ground conditions.

The comparable market valuation method is used to value land, land improvements, buildings and building improvements in urban areas and land in rural areas. Valuation is done on basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. Rural land improvements were valued on the basis of the replacement cost of the land improvements.

The key assumptions used to determine the fair value of the properties are provided in Note 28.

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. Other 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.

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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES [Continued]

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 may be 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

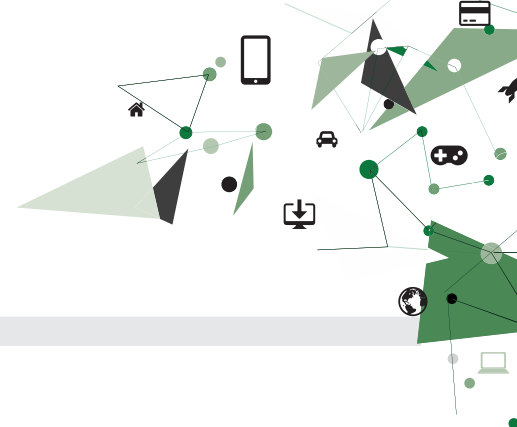
obligations. The total transaction price related to the contract is allocated to the access and usage based on their relative standard selling prices. Any amount invoiced for installation (once-off upfront) is allocated to the total transaction price under the contract.

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.

The various revenue categories are explained below;

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.

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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

REVENUE RECOGNITION [Continued]

3) Data Revenue [Continued]

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.

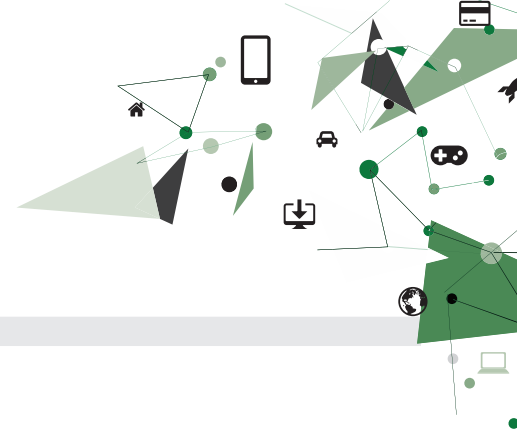
Practical Expedients

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.
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 recognized 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, amortization 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 are 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 are 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 comprise 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.

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.

This comprise 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.

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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

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

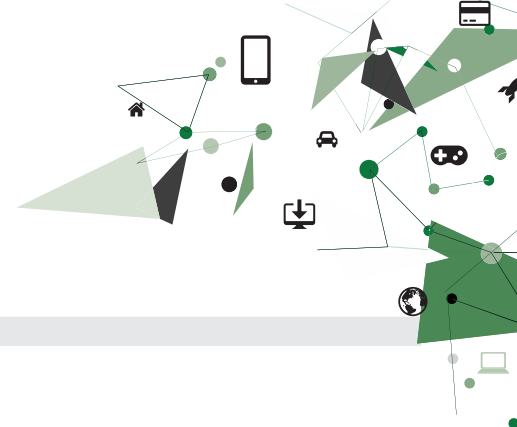
Property, plant and equipment, excluding land and buildings are stated at historical cost less accumulated depreciation and subsequent accumulated impairment loss, where applicable. Property, plant and equipment includes all direct expenditure and costs incurred subsequently, to add to, replace part 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.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Land and buildings are revalued independently by professional valuers using the open market value method, forced sale value, insurance replacement cost and the leasehold interest in the properties. Revaluations are conducted at intervals of three years. Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged.



A decrease in the carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of the asset.

The revaluation reserve is amortised over the expected useful lives of land and buildings and an amount equal to the depreciation charge attributable to the revaluation portion of such land and buildings, is transferred from the revaluation reserve to accumulated profits. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred to accumulated profits.

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.

Depreciation

For depreciation purposes, each component with different useful lives are depreciated separately. Depreciation is not provided on freehold land as it is deemed to have an indefinite life and on plant and equipment in the course 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	40 years
Leasehold land and buildings	unexpired portion of lease or 50 years, whichever is shorter
Network assets	5 to 20 years
Other plant and equipment	3 to 10 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 or valuation 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,



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

IMPAIRMENT OF NON-CURRENT ASSETS [Continued]

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 an asset's or cash generating unit'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 immediately, unless the relevant asset is land or buildings, in which case the impairment loss is treated as a decrease in the revaluation reserve to the extent of the value of this reserve relating to this particular asset.

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 as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in other comprehensive income (OCI) after reversing the portion previously recognised in profit or loss.

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.

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

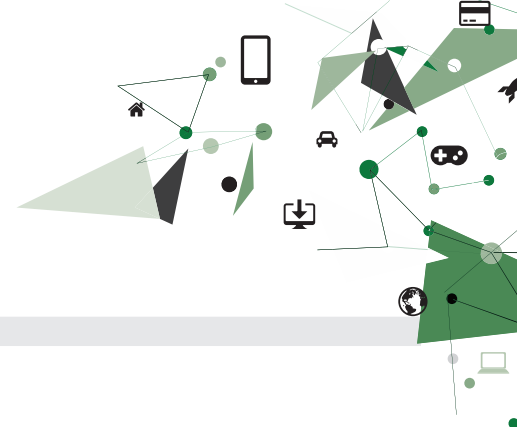
The Company made upfront payments to purchase software and network systems (which includes software licenses) for Information technology and Network purposes. The software licences for the use of intellectual property are granted for periods ranging between 5 and 20 years depending on the specific licences 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 infeasible 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. 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 2023 the Company had 1,050,000,000 issued shares (March 2022: 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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

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 equity instruments

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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); or
- Fair value through other comprehensive income. (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 achieved by both collecting contractual cash flows and selling the instruments); or

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Non - Derivatives:

- Mandatorily at fair value through profit or loss.
- Financial liabilities.
- Amortised cost.
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a Company of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 27 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

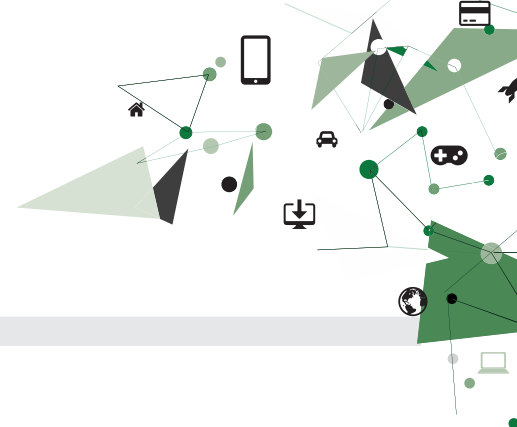
Classification

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) before the reporting date.

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

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 into bankruptcy proceedings. Any recoveries made subsequent to write-offs are recognised in profit or loss.

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 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.

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.



Accounting policies

FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

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 2023

	March 2023 P'000	March 2022 P'000
1. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Fixed Voice		
Voice	154,961	146,261
Access	111,932	115,578
Interconnect	13,563	13,810
Customer Premises Equipment (CPE)	136,231	125,419
Significant financing component *	-	3,577
	416,687	404,645
Mobile		
Voice	124,340	177,461
Interconnect	8,465	12,689
Data	232,728	190,887
Short Message Service and Value added services	31,424	33,115
Customer Premises Equipment (CPE)	34,938	22,482
Significant financing component *	-	1,177
	431,895	437,811
Fixed Data		
Usage	263,618	259,907
Access	209,769	211,733
Customer Premises Equipment (CPE)	14,101	14,741
	487,488	486,381
Other Revenue		
Directory services	5,844	6,132
Mobile Money Services	6,164	5,561
Value Added Services	12,632	13,143
Property rentals	28,487	29,692
Cost of works	1,891	1,930
Third party collection fees	170	194
Digital Services	8,769	6,768
	63,957	63,420
Total revenue from contracts with customers	1,400,027	1,392,257

*Relates to adjustments to Customer Premises Equipment (PABX) and mobile postpaid (with handset device and voucher) as per IFRS 15 requirements. The amount is now disclosed as Interest income from revenue contracts with a significant financing component in Note 3.1.

Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

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.

