



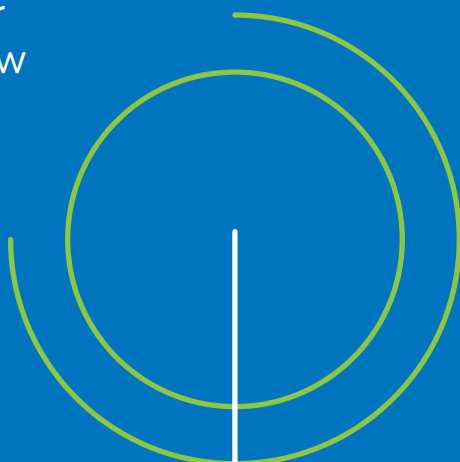
BOTSWANA OIL
Your Fuel. Your Future

INTEGRATED REPORT **2023/2024**

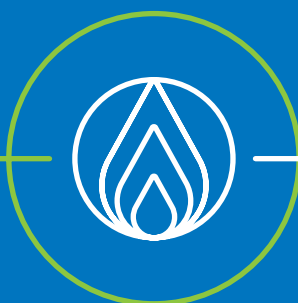
FUELLING TODAY FOR A SECURE TOMORROW



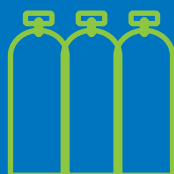
Fuelling today for
a secure tomorrow



○ **INTEGRATED
REPORT**



2023
2024



FUELLING TODAY
FOR A SECURE
TOMORROW



Table Of Contents

01 About This Report	pg 04	09 Key Strategic Partnerships	pg 80
02 2023/24 Performance At A Glance	pg 06	10 Strategic Projects	pg 82
03 Botswana Oil Limited At A Glance	pg 10	Francistown Expansion Project	pg 83
Who We Are	pg 10	Tshele Hills Depot	pg 84
What We Do	pg 12	Ghanzi	pg 84
Our Value Proposition	pg 12	11 Future Projects	pg 85
Why We Exist	pg 13	The Ikaeng Coal to Liquids Project	pg 85
Our Supply Routes	pg 15	12 Operational Resilience	pg 86
Our Stakeholders' Needs	pg 16	13 Enterprise Risk Management	pg 90
04 Our Integrated Approach to Value Creation	pg 16	14 Operational Highlights	pg 97
05 Celebrating 10 years of excellence	pg 20	15 Outlook	pg 100
06 Governance structure and effectiveness	pg 28	16 Sustainability	pg 102
Chairperson's Statement	pg 28	Diversity, Equity & Inclusion (DEI)	pg 102
Board of Directors	pg 32	Corporate Social Responsibility	pg 103
King IV Application	pg 33	Support for Local Businesses Economic Empowerment	pg 105
Board Sub-Committees	pg 34	17 Financial Performance	pg 108
Board Remuneration	pg 35	18 Financial Statements	pg 109
07 CEO's Value Creation Statement	pg 44	19 Glossary	pg 147
External Operating Environment	pg 48		
Stakeholder Relationship Management	pg 50		
Material Matters	pg 56		
Business Strategy	pg 66		
Botswana Oil's Business Model	pg 72		
08 Human Capital Transformation	pg 74		
Leadership Development & Succession Planning	pg 74		
Talent Management & Succession Planning	pg 74		
Culture Transformation	pg 75		
Performance & Remuneration	pg 75		
Graduate Development Programme	pg 76		

About this report

Botswana Oil Limited ('BOL') serves as the National Oil Company, entrusted with ensuring the security and efficiency of fuel supply and the distribution of petroleum products across Botswana.

Our responsibilities include managing and maintaining Government-owned strategic storage facilities and strategic stocks, while fostering significant involvement of citizen companies in the petroleum industry.

The financial year 2023/24 marks a historic milestone as we unveil our first Integrated Annual Report ('IAR').

This report signifies our unwavering commitment to transparency, sustainability and the creation of long-term value for our stakeholders.

It underscores our mandate and dedication to advancing Botswana's energy sector. BOL's strategy is built on four key pillars: security of fuel supply, sustainability, citizen participation and becoming a high performing company.

By integrating our financial and non-financial performance, we aim to provide a holistic view of our operations, highlighting our efforts to innovate, minimise environmental impact and contribute positively to the communities we serve. We believe this integrated approach will foster greater understanding and trust for Botswana Oil Limited, paving the way for a more sustainable and prosperous future.



Local and international requirements and frameworks have guided the information provided in this IAR.

These frameworks include the following:

**Botswana
Accountancy
Oversight Authority
(‘BAOA’)**

**International
Integrated Reporting
Council (‘IIRC’)
Framework**

**International
Financial Reporting
Standards (‘IFRS’)**

**King IV Code
of Governance
Principles**

Environmental Social Governance (‘ESG’) related disclosures were selected with reference to the Global Reporting Initiative (‘GRI’), Sustainability Accounting Standards Board (‘SASB’) standards as well as the United Nations Sustainable Development Goals (‘SDGs’).

Materiality

Botswana Oil Limited (“BOL”) adopted the “double materiality” approach in this integrated report in line with the global best practices referencing our internal and external environments. The process of determining and prioritising material matters and our disclosure of these is discussed on [page 56](#). We report back against these themes and matters throughout the report.

Disclosure and Assurance

BOL aims at the highest standards for all disclosures in this Integrated Report to provide stakeholders with meaningful, accurate, complete, transparent and balanced information. The Board its committees and management were involved in finalising disclosures made in this IAR and assumed responsibility for the information contained herein.

The financial information included in this IAR was prepared in accordance with IFRS, with Grant Thornton Botswana independently assuring the annual financial statements.

Forward-looking Statements

This Integrated Report contains forward-looking statements regarding the future, objectives, strategies and performance of Botswana Oil Limited.

Factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, changes in economic conditions, market trends, regulatory developments, technological advancements and competitive dynamics.

Botswana Oil Limited undertakes no obligation to publicly update or revise any forward-looking statements, whether because of current information, future events, or otherwise, except as required by law. We aim to create sustainable value for all stakeholders and remain committed to transparency, accountability and continuous improvement in our operations and strategic initiatives.

Vetting and Approval

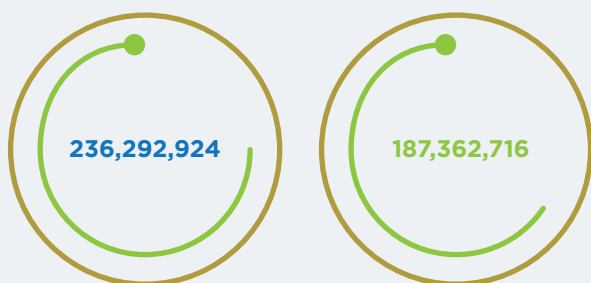
The Board approved the IAR on 25 March 2025 and acknowledged its responsibility for its accuracy. It has applied its collective expertise and, in its opinion, this IAR addresses all material issues and presents an integrated view of the Company’s performance in the year under review.



Performance at a Glance

Financial Performance

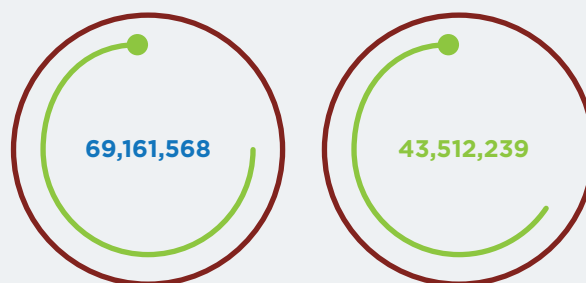
Volumes Supplied (Million Litres)



2023/24

2022/23

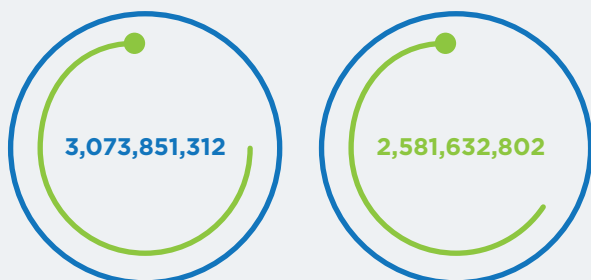
Finance Income



2023/24

2022/23

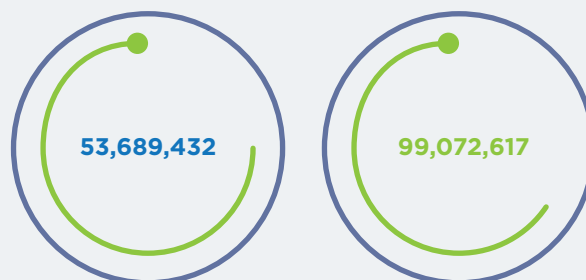
Sales (BWP)



2023/24

2022/23

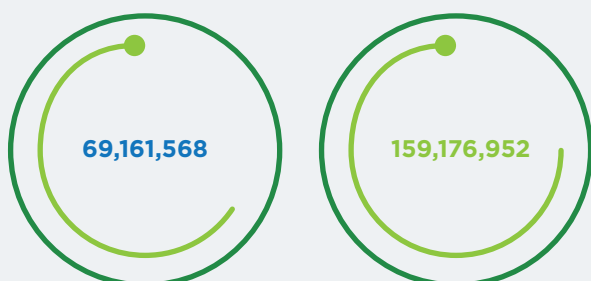
Net Profit



2023/24

2022/23

Gross Profit



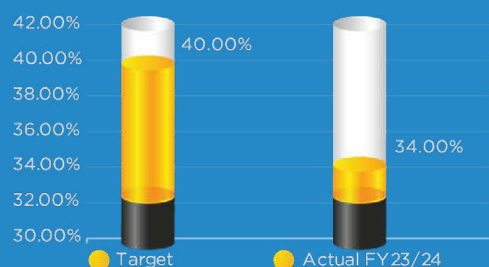
2023/24

2022/23

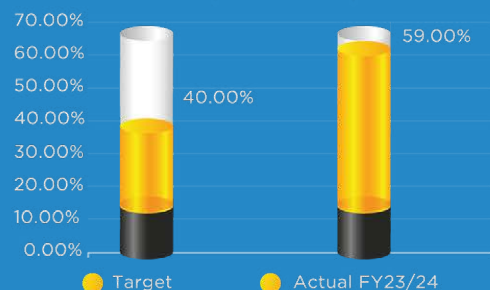


Operational & Strategic Performance

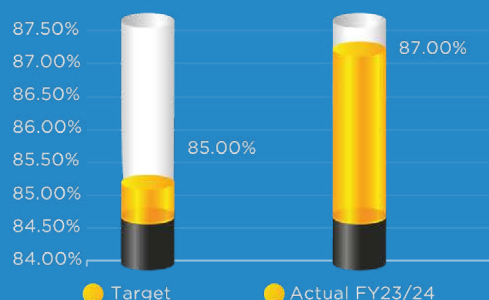
% Supply from Alternative Sources



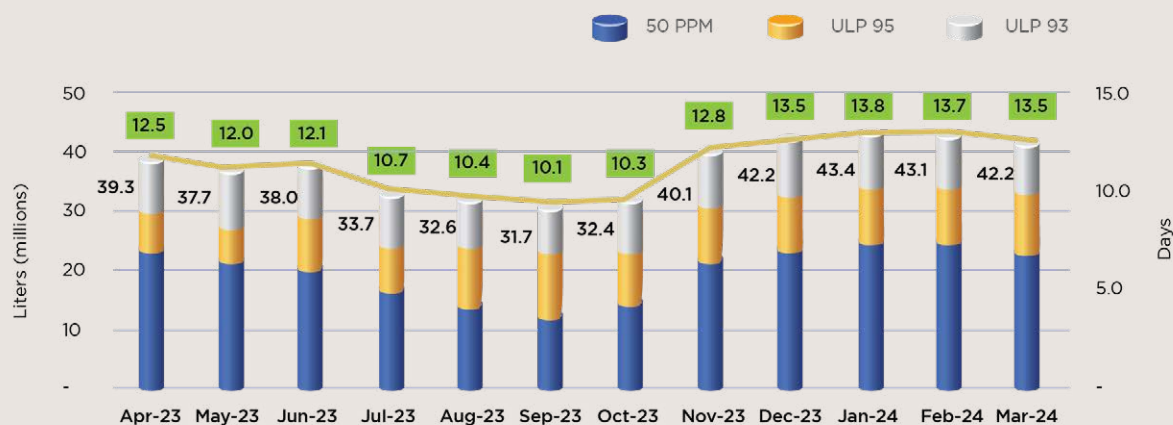
% Fuel Transported by COOC by Road



% Goods & Services from Local Companies



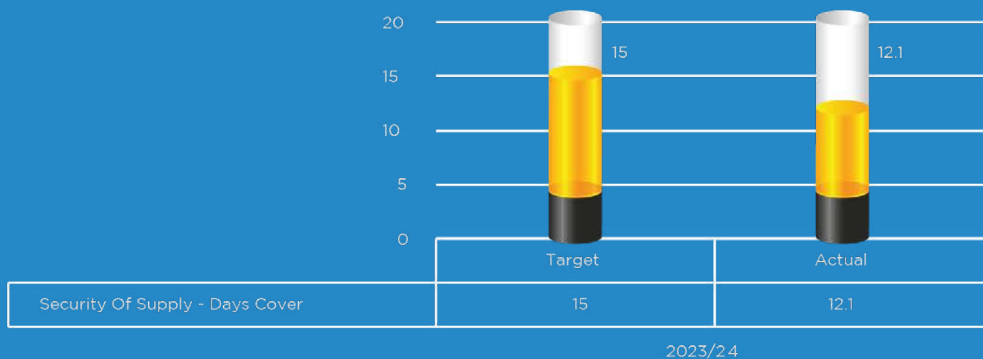
Strategic Stock Movements



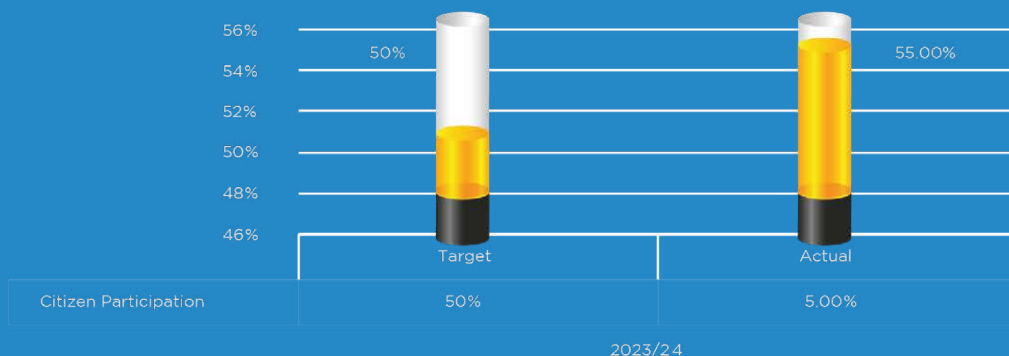
Performance at a Glance (Cont)

Operational & Strategic Performance

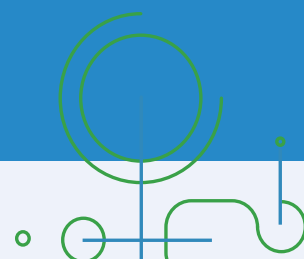
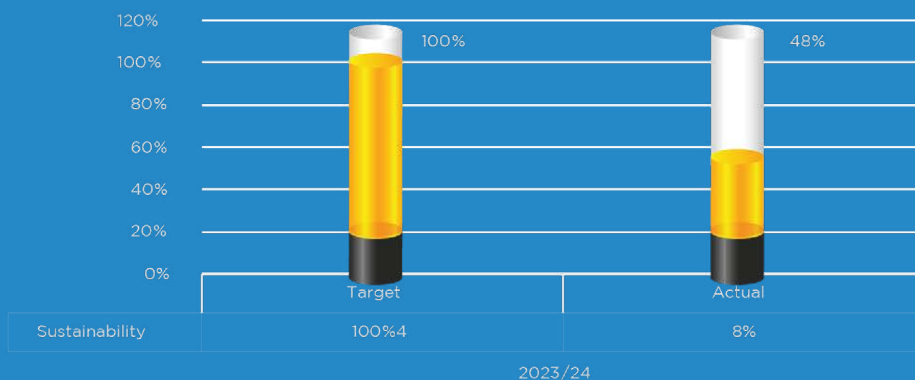
Security of Supply-Days Cover



Citizen Participation



Sustainability



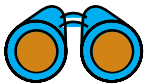


Botswana Oil Limited at a Glance

Who we are

Botswana Oil Limited, established in 2013 and incorporated under the Companies Act of Botswana, operates as the National Oil Company, wholly owned by the Botswana Government, under the Ministry of Minerals and Energy (MME).

Our mission is to align with national goals, ensuring sustainable and strategic management of Botswana's petroleum resources for long-term value creation.



Vision

To be a significant leader in the oil and gas industry.



Mission

Ensuring the security of supply through sustainable and efficient distribution of petroleum products and services.

Our Values



Commercial Excellence



Continuous Improvement



Integrity



Teamwork



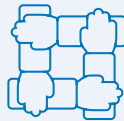
Social Responsibility



Integrity

We are honest with ourselves and others. We meet the highest ethical standards in all our business dealings. We do what we say and always keep our word. We accept responsibility and hold ourselves accountable for our work and our actions.

We encourage a culture of zero tolerance to fraud and corruption and are responsible corporate citizens.



Teamwork

We treat each other with respect and communicate openly. We foster collaboration while encouraging individual contribution and responsibility.

We encourage the best ideas to surface from anywhere within the organisation. We appreciate the value of multiple perspectives and aim for a values-driven culture based on integrity, respect and teamwork.



Commercial Excellence

We are committed to fostering a business mindset within the organisation that promotes profitability, efficiency and the implementation of best practice business processes. We have an unwavering commitment to being a good corporate partner focused on building productive, collaborative, trusting and beneficial relationships with governments, other companies, our customers and our communities.



Social Responsibility

We endeavour to create a clean, safe and healthy workplace and environment. All aspects of our business are managed in a safe and environmentally responsible manner in accordance with statutory requirements.

We endeavour to actively contribute to the society in which we operate, run the company operations in an environmentally friendly and sustainable manner in accordance with statutory requirements.



Continuous Improvement

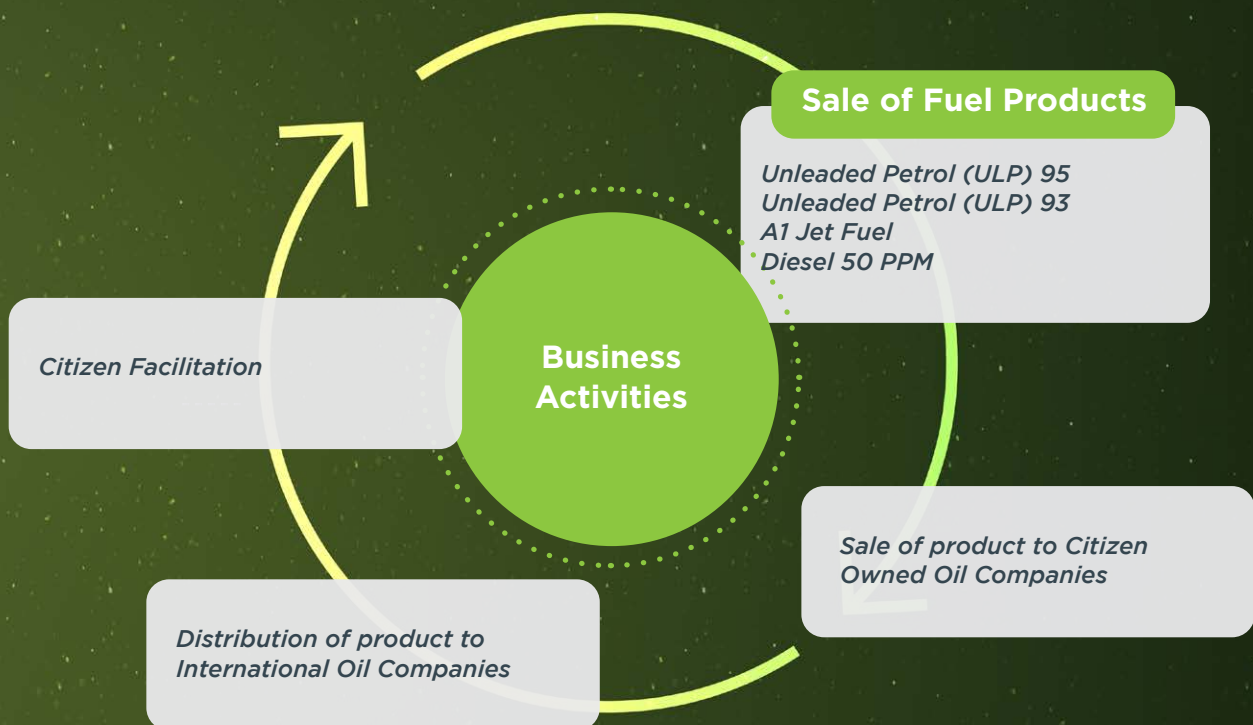
We are committed to excellence in everything we do and continually strive to improve across the organisation. We are passionate about achieving results that exceed expectations – our own and those of others.

We drive for positive results with energy and a sense of urgency. We seek new opportunities and out-of-the-ordinary solutions. We use our creativity to find unexpected and practical ways to solve problems. Our experience, technology and perseverance enable us to overcome challenges and deliver value.

Botswana Oil Limited at a Glance (Cont)

What we do

Our core business activities at Botswana Oil Limited revolve around the sale of fuel products, facilitating active citizen participation, supporting citizen-owned oil companies and distributing fuel products to Oil Companies.



Our Value Proposition

Aligned with our core operations, Botswana Oil is dedicated to importing and supplying premium products while encouraging local participation to ensure a stable fuel supply. Our brand promise includes securing fuel through diverse supply routes, developing sustainable infrastructure and committing to environmental stewardship with a goal of zero environmental impact.

We strive to be a responsible corporate entity, provide exceptional customer service and adhere to product quality standards. This comprehensive approach underscores our commitment to sustainable growth, excellence in the energy sector and creating value for our shareholders and people.

Our tagline, **“Your Fuel, Your Future,”** highlights our dedication to our mission and the significant contribution Botswana Oil Limited makes to Botswana’s economy.

Our clients & how we serve them

Botswana Oil Limited operates under a business-to-business (B2B) operating model serving a portfolio of different market segments through a customisable multi-channel approach. Our diverse customers include.

- International Oil Companies (IOCs)
- Government & Government Owned Entities
- Citizen Owned Oil Companies

Botswana Oil Limited at a Glance (Cont)

Why we exist

Botswana Oil is the National Oil Company of Botswana, mandated to:



**1. Ensure security
and efficiency of fuel
supply**



**2. Manage & Maintain
Government owned
strategic storage
facilities and strategic
stocks**



**3. Driving economic
transformation
and aligning with
sustainability**



Botswana Oil Limited at a Glance (Cont)

Our business model follows a willing buyer willing seller (WBWS) approach, ensuring all transactions are conducted without pressure and long-term commitment from either party.

We tailor our services to meet the unique needs of our clients' business models. Some clients receive products directly at their sites through the direct bridging method, while others collect products from our depots. Each client is served in a manner that best suits their operational requirements.

Our clients use these products for their business operations and or distribution through their retail networks.



Client Sales and Volumes Supplied for
Financial Year 2023/24

Volumes Supplied Per Million Litres

13%

COOC

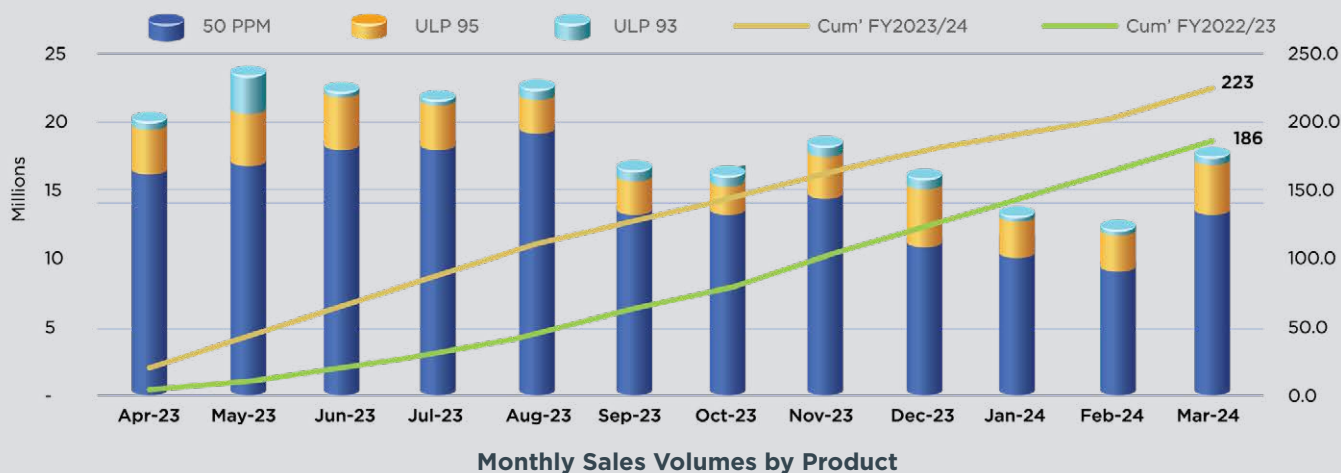
44%

Government &
Government Agencies

43%

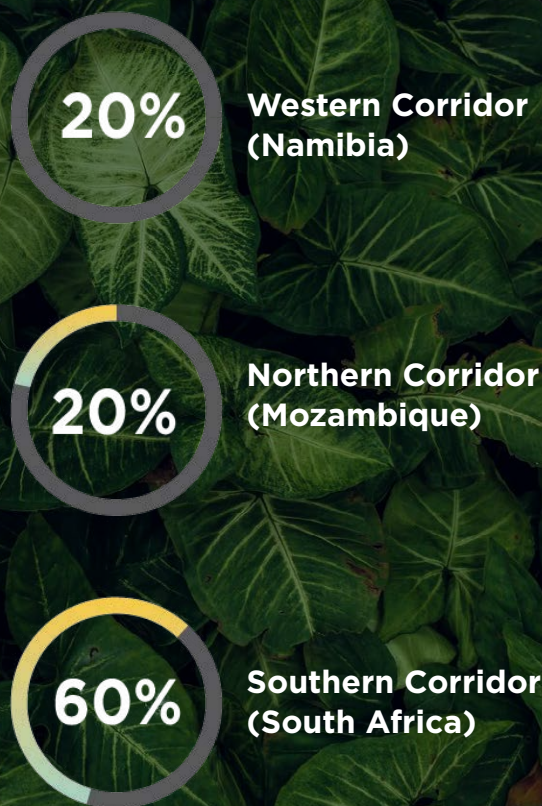
IOC

THROUGHPUT VOLUMES FY2023/24



Botswana Oil Limited at a Glance (Cont)

Percentage Split of Consumption Envelopes



Our Supply Routes

To fulfil our brand promise of exceptional customer service through timely delivery and ensuring security of fuel supply, our supply strategy focuses on diversifying sources and routes of fuel supply, our plan is to source from different suppliers in various countries sharing borders with Botswana via both rail and road, including South Africa, Mozambique and Namibia.

Diversification of sources and routes mitigates the concentration risk associated with having a single source of supply of product and lead to improved security of supply for the country.

Our model is envisaged to ensure that volumes sourced from Namibia are delivered and consumed in the western corridor of Botswana (Ghanzi-Shakawe), volumes sourced through or from South Africa are consumed in the southern part of Botswana while volumes sourced from Mozambique are delivered and consumed in the northern part of Botswana.

This results in a distribution split of 60% from South Africa, 20% from Mozambique and 20% from Namibia, in line with the estimated consumption patterns of Botswana in the western, southern and northern regions.



Import Split

60% Imports from South Africa
20% Imports from Namibia
20% Imports from Mozambique

Logistics Split

SA - Road & Rail
Mozambique - Road & Rail
Namibia - Road

KEY

	Storage Terminal		Planned Trans-Kalahari Railway
	Refinery		Transport by Rail
	Import Port		Transport by Truck
			Oil Product Pipeline

Our Integrated Approach to Value Creation

As we embark on our journey into integrated reporting for the financial year, our goal is to unite the various components of our company and concentrate our efforts on value creation for both the business and our stakeholders. We seek to map the relationships between key areas and demonstrate how we intend to fulfil our purpose through:

Understanding Our Operating Landscape

Our ability and capacity to create value as Botswana's National Oil Company is closely tied to the global macroeconomic environment and its effects on the energy sector. To ensure we stay ahead and fulfil our mandate, we meticulously examine the factors that shape the macroenvironment in relation to our business and operations. Which enables us to pinpoint emerging trends and opportunities and to adjust our strategies and make well-informed decisions that enhance our ability to create value.

See more on External Operating Environment - Page 48

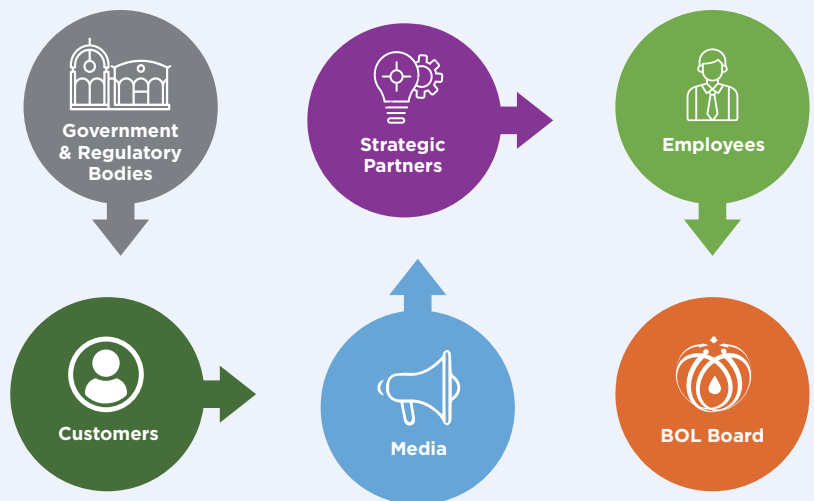


Our Stakeholders' Needs

By understanding and anticipating our stakeholders' evolving needs, we effectively manage our interactions and ensure that we remain aligned with their expectations.

This process not only helps us build trust and collaboration but also enhance our ability to respond to stakeholder concerns. In future we intend to create a robust network of relationships that support our long-term success and mutual value creation for our stakeholders.

See more on Stakeholder Relationship Management - Page 50



Monitoring Our Risks and Opportunities

By assessing our business risks and implementing effective risk management strategies, we aim to enhance the resilience and robustness of our operations.