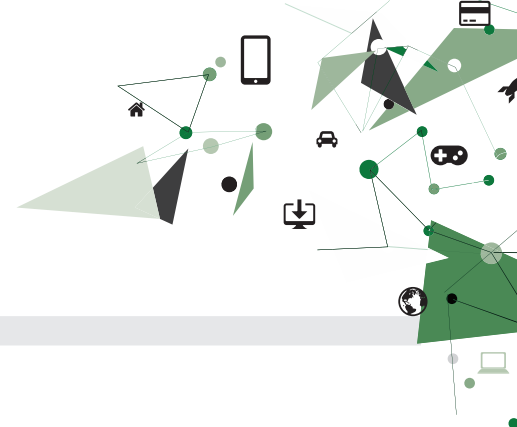
31 March 2023	Fixed Voice			Mobile			Fixed Data			Other Revenue (p'000)	TOTAL REVENUE (p'000)
	Network Services (p'000)	Inter-connect (p'000)	CPE (p'000)	Network Services (p'000)	Inter-connect (p'000)	CPE (p'000)	Usage (p'000)	Access (p'000)	CPE (p'000)		
Major products / service lines:											
Revenue from external contracts with customers	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	-	1,336,070
Other revenue (directory services, value added services, rentals)	-	-	-	-	-	-	-	-	-	63,957	63,957
	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	63,957	1,400,027
Timing of revenue recognition:											
Products transferred at a point in time	-	-	136,231	-	-	34,938	-	-	14,101	-	185,270
Products and services transferred over time	266,893	13,563	-	388,492	8,465	-	263,618	209,769	-	63,957	1,214,757
	266,893	13,563	136,231	388,492	8,465	34,938	263,618	209,769	14,101	63,957	1,400,027
31 March 2022											
Major products / service lines:											
Revenue from external contracts with customers	261,839	13,810	128,996	402,640	12,689	22,482	259,907	211,733	14,741	-	1,328,837
Other revenue (directory services, value added services, rentals)	-	-	-	-	-	-	-	-	-	63,420	63,420
	261,839	13,810	128,996	402,640	12,689	22,482	259,907	211,733	14,741	63,420	1,392,257
Timing of revenue recognition:											
Products transferred at a point in time	-	-	128,996	-	-	22,482	-	-	14,741	-	166,219
Products and services transferred over time	261,839	13,810	-	402,640	12,689	-	259,907	211,733	-	63,420	1,226,038
	261,839	13,810	128,996	402,640	12,689	22,482	259,907	211,733	14,741	63,420	1,392,257



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

	March 2023 P'000	March 2022 P'000
2 COST OF SERVICES AND GOODS SOLD		
Payment to International carriers and local operators (interconnection)	66,683	66,923
Amortisation of the Indefeasible right of use (IRU) asset	38,209	38,209
Depreciation		
Land and buildings	22,877	20,638
Network Assets	135,424	156,018
Amortisation of intangible assets	37,588	41,306
Right of Use Assets	23,070	20,611
Equipment and material costs	183,025	152,581
Installation of Customer Premises Equipment (CPE)	5,960	6,900
Write (up)/down of inventories	(4,404)	2,148
Cost of directory sales	1,289	1,534
Cost of prepaid cards	1,232	980
Cost of phones	29,576	38,563
Licence fee - BOCRA	33,177	35,294
Space segment rentals and other licence fees*	15,108	15,237
Mobile financial services costs	5,382	7,809
Total cost of services and goods sold	594,196	604,751
*Space segment rentals relate to satellites which the entity rents. Licence fees relate to computer software.		
3.1 Interest income		
Interest from short-term and call accounts deposits	36,620	18,796
Interest on revenue contracts with a significant financing component	11,627	-
	48,247	18,796
3.2 Interest expense		
Interest expense on lease liabilities	8,654	9,021
Interest expense on Indefeasible right of use liability	9,978	13,746
	18,632	22,767
4 OTHER INCOME		
Development grant recognised as income (note 21)	1,206	21,235
Exchange gain*	-	18,683
Profit on disposal of property, plant and equipment and assets held for sale	3,923	-
	5,129	39,918
* Classified under Other Operating expenses in the current year (exchange loss)		
5 SELLING AND DISTRIBUTION COST:		
Product Marketing costs	23,120	18,175
Sponsorship expense	-	67
	23,120	18,242



	March 2023 P'000	March 2022 P'000
6 ADMINISTRATIVE EXPENSES		
Employee costs:		
Salaries and wages	304,816	318,950
Pension fund and group life contributions (defined contribution plans)	31,142	34,132
Training costs	2,429	2,957
Organisational restructuring costs	55,497	-
Medical costs	10,418	9,475
Other related employee costs *	12,422	13,285
Total employee costs charged to profit or loss	416,724	378,799
Depreciation - Other equipment	14,674	18,020
- Right-of Use Assets Motor Vehicles	94	251
Repairs and maintenance - non-telecommunications equipment	7,682	6,503
Total Administrative expenses	439,174	403,573
*Other related employee costs include medical aid expenses, staff welfare and staff uniforms		
7 OTHER EXPENSES		
Audit Remuneration		
Audit fees	2,308	2,098
Other Services	314	701
Directors fees-sitting allowance	1,836	1,476
Directors fees-other expenses	515	332
Billing costs	47,974	56,322
Consultancy	34,297	15,714
Exchange loss	2,927	-
Financial charges*	13,160	10,678
Radio Licence fees - BOCRA	20,956	7,654
Variable lease payments	1,155	1,199
Stationery	2,422	1,739
Miscellaneous expenses**	9,117	8,315
Property upkeep	15,267	13,408
Travel and entertainment	8,639	4,281
Dealer commission	28,008	39,591
Vehicle running costs	12,005	7,995
Utilities - electricity and water	34,472	35,807
Licenses - system and software	18,716	14,692
Loss on disposal of property, plant and equipment	-	434
Total Other expenses	254,088	222,436

***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

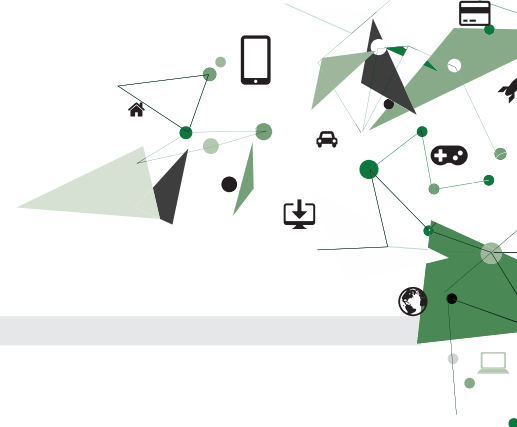
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	March 2023 P'000	March 2022 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		-	-
Deferred taxation	24.2	39,173	41,608
Charge for the year		39,173	39,728
Prior year under provision		-	1,880
Capital gains taxation	18	1,015	-
Taxation expense		40,188	41,608
Capital gains tax relates to residential properties sold in the current year as per note 18			
Corporate Tax rate reconciliation			
Profit before tax		148,509	182,393
Company tax at 22%		32,672	40,126
Prior year (over)/under provision		-	1,880
Expenses not deductible for tax purposes or income not taxable*		6,501	(398)
Capital gains taxation		1,015	-
Taxation expense	24.2	40,188	41,608
*Expenses not deductible for tax purposes or income not taxable			
Cost of sales on (rental) PABX		3,071	4,236
Donations and gifts		200	38
Capital grants received		3,495	-
Amortisation of grants		(265)	(4,672)
		6,501	(398)
As elaborated on Note 24.2, the Company is currently in a tax loss position since the 2020 financial year therefore nil current taxation (March 2022; Nil)			
9 EARNINGS PER SHARE			
Profit attributable to ordinary shareholder for basic and diluted earnings per share		108,321	140,785
Stated capital - number of shares (note 18)		1,050,000,000	1,050,000,000
Earnings per share (Thebe)		10.32	13.41

The Company has stated capital of 1,050,000,000 shares as at period end (Prior year: 1,050,000,000 shares). The Government of Botswana is still the majority shareholder with a 54.16% shareholding (Mar 2022 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.



10 PROPERTY, PLANT AND EQUIPMENT

31 March 2023	Notes	Land & Buildings Fair value P'000	Network Assets Cost P'000	Plant & Other Equipment Cost P'000	Capital Work in Progress Cost P'000	Total P'000
Measured at						
COST OR VALUATION						
At beginning of the year		561,244	3,358,401	273,386	83,942	4,276,973
Additions and net transfers*		7,724	100,041	10,841	95,264	213,870
Additions		-	-	-	213,870	213,870
Capitalisation from WIP (Transfers)		7,724	100,041	10,841	(118,606)	-
Retired		(1,536)	(143)	(1,563)	-	(3,242)
At end of the year		567,432	3,458,299	282,664	179,206	4,487,601
DEPRECIATION AND IMPAIRMENT						
At beginning of the year		22,300	2,589,092	216,129	-	2,827,521
Depreciation charge for the year		22,877	135,423	14,674	-	172,974
Retired		(66)	(143)	(1,495)	-	(1,704)
At end of the period		45,111	2,724,372	229,308	-	2,998,791
NET BOOK VALUE						
At beginning of the year		538,944	769,309	57,257	83,942	1,449,452
At end of the year		522,321	733,927	53,356	179,206	1,488,810

* Included in the additions above are accruals amounting to P4 549 000 hence cash payments made in the current year amounted to P209 321 000.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

10 PROPERTY, PLANT AND EQUIPMENT [continued]

31 March 2022	Notes	Land & Buildings Fair value P'000	Network Assets Cost P'000	Plant & Other Equipment Cost P'000	Capital Work in Progress Cost P'000	Total P'000
Measured at						
COST OR VALUATION						
At beginning of the year		589,941	3,222,894	264,391	127,926	4,205,152
Additions and net transfers		11,603	135,507	9,924	(43,984)	113,050
Additions		-	-	-	113,050	113,050
Capitalisation from WIP (Transfers)		11,603	135,507	9,924	(157,034)	-
Reclassified as held for sale	18	(40,300)	-	-	-	(40,300)
Retired		-	-	(929)	-	(929)
At end of the year		561,244	3,358,401	273,386	83,942	4,276,973
DEPRECIATION AND IMPAIRMENT						
At beginning of the year		1,980	2,433,074	198,974	-	2,634,028
Depreciation charge for the year		20,637	156,018	18,020	-	194,675
Reclassified as held for sale	18	(317)	-	-	-	(317)
Retired		-	-	(865)	-	(865)
At end of the year		22,300	2,589,092	216,129	-	2,827,521
NET BOOK VALUE						
At beginning of the year		587,961	789,820	65,417	127,926	1,571,124
At end of the year		538,944	769,309	57,257	83,942	1,449,452

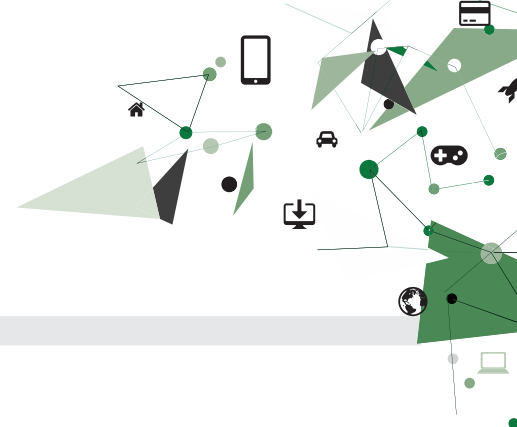
Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The revaluation of land and buildings was performed on 31 March 2021 by Vantage Properties. The verification and valuation, where possible, of the asset components in Botswana, and appropriate depreciation classes were standardised and residual values applied. For fair value disclosures, refer to Note 28.

The next revaluation of land and buildings is due by end of 31 March 2024.

If land and buildings were measured using the cost model, the carrying amount would be as follows:

	March 2023 P'000	March 2022 P'000
Cost	279,879	277,851
Depreciation	(186,822)	(178,946)
Carrying amount	93,057	98,905



11 INTANGIBLE ASSETS

31 March 2023	Computer and Billing Software P'000	Network Systems P'000	Total P'000
COST			
At beginning of the year	533,598	45,136	578,734
Additions	16,221	-	16,221
At end of the year	549,819	45,136	594,955
AMORTISATION			
At beginning of the year	366,868	27,920	394,788
Charge for the year	36,047	1,541	37,588
At end of the year	402,915	29,461	432,376
NET BOOK VALUE			
At beginning of the year	166,730	17,216	183,946
At end of the year	146,904	15,675	162,579
31 March 2022			
COST			
At beginning of the year	514,346	45,136	559,482
Additions	20,903	-	20,903
Disposal	(1,651)	-	(1,651)
At end of the year	533,598	45,136	578,734
AMORTISATION			
At beginning of the year	327,836	26,379	354,215
Charge for the year	39,765	1,541	41,306
Disposal	(733)	-	(733)
At end of the year	366,868	27,920	394,788
NET BOOK VALUE			
At beginning of the year	186,510	18,757	205,267
At end of the year	166,730	17,216	183,946



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

12 ASSET IMPAIRMENT

As at 31 March 2023, 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 13.60% (17.83% pre-tax) (March 2022: 13.6% -17.48% 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) 2023: 13.60% (March 2022: 13.6%). The pre-tax WACC rate 17.83% (March 2022: 17.48%)

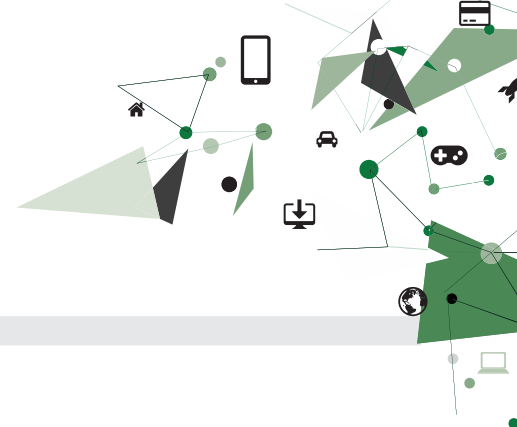
Management determined this rate based on past experience as well as external sources of information.

Terminal growth rate into perpetuity: 2%

Sensitivity to changes in assumptions

The value-in-use exceeds Net Assets by P52 million. Given the low headroom, a sensitivity analysis with changes in WACC, the terminal growth rate and EBITDA was performed. The below are the movements;

	Change	Increase/(decrease) in head room P'000
Changes in WACC		
With terminal growth Rate @ 2% and EBITDA Margin @ 32.6%	+0.50%	(84,351)
	-0.50%	91,957
Changes in the terminal growth rate		
With WACC @ 13.60% and EBITDA Margin @ 32.6%	+0.50%	59,817
	-0.50%	(54,873)
Changes in the EBITDA Margin		
With WACC @ 13.60% and terminal growth rate @ 2%	+0.50%	200,055
	-0.50%	(173,380)



13 LEASES

The Company has lease contracts for various buildings, rental of telecommunication sites, network assets and motor vehicles 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 motor vehicles generally have lease term of between 3 and 5 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

31 March 2023	Buildings P'000	Telecom munication Sites P'000	Network Assets P'000	Motor Vehicles P'000	Other P'000	Total P'000
COST						
At beginning of the year	19,195	132,924	17,148	518	1,631	171,416
Additions	8,445	9,035	-	-	-	17,480
Lease expiry / termination	(6,234)	(1,074)	-	(518)	-	(7,826)
At end of the year	21,406	140,885	17,148	-	1,631	181,070
DEPRECIATION						
At beginning of the year	10,790	40,675	3,375	423	816	56,079
Depreciation charge for the year	5,820	15,581	1,125	94	544	23,164
Lease expiry / termination	(5,752)	(1,074)	-	(517)	-	(7,343)
At end of the year	10,858	55,182	4,500	-	1,360	71,900
NET BOOK VALUE						
At beginning of the year	8,405	92,249	13,773	95	815	115,337
At end of the year	10,548	85,703	12,648	-	271	109,170



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

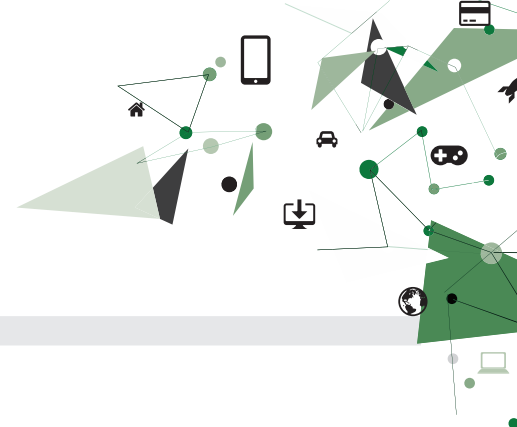
13.1 Right-of-use assets [continued]

31 March 2022	Buildings P'000	Telecom munication Sites P'000	Network Assets P'000	Motor Vehicles P'000	Other P'000	Total P'000
COST						
At beginning of the year	17,241	131,037	17,148	959	1,631	168,016
Additions	3,732	3,139	-	-	-	6,871
Lease expiry / termination	(1,778)	(1,252)	-	(441)	-	(3,471)
At end of the year	19,195	132,924	17,148	518	1,631	171,416
DEPRECIATION						
At beginning of the year	7,926	27,628	2,250	613	272	38,689
Depreciation charge for the year	4,642	14,299	1,125	251	544	20,861
Lease expiry / termination	(1,778)	(1,252)	-	(441)	-	(3,471)
At end of the year	10,790	40,675	3,375	423	816	56,079
NET BOOK VALUE						
At beginning of the year	9,315	103,407	14,898	346	1,359	129,325
At end of the year	8,405	92,249	13,773	95	815	115,337

13.2 Lease liabilities

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

31 March 2023	Buildings P'000	Telecom munication Sites P'000	Network Assets P'000	Motor Vehicles P'000	Other P'000	Total P'000
COST						
At beginning of the year	9,467	106,930	15,114	105	855	132,471
Additions	8,445	9,035	-	-	-	17,480
Lease terminations	(497)	-	-	-	-	(497)
Accretion of interest	676	6,978	958	3	39	8,654
Payments	(6,820)	(18,460)	(1,793)	(108)	(600)	(27,781)
As at end of the year	11,271	104,483	14,279	-	294	130,327
31 March 2022						
At beginning of the year	10,403	114,725	15,897	374	1,381	142,780
Additions	3,732	3,139	-	-	-	6,871
Accretion of interest	669	7,253	1,010	15	74	9,021
Payments	(5,337)	(18,187)	(1,793)	(284)	(600)	(26,201)
At end of the year	9,467	106,930	15,114	105	855	132,471



Comprising:	March 2023 P'000	March 2022 P'000
Non-current liabilities	112,259	115,753
Current liabilities	18,068	16,718
	130,327	132,471
The maturity analysis of undiscounted lease liabilities are disclosed in Note 27.8		
The following are the amounts recognised in profit or loss:		
Depreciation expense on right-of-use assets - Cost of Sales	23,070	20,610
- Administrative expenses	94	251
Interest expense on lease liabilities	8,654	9,021
Total amount recognised in profit or loss	31,818	29,882
There were no leases not yet commenced to which the Company as lessee is committed.		
14 INVENTORIES		
Consumable stores	52,645	46,276
Customer premises equipment	2,187	7,143
Total inventories at the lower of cost and net realisable value	54,832	53,419

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

The cost of inventories recognised as an expense during the year was P89 983 110 (2022; P91 592 000) included as part of equipment and material costs in Note 2.