- ◊ **Meeting Market Demands:** We focus on aligning our products and services to meet evolving market needs.
- ◊ **Operational Costs Coverage:** Ensuring our margins are sufficient to cover budgeted operational costs.
- ◊ **Strategic Stock Maintenance:** Maintaining adequate strategic stocks to secure supply.
- ◊ **HSSEQ Management Systems:** Ensuring the effectiveness of our Health, Safety, Security, Environment and Quality (HSSEQ) management systems.
- ◊ **Counterparty Risk:** Managing risks associated with our business partners.
- ◊ **New Revenue Streams:** Identifying and developing new revenue streams.
- ◊ **Information and Cyber Security:** Strengthening our information and cyber security measures.
- ◊ **Gross Margin Growth:** Focusing on initiatives to grow our gross margins.
- ◊ **Operational Efficiency:** Improving the efficiency of our business operations.
- ◊ **Strategic Infrastructure Projects:** Ensuring the successful delivery of strategic infrastructure projects.
- ◊ **Stakeholder Alignment:** Aligning and meeting the expectations of our key stakeholders.
- ◊ **Talent Attraction and Retention:** Attracting and retaining top talent.
- ◊ **Governance and Compliance:** Managing governance risks and ensuring compliance with regulatory requirements.
- ◊ **Citizen Companies Participation:** Ability to meet citizen participation targets.

See more on [page 90](#) - Our risks and opportunities

Our Material Matters

Our journey to value creation could be substantially deterred by a vast array of Environmental, Social and Governance factors in the environment we operate in.

To ensure that we address them we have identified the material topics that could affect Botswana Oil's strategy delivery, ranked the matters by priority and also analysed their potential impact and how we are responding to these matters.

- 90% Import Mandate
- Statutory and Regulatory Compliance
- Environment and Safety
- Relationships with stakeholders
- Leadership Development & Talent Management
- Operational Resilience
- Strategic Projects
- Energy Transition (ESG & Sustainability)

See more on [Page 56](#) Material Matters



Our Strategy

By incorporating our five-year strategy into our business model, we aim to ensure security of fuel supply, transform into a high-performing organisation, achieve sustainability and promote citizen participation.

See more on [page 66](#)





Our Value Creation

We leverage a diverse array of financial and non-financial resources commonly referred to as the six capitals, to implement our strategy and drive growth. These capitals encompass:



Financial Capital:

The funds available to us, including debt, equity and internally generated funds



Manufactured Capital:

The physical infrastructure, machinery and tools that enable our production and operational processes



Intellectual Capital:

Our patents, proprietary technologies, brands and the cumulative expertise and knowledge within the organisation



Human Capital:

The skills, experience and capabilities of our employees as well as their motivation and engagement



Natural Capital:

The natural resources we utilise such as energy, water and raw materials and our efforts to manage and sustain these resources responsibly



Social and Relationship Capital:

Our networks, relationships and partnerships with stakeholders including customers, suppliers and the community



Celebrating 10 years of Excellence

This financial year marks a significant milestone for **Botswana Oil Limited** as we **celebrate 10 years of fuelling the nation.**



Since our inception in 2013, **Botswana Oil Limited** has played a focal role in securing and stabilising the nation's fuel supply, significantly contributing to the country's fuel security and economic growth.

Over the years, we have consistently achieved our purpose and mandate with excellence, reinforcing our commitment to Botswana's sustainable development and prosperity.



Reflections on the 10 years



Ms Olivia Ramaselwana
Chief Finance Officer

“Over the past decade, our Company’s journey has been defined by substantial growth in both volume and profitability. Despite experiencing losses and modest profits in the early years, our strategic partnership with Debswana through the CEEP initiative has been transformative.”

This collaboration has been a key driver of our profitability and overall success. Our growth trajectory is measured by critical metrics such as gross margin, net profit and volume growth.

Notably, the past two years have been especially significant, marking our best performance to date. During this period, we have not only seen remarkable profits but also achieved sustainability and stability, solidifying our position in the industry”

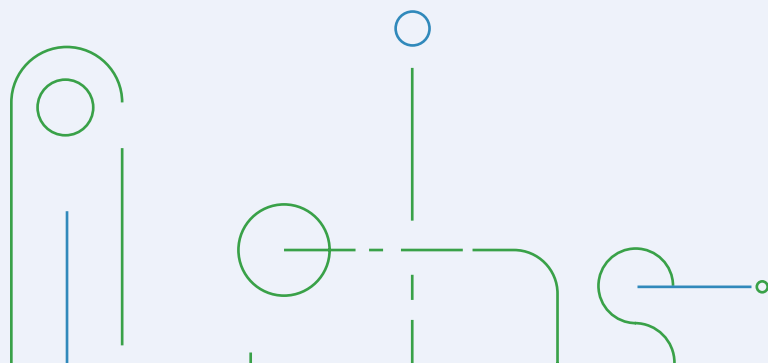


Mr Gamu Mpfu
Acting Chief Strategy &
Sustainability Officer

“We have made considerable progress in our strategic approach, having established a five-year strategic plan for each performance cycle. The company adopted and implemented the balanced scorecard framework strategic planning and management tool, which is employed to convey our objectives.”

This scorecard has been cascaded throughout the organisation to align individual contracts with the overarching strategic plan. Annually, projects, products, services and processes are prioritised to ensure timely delivery and measurable outcomes.

We have developed contingency plans to deal with any supply disruptions that may occur and as a major highlight we have adopted alternative supply routes and sources of supply. Despite the lower sales from the willing buyer-willing seller business model we were operating under, we have recorded significant performance over the years. Our keynote to this is the onboarding and winning the tender worth P8 billion to supply Debswana Diamond mines with petroleum products from August 2022 for a period of five (5) years. This is a strategic partnership for Botswana Oil and Debswana in driving the Government’s citizen empowerment agenda.





Ms Latelang Chakalisa
Chief Legal Officer

“An instrumental driver of our recent achievements has been our focus on negotiating robust commercial terms across functions. Through strategic collaboration, we have optimised value creation, achieved significant cost savings and enhanced operational efficiencies. This cross-departmental effort has propelled positive financial performance and solidified a strong bottom line, reflecting the alignment of all departments with BOL’s long-term goals.

In addition, we have proactively managed risks through rigorous risk management processes led by various teams. By identifying, assessing and mitigating potential risks, we have effectively safeguarded ourselves against operational and legal challenges, ensuring compliance and fostering resilience across the organisation.

“**One of our landmark achievements was the successful lobbying for an amendment to the Botswana Energy Regulatory Authority (BERA) Act. This effort, championed by multiple departments, resulted in an increase in our fuel import quota from 25% to 50%, which will further secure Botswana’s energy future. The resulting BERA (Petroleum Products) Regulations, structure to empower citizen-owned enterprises, has had wide-reaching positive impacts for the country.**”

These collective achievements underscore our strength as a cohesive, purpose-driven organisation. Through the integrated efforts of all departments, we have not only secured Botswana’s petroleum supply for the past 10 years but have also created substantial value for the organisation and the nation”



Mr Onkutule Masima
General Manager Supply

“Over the past decade, our excellence can be attributed to our ability to carve out a niche in the market, despite Botswana’s landlocked position and limited proximity to ports. We engaged with the Botswana Energy Regulatory Authority (BERA) for guidance with regulations on the implementation of the 90% import mandate licence. In addition, we leveraged the Debswana Partnership to ensure citizen participation and market segmentation.

“**Our commitment to maintaining product quality has been unwavering, with stringent quality assurance measures in place for sourcing.**”

This includes adherence to hydrocarbon sourcing standards that align with current petroleum industry trends and global environmental factors.

We take pride in our supply planning, managing consumption through three distinct envelopes and maintaining strategic stock levels. Additionally, we adhere to the highest industry standards, subscribing to the Joint Inspection Group (JIG) to stay updated on best practices. Our involvement with regional bodies ensures we consistently meet quality benchmarks and carefully select our suppliers based on these rigorous standards.”



Ms Gofaone Chibana
Acting Chief Human Capital Officer

“From a Human Capital perspective, our excellence is evident in the remarkable growth of both our Company and workforce.”

Since our establishment in 2014 with around 13-14 employees, we have expanded significantly, reaching a current headcount of 118 employees. As professionals, we have driven this growth, witnessing and shaping our evolving culture. Adapting to the dynamics of a high-performing workforce has been key to our success.

We have implemented culture transformation frameworks, talent management strategies and refined performance management processes to keep our workforce engaged and productive.

Our commitment to training and development has evolved, with a focus on engaging graduate trainees to foster their growth within the petroleum industry.

This strategic initiative enhances our competitiveness in attracting top talent and demonstrates our dedication to HR best practices. Our efforts align the organisation with our rapid goals and reflect our excellence in human capital management.



Mr Otto Keitumetse
General Manager Operations

“Operations is a critical department in executing the strategic mandate of Botswana Oil Limited. One of the major successes of our company in the past 10 years, was the takeover of the operation and management of the Botswana Government Strategic Reserve Storage Facilities in Gaborone and Francistown in 2017, which were previously managed by some International Oil Companies.

With this, the focus on storage infrastructure management has been critical to ensure maintenance of Government Reserve Stocks at appropriate levels to achieve our target for days cover in the event of supply challenges from where we source product. Additionally, optimising terminal utilisation and improving depot efficiency has been key to enable BOL to supply product as per customers' requirements and expectations.

The maintenance and upkeep of our facilities has also been a key area of focus which ensured reliability and availability of our facilities and the safety of our operations in line with industry standards and the BOL HSSEQ system. With the addition of operational sites at Orapa, Letlhakane & Damtshaa Mines and Jwaneng Mine, following our partnership with Debswana, our operational footprint expanded, effectively necessitating additional competent resources to man the sites, as well as opportunities for citizens to provide maintenance and other support services.

“The ongoing construction of the new and additional Government Strategic Reserve Storage facilities on behalf of the Ministry of Minerals and Energy, is also one of our success stories.

We have also used implementation of these projects to facilitate citizen participation in the petroleum sector, with the reservation of some of the work packages for 100% citizen owned companies.”



A Decade of Achievement

2013

Licensed as a
trader of petroleum
products

2014

Launch of BOL
Brand

First supply to a
citizen company
& international Oil
Company

2015

BOL Tip-off
Anonymous hotline
services launched

2016

Takeover of the
Management of
Gaborone Depot
from Puma Energy
Botswana

2017

Awarded Bronze Prize in the fast delivery category of the SAP Oil in One Solution Transfer of Government oil infrastructure to BOL

Development and operationalisation of the Gaborone Depot Gantry.

2020

Commissioned the Terminal Automation System (Omega 5000) at Gaborone Depot

Construction of the Truck staging Facility

Takeover of operations of the Francistown Depot from Vivo Energy Botswana

2021

Installation of the product testing facility was completed and commissioned

2022

Commissioning of the Depot Efficiency Improvement project introduced

BOL and Debswana Partnership commenced

Francistown Depot Expansion Project Official Ground-breaking

2023

Ghanzi Depot Groundbreaking Ceremony

Cleared accumulated financial losses from previous years



Governance Structure & Effectiveness

Chairperson's Statement

These remarks underscore the strides we have made in advancing our strategic goals across the different focus areas, which amongst others include governance and people, financial performance and operations.

They offer a broad view of how BOL remains dedicated to creating long-term value.

💧 I am proud of the BOL leadership and teams for navigating these uncertainties, keeping us focused on both short-term performance and long-term sustainability. 💧

A Year of Resilience and Adaptation

The past year has been a challenging one for businesses globally, particularly for the petroleum industry, which has been heavily impacted by the ongoing geo-political conflicts. The geopolitical instability has disrupted global demand and supply, leading to fluctuations in international oil prices.

These effects have impacted on the local market, driving up domestic fuel prices. As a result, this has affected Botswana's fuel importation and distribution. Despite the geopolitical and economic volatility, as well as market disruptions, BOL has demonstrated resilience, adaptability and a steadfast commitment to its stakeholders. We have been able to fulfil our core mandate of ensuring fuel security and sufficiency.

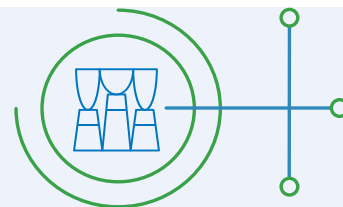
On behalf of the Board, I am proud of the BOL leadership and teams for navigating these uncertainties, keeping us focused on both short-term performance and long-term sustainability.

Robust Governance Practices as a Key-Cornerstone for Success

As Chairperson, I am particularly proud of the strength of our governance framework. Good governance is critical to navigating complex risks and seizing opportunities, thus enabling the company to effectively achieve its core objectives and mission.

Throughout the year, the Board has upheld the highest standards of oversight and accountability, utilising its various committees to ensure that BOL's strategic plans are executed in alignment with our corporate values and mission.

Governance Structure & Effectiveness (Cont)



A notable achievement this year, has been BOL's tenacity in preparation for the transition into the 90% Import Mandate after Cabinet pronouncement in October 2023 that the license will take effect on 1st April 2024. These reforms aim to enhance fuel sufficiency, security and accountability, while promoting greater inclusivity for citizens in the petroleum industry value chain. BOL has in the financial year, placed strong emphasis on risk management, compliance, effective stakeholder engagement and ethical business practices throughout its operations, especially in light of anticipated reforms within our industry.

Strategic Focus and Performance

Over the course of the year, we have continued to make significant strides in executing our strategic priorities, particularly in advancing key infrastructure projects to enhance security of fuel supply and increase citizen participation in the petroleum industry.

I am pleased to report that our financial performance presented in this report remains strong, reflecting a resolute and disciplined approach towards profitability, revenue diversification and cost containment.

Performance was strong across key indicators, including volumes, revenue, operating expenses, and overall profitability. Botswana Oil Limited (BOL) achieved a profit before tax of P69 million, compared to P99 million in the previous year, a decline of P30 million. This reduction was primarily driven by a decline in diamond sales, resulting in slower production, particularly in the last quarter. Additional contributing factors included stock revaluations and the impact of higher prices from alternative supply routes.

Volumes for the year totalled 236 million litres, representing a 16% shortfall against the revised budget of 282 million litres, although in line with the forecast. The variance was primarily due to supply disruptions in the first half of the year, stemming from the closure of major refineries in South Africa, and a decrease in Debswana volumes in the second half, following production cuts. Despite these challenges, the company's balance sheet remains robust, ending the year at P1.511 billion, representing a 21% growth, which affords us the financial flexibility to pursue growth opportunities while continuing to deliver value to our shareholders. Our cash flow generation was strong, and we maintained a disciplined

approach to capital allocation. This ensures we remain well-positioned to manage future uncertainties and support long-term growth.

This year's performance is a testament to the dedication of our management team and employees, as well as the strength of our strategic partnerships. Looking ahead, we remain focused on delivering sustainable value, grounded in sound governance, strategic agility, and our unwavering commitment to excellence.

On behalf of the Board, I would like to extend my sincere gratitude to all our stakeholders for their continued support and trust in our vision.

BOL also took decisive steps to calibrate and adapt its business strategy from the 'Willing-Buyer-Willing-Seller' model to long term contracts with customers. This approach is planned to start in the next financial year as part of facilitating efficiencies within the business.

This shift comes in as a result of legislative changes that will position BOL as the National Oil Company responsible for the majority of fuel importation into Botswana.

Increasing the country's days cover through construction and monitoring of strategic fuel storage facilities' projects across the country remains core for BOL. We are committed to driving innovative projects to improve energy security in Botswana through these strategic projects.

People and Culture

Our employees are the cornerstone of our success. I am deeply grateful to our dedicated team, whose devotion to innovation and excellence has allowed BOL to thrive in an ever-changing world.

This year, we introduced a cultural blueprint and conducted an organisational structure review to align with our revised strategy and the anticipated 90% import mandate. As a result, our workforce grew from 65 to 118 employees by the end of the year.

As we continue to expand, we remain committed to fostering a culture of diversity, inclusion and continuous learning. These values ensure that BOL not only remains a resilient and adaptable organisation but also a great place to work for everyone.

Environment, Social and Governance (ESG) Commitment

Aligned with our ESG commitments, we remain dedicated to environmental stewardship and stakeholder safety. For the reporting year, we had a review of our Health Safety Security Environment (HSSE) and Quality policy. In addition, we have developed a structured Citizen Economic Empowerment plan to facilitate meaningful participation of citizens in the petroleum value chain. The development of an ESG Strategy is one of the key focus areas for the next reporting period and we are confident that these dedicated efforts will create long-term sustainable value for our stakeholders and strengthen our position as a leader in the oil and gas industry.

Appreciation

I would like to express my sincere gratitude to my fellow Board members for their wisdom, insight and collaboration over the past year. I am pleased that the BOL Management and staff dedicated their time and efforts to achieve tremendous success during this financial year. To our shareholders and stakeholders, thank you for your continued support and patience.

As a business we treasure the relationships we have built over the years and remain committed to building a sustainable, successful future together.

Mr Martin Makgatlhe
Board Chairman





Board of Directors

The Board is convinced that effective governance is pivotal to business success and sustainability, ensuring that Botswana Oil maintains strong relationships with its customers, employees and shareholders.

By acting in the best interests of all stakeholders, the company creates shared value and fosters mutual growth.

Sub-Committees of the Board

Projects and Security of Supply & Committee

Finance, Audit & Risk Committee

Human Resources Committee

Governance Committee



Board of Directors (Cont)

The Board of Directors is the governing body responsible for providing strategic direction and oversight to BOL. The Board is appointed by the Shareholder through the Ministry of Minerals and Energy, ensuring that members possess a diverse mix of expertise, skills, knowledge and experience, to guide the Company governance effectively. This diverse composition is crucial for addressing the complex challenges and opportunities in the petroleum sector.

King IV Application

Botswana Oil Limited (BOL) adheres to the highest standards of corporate governance to ensure transparency, accountability and ethical management. As a wholly Government-owned entity, BOL follows a structured governance framework designed to align with best practices, including the principles of King IV.

The Botswana Accounting Oversight Authority (BAOA) recommends that Public Interest Companies, such as Botswana Oil Limited, adhere to the King IV practices when issuing their integrated annual reports. The adoption of King IV reinforces our commitment to corporate governance, with a primary emphasis on ethical leadership, attitude, mindset and behavior.

The Botswana Oil Board of Directors is dedicated to aligning with King IV requirements, underscoring our commitment to governance excellence.

Introduction to King IV in Our First Integrated Annual Report

This integrated annual report marks a significant milestone for Botswana Oil Limited as we continue to adopt the King IV principles for our reporting. We are committed to applying these principles across all our operations to meet the highest standards of corporate governance.

The Botswana Oil Board is dedicated to fostering a culture of ethical leadership and governance. This commitment ensures that we operate transparently and

responsibly, aligning our strategic objectives with the principles of King IV to drive long-term value for our stakeholders.

Corporate Governance Practices

BOL is committed to maintaining existing standards of corporate governance, as evidenced by the following practices:

- ◊ **Annual Board Evaluation:** In line with King IV requirements, BOL conducts an annual self-assessment to evaluate the Board's effectiveness.
- ◊ **Members' Declaration of Interest:** Board members declare their interests at each meeting to avoid conflicts of interest.
- ◊ **Reporting to the Shareholder:** Regular reporting to the Ministry of Minerals and Energy, with quarterly briefings to the State President.
- ◊ **Board Capacity Building:** In efforts for Board capacity building, The Board attended the 38th and 39th Corporate Governance Conferences, which addressed emerging trends and best practices in corporate governance under the themes of ESG and Artificial Intelligence.

Key Focus of the Board

During the fiscal year, the Board and its committee focused their attention on:

- The 90% Import Mandate Readiness
- Organisational Structure Review
- Strategic Projects oversight



The Board approved the following new Policies:

1. Investment Policy
2. Pricing Policy
3. Compliance Policy
4. Data Protection Policy
5. Performance Management Policy

The Board reviewed and approved the following existing Policies:

1. Conditions of Service
2. Corporate Social Responsibility

Sustainability Policy

The Board acknowledges the significant challenges ahead and remains dedicated to finding solutions that will ensure the long-term sustainability of Botswana Oil Limited. Recognising the unique requirements of a state-owned enterprise, the Board is committed to streamlining governance processes to facilitate commercial business activities.

Board Sub-Committees

Botswana Oil Limited's Board relies on the effectiveness of four key committees to ensure robust governance and oversight. These committees include the Projects and Security of Supply (PASS), Finance, Audit and Risk Committee (FARC), Human Resources Committee (HRC) and the Governance Committee (GC). Each committee is chaired by a dedicated board member and consists of various board members with relevant expertise. The committees meet quarterly and as needed to address specific issues.

Roles & Responsibilities

Each committee has well-defined roles and responsibilities:

1. The Board set up the Projects & Supply Security

(PASS) Committee mandated with providing oversight of BOL's mega and critical projects (strategic infrastructure projects) and security of supply of petroleum products and any other products as may be supplied in line with the BOL mandate

2. The Finance, Audit and Risk Committee (FARC)

oversees financial reporting, audits, risk management and compliance.

- 💧 **Mandate:** Assist the Board in financial oversight, risk management and internal controls.
- 💧 **Composition:** Three independent members, including two non-executive directors and one external expert.
- 💧 **Meetings:** Three ordinary and one special meeting in the review period.

3. The Human Resources Committee (HRC) is

responsible for overseeing recruitment strategies, employee welfare and remuneration policies.

- 💧 **Mandate:** Oversee strategic HR management, remuneration policies and talent development.
- 💧 **Meetings:** Three ordinary and three special meetings during the review period.

Board of Directors (Cont)

4. The Governance Committee ensures that the board adheres to high governance standards and introduced key policies such as the 'Customer and Stakeholder Complaints and Dispute Policy' in February 2024 and revised authority limits in the 'Corporate Social Responsibility and Sustainability Policy.'

- ◊ **Mandate:** Oversee corporate governance practices, ethics, board composition, stakeholder management and CSR programmes.

- ◊ **Responsibilities:** Include board nominations, remuneration policy and ensuring compliance with laws and regulations.
- ◊ **Meetings:** Three ordinary meetings were held during the review period. Attendance at Meetings

During the year under review, the Board convened four ordinary meetings and six special meetings. These meetings follow a structured approach, ensuring delegation, reporting and accountability are maintained.

Attendance records highlight the commitment of board members to govern and steer the company effectively.

	Main Board	PASS Committee	Finance Audit & Risk Committee	Human Resources Committee	Governance Committee
M.M. Makgatlhe	8/9				
N.Z. Mothebe	9/9	5/5			5/5
K.G. Matswiri	9/9	5/5	4/5		
Adv. O. P. Batshabile	9/9	5/5			5/5
C.S. Botlhole- Mmopi	8/9		5/5		
M. Sibanda	8/9			6/6	
J.M. Mookodi	9/9			6/6	5/5

* **Attendance Report**

Board Remuneration

BOL adheres to a structured and transparent approach in remunerating its Board members.

The remuneration policy is designed to attract and retain highly qualified and experienced individuals to oversee the strategic direction and governance of the company.

Presidential Directive CAB 30B/2023 REV.1

The remuneration of BOL's Board members is guided by the Presidential Directive CAB 30B/2023 REV.1.

This directive outlines the remuneration framework for Board Members of state-owned entities, ensuring that compensation is fair, competitive and aligned with national standards.

The directive serves as a benchmark for setting remuneration levels, reflecting the responsibilities and complexities involved in governing a significant state-owned enterprise like BOL.

Board of Directors (Cont)

Remuneration Structure

Our board remuneration structure comprises several components designed to reward the Board members for their time, effort and expertise. These components include:

- ◊ **Board Fees:** Fixed annual fees for Board members, which are determined based on the guidelines provided by the Presidential Directive.

These fees are intended to compensate members for their participation in Board meetings and their oversight functions.

- ◊ **Committee Fees:** Additional fees are provided to Board members who serve on various committees, recognising the extra responsibilities and time commitment required.
- ◊ **Allowances:** Reimbursement of expenses incurred while performing Board duties, including travel and accommodation expenses for attending meetings.

Key Principles

The key principles guiding our Board Remuneration Policy include:

- ◊ **Fairness and Transparency:** Ensuring that the remuneration process is transparent and that Board members are fairly compensated for their contributions.
- ◊ **Competitiveness:** Aligning remuneration levels with industry standards to attract and retain top talent.
- ◊ **Performance-Based Rewards:** Incorporating elements that recognise and reward the performance and contributions of individual Board members.

Governance and Review

The remuneration policy is regularly reviewed to ensure it remains relevant and competitive. The Board Remuneration Committee is responsible for overseeing the implementation of the remuneration policy and recommending any changes to the full Board for approval. This committee ensures that the policy

continues to align with best practices and the evolving needs of the company.

Compliance and Accountability

We are committed to complying with all relevant regulations and guidelines concerning Board remuneration. By adhering to the Presidential Directive CAB 30B/2023 REV.1, we ensure that its remuneration practices are consistent with national standards and reflect the company's commitment to good governance and accountability.

Compliance Framework

Our compliance framework is designed to ensure adherence to all relevant laws, regulations and industry standards.

The framework is benchmarked against other national security players to incorporate best practices and ensure regulatory excellence.

1. Regulatory Compliance:



Legal Compliance: We comply with local legal requirements, including environmental regulations, labour laws and industry-specific standards. Regular audits are conducted to ensure compliance and identify areas for improvement.



Regulatory Liaison: We maintain active communication with regulatory bodies to stay informed of any changes in the regulatory environment and ensure timely compliance.

2. Ethical Standards:



Code of Conduct: Our Code of Conduct outlines the ethical standards expected of all employees and stakeholders. This code promotes integrity, transparency and accountability in all business dealings.



Training and Awareness: Regular training programmes are conducted to raise awareness of compliance requirements and ethical standards. These programmes ensure that employees understand their responsibilities and adhere to the company's values.

Board of Directors (Cont)



Mr Martin Makgatlhe, Board Chairman

Mr. Martin Makgatlhe holds a BA (Econ) from the University of Botswana. He has vast experience in the capital markets sector, having assisted in the establishment and development of the Botswana Stock Exchange and pioneering both the asset management and stock broking industries.

He has served on various boards in the private and public sectors, including the Presidential Task Team on Vision 2036 (Deputy Chairman), Vision 2016 Council (Chairman), Botswana Post (Chairman), Botswana Stock Exchange, Central Securities Depository Botswana and Botswana Building Society.

He is currently an Independent Non-Executive Director and Chairperson of Letshego Financial Services Botswana as well as a Trustee of the Sir Ketumile Masire Foundation.

He is the founder and CEO of the stock brokerage firms Motswedi Securities and Motswedi Securities Lesotho.



Adv. Pearl Batshabile, Board Member

Adv. Batshabile is a graduate of Law holding an LLB from the University of Pretoria (RSA) and reading for her LLM with the same institution. She has been duly admitted as an Advocate in the High Courts of Botswana having her own private practice, Batshabile Advocate Chambers.

Her legal experience started at Shapiro and Shapiro Inc., later known as Shapiro and Ledwaba Inc. (RSA), she was a legal advisor for Arts Revelations Co. (RSA) and a legal assistant at Adv. Sidney Pilane Chambers prior to serving her pupillage with the same entity.

Furthermore, she was an administrator for Momentum Health Care Medical Aid (RSA).

Adv. Batshabile is the founder of an initiative called #bookdrive dedicated to donating books (exercise and hardcover books) to government primary schools across Botswana, having already donated over 500 books to Goo-Tau Primary School during the year 2021.



Ms Setshedi Botlhole Mmopi, Board Member

Ms Botlhole-Mmopi holds a BCom (Accounting) from the University of Botswana. She is admitted as a Fellow member of the Association of Chartered Certified Accountants (FCCA). She has extensive experience in the oil industry, having progressed to the helm of finance management at BP Botswana over a nine-year period.

She worked as CFO within the mining and banking sectors, culminating at Botswana Post, where she also served as Head of Mail Business. Setshedi is a seasoned professional with a strong background in various aspects of fiscal management, as well as business and transformational leadership. She is currently self-employed.

Board of Directors (Cont)



Mr Nchena Mothebe, Board Member

Mr. Mothebe holds a Master of Business Administration (MBA) from the Graduate School of Business, University of Cape Town and a Bachelor of Engineering (Electrical and Electronics) Degree from the Birla Institute of Technology, Mesra, Ranchi in India.

Mr. Mothebe is a Professional Engineer (Electrical and Electronics) registered under the Engineering Registration Board (ERB) Botswana, Chartered Engineer and Member of the Institute of Engineering Technology (IET), United Kingdom.

Mr. Mothebe has over 30 years extensive experience in the energy sector. He is currently the Deputy Permanent Secretary (Green Technology and Energy Security) in the Ministry of Mineral Resources, Green Technology and Energy Security.

He provides technical expertise in the formulation of energy sector policies for sustainable use and economic benefit, amongst other key duties.



Mr Motsile Sibanda, Board Member

Mr. Sibanda holds a Master of Arts in Human Resource Management from the University of Leeds (UK) and a Bachelor of Social Sciences (Public Administration & Political Science) from the University of Botswana. He is a seasoned Human Resources practitioner having held Executive Management roles in various diversified industries ranging from the public service, banking, consulting and mining. He is currently employed in the education sector as Director: Human Resources.

Mr. Sibanda's sound experience and in-depth technical acumen on people practices will enable him to contribute meaningfully as a member of the Board; by providing coaching and technical guidance to ensure Botswana Oil meets its mandate. He joined the Botswana Oil Board on the 1st of April 2021. He brings an in-depth knowledge and experience of people's practices, high performance culture and corporate governance from active participation in other Boards, in the pension industry and more recently, in capital markets entities.



Mr Kenneth Matswiri, Board Member

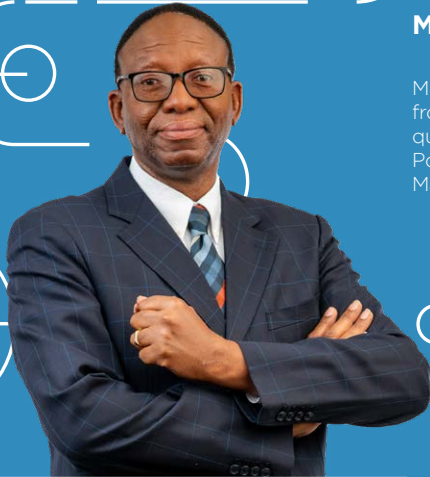
Mr. Matswiri holds an MSc Strategic Management from the University of Derby, a Bachelor of Social Science - Economics and Supply Chain Management University of Natal, Pietermaritzburg and he went through the Management Development Programme of the University of Stellenbosch Business School.

He is the founder and CEO of Thermo Radiators Botswana, an electromechanical entity specialising in manufacture, repair and

refurbishment of earth moving equipment and heavy plant radiators with key stakeholders being Debswana, Komatsu, Barloworld Equipment.

He is also the Managing Director of Growth Properties, a property development corporation, boasting of a well-established Fuel Station in Tsabong and Corner Bakery. Further to that he is also the Director of Value Chain Group, a Transport and Logistics company, with a major focus on refrigerated transport and side tippers.

Board of Directors (Cont)



Mr Judge Mookodi, Board Member

Mr. Mookodi holds B.Eng. Plant Engineering from Nottingham Trent University, an HND qualification in Mechanical Engineering from Portsmouth University and a Diploma in Strategic Management from the University of Derby.