Notes to the Annual Financial Statements

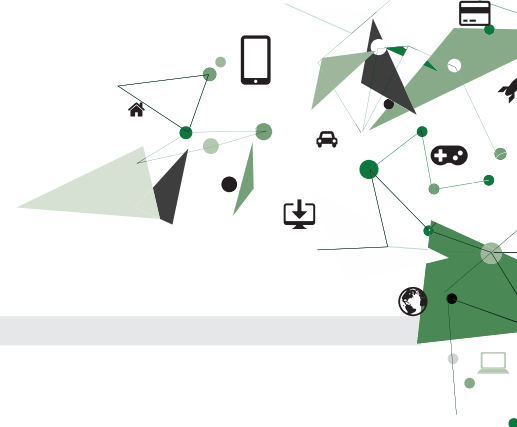
FOR THE YEAR ENDED 31 MARCH 2023

15 TRADE AND OTHER RECEIVABLES

	March 2023 P'000	March 2022 P'000
Trade receivables	93,535	178,947
Trade receivables from related parties	116,520	96,464
Trade receivables from interconnect balances	11,524	13,418
Staff advances	8,125	8,293
Other receivables	22,169	9,145
Gross trade and other receivables	251,873	306,267
Provision for credit Notes - revenue reversals	(28,443)	(46,258)
Debtors impairment	(50,092)	(104,249)
Net trade and other receivables	173,338	155,760
Prepayments	42,267	23,820
Total trade and other receivables	215,605	179,580
Categorisation into:		
Financial assets at amortised cost	173,338	155,760
Non-financial	42,267	23,820
	215,605	179,580

The Company's trade and other receivables are non-interest bearing. For terms and conditions relating to related party receivables, refer to Note 26. 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.



15 TRADE AND OTHER RECEIVABLES [continued]

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 2023 and the corresponding historical credit losses experienced within this period. The credit period on trade and other receivables is 30 days (2022: 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.

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 receivables, the lifetime expected credit loss ratios determined for the trade receivables 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.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

15 TRADE AND OTHER RECEIVABLES [continued]

	Expected credit loss rate (average)		March 2023	March 2023	March 2022	March 2022
	March 2023	March 2022	P'000	P'000	P'000	P'000
			Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Bucketing (Days past due)						
Current	3%	7%	175,759	6,142	144,444	10,281
31-60 days past due	11%	16%	39,620	4,532	43,507	6,992
61-90 days past due	18%	16%	17,834	3,246	23,092	3,645
91-120 days past due	34%	31%	13,595	4,629	27,337	8,474
121-150 days past due	51%	84%	5,596	2,835	7,142	6,026
More than 150 days past due	64%	76%	62,427	39,770	114,284	87,289
Total			314,830	61,153	359,806	122,707
Comprising:		Note				
Trade and other receivables		15	251,873	50,092	306,267	104,249
Contract assets		16	62,957	11,061	53,539	18,458
			314,830	61,153	359,806	122,707

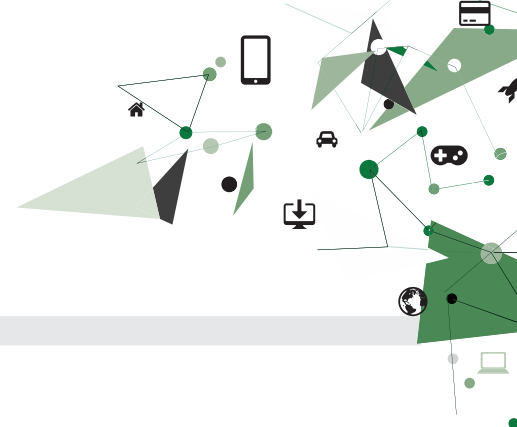
The decrease in the average rates were on account of bad debts written off and improved collections during the year

Reconciliation of loss allowance

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

	2023	2022
	P'000	P'000
Opening balance	122,707	130,064
Net provision reversed during the year	(24,316)	(3,191)
Balances written off during the year	(51,666)	(21,475)
Provision for credit notes for receivables already provided for	14,428	17,309
Balance at the end of the year	61,153	122,707
Reconciliation of the Provision for Credit Notes *		
Opening balance	46,258	26,418
Revenue reversals during the year	(11,861)	(26,790)
Net provision (reversed)/raised during the year	(5,954)	46,630
Balance at the end of the year	28,443	46,258

*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

	Note	2023 P'000	2022 P'000
16.1 Contract assets			
Gross balance		62,957	53,539
Provision for expected credit losses	15	(11,061)	(18,458)
Net contract assets		51,896	35,081
Comprising:			
Non-current assets *		28,766	18,516
Current assets		23,130	16,565
		51,896	35,081

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.

* In the prior year, the contract assets were split and disclosed into current and non current in the note however the statement of financial position disclosed both amounts under current. In the current year, the split and disclosure has been reflected in both the note and on the face of the statement of financial position.

UNSATISFIED PERFORMANCE OBLIGATIONS IN LONG TERM CONTRACTS

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

Aggregate amount of the transaction price allocated to long term customer contracts	51,649	40,662
---	--------	--------

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

Information about the credit exposures of contract assets have been disclosed on note 15

16.2 Contract liabilities

Balance at end of the year	10,519	13,522
Comprising:		
Non-current liabilities*	5,142	7,073
Current liabilities	5,377	6,449
	10,519	13,522

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.

* In the prior year, the contract liabilities were split and disclosed into current and non-current in the note however the statement of financial position disclosed both amounts under current. In the current year, the split and disclosure of current and disclosure has been reflected in both the note and on the face of the statement of financial position.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

17.1 Cash and cash equivalents at end of the year:

	Note	March 2023 P'000	March 2022 P'000
Cash at bank and on hand		42,413	63,905
Short term deposits		477,625	398,857
Restricted balances held for the mobile financial services (MFS)		50,945	57,680
Net cash and cash equivalents at end of the year		570,983	520,442

The call deposits had effective interest rates of between 0.25% and 4% (March 2022: 0.25% and 0.50%).

Included in the cash and cash equivalents is an amount of 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 22).

As per the Electronic 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.

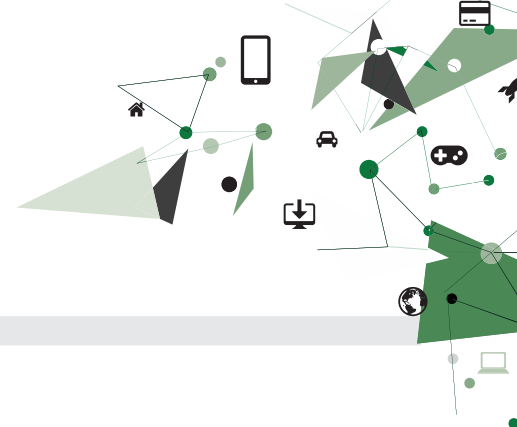
17.2 Statement of cash flows - Operating profit before working capital changes:

Profit before tax		148,509	182,393
Adjustment for non-cash movements:			
Exchange gain		(2,886)	(2,979)
Interest income	3.1	(48,247)	(18,796)
Interest expense	3.2	18,632	22,767
(Profit)/Loss on disposal of property, plant and equipment and assets held for sale	4/7	(3,923)	434
Depreciation of property, plant and equipment	10	172,974	194,675
Amortisation of intangible assets	11	37,588	41,306
Depreciation on right of use assets	13.1	23,164	20,861
Impairment losses and gains on financial assets and contract assets	15	(24,316)	(3,191)
Depreciation on assets held for sale	17	-	317
Development grant recognised as income	21	(1,206)	(21,235)
Movement in employee related provisions	23	(5,777)	(15,222)
Amortisation of IRU	26.2	38,209	38,209
Operating cash flows before working capital changes		352,721	439,539

17.3 Banking Facilities

The Company has facilities with its bankers amounting to P20,000,000 (March 2022: P20,000,000) in respect of Letters of credit and guarantes (P10,000,000) and Overdraft (P10,000,000). The banking facilities are unsecured.

The unutilised portion of the banking facilities amounted to P4.6 million as at 31 March 2023. P449 876 has been utilised as a performance bond with BOCRA, expiring 31 December 2023, for Fixed Wireless Access Spectrum in Frequency 2300-2400 MHZ) and ZTT International Limited Intent for Letter of Credit (USD 376 261) expiring 31 July 2023, for Supply of 48v -200AH Lithium Batteries.



18 ASSETS HELD FOR SALE

In the prior year end the Company held residential properties which the company had decided to immediately dispose in their present condition. The assets were classified as “non-current assets held for sale” on 01 July 2021 as the company intended to recover their carrying amounts principally through a sale transaction. As at end of the previous financial year, the assets had already been put through a public auction process and the sales were expected to be completed within one year. All the properties were sold during the current year.

The assets were remeasured and were carried at the lower of their carrying amount or fair value less cost to sell. Fair value less cost of selling was determined as the highest bid prices obtained (gross) at the auction of the properties as the costs of the auction are borne by the buyer.

Impairment losses on classification as “held for sale” were treated as a revaluation decrease as these assets were being carried under the revaluation model and the assets had been depreciated up to the date of re-classification (P317,000) and were not depreciated or amortized after recognition as “held for sale”.

	Note	March 2023 P'000	March 2022 P'000
Balance beginning of the year	10	32,222	-
Transfer from property plant and equipment		-	40,300
Depreciation charged for the year before classification as held for sale	10	-	(317)
Balance transferred from property, plant and equipment		32,222	39,983
Impairment on re-classification		-	(7,761)
Properties sold		(32,222)	-
Balance at end of the year		-	32,222

Capital gains of P4.614 million were realised on disposal of the residential properties and the respective Capital gains tax from the disposal amounted to P1.015 million (Mar 2022; Nil)

19 STATED CAPITAL

Balance		478,892	478,892
Authorised and issued capital			
Authorised shares			
1,050,000,000 (March 2022: 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 2022: 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 2022 5.04 thebe per share : (2021: 5.31 thebe per share)		52,920	55,755
Interim dividend for 2023 Nil (2022 : 3.67 thebe per share)		-	38,535
		52,920	94,290

The dividend is paid net of 10% withholding tax as per the Botswana Income Tax Act.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

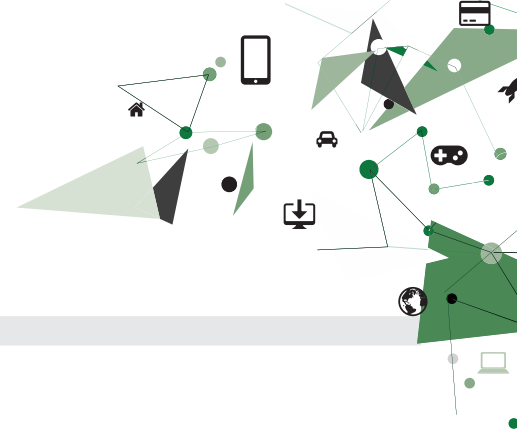
19 STATED CAPITAL [continued]

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.

20 REVALUATION RESERVE

	March 2023 P'000	March 2022 P'000
Properties revaluation reserve (land and buildings)		
Balance at the beginning of the year	361,375	382,363
Transfer to retained earnings upon disposal of residential properties	(21,889)	-
Depreciation transfer for land and buildings	(4,660)	(14,934)
Impairment on assets held for sale (net of tax)	-	(6,054)
Balance at the end of the year	334,826	361,375
21 DEVELOPMENT GRANTS		
Balance at the beginning of the year	9,403	27,173
Additional grants for the year	15,883	3,465
Recognised as income during the year (note 4)	(1,206)	(21,235)
Balance at the end of the year	24,080	9,403
Relating to		
Nteletsa projects*	-	-
Universal access and service fund grants	24,080	9,403
	24,080	9,403
*Nteletsa projects were fully amortised during the course of the prior year		
Comprising:		
Non-current liabilities	23,220	8,543
Current liabilities	860	860
	24,080	9,403



Ntelelsa projects

These grants are for the purpose of funding the Company's expansion in rural districts in terms of National Development Plan 8 called Ntelelsa projects.

The portion of the grants recognised as income during the year is based on the useful life of plant and equipment which was funded by the above grants. The balance was fully amortised in the 2022 financial year.

Universal Access and Service Fund

In the 2018 financial year, an agreement was reached with the Universal Access and Service Fund (UASF) for the upgrade of the telecommunications base stations to 3G or better and provision of broadband connectivity in government schools in the Ghanzi district.

In the current financial year, another agreement with the UASF was reached for the provision of Broadband and voice networks to villages and Broadband internet connectivity to government schools in the North East district.

22 TRADE AND OTHER PAYABLES

	March 2023 P'000	March 2022 P'000
Trade payables	103,870	119,049
Deferred revenue	29,467	15,364
Interconnection balances	4,576	5,231
Mobile money balances	32,164	36,948
Accruals and other payables	117,589	103,173
	287,666	279,765
Categorisation into:		
Financial liabilities measured at amortised cost	253,087	259,850
Non financial	34,579	19,915
	287,666	279,765

Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 day terms 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.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

23 EMPLOYEE RELATED PROVISIONS

	Leave Pay P'000	Gratuity P'000	Other P'000	Total P'000
Balance at 1 April 2021	22,374	10,513	19,821	52,708
Charged to employee expenses	1,929	4,363	19,424	25,716
Utilised	(2,254)	(6,882)	(31,802)	(40,938)
Balance at 31 March 2022	22,049	7,994	7,443	37,486
Charged to employee expenses	4,602	3,272	16,180	24,054
Utilised	(8,594)	(5,304)	(15,933)	(29,831)
Balance at 31 March 2023	18,057	5,962	7,690	31,709

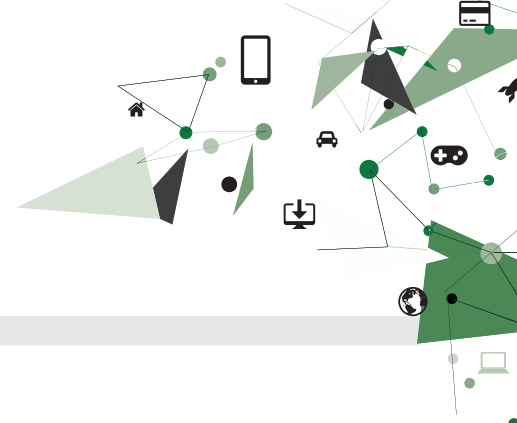
	Notes	March 2023 P'000	March 2022 P'000
Comprising:			
Current liabilities		25,747	29,492
Non-current liabilities		5,962	7,994
		31,709	37,486

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.

24 TAXATION

24.1 Income tax

Opening balance		810	641
Charge for the period	8	-	-
Capital gains on residential properties		(1,015)	-
Closing balance		(829)	(810)
Net cash paid		(1,034)	(169)



24.2 Deferred Taxation

31 March 2023	Net balance as at 01 April 2022 P'000	Recognised in profit or loss P'000	Recognised in equity P'000	Closing balance as at Period end P'000
Deductible temporary differences				
Accrued Income	(4,306)	(3,600)	-	(7,906)
Contract liabilities	(2,975)	588	-	(2,387)
Expected credit losses (ECL)	(32,193)	12,482	-	(19,711)
Leases	(3,769)	(886)	-	(4,655)
Unutilised tax losses	(90,673)	(22,896)	-	(113,569)
Unrealised foreign exchange loss / (gain)	-	(844)	-	(844)
Taxable temporary differences				
Property, plant and equipment	16,674	49,301	-	65,975
Indefeasible right of use (IRU)	52,732	4,799	-	57,531
Contract assets	2,833	(355)	-	2,478
Prepayments	4,791	4,508	-	9,299
Revaluation surplus	108,602	-	(14,164)	94,438
Surplus upon disposal of residential properties	-	-	(6,174)	(6,174)
Surplus on the remaining assets	108,602	-	(7,990)	100,612
Unrealised foreign exchange loss / (gain)	3,924	(3,924)	-	-
	55,640	39,173	(14,164)	80,649
31 March 2022				
Deductible temporary differences				
Property, plant and equipment	(36,365)	36,365	-	-
Accrued Income	(6,423)	2,117	-	(4,306)
Contract liabilities	(4,298)	1,323	-	(2,975)
Expected credit losses (ECL)	(32,762)	569	-	(32,193)
Leases	(3,379)	(390)	-	(3,769)
Unutilised tax losses	(68,600)	(22,073)	-	(90,673)
Taxable temporary differences				
Property, plant and equipment	-	16,674	-	16,674
Indefeasible right of use (IRU)	48,763	3,969	-	52,732
Contract assets	2,778	55	-	2,833
Prepayments	3,156	1,635	-	4,791
Revaluation surplus	110,309	-	(1,707)	108,602
Unrealised foreign exchange loss / (gain)	2,560	1,364	-	3,924
	15,739	41,608	(1,707)	55,640

The Company has tax losses amounting to P516 million (March 2022; P412 million), emanating from normal business operations and the losses have been fully recognised for deferred tax purposes based on the recoverability assessment performed. The tax losses 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.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

24.2 Deferred Taxation [Continued]

Below is the analysis of the tax losses

	2020	2021	2022	2023
Loss brought forward	-	161,957	306,961	412,148
Loss for the year	161,957	145,004	105,187	104,075
Utilised in current year	-	-	-	-
Time expired	-	-	-	-
Loss carried forward	161,957	306,961	412,148	516,223

The 2020, 2021, 2022 and 2023 losses are set to expire in 2025, 2026, 2027 and 2028 respectively unless utilised before expiry date. Recoverability assessments have been done indicating that the amounts will be fully utilised before the respective expiry dates.