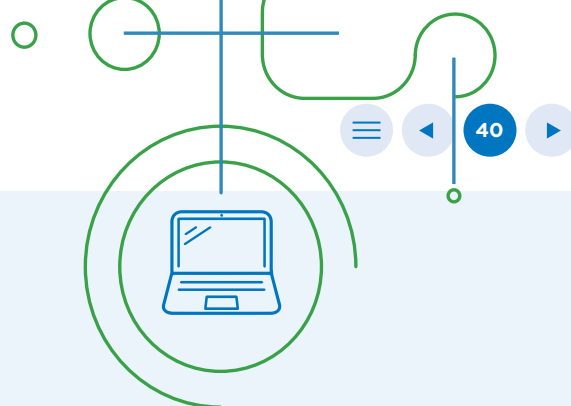
Mr. Mookodi's experience includes being the Chief Executive Officer of the Botswana Football Association, General Manager Cadbury Botswana, General Manager Opti Feeds, Operations Marketing Manager Coca Cola and Market Development Manager Segwana KBL.



Mr Meshack Tshekedi, Ex-Officio Member

Mr. Tshekedi holds an MSc. in Engineering Management, BSc. in Chemical Engineering and BSc. in Economics from Missouri University of Science and Technology in USA. He also has various certificates in Management and Supply Chain Management.

His experience includes being General Manager of MRI, Group Supply Chain Director SAB Miller -Africa Zambia. He is currently Botswana Oil's Limited CEO.



Our Executive Management



Mr Meshack Tshekedi
Chief Executive Officer

- *MSc in Engineering Management, University of Missouri, USA*
- *BSc in Chemical Engineering, University of Missouri, USA*
- *BSc in Economics from Missouri University of Science and Technology, USA*
- *Certificate in Fundamentals of Supply Chain Management, Centurion Institute of Technology and Management*

Mr. Tshekedi's career began in 2002 when he joined Debswana Diamond Company as a Junior Process Engineer. He later transitioned to Kgalagadi Breweries, taking on the role of Strategic Planning Manager. In 2004, he moved into the consultancy field as a Consultant at X-pert Botswana. Meshack then returned to Kgalagadi Breweries and Botswana Breweries, where he held various key positions, including National Supply Chain Manager and Group Supply Chain Director.

In 2010, he became the General Manager at MRI Botswana and in 2013, he was appointed Group Supply Chain Director for SABMiller Africa, overseeing Zambian Breweries, National Breweries and Hendricks Beverages.

After returning from Zambia, Meshack joined Botswana Oil Limited in 2015 as General Manager for Corporate Policy, Strategy and Business Planning. He then moved to the Botswana Investment and Trade Centre (BITC) as Chief Operations Officer before returning to Botswana Oil as Chief Executive Officer.



Ms Olivia Ramaselwana
Chief Financial Officer

- *Bachelor of Commerce Degree (Accounting), University of Botswana*
- *ACCA (FCCA), Financial Training College. United Kingdom*
- *Fellow of the Botswana Institute of Accountancy (FCPA)*

Ms. Ramaselwana began her career in 1997 at Price Waterhouse, where she started as a Trainee Auditor and worked her way up to Senior Audit Assistant by 2000. In 2002, she moved to BP Botswana as a Business Analyst and held a series of roles, including Business Planning Analyst, Final Reporting Accountant, Assistant Finance Manager and Financial Controller. She also served on the Botswana Oil Industry Pricing Committee from 2005 to 2010.

In 2011, Olivia joined Puma Energy as a Financial Controller and in 2012, she moved to G4S Botswana in the same capacity. With over 20 years of experience in finance, including 14 years in the petroleum sector, Olivia is currently serving as the Chief Finance Officer at Botswana Oil Limited.



Ms. Latelang Chakalisa
Chief Legal Officer

- *Bachelor of Laws from the University of Botswana*
- *Diploma in Strategic Management, University of Derby*

Ms. Chakalisa began her career in the Attorney General's Chambers within the Civil Litigation Department. In 2007, she transitioned to Stanbic Bank, where she worked in the Credit Department. She then moved to the Botswana Stock Exchange, serving as Corporate Affairs Manager for seven years. During her time there, she was also a member of the Botswana Stock Exchange Listings and Trading Executive Committee.

With over 17 years of experience in Regulatory Compliance, Corporate Governance, Legal Risk Management, Company Secretarial Services and Stakeholder Management, Ms. Chakalisa now holds the position of Chief Legal Officer at Botswana Oil Limited.



Mr Onkutule Masima
General Manager of Supply

- *Master's Degree in Business Leadership (MBL), University of South Africa*
- *Bachelor of Accountancy Degree, University of Botswana*
- *Executive Development Program, University of Witwatersrand (WITS)*

Mr. Masima began his career in 1999 as a trainee in operations management and gained experience at several Consumer-Packaged Goods companies, including AVIS (Depot Manager), Kgalagadi Breweries Limited (National Planning Manager and Depot Manager) and Hemamo Group (General Manager), between 1999 and 2004.

He then spent over 14 years at Mascom Wireless, starting as Commercial Manager and advancing to Chief Commercial Officer. In this role, he led various commercial segments, including Distribution, B2C and B2B and played a key role in developing and leading the mobile money offering.

In February 2019, Onkutule was appointed Country General Manager and Resident Director at Altron Botswana, where he worked in the ICT and Financial Hardware industry until August 2022. He is currently serving as the General Manager of Supply at Botswana Oil Limited.

Our Executive Management (Cont)



Mr Otto Keitumetse
General Manager of Operations

- ♦ *Bachelor of Engineering in Electrical and Electronics, University of Botswana*
- ♦ *Msc in Project Management, University of Witwatersrand (WITS)*

Mr. Keitumetse began his career at AR Edwards and Associates as an Electrical Engineer before moving to ABB Botswana as a Project Engineer, where he gained valuable experience. He then joined Debswana as an Electrical Engineer, returning to ABB Botswana once more in the same role. Otto later returned to Debswana, this time as a Project Engineer and in 2021, he was promoted to Principal Electrical Engineer.

In September 2023, Otto transitioned into the oil and gas industry. With over 20 years of experience in Electrical Engineering, business solutions and mining, he has built a distinguished career. He currently serves as the General Manager – Operations at Botswana Oil Limited.



Gamu Mpofu
Senior Manager – New Ventures

- ♦ *Master's Degree in Economics, Macquarie University, Sydney, Australia*
- ♦ *Bachelor of Arts in Social Sciences majoring in Economics and Statistics, University of Botswana*
- ♦ *Various training courses locally and internationally which include Enterprise Risk Management, Financial Modelling for Strategic Projects, Trading and Commodity Swaps.*

Mr. Mpofu began his career at the National Aids Coordinating Agency (NACA) as an Assistant Statistician in 2001. He joined the Ministry of Minerals, Energy and Water Resources (MMEWR) a year later as an Assistant Energy Officer.

While working for the Government of Botswana, he was involved in managing the Oil and Gas sector including providing advice on petroleum industry related matters. In 2010, Gamu was appointed the Principal Energy Economist based at the Ministry of Minerals Energy and Water Resources Headquarters where he formed part of a team that was tasked to implement the country's Power Build Programme.

Gamu was one of the team members assigned to establish the National Oil Company of Botswana (Botswana Oil Limited). He joined Botswana Oil Limited in 2014 as New Ventures Manager and he is currently the Acting Chief Strategy and Sustainability Officer.



Gofaone Chibana
Acting Chief Human Capital Officer

- ♦ *Bachelor of Commerce in Human Resource Management and Industrial Psychology, a Management Development Programme certificate, Stellenbosch University, South Africa*
- ♦ *Certified Talent Practitioner through the International Talent Management Academy*
- ♦ *Currently pursuing a Remuneration Professional Certification through the South African Remuneration Association.*

Ms. Chibana is a seasoned Human Capital professional with over two decades of experience in the petroleum, financial services, mining, and manufacturing sectors. She currently serves as the acting Chief Human Capital Officer at BOL while concurrently holding her substantive position as Human Capital Business Partner. In this dual capacity, Gofaone provides strategic leadership by aligning human capital initiatives with the company's long-term objectives while continuing to deliver operational HR support across various departments.

Throughout her tenure at Botswana Oil, she has been instrumental in driving talent management strategies, championing culture transformation, and enhancing organisational effectiveness.

Her career journey includes impactful roles at Botswana Savings Bank, African Copper Mining, and Botswana Breweries Limited. She has led key projects, including Organisational Review, Culture Transformation, HR systems migration, and the development and review of HR policies, including Succession and Talent Management frameworks. She is passionate about building inclusive, performance-driven workplaces that empower people and enable sustainable organisational growth.

Senior Management



Boitumelo Mphare Aqual
Senior Manager -
Procurement



Callaghan Motlaleng
Senior Manager -
Hydrocarbon Sourcing



Mpho Victoria Mokgosi
Senior Manager - Marketing
and Communications



Thabo Simon
Senior Manager -
Commercial



Tshegofatso Kenosi
Senior Manager -
Operations



Kabelo Lanka
Senior Manager - Project
Management Office



Kabelo Ngwako
Senior Manager - ICT



Patrick Mmusi
Senior Manager -
Internal Audit



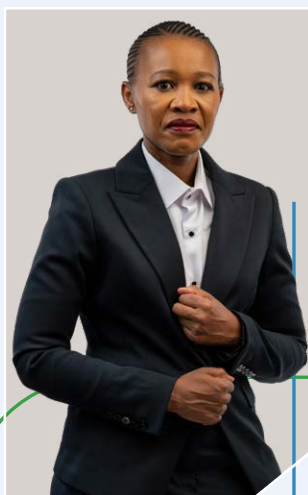
Phatsimo Moeti Joel
Senior Manager - HSSEQ
and Risk



Tebogo Erick
Senior Manager - Supply
Planning



Mothusi Moalosi
Senior Manager -
Procurement Oversight
Unit(POU)



June Tele
Senior Manager - Finance
and Administration



Thebe Phirinyane
Senior Manager -
Engineering

Value Creation

CEO's Message

The financial year 2023/2024 was an impressive year for Botswana Oil Limited, as we continued with the positive results achieved during the previous year.

Despite a fragile macro and micro economic market environment, we still delivered positive results.

84%
on strategic
corporate
performance.

Strategic Initiatives and Progress Against Them

As a collective, we navigated significant global and regional challenges, particularly geopolitical tensions and economic slowdowns affecting oil prices and supply chains.

Despite these hurdles, our performance has been commendable across various perspectives, achieving an overall performance score of 84% on our strategic corporate performance. This demonstrates the company's strength and adaptability in maintaining operational stability and securing reliable supply of petroleum products to Botswana. Strategic planning and robust procurement strategies were crucial in mitigating the impacts of external shocks, ensuring effective supply chain management to support business operations.

Key achievements include strengthening of internal processes, particularly in supply efficiency, cost and time management in our projects' delivery, as well as maintaining high safety standards.

Employee engagement also met the set targets, reflecting successful engagement initiatives and commitment to our people. Overall, BOL has demonstrated its capability to meet expectations, with a balanced performance that underscores its resilience and operational efficiency amidst a dynamic global oil market.

Results Perspective

To ensure Security of Supply through the upkeep of strategic stocks for the country, the average days cover for the year was 12.1 days cover, against a target of 15 days (81% of target) largely influenced by global and regional supply challenges.

Equally, Commercial Trading Stock were affected by the tough global and regional supply conditions, underscoring the importance of our diversified portfolio of routes and sources of supply to ensure the country is always kept wet.

Profitability was an area of improvement, achieving only 69% of the net profit target, due to global supply. These challenges led to importation of significant volumes sourced from alternative routes at higher prices in some instances, leading to margin erosion. Going forward, the areas for improvement include additional revenue generation initiatives, improving operational efficiencies and further integrating sustainability practices in our operations.

The participation of local and citizen companies met expectations, with 55% of goods and services being sourced from citizen companies against a target of 50%. This achievement underscores the company's commitment to empowering local businesses and supporting economic growth through significant project works streams awarded to 100% citizen-owned companies.

In terms of Sustainability, there has been significant progress towards developing and implementing BOL's ESG strategy and there is need for accelerated efforts in integrating ESG considerations into the company's strategic framework to enhance sustainability practices.

Financial Perspective

The company achieved a net profit before tax of BWP 69.2 million, which is 61% of the target BWP 114 million. There were also substantial investments made for readiness of the business operations for implementation of the 90% Import Mandate scheduled to be effective on 1st April 2024 at the beginning of the 2024/2025 financial year.

The gross margin achieved was BWP 0.43 per litre, which is 80% of the targeted BWP 0.54 per litre. This indicates a narrower margin than anticipated, highlighting the impact of cost pressures or pricing of volumes from alternative routes on profitability. The total volume achieved was 236.4 million litres, slightly surpassing the target of 236.0 million litres. This indicates strong performance in volume growth, reflecting effective market penetration and customer demand fulfilment.

Revenue from new streams is anticipated from Aviation fuel business which is still in developmental stages and expected to be delivered in the next financial year. Similarly, the new streams of revenue from the Government Fleet Management (GFM) is expected in the financial year 2024-

2025. The project is similarly in its infancy stages.

Customer & Stakeholder Perspective

During the period under review, management focused on the implementation of the customer and stakeholder engagement plans. In addition, we implemented recommendations and action plans from the previous customer and stakeholder satisfaction surveys. The supply from alternative sources was 34% against a target of 40%, a result which indicates a delicate balance between security of supply and business sustainability as volumes from alternative routes lead to margin erosion.

The percentage of fuel transported by Citizen Owned Oil Companies (COOC) by road was 59%, exceeding the target of 40%. This demonstrates a strong commitment to leveraging local transport capabilities and enhancing the role of citizen companies in logistics value chain.

The participation of local companies in providing goods and services, including transport, was 74%, against a target of 85%. This indicates the company's commitment to source goods and services from the local market, supporting Economic Diversification Drive (EDD) policies and initiatives.

Internal Process Perspective

The supply efficiency for product sourcing and logistics achieved 89% against a target of 90%, indicating a strong performance in ensuring efficient supply chain operations. The efficiency in forecasting accuracy, planning efficiency and order fulfilment (OTIF) was 76%, against a target of 90%. This result highlights the need for supply chain optimisation.

Delivery of Projects

As part of ensuring security of supply in the country the Company embarked on several infrastructure projects to increase the amount of strategic fuel stored in the country to cover fuel supply requirements in the event of fuel supply disruptions.

The construction of the Ghanzi Depot commenced after the groundbreaking ceremony in December 2023 and currently on track. The expansion of the Francistown Depot was at an advanced stage by the end of the financial year within cost. The Tshele Hills Depot and the (XTL) Coal to liquid Project

Value Creation (Cont)

are at procurement phase and currently within budget. In terms of ICT Digitalisation, the implementation of the ICT Strategy Roadmap was 89% against a target of 90%, indicating strong progress in implementing the ICT strategy.

Governance, Risk and Compliance

I am pleased to report that, in terms of Governance, Risk and Compliance (GRC), we managed to achieve a 100% reduction in audit findings, meeting the target of less than 5 significant findings, indicating excellent audit performance. In addition, we have demonstrated effective audit resolution processes by meeting the target achieving 91%. In terms of the risk closure rate, we achieved 82%, against a target of 90%, showing strong performance in risk management.

As a company we have a strong policy on Health, Safety, Security, Environment and Quality (HSSEQ) focusing on our Goal Zero objectives. We are proud that our teams across all the sites adopted safe work practices during the course of the year and we ended the year without any fatalities, ensuring a safe working environment. One area of improvement we need to focus on in the next financial year is the closure rate of the HSSEQ audit findings, full implementation of the HSSEQ Management System and spill prevention measures.

Learning & Growth Perspective

The company focused on implementing the prior year's engagement survey findings. A new employee engagement survey is planned to be conducted in the coming year to obtain an updated employee engagement index.

The employees meeting performance requirements was at 100%, with all employees meeting minimum performance requirements, indicating a strong performance culture within the organisation. Consistent performance appraisals and development programmes

are crucial to maintain this standard and we will continue to ensure conformance by all employees.

Leadership effectiveness significantly exceeded the target, achieving a score of 99% which demonstrates exceptional leadership within the organisation. Regular assessments and feedback are planned to sustain this level of performance. The implementation of the talent management programme achieved 72% which is below the target of 100%.

This shows that there is room for improvement in developing and implementing talent management initiatives to fully meet the set targets.

Operational challenges, Risks and Opportunities

During the 2023/24 financial year, Botswana Oil Limited faced substantial operational challenges within a complex global and regional oil market. Geopolitical tensions, notably the Russia-Ukraine conflict, drove oil price volatility and disrupted supply chains. OPEC+'s extended supply cuts further tightened global oil availability, raising prices and complicating BOL's procurement strategies.

Additionally, economic slowdowns in China and the U.S. influenced global demand, requiring BOL to adopt adaptive strategies to stabilise supply and manage costs.

Regionally, BOL's primary supplier, Sasol, was similarly affected by price volatility and supply chain issues, reducing its ability to meet BOL's demand. To ensure consistent fuel supply for Botswana, BOL sought alternative procurement routes at higher costs, exceeding regulated prices and adding financial strain. Nevertheless, BOL demonstrated resilience, sustaining operations and preparing for the significant 90% import mandate, announced in September 2023.

This preparation showcased BOL's strategic adaptability and operational efficiency despite market pressures. We concluded the year with impressive performance, supported by our dedicated team whose efforts, passion and enthusiasm were instrumental in securing fuel supply stability. The team's diverse skills and commitment provided operational readiness for the upcoming expansion of BOL's mandate and its anticipated role in Botswana's economic growth. Looking forward, BOL is poised to implement key strategic infrastructure projects, critical for ensuring the nation's fuel supply security.



Mr. Meshack Tsheledi
Chief Executive Officer



External Operating Environment

The broader economic outlook for the country has been showing indicators that the period between April 2023 and March 2024 saw Botswana's real Gross Domestic Product (GDP) grow to 4.5%, down from 5.8% in 2022, reflecting weaker global demand for diamonds, a key driver of the national economy.

This slowdown was expected, given the modest 3.4% year-on-year growth recorded in the second quarter of 2023. Fixed investment, poised to become the primary driver of economic growth, has shown signs of recovery after a significant decline due to the COVID-19 pandemic. Meanwhile, real household expenditure is anticipated to increase by 4.6% year-on-year at 2010 prices, indicative of a gradual economic recovery and rising consumer confidence.



For us, these economic conditions present both challenges and opportunities. The reduced global demand for diamonds could lead to decreased government revenues, potentially impacting public spending on infrastructure and energy projects and consequently lowering domestic fuel demand. Conversely, the anticipated rise in fixed investment presents an opportunity to supply fuel for infrastructure projects, enhancing market expansion and partnerships with public and private sectors.

The increase in household expenditure suggests a higher demand for transportation and fuel consumption, prompting us to enhance distribution networks and ensure a steady fuel supply to meet consumer needs. However, persistent global supply chain disruptions and potential inflationary pressures could increase operational costs, affecting profitability.

Higher prices for imported fuel and materials, along with increased financing costs due to rising interest rates, necessitate cost-saving measures and exploration of alternative financing options. To navigate these economic conditions, we plan to diversify our product offerings and explore alternative energy sources, reducing reliance on imported fuels and mitigating supply chain risks.

Additionally, implementing cost-reduction initiatives and enhancing operational efficiency will be crucial in managing rising costs. Strengthening relationships with government and private sector partners will secure long-term contracts and collaborative opportunities in infrastructure projects. Furthermore, investing in technology and innovation will improve supply chain management, forecasting and distribution efficiency.

Supply Chain Disruptions

Botswana Oil Limited has faced several significant supply chain challenges recently. The geopolitical instability caused by the Russia-Ukraine war led to an embargo on Russian oil, creating a demand-supply imbalance in the market. Additionally, two major producers of ULP 93, Engen Refinery and NATREF (co-owned by Shell and British Petroleum), were put on care and maintenance, leaving NATREF as the sole supplier of ULP 93.

External Operating Environment (Cont)

Further compounding the issue, the Organisation of Petroleum Exporting Countries (OPEC-plus) announced additional cuts in fuel production, driving oil prices higher. Moreover, military attacks by groups like the Houthis - in the Red Sea - have disrupted fuel supply and trade, as ships were forced to take longer alternative routes, increasing delivery turn-around times.

These factors collectively impacted BOL's supply chain, posing challenges to maintaining a steady fuel supply.

Regulatory Changes

Botswana Oil Limited has been significantly impacted by recent regulatory changes.

In September 2023, the Botswana Energy Regulatory Authority (Importation of Petroleum Products Quota Allocation) Order was published, designating BOL as the Public Body responsible for importing 90% of the petroleum volumes consumed in Botswana. This mandate has expanded BOL's role in ensuring national fuel supply security. Furthermore, the Botswana Energy Regulatory Authority (Amendment) Act of 2022, which commenced on 3rd October 2023, introduced provisions for the quota allocation of petroleum product importation.

Additionally, in March 2024, the publication of the Botswana Energy Regulatory Authority (Petroleum Products) Regulations outlined the implementation details for the Quota Allocation Order. These regulatory changes have solidified BOL's position as the primary importer of petroleum products, thereby enhancing its operational responsibilities and influence within Botswana's energy sector.

Focus on Decarbonization and Energy Transition

At the beginning of 2024, there was an increased emphasis on emission reduction and sustainable practices, driven by clean energy policies and Botswana's commitment to UN SDG Goals 13 and 15. This focus on decarbonization and energy transition necessitates that BOL balance its revenue goals with adherence to new policies and sustainable practices. As a result, BOL must navigate the challenges of integrating these environmental objectives into its operations, potentially

impacting its traditional business models and requiring significant investments in green technologies and practices. This shift underscores the need for BOL to innovate and adapt to remain compliant while contributing to Botswana's broader sustainability targets.

By addressing these challenges and leveraging growth opportunities, we aim to fulfil mandate of ensuring energy security and contributing to Botswana's economic resilience. This comprehensive approach reflects our commitment to transparency and strategic foresight, positioning us for sustainable growth amidst a dynamic economic landscape.



Stakeholder Relationship Management

Alignment to BOL Overall Strategy

Botswana Oil Limited has a proud ten-year history marked by growth and diversification, particularly in promoting citizen participation within the fuel value chain and ecosystem. With the recent pronouncement to extend our mandate to import 90% of the country's fuel needs, BOL is poised to become a major contributor and driver of Botswana's economy.



Recognising the importance of effective relationship management, we are committed to building and strategically leveraging strong connections to achieve our goals. This approach ensures a reliable network and efficient operations within our company, laying the foundation for long-term, sustainable success.

Effective stakeholder engagement is crucial to ensuring that all parties understand the significance of this development and their roles in delivering the mandate. We are dedicated to keeping stakeholders informed and involved in our initiatives.

Key Highlights of Stakeholder Engagement and Management

During the year under review, several key activities highlighted our effective stakeholder engagement and management efforts:

- 💧 **10th Year Anniversary Celebrations:** We celebrated a decade of BOL's achievements with our staff, reinforcing our commitment to internal stakeholders.
- 💧 **Engagement with Government and Regulatory Bodies:** We actively engaged with the Ministry,

Department of Energy and Botswana Energy Regulatory Authority (BERA) to discuss the implementation of the 90% import mandate. This engagement ensured alignment and support from these critical bodies.

- 💧 **CEO's Brief for Industry Players:** We hosted a CEO Briefing to share information about the import mandate with industry players, fostering transparency and collaboration within the sector.

These initiatives underscore our commitment to effective stakeholder management, ensuring that BOL's strategic goals are supported and advanced through strong, cooperative relationships with all our partners.

By prioritising stakeholder engagement, we enhance our ability to meet customer expectations and contribute significantly to Botswana's petroleum sector and economic growth. Stakeholder engagement is at the core of our business; therefore, we developed a stakeholder engagement matrix to determine and outline key stakeholders with different levels of interest, influence and power. This approach assisted us to devise a communications plan on how to engage the various stakeholders.

Stakeholder Relationship Management (Cont)

Below are some of the stakeholders that were identified and engaged during the year.

Government and Regulatory Bodies



Audience	Why we engage
<ul style="list-style-type: none"> Government, Cabinet Ministries and Departments (Ministry of Minerals and Energy, Department of Energy, Ministry of Finance) Regulators Authorities BOL Board 	<ul style="list-style-type: none"> To understand government priorities for citizen economic empowerment programme, it includes management of Government assets and the expansion of the import mandate as changes to these can directly affect BOL's strategy especially on security of fuel supply, stakeholder engagement and management. Furthermore, the promotion of BOL products and services to prospective COOCs, the volume (quantities of product) to expect and revenue projections will also be impacted.
<p>Key impact and desired outcome</p> <ul style="list-style-type: none"> Project endorsement, support and Communication about the project Project resourcing and funding BOL Board will create value for the Shareholders, employees, customers Implications on Fuel Levy, NPF, Road Fund Levy, Security of Supply Margin 	<p>Communication & Engagement</p> <p><i>How we communicate</i></p> <ul style="list-style-type: none"> Meetings with supporting documentation Use scheduled Board meetings and engagement Engagement meetings <p><i>Key engagements during the year</i></p> <ul style="list-style-type: none"> The Ministry of Minerals and Energy on implementation of the 90% Import Mandate The Botswana Energy Regulatory Authority (BERA) for the development of regulations to guide implementation and operations of the 90% import mandate and revision of the Slate to incorporate other routes used for importation of fuel Botswana Oil Limited Board of Directors for support and BOL employees for buy in and operationalisation of the 90% Import Mandate Botswana Unified Revenue Services (BURS) to facilitate controls at all ports of entry for petroleum products.

Stakeholder Relationship Management (Cont)

Customers



Audience

- International Oil Companies (IOCs),
- Oil Marketing Companies (OMCs),
- Citizen Owned Oil Companies (COOCs),
- Government and State-owned enterprises

Key impact and desired outcome

- IOCs, OMCs, COOCs - Renewed strategic partnership (contracts) using existing resources
- Debswana - BOL fulfilment of obligations to supply fuel as per contract

Why we engage

- Though each of these groups will have their own key perspectives and expectations of BOL, there is need to empower them with our company values, information and content on the import mandate and contribution to the economy.

How we communicate

- Meetings, letters, e-mails, contracts
- Seminars
- Meetings with Managing Director and GMs for OLDLM and Jwaneng Mines

CEEP Programme team

Key engagements during the year

- Several meetings held with the IOCs to share the 90% Implementation Plan, operational and delivery mode options as part of the preparations for the transition
- Oil Marketing Companies (IOCs & COOCs) on demand forecasting, confirmation of customer orders and contracting for volumes of fuel to be imported
- Meetings with the transporters to train them on HSSEQ and Risk compliance requirements and the support provided by BOL
- The Debswana Management was updated on the 90% Import Mandate objectives, implementation plan and assured on the continuation of services as per the signed contract
- Associations of the industry, the Botswana Citizen Owned Oil Companies Association (BOCOCA) and the Association for the Oil Marketing companies were also engaged on how the 90% Import Mandate will benefit their members and how the members can actively participate within the industry value chain.

Stakeholder Relationship Management (Cont)

Media



Audience

Why we engage

- Media that BOL engages includes print (newspapers, magazines, publications) for advertorials, editorials, vacancies and tenders
- Radio stations for interviews
- Television for interviews on topical issues

Key impact and desired outcome

- Partnership on sharing relevant and accurate information about the import mandate

- Botswana Oil Limited has established relations with various media houses and to convey messages to its different audiences both internal and external.
- Partnerships with media is key in sharing information about BOL mandate, project, CSI and sustainability initiatives.
- Strengthen BOL brand awareness and association.

Communication & Engagement

How we communicate

- Press Conference
- Response to media questionnaires
- Press release and publications

Key engagements during the year

The Editor's Forum was held wherein Editors of all local print media and station managers of radio stations were invited to be informed about Botswana Oil Limited, its formation, the purpose of the 90% Import Mandate, the benefit for the economy and the country as well as opportunities for citizens to participate in the oil and gas value chain.

- Questionnaires from the Business Weekly and Mmegi newspapers were received and responded to in relation to the import mandate, its anticipated impact on the industry especially the IOCs, OMCs and the consumers. Their interest was also the impact the transition will have on the pump price of the fuel.

Stakeholder Relationship Management (Cont)

Strategic Partners



Audience

- Strategic Partners (Sasol, PetroSA, Namcor, PetroMoc),

Key impact and desired outcome

- Buy-in and revision (increase) of fuel volumes quotas for BOL.
- Renewed contract and relations
- Reliable supply of product

Why we engage

- To strengthen relations and firm up increase in volume of petroleum products to be sourced from them

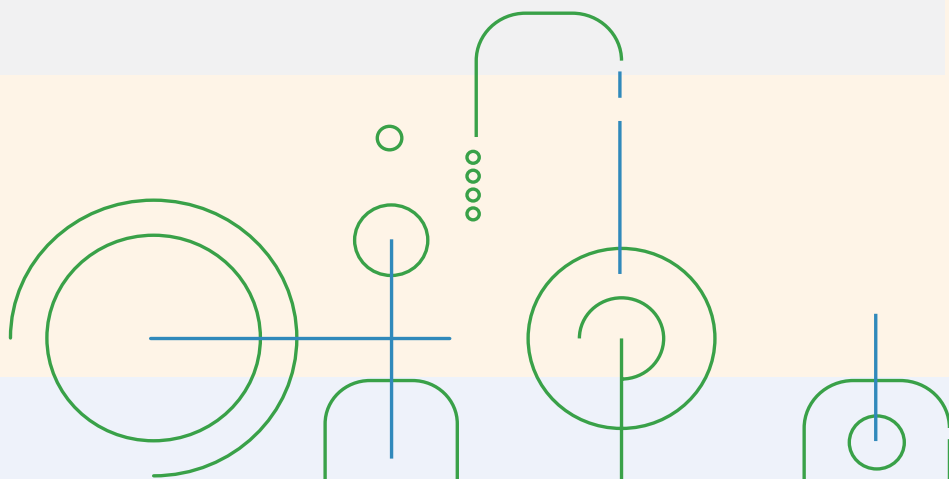
Communication & Engagement

How we communicate

- Meetings, contract revision

Key engagements during the year

- Meetings that secure volumes of products to be procured
- Signing of contracts with revised volumes



Stakeholder Relationship Management (Cont)

Employees



Audience

- Executive Committee
- Senior Management
- Other employees

Key impact and desired outcome

- Employees buy in and adapting to the change
- Adjustment of working schedules to accommodate additional responsibilities resulting from incremental duties
- Alignment of the current business operations with the requirements of implementing the 90% Import Mandate
- Embracing changes brought in by the additional volumes and business continuity

Why we engage

- BOL aims to achieve a high-performance culture and be one of the most valued employers of choice in the country