	March 2023 P'000	March 2022 P'000
25 CAPITAL COMMITMENTS		
Contracted but not paid	52,107	48,302
Authorised but not contracted	180,991	87,004
Total capital commitments	233,098	135,306

These commitments will be financed by development grants and internally generated funds.

26 RELATED PARTY TRANSACTIONS

Relationships

Shareholder with 54.16% ownership
Members of the Board of Directors
Members of Key Management

Government of Botswana
Refer to General information Page 90

Anthony Masunga

Boitumelo Paya

Aldrin Sivako

Edward Wicks

(Contract ended 03 April 2023)

Abel Bogatsu

Peter Olyn

Lebudi Kgetse

Same Kgosiemang

Boitumelo Masoko

Mmamotse Wilkinson

Sidney Mganga

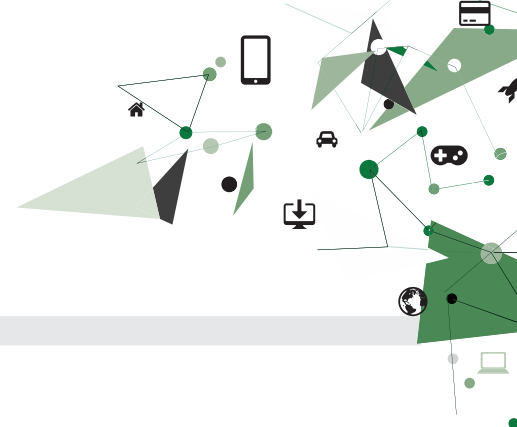
Malebogo Mosinyi

Nelson Disang

Kutlo Mokgosana

Directors, Management and employees shareholdings

The Company has employees who hold shares that were purchased on the open market. 857 488 shares (March 2022: 857 488) were held by certain members of the Board of Directors and 508 700 (March 2022: 508 700) shares were held by certain members of key management.



Trading transactions

The following related party transactions were based on agreed prices as per signed contracts:

	Billing		Balance due	
	2023 P'000	2022 P'000	2023 P'000	2022 P'000
Sales and outstanding balances due from related parties				
The Government of the Republic of Botswana	498,985	490,152	101,478	93,469
Parastatals	113,685	117,590	15,041	2,995
	612,670	607,742	116,520	96,464
Purchases and outstanding balances due to related parties				
Parastatals	388,224	309,768	51,931	19,512

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 2023, the Company recognised provision for expected credit losses of P3 230 447 relating to amounts owed by related parties (2022: P11 851 207). The reduction in the ECL is on account of improvement on the quality of the related party loan book.

Individually significant transactions

BoFiNet (Botswana Fibre Network)

BoFiNet is a wholesale provider of national and international telecommunication infrastructure and has offered BTC an IRU worth P340 million for 10 years up to 2024. The P340 million has been 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.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

26.1 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 has been recognised.

	2023 P'000	2022 P'000
At beginning of the year	180,612	236,866
Repayments during the period	(70,000)	(70,000)
Accretion of interest	9,978	13,746
As at end of the period	120,590	180,612
Comprising:		
Current liabilities	46,513	60,022
Non-current liabilities	74,077	120,590
	120,590	180,612

26.2 IRU asset

The second agreement was negotiated over the first agreement therefore inextricably interwoven. 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.

The asset recognised is amortised on a straight-line basis over the 15-year period during which the agreement is effective.

At beginning of the year	420,305	458,514
Amortisation during the year	(38,209)	(38,209)
At end of the year	382,096	420,305

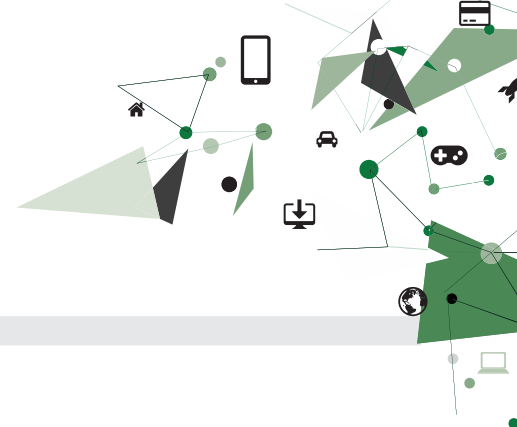
BoFiNet services licensed telco Operators both Nationally and Internationally. Botswana Government has acquired stakes in the EASSy and WACS submarine cables, which are managed by BoFiNet.

Compensation of key management personnel

Compensation	22,262	25,177
	22,262	25,177

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) (2023)

Director	Fees	Remuneration	Bonus/ Ex-gratia	Fringe and other benefits	Total
Anthony Masunga (<i>Managing Director</i>)	-	2,737,803	500,000	30,776	3,268,579
Lorato Boakgomo-Ntakhwana	295,500	-	-	-	295,500
Maclean Letshwiti	167,500	-	-	-	167,500
Andrew Reginald Johnson	250,500	-	-	-	250,500
Ranjith Priyalal De Silva	255,500	-	-	-	255,500
Bafana Molomo	312,500	-	-	-	312,500
Thari Pheko	318,500	-	-	-	318,500
Gaone Macholo	36,500	-	-	-	36,500
Thato Kewakae	199,500	-	-	-	199,500
Total emoluments paid	1,836,000	2,737,803	500,000	30,776	5,104,579

Directors' Interests
Emoluments per director (in Pula) (2022)

Anthony Masunga (<i>Managing Director</i>)	-	2,607,056	360,000	29,009	2,996,065
Lorato Boakgomo-Ntakhwana	248,500	-	-	-	248,500
Maclean Letshwiti	155,000	-	-	-	155,000
Serty Leburu	65,000	-	-	-	65,000
Andrew Reginald Johnson	195,000	-	-	-	195,000
Ranjith Priyalal De Silva	199,000	-	-	-	199,000
Bafana Molomo	195,000	-	-	-	195,000
Thari Pheko	215,000	-	-	-	215,000
Gaone Macholo	153,000	-	-	-	153,000
Thato Kewakae	50,000	-	-	-	50,000
Total emoluments paid	1,475,500	2,607,056	360,000	29,009	4,471,565



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

27 FINANCIAL RISK MANAGEMENT

27.1 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.

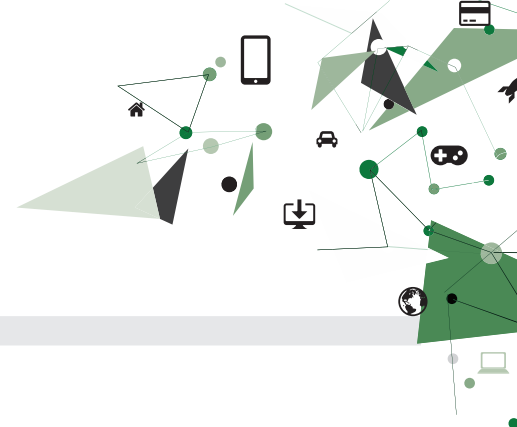
Exposure to currency, liquidity, interest rate and credit risk arises in the normal course of the Company's business.