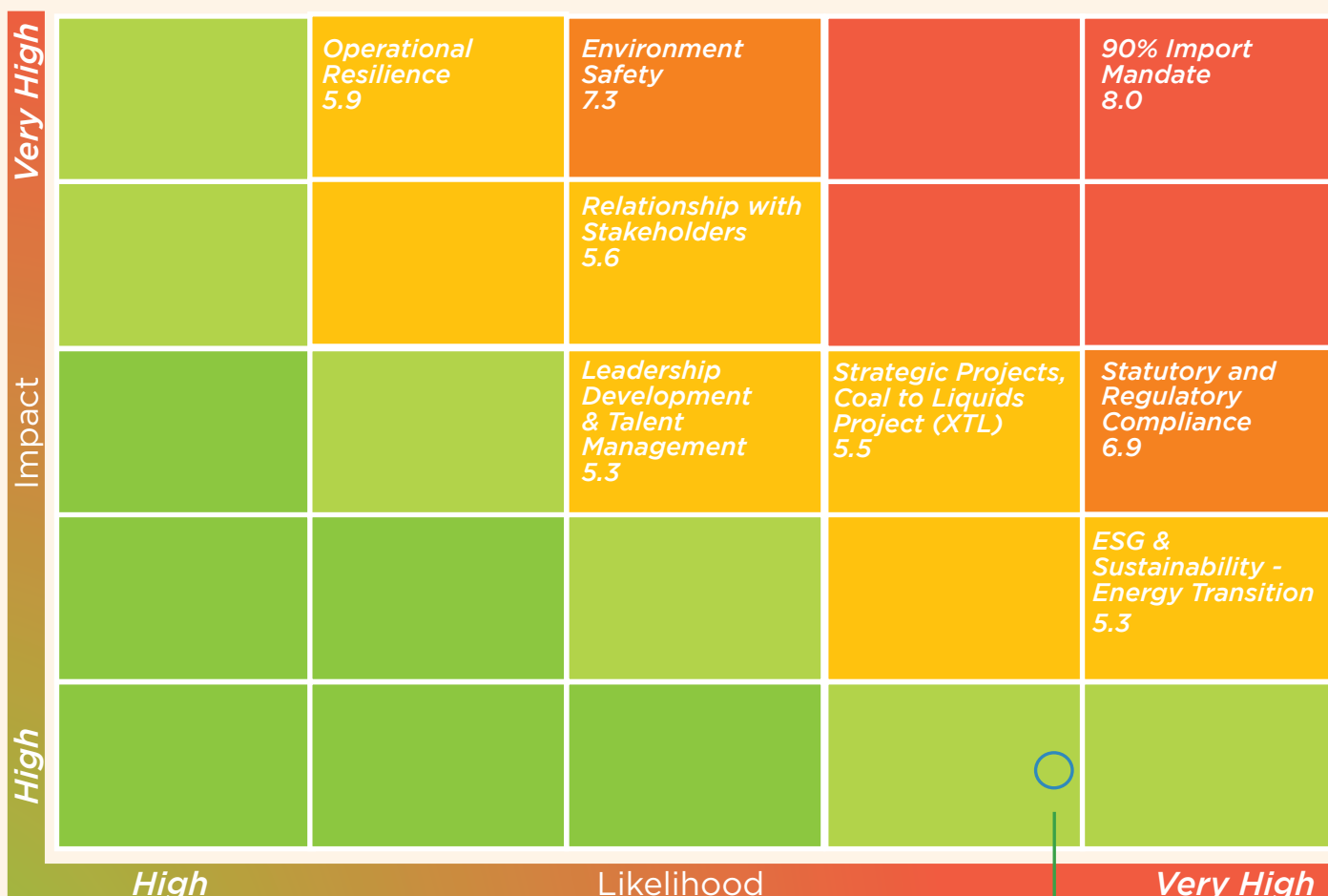
Key engagements during the year

- Establishment of the 90% Import Mandate Project Team and working streams
- Standdown meetings to inform employees about the 90% Import Mandate, how it will affect the BOL Operations and how BOL is preparing for the transition
- Alignment of business operations with anticipated increase in volumes, including modes of delivery, extended operating hours and shift schedules.

Material Matters

Material matters informing strategy *Double materiality determination process*

The Executive and Senior Management of BOL underwent a double materiality determination workshop to identify relevant matters for inclusion in the integrated report. The identified matters were then assessed according to their importance by evaluating the magnitude of the potential impact and likelihood of occurrence. The Management then prioritised matters based on their importance.



Material Matters (Cont)

Material matter	Import Mandate
Description	<p>With effect from April 1st, 2024, Botswana Oil Limited will be onboarding the 90% import mandate license which means that we will be importing 90% of fuel of the country's fuel supply moving from the 50% import mandate.</p>
Internal Impact	<p>A higher import ratio could lead to increased costs due to higher procurement expenses, currency fluctuations and potential tariffs or duties on fuel imported. This could impact profit margins and financial stability of Botswana Oil.</p> <p>Compliance with import regulations, including quality standards and safety checks, will be crucial. Ensuring adherence to both local and international standards will require robust processes and possibly additional certifications.</p> <p>It is important for Botswana Oil to establish and subscribe to various trade agreements and regulations with exporting countries, which might involve complex documentation and compliance requirements.</p>
External Impact/ Stakeholders	<p>Implementation of the 90% import mandate will influence our relationships with international suppliers and partners to increase volumes nominated and procured from these suppliers. Botswana Oil will need to manage these relationships effectively, negotiating favourable terms and ensuring reliable delivery schedules to meet the 90% import requirements.</p>
Our response	<p>Refer to:</p> <ul style="list-style-type: none"> • 'Statement from CEO' • Operational highlights
Stakeholders Impacted	<ul style="list-style-type: none"> • Government and Regulatory Bodies • Strategic Partners

Material Matters (Cont)

Material matter		Statutory and Regulatory Compliance
Description		The oil and gas industry operates within a highly regulated environment and with the award of the country's 90% import mandate license, adherence to statutory and regulatory requirements has become crucial for Botswana Oil's reputation and its license to operate.
Internal Impact		Non-compliance with regulatory bodies can result in hefty fines, penalties and legal fees. It can also lead to the revocation of the license and project delays. By proactively complying to the oil and gas industry heightened regulations on emissions, safety and environmental protection we can achieve a competitive advantage.
External Impact/ Stakeholders		Non-compliance in the environmental & safety regulatory practices can cause violations or incidents that severely damage Botswana Oil's reputation, impacting government confidence and consumer trust. It can also cause environmental damage, such as spills and which can endanger workers' lives and harm ecosystems, biodiversity and public health. Regulatory compliance can affect our relationships with our suppliers by ensuring that all imported fuels adhere to regulatory requirements we can strengthen our partnerships and facilitate smoother transactions with suppliers.
Our response		Refer to: <ul style="list-style-type: none"> • Statement from Board Chairperson • 'Governance' section • 'Sustainability' section
Stakeholders Impacted		Government & Regulatory Bodies Employees Customers Strategic Partners

Material Matters (Cont)








Material matter	Environment & Safety
Description	<p>At Botswana Oil Limited, Health, Safety, Security, Environment and Quality (HSSEQ) is our top priority. All aspects of our business are managed in a safe, healthy and environmentally responsible manner in accordance 'with the statutory requirement and international standards. Therefore, we endeavour to create and maintain a safe, clean and healthy workplace and environment. BOL has zero tolerance to HSSEQ incidents and strives to maintain:</p> <ul style="list-style-type: none"> • Zero injuries • Zero fatalities • Zero workplace illnesses • Zero spills or environmental pollution
Internal Impact	<p>Maintaining a positive reputation with our HSSEQ is vital, it influences our stakeholder confidence, loyalty and support, this being critical for BOL's operational success and long-term growth.</p> <p>Proper compliance with HSSEQ ensures adherence to regulatory authorities helping to curb reputational damage, avoiding legal penalties and fines whilst ensuring that BOL maintains its license to operate and fosters great trust with stakeholders.</p> <p>Environmental safety helps Botswana Oil foster effective financial management with unforeseen expenses that may be incurred by environmental or safety incidents. It is important to properly comply for the business's financial sustainability.</p> <p>A Strong HSSEQ can significantly attract clientele by ensuring operational excellence, reducing risks and building a reputation for reliability and responsibility thus contributing to volume growth and profitability of the company.</p>
External Impact/ Stakeholders	<p>Botswana Oil's environmental and safety practices influence its economic impact on stakeholders. Effective management can lead to cost savings, while poor practices can result in financial liabilities and increased operational costs.</p> <p>Fuel handling and storage can pose risks to community health and safety, particularly in areas near facilities or transportation routes. Botswana Oil must address concerns related to potential accidents, spills, or emissions that could impact public health and safety. Infrastructure Development especially depot construction can have significant environmental consequences, including air and water pollution, greenhouse gas emissions and habitat disruption. Botswana Oil's activities can affect local communities, wildlife and ecosystems, necessitating efforts to minimise environmental harm.</p>
Our response	<p>Refer to: Sustainability – Environmental Overview</p>
Stakeholders Impacted	<p>Employees</p>

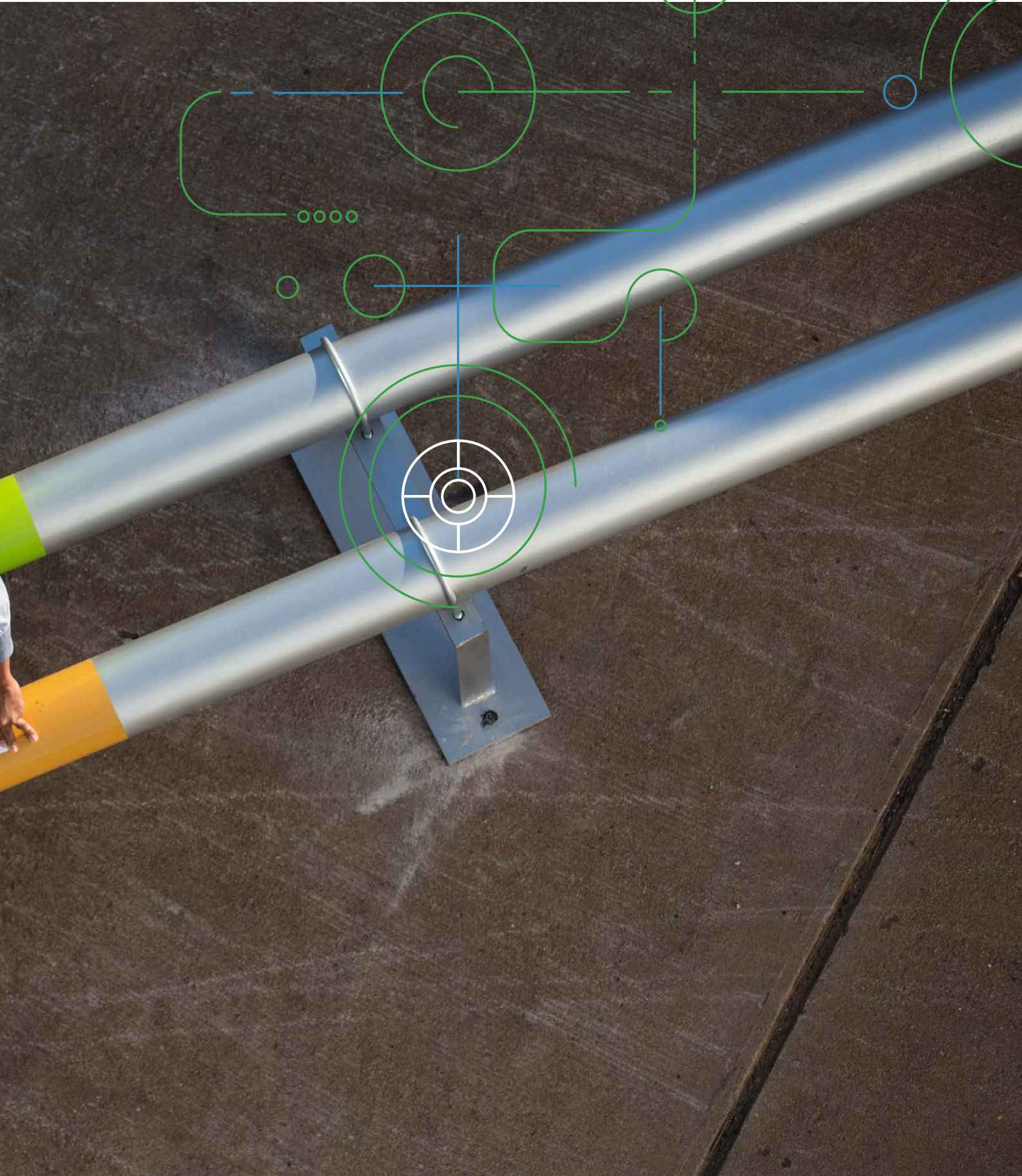
Material Matters (Cont)

Material matter Leadership Development & Talent Management	
Description	<p>The Company envisions to be a leader in the oil and gas industry. This is an ambitious vision, which prompts the need to have a leadership team that is driven, visionary, transformational, commercially driven, and resilient enough to successfully drive the strategy and move it to greater heights. With major planned and ongoing projects BOL requires a team that is equipped to constantly deal with the changing demands of operating in a global market.</p>
Internal Impact	<p>A pipeline of strong leadership with well-developed talent benefits the whole of BOL. A positive culture is nurtured, collaboration is enhanced, and heightens innovation. Customers get to benefit from better customer service and satisfaction as effective leadership leads to a more productive and engaged workforce.</p> <p>Strong leadership and talent management practices contribute to a company's long-term sustainability and growth, which is attractive to investors.</p> <p>BOL can unlock the full potential of leadership by focusing on leadership development and talent management leading to a more engaged, skilled, and innovative workforce. This translates to improved financial performance, increased competitiveness, and a stronger employer brand.</p> <p>Strong leadership fosters a positive work environment, motivating employees and reducing turnover. This keeps valuable experience and knowledge within the company. By developing talent, BOL can build a critical mass of skilled individuals who can solve problems and innovate, leading to a competitive advantage.</p>
External Impact/ Stakeholders	<p>Leadership development emphasises training our leaders to deal with the changing global environment, resulting in a competent leadership for Botswana Oil Limited who are aware of the importance of ESG principles and aim to ensure sustainable, ethical and efficient operations that contribute to the overall business sustainability and positively influence the broader community.</p> <p>Our effective talent management strengthens relationships with external stakeholders, including investors, regulators and the community by demonstrating our unwavering commitment to professional development and ethical practices.</p> <p>Important aspects of leadership development, such as collaboration and effective communication, can lead to stronger and better relationships with our strategic partners and suppliers.</p>
Our response	<p>Refer to:</p> <ul style="list-style-type: none"> • 'Human capital transformation' section • Sustainability – Social overview
Stakeholders Impacted	<p>Customers Employees</p>