27.2 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):

March 2023	AUD P'000	EUR P'000	USD P'000	ZAR P'000	GBP P'000	BWP P'000	Total P'000
Closing exchange rate	0.1070	0.0707	0.0758	1.3650	0.0735	1.0000	
Trade Payables	19	13,627	39,525	8,385	-	42,314	103,870
Interconnection balances	-	148	1,504	-	-	2,924	4,576
Accruals and other payables	-	2,105	8,273	855	-	106,356	117,589
Total Liabilities	19	15,880	49,302	9,240	-	151,594	226,035
Interconnect balances	-	10	1,362	-	-	10,153	11,524
Cash and cash equivalents	-	35	237	2,625	-	568,086	570,983
Total assets	-	45	1,599	2,625	-	578,239	582,507
Net Position	19	15,835	47,704	6,615	-	(426,645)	(356,472)
March 2022							
Closing exchange rate	0.1125	0.0755	0.0845	1.2170	0.0642	1.0000	
Trade Payables	18	12,755	35,456	9,405	16	61,400	119,049
Interconnection balances	-	138	1,350	-	-	3,743	5,231
Accruals and other payables	-	4,410	10,179	80	2	88,502	103,173
Total Liabilities	18	17,303	46,984	9,485	18	153,645	227,453
Interconnect balances	-	9	1,222	-	-	12,187	13,418
Cash and cash equivalents	-	22	1,119	9,388	-	509,913	520,442
Total assets	-	31	2,341	9,388	-	522,100	533,860
Net Position	18	17,272	44,644	97	18	(368,455)	(306,407)

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.



27.3 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)

10% decrease	2023 P'000	2022 P'000
Euro	(1,583)	(1,727)
United States Dollar	(4,770)	(4,464)
Rand	(662)	(10)
Other	(2)	(4)
Net Effect	(7,017)	(6,205)
10% decrease		
Euro	1,583	1,727
United States Dollar	4,770	4,464
Rand	662	10
Other	2	4
Net Effect	7,017	6,205

27.4 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.

At 31 March 2023, the ECL provision for trade receivables was P50 092 000 (Mar 2022: P104 249 000) - 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 P11 061 194 (March 2022: P18 458 000) - Note 16



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

27 FINANCIAL RISK MANAGEMENT [Continued]

27.4 Credit Risk [Continued]

Cash & cash equivalents

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 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 2022 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: P116 519 524 (2022: P96 463 964)

Short term deposits with financial institutions: P426 649 519 (2022: P398 856 939)

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.

Financial assets and other credit exposures (Not rated)	2023 P'000	2022 P'000
Trade debtors including those from related parties	251,873	306,267
Contract assets	51,896	35,081
Short term call deposits	477,625	398,857
Cash and bank	93,358	121,585
	874,752	861,790

27.5 Financial instruments designated at fair value through profit and loss

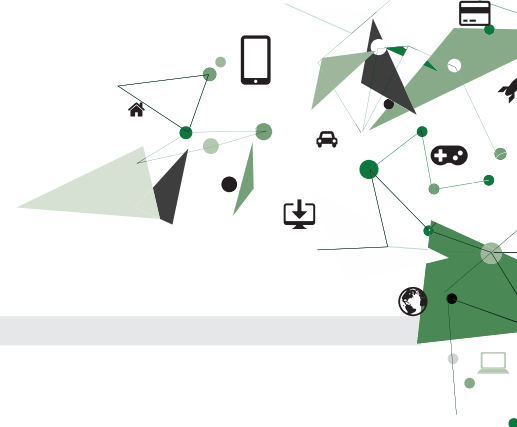
At the reporting date the Company held no financial instruments designated at fair value through profit and loss (FVTPL).

27.6 Financial assets held or pledged as collateral

At the reporting date the Company held \$60,000 received from a counterparty as security for potential bad debts. The Company had not pledged any of its financial assets as collateral.

27.7 Interest income by financial instrument category

	Financial assets at amortised cost P'000
March 2023	
Interest income	48,247
Interest income	48,247
March 2022	
Interest incom	18,796
Interest income	18,796



27.8 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.

Financial Liabilities	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
2023							
Trade and other payables	-	253,087	-	-	-	253,087	253,087
IRU liability	-	13,250	39,750	69,600	17,400	140,000	120,590
Lease liabilities	2,318	6,988	16,614	67,671	77,344	170,935	130,327
	2,318	273,325	56,364	137,271	94,744	564,022	504,004
2022							
Trade and other payables	-	259,850	-	-	-	259,850	259,850
IRU liability	-	17,500	52,500	105,200	34,800	210,000	180,612
Lease liabilities	2,084	6,268	16,715	66,821	89,401	181,289	132,471
	2,084	283,618	69,215	172,021	124,201	651,139	572,933

The Company maintains an overdraft facility with Standard Chartered Bank Botswana Limited. At 31 March 2023, the Company had cash and cash equivalents of P571million (2022: P520 million).



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

27 FINANCIAL RISK MANAGEMENT [Continued]

27.9 Interest rate sensitivity analysis

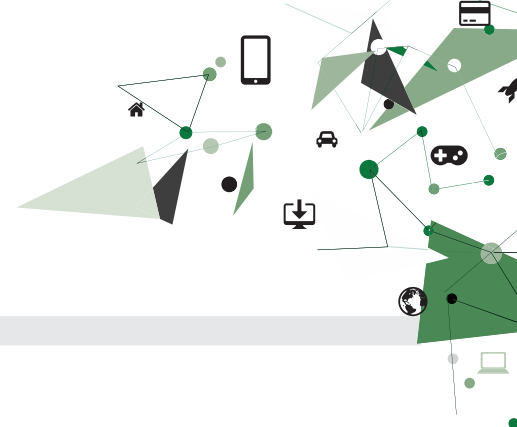
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relate to the fixed deposits and call deposits with financial institutions.

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 reasonably possible change in interest rates.

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/ (decrease) in pre tax profit/(loss) for the year P'000
2023		
Interest rate risk		
Change in interest rate	+1%	4,776
	-1%	(4,776)
2022		
Interest rate risk		
Change in interest rate	+1%	3,989
	-1%	(3,989)



27.10 Fair values

Set out below is a comparison, by class, of the carrying amount and fair values of the Company's financial instruments:

2023

Financial assets	Carrying amount P'000	Fair value P'000
Trade and other receivables	173,338	173,338
Cash and cash equivalents	570,983	570,983
	744,321	744,321
Financial liabilities		
Trade and other payables	253,087	253,087
IRU liability	120,590	120,590
Lease liabilities	130,327	130,327
	504,004	504,004

2022

Financial assets

Trade and other receivables	155,760	155,760
Cash and cash equivalents	520,442	520,442
	676,202	676,202

Financial liabilities

Trade and other payables	259,850	259,850
IRU liability	180,612	180,612
Lease liabilities	132,471	132,471
	572,933	572,933

Management assessed 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 2023

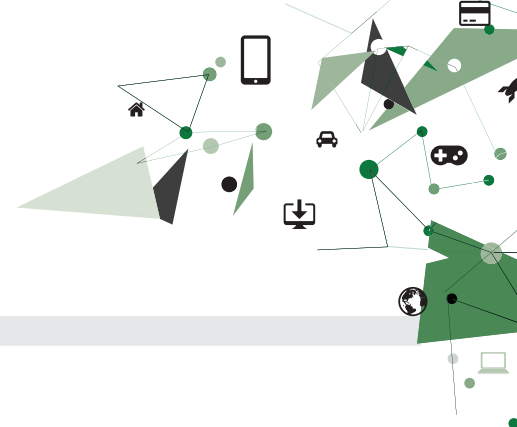
27 FINANCIAL RISK MANAGEMENT [Continued]

27.11 Categories of Financial Assets and Liabilities

The table below summarises categories of financial assets and financial liabilities held by the Company.

2023

Financial assets	Financial assets at amortised cost P'000	Financial liabilities measured at amortised cost P'000	Total P'000
Trade and other receivables	173,338	-	173,338
Cash and cash equivalents	570,983	-	570,983
Total financial assets	744,321	-	744,321
Financial liabilities			
Trade and other payables	-	253,087	253,087
IRU liability	-	120,590	120,590
Lease liabilities	-	130,327	130,327
Total financial liabilities	-	504,004	504,004
2022			
Financial assets			
Trade and other receivables	155,760	-	155,760
Cash and cash equivalents	520,442	-	520,442
Total financial assets	676,202	-	-
Financial liabilities			
Trade and other payables	-	259,850	259,850
IRU liability	-	180,612	180,612
Lease liabilities	-	132,471	132,471
Total financial liabilities	-	572,933	572,933



28 FAIR VALUE HIERACHY

The revalued land and buildings consist of Commercial properties (including certain urban network sites), light industrial and residential properties in the major urban areas in Botswana.

In the 2021 financial year, the Directors revalued the Company's Land and Buildings. The 2021 revaluation of land and buildings was conducted in accordance with BTC's accounting policies as at 31 March 2021 by Vantage Properties (Proprietary) Limited, a real estate research and consulting firm registered with the Real Estate Institute of Botswana and Real Estate Advisory Council.

Scope of works required that BTC Properties be valued on the basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. The valuation covered both remote and physical inspections.

In terms of the Company policy land and buildings are revalued every 3 years. The valuation covers the four existing categories of land and buildings namely land, land improvements, buildings and building improvements. Valuation is performed separately for each category.

Management determined that these constitute one class of assets under IFRS 13, based on the nature, location (urban vs rural) and conditions of the specific property. Fair value of the properties was determined using the comparable market valuation method. As at the date of revaluation on 31 March 2021, the properties fair values were based on valuations performed by Vantage Properties (Proprietary) Limited, a real estate research and consulting firm with experience in valuing similar properties in Botswana.

Assets measured at Fair Value	Significant unobservable inputs (level 3)				
	March 2023 P'000	March 2022 P'000			
Land & Buildings	522,321	538,944			
The significant unobservable valuation inputs were:					
	Price range per square meter		Total square meters	Average value per square meter	
	From	To			
Land					
Urban areas	Pula	100	2,500	209,163	2,347
Rural areas	Pula	10	370	566,424	129

Changes in estimated price per square meter in isolation would result in changes in fair value as shown below;

	Increase/(decrease) in fair value		
		March 2023 P'000	March 2022 P'000
Change in; Urban areas	+5%	24,545	24,545
	-5%	(24,545)	(24,545)
Rural areas	+5%	3,666	3,666
	-5%	(3,666)	(3,666)

Significant unobservable inputs for the management/director assessment done on 31 March 2021 have been disclosed above.

Valuation techniques used to derive level 3 fair values

The comparable market valuation method was used to value land, land improvements, buildings and building improvements in urban areas and land in rural areas. Valuation inputs as disclosed above are for the comparable market valuation method. Rural land improvements were valued on the basis of the replacement cost of the land improvements.



Notes to the Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

29 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 P4.6 million (2022: P8.2 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.

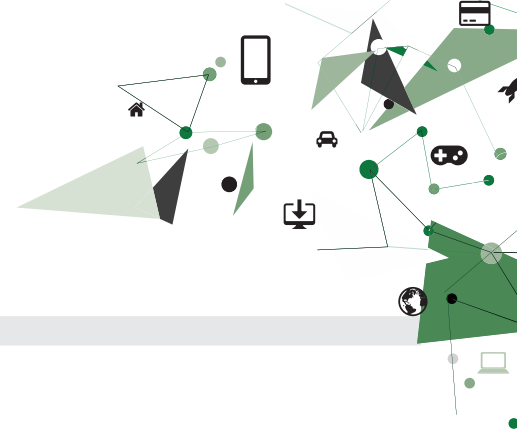
	2023 P'000	2022 P'000
Debt		
Trade and other payables	287,666	279,765
Lease liabilities	130,327	132,471
IRU liability	120,590	180,612
Total debt	538,583	592,848
Cash and cash equivalents	570,983	520,442
Net (assets) /debt	(32,400)	72,406
Equity		
Stated Capital	478,892	478,892
Revaluation reserve	334,826	361,375
Accumulated profits	1,537,542	1,441,428
Total equity	2,351,260	2,281,695
Total Capital	2,318,860	2,354,101
Gearing ratio	-1%	3%

Total capital is derived by adding total equity and net debt.

30 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.



31 CONTINGENT LIABILITIES

BTC had contingent liabilities at 31 March 2023 of P3 071 756 (March 2022 P3 067 563) in respect of several cases mostly relating to 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.

32 EVENTS AFTER THE REPORTING PERIOD

Dividends

On 22 June 2023, the Directors declared that a dividend of 6.71 thebe be paid for the financial year ended 31 March 2023.

There have been no other 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.



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SHAREHOLDER INFORMATION

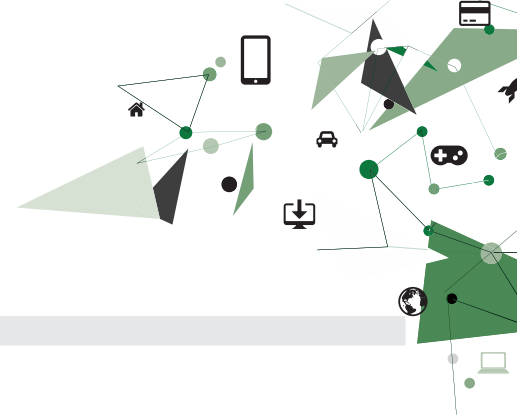
31 March 2023

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Shareholding Analysis

FOR THE YEAR ENDED 31 MARCH 2023

SHARE ANALYSIS - ORDINARY SHAREHOLDERS

	Shareholders			
	Number of holders	% of holders	Shares held	% of issued shares
1 - 2000	24,956	60.35%	30,738,440	2.93%
2001 - 5000	8,821	21.33%	36,791,378	3.50%
5,001 - 10,000	3,879	9.38%	35,557,845	3.39%
10,001 - 50,000	2,830	6.84%	70,180,078	6.68%
50,001 - 100,000	451	1.09%	37,022,935	3.53%
100,001 - 500,000	335	0.81%	81,313,151	7.74%
500,001 - 1,000,000	45	0.11%	34,845,860	3.32%
1,000,001 - 100,000,000	36	0.09%	188,050,313	17.91%
over 100,000,000	1	0.00%	535,500,000	51.00%
Total	41,354	100.00%	1,050,000,000	100.00%

TOP 25 SHAREHOLDERS

No.	NAME	HOLDINGS	%
1	BOTSWANA PRIVATISATION ASSET HOLDINGS	535,500,000	51.00%
2	BPOPF - ACTIVE MEMBERS AND DEFFERED PENSIONERS		
	FNB BOTSWANA NOMINEES RE: BIFM - ACT MEM & DP EQ	38,918,224	3.71%
3	GOVERNMENT OF BOTSWANA MINISTRY OF TRANSPORT & COMMUNICATIONS	33,230,800	3.16%
4	FNBB NOMINEES VUNANI BPOPF BOTSWANA PUBLIC PENSION FUND VUNANI	25,765,771	2.45%
5	FAROUK ISMAIL	13,180,064	1.26%
6	NINETY-ONE-DEBSWANA PENSION FUND (DOMESTIC EQUITIES NINETY-ONE-DEBSWANA PENSION FUND (DOMESTIC EQUITIES))	8,316,084	0.79%
7	BOTSWANA POLICE SAVINGS AND LOANS GUARANTEE SCHEME	5,884,495	0.56%
8	BANK OF BOTSWANA DEFFERED CONTRIBUTION STAFF PENSI BANK OF BOTSWANA DEFFERED CONTRIBUTION STAFF PENSI	5,292,286	0.50%
9	DITIRO CLEMENT LENTSWE	5,077,814	0.48%
10	BOTSWANA PRIVATISATION ASSET HOLDINGS BPAH	4,502,790	0.43%
11	MOTOR VEHICLE ACCIDENT FUND MOTOR VEHICLE ACCIDENT FUND VAF/15/2007	4,232,400	0.40%
12	STANBIC NOMINEES BOTSWANA RE BIFM MLF STANBIC NOMINEES BOTSWANA RE BIFM MLF BIFMMLF	3,313,614	0.32%
13	SCBN(PTY)LTD RE:STANLIB 028915000020 SCBN(PTY)LTD RE:STANLIB 028915000020	3,299,636	0.31%
14	MBIGANYI CHARLES TIBONE	3,226,051	0.31%
15	NICHOLAS WEST ERIC	2,495,489	0.24%
16	SCBN (PTY) LTD RE: BIFM 028914400011 SCBN (PTY) LTD RE: BIFM 028914400011	2,313,092	0.22%
17	JOSEPH KGOTLAETSILEMOLEMI	2,258,199	0.22%
18	ALEXANDER FORBES RETIREMENT FUND ALEXANDER FORBES RETIREMENT FUND	2,218,799	0.21%
19	SIMONHIRSCHFELD	2,051,934	0.20%
20	STANBIC NOMINEES BOTSWANA RE MORULA RE DPF STANBIC NOMINEES BOTSWANA RE MORULA RE DPF MORULADPF	1,898,038	0.18%
21	FNBB NOMINEES (PTY) LTD RE: IAM BBBSPF FNBB NOMINEES (PTY) LTD RE: IAM BBBSPF CO.2003./1265	1,546,023	0.15%
22	SETHUNYIWE TACHIMBELE OITSILE	1,425,480	0.14%
23	FAIZELISMAIL	1,421,227	0.14%
24	SCBN (PTY) LTD RE: NINETY ONE 3292505 SCBN (PTY) LTD RE: NINETY ONE 3292505	1,357,143	0.13%
25	BAITSENG DIRENG	1,330,842	0.13%
	OTHERS	339,943,705	32.38%
	TOTAL	1,050,000,000	100.00%

SHAREHOLDING CATEGORIES

	Shareholders		Shares held	
	Number of holders	%	Number	%
Corporate bodies	341	0.82%	37,865,900	3.61%
Nominees companies	49	0.12%	108,814,528	10.36%
Private individuals	40,950	99.02%	329,761,189	31.41%
Trusts	11	0.03%	324,793	0.03%
Non Public shareholders	3	0.01%	573,233,590	54.59%
TOTAL	41,354	100%	1,050,000,000	100%



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