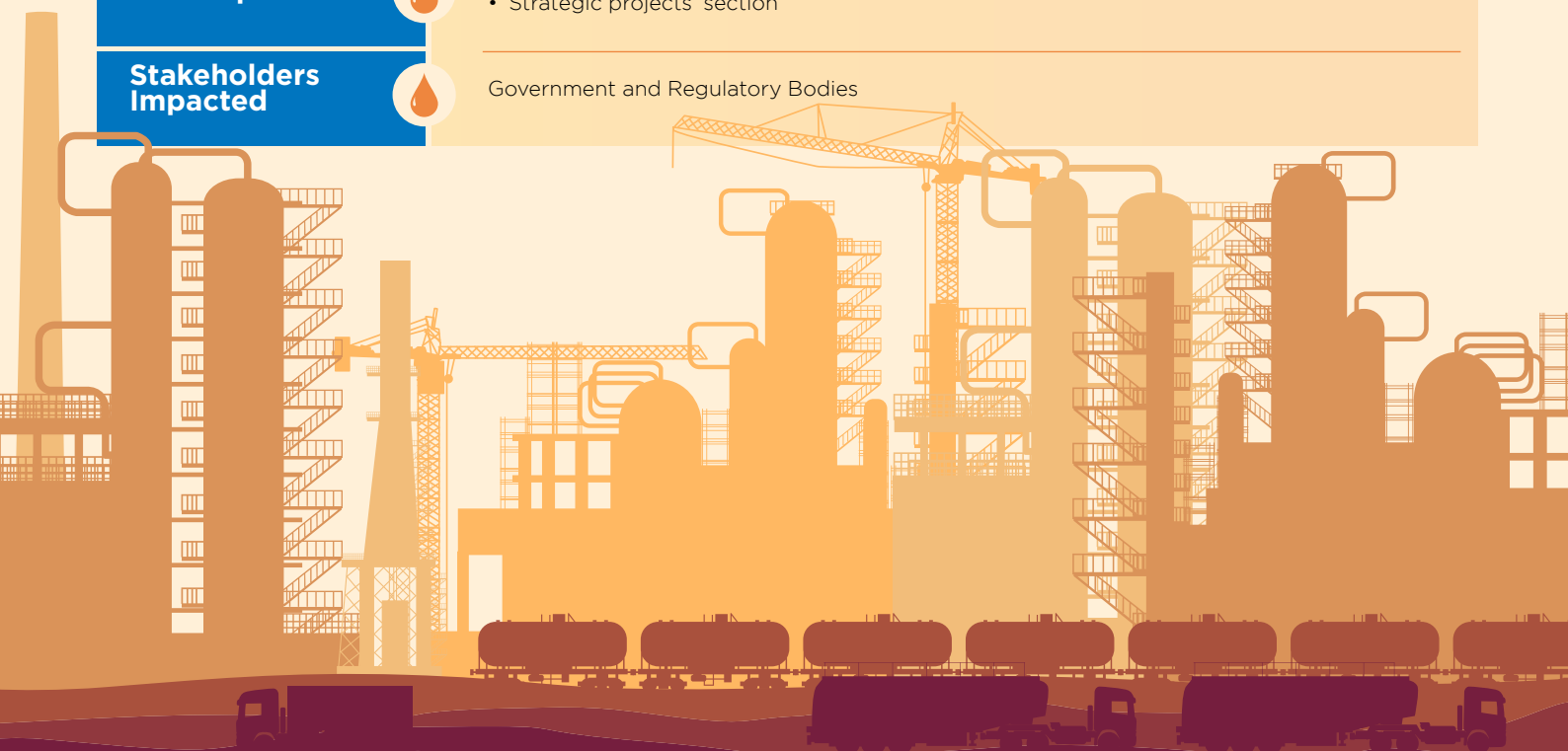
Material Matters (Cont)

Material matter		Operational Resilience
Description		With strides towards operational resilience, we have embarked on a journey to strengthen our ability to withstand, adapt and recover from disruptive turn of events
Internal Impact		<p>Ensuring uninterrupted operations helps us to maintain revenue streams and reduces our financial losses due to operational disruptions mitigating unforeseen expenditure and contributing to better financial planning and resource allocation</p> <p>Our ability to handle disruptions effectively can demonstrate compliance to our regulators and build trust with our clients, customers and suppliers through a more stable demand and supply of fuel thus fostering strengthened relationships and collaboration.</p> <p>A resilient operational framework can boost employee confidence and morale, as staff are assured that the company is well-prepared to handle disruptions and maintain continuity</p>
External Impact/ Stakeholders		<p>Demonstrating operational resilience enhances the market's confidence in BOL's ability to manage risks and disruptions. This can positively influence investor sentiment and stakeholder perceptions of the company's stability and reliability.</p> <p>Operational Resilience can minimise downtime caused by disruptions to ensure continuous service delivery reducing economic disruptions.</p>
Our response		<p>Refer to:</p> <ul style="list-style-type: none"> Statement from CEO Operational resilience section
Stakeholders Impacted		<p>Customer</p> <p>Government & regulatory bodies</p>

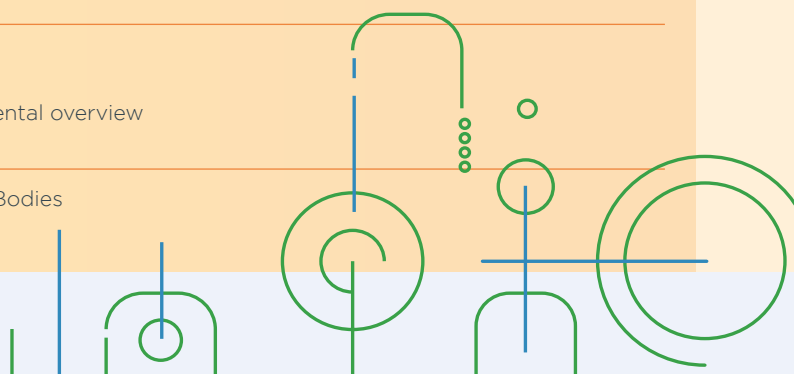




Material matter	Strategic Projects (Strategic Depots, XTL Project)
Description	<p>We have embarked on several strategic projects that are essential for advancing our mission of securing the nation's fuel supply and contributing to Botswana's economic development. These projects are critical for enhancing infrastructure, supporting local businesses and ensuring environmental sustainability. By identifying these projects as material impacts, BOL underscores their importance in achieving long-term strategic goals and addressing the needs of various stakeholders.</p>
Internal Capital Impacts	<p>Although development of strategic depots can lead to a significant capital expenditure, our depots intend to enhance operational efficiency and improve our strategic stock retention, management and increasing our days cover ultimately contributing to our strategy. By producing fuel domestically through CTL processes, Botswana Oil could reduce its dependence on international fuel markets, potentially lowering fuel procurement costs. Our demonstration to the commitment of improving our infrastructure and operational capabilities will enhance our reputation among stakeholders, including investors, employees and local communities .</p>
External/ Stakeholder Impacts	<p>Our strategically placed depots Ghanzi, Tsele, Francistown and Gaborone intend to minimise the environmental footprint by reducing the travelling distance which can increase risk of spillages on unstable roads and reduce emissions.</p> <p>Our depots can create high quality job opportunities and contribute to local economic development through our developing CEEP initiative. By ensuring community engagement and addressing social concerns such as the high unemployment rate in Botswana and fostering culture of inclusivity and support we can enhance our social licence to operate.</p>
Our response	<p>Refer to: Statement from CEO • 'Strategic projects' section</p>
Stakeholders Impacted	<p>Government and Regulatory Bodies</p>



Material matter	ESG & Sustainability - Energy Transition
Description	<p>As Botswana Oil Limited, we recognise the critical importance of Environmental, Social and Governance (ESG) principles in our operations and long-term strategic planning. As we have identified ESG and sustainability-Energy Transition as a material matter, we are committed to developing and implementing robust ESG strategies to ensure sustainable growth, secure funding and contribute positively to the community and environment.</p> <p>Although petroleum products are not yet the most significant threat to Botswana's environment, their impact can be substantial. Botswana's commitment to sustainability is demonstrated by its signing of the Convention on Climate Change, the National Policy on Natural Resources Conservation and Development and the ratification of the UNFCCC with a target to reduce GHGs by 15% by 2030.</p> <p>Underpinning the commitment made by Botswana, the Ministry of Minerals and Energy has developed biofuels guidelines to provide a policy framework for biofuel production in Botswana. These guidelines support the commercialisation of the biofuels sector, with the government ready to provide offtake to local biofuel producers, following relevant policy principles.</p> <p>Through our ESG strategy, we aim to minimise our environmental footprint by adopting sustainable practices, such as reducing emissions, managing waste responsibly and conserving natural resources. With already having solar power integration in some of our depot's construction and our focus on implementing smart building technologies/ green building technology underpins our moves to sustainability.</p>
Internal Capital Impacts	<p>As we plan to diversify our portfolio to the global scene, commitment to sustainability can attract investors who are looking for strong sustainability credentials and prioritise the criteria.</p> <p>Our adaptation of sustainable energy practices or energy transit can lead to long term cost savings through improved energy efficiency and reduced operational expenses while also reducing the risk of reliance on non- renewable energy sources.</p> <p>With the increasingly stringent environmental regulations in the petroleum industry our move towards energy transit ensures adherence, mitigating potential fines and sanctions</p>
External/ Stakeholder Impacts	<p>Our dedication to sustainable practices enhances our company's reputation, building trust and loyalty among our stakeholders and customers.</p> <p>Our environmental consciousness and reduction of our carbon footprint positively affects the natural resources and biodiversity/ ecosystems we operate in and improves our community relations and social wellbeing by promoting responsible resources use and reducing pollution thus emphasising social responsibility by empowering local citizens and engaging with affected communities to foster positive social impact, trust and long-term success.</p> <p>Strong governance structures, exacting standards of ethical conduct, transparency and accountability are core to the ESG strategy, enhancing the company's reputation and stakeholder confidence.</p>
Our response	<p>Refer to:</p> <ul style="list-style-type: none"> • Statement from CEO • Sustainability – Environmental overview
Stakeholders Impacted	<p>Government & Regulatory Bodies</p>



Business Strategy

Strategic Foundation

Our strategic foundations outlined in the mission, vision and values are critical for informing the culture of service delivery in the company. They exist to inform habits and behaviours used to deliver the strategy and viewed as relevant for the culture that the Company seeks to display in delivering its mandate.

Key Strategic Objectives

- to ensure security of fuel supply in the country
- to be customer centric
- to manage strategic fuel reserve facilities effectively and efficiently
- to enhance citizen participation in the oil and gas industry
- to optimise Health, Safety, Security, Environment and Quality
- to leverage on partnership and alliances

Our 5 Year Strategy

Our 2020-2025 strategic intentions are based on our four strategic pillars which include security of fuel supply, citizen participation, sustainability and high-performance organisation. Our strategy was launched in response to the changes in the micro and macro environments was used as a blueprint to our stakeholders on how we aim to create value and measure growth for the upcoming periods and throughout the 5 years. We are nearing the end of the five-year term of the strategy as this marks completion of the fourth year for the corporate strategy.

Security of
Fuel Supply

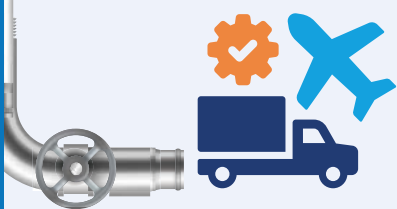
Citizen
Participation

Sustainability

High
Performance
Organisation

Strategic Goals & Performance Evaluation

1. Security of Supply



At the core of our mandate is the crucial task of ensuring a reliable and sufficient petroleum stock to safeguard our strategic reserves. This responsibility is a key driver for our company and the economy of the country. Management recognises the Board's essential role in providing strategic direction for major infrastructure projects and supply security. In line with this, we

recommended the establishment of the "Projects and Supply Security" (PASS) committee. Appointed by the Board, this committee assists in fulfilling oversight responsibilities for mega projects for security of supply operating independently but with accountability to the Board.

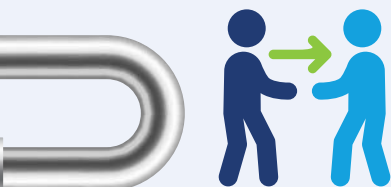
Botswana imports around 1.3 billion litres of fuel annually, translating to 108 million litres per month. Consumption is estimated to be 57% in the Southern Region, 35% in the Northern Region and 8% in the Western Region.

To mitigate the risks associated with relying on a sole source of fuel, our supply strategy focuses on diversifying both the sources and routes of fuel

supply. This includes sourcing fuel from Mozambique and Namibia in addition to South Africa. Fuel from Mozambique is designated for the northern part of Botswana, from Namibia it is sourced for the western corridor (Ghanzi-Shakawe) and from South Africa for the southern part of the country.

This strategy enhances our supply security in a cost-efficient manner. Strategic projects such as the Gaborone, Francistown depot expansion, Ghanzi and Tshele depots are central to ensuring product availability and security of supply in Botswana. Once complete, these depots will contribute towards the achievement of the 90 days cover of the strategic reserves to sustain and drive economic activities.

2. Citizen Participation



We have established a strategy focused on citizen economic empowerment to ensure significant participation of Citizen Owned Oil Companies (COOCs) in the petroleum industry. This strategy emphasises the importance of partnerships to achieve empowerment and capacity building for COOCs. Meaningful citizen participation in the petroleum industry is a key aspect of BOL's mandate.

As a facilitator of Citizen Economic Empowerment (CEE) and broader economic objectives such as the

Economic Diversification Drive (EDD), we play a vital role in contributing to economic development and job creation within this specialised industry.

In the current year under review, BOL has onboarded and is facilitating accreditation of four 100% citizen-owned transporters through Sasol Transporters process and these are the transporters that have been contracted to deliver product to the Debswana mines in Jwaneng, Orapa, Letlhakane and Damtshaa.

In our pursuit of creating meaningful and sustainable citizen participation and fulfilling the BOL mandate, we procure some volumes of the petroleum products and services through Citizen Owned Companies (COCs) and COOCs as needed. Our focus this year is to build capacity of citizens for the transportation of products while continuing to utilise local transporters

in the market. This approach not only builds capacity but also facilitates citizen involvement in the industry. In this fiscal year, our expenditure on Citizen Owned Companies, including fuel transport, amounted to BWP 205 million, representing 55% of the total spend on dry goods and services, including fuel transport.

Looking ahead, the Citizen Economic Empowerment Programme (CEEP) initiatives will include capacity-building workshops, supplier development programmes for citizen transporters, enterprise development programmes, value chain development and stakeholder engagements with financial institutions, original equipment manufacturers and others. These initiatives will further enhance citizen participation and support the growth and sustainability of the petroleum industry in Botswana.

3. Sustainability



Financial Sustainability

We understand that sustainability hinges on remaining solvent and using financial resources productively. This involves increasing revenue sources while limiting cost escalations or overruns.

In the fiscal year under review, we achieved a net profit of P69.1 million, compared to a budgeted profit of P152.3 million. The Southern African region faced significant fuel supply challenges in the first half of the year due to the closure of several major refineries in South Africa, a key supplier for BOL. This resulted in a 16% shortfall from the revised budget, with actual volumes for the year reaching 236 million litres against a revised budget of 282 million litres.

Additionally, Debswana experienced a reduction in production due to a decline in diamond sales, leading to a 60% decrease in fuel supply volumes from BOL in the second half of the year.

Operating expenses were 12% below budget, primarily because some activities were deferred to prioritise preparations for the implementation of the 90% Import Mandate starting April 1, 2024. Deferred expenses included professional services, advertising and marketing initiatives.

The Company incurred a loss of P20.6 million on stock revaluation due to the drawdown of Government stock to service customers during the supply disruptions in the first half of the year. Replenishment occurred during a period of rising product prices, leading to revaluation losses. Reduced consumption by Debswana further left BOL with high stock levels as prices declined in December 2023, heavily impacting margins.

The sourcing margin fell below budget by P22.9 million, due to increased product sourcing from alternative sources, which diluted margins with diseconomies of scale. The geopolitical unrest in Europe and the Middle

East, as well as trade tensions between China and the United States, led to an unstable supply market and high variability in global commodity prices, affecting margins.

Despite these challenges, we maintained prudent management of working capital. Credit terms were structured to ensure customer payments were received before payments to suppliers were due. Excess cash was invested in fixed deposits, yielding a decent return and contributing to the net profit despite minimal operating profit.



We also maintained a healthy cash balance throughout the period, meeting monthly obligations. As of March 31, 2024, the cash balance was P1.146 billion, inclusive of funds for Government projects. These funds included equity injections from the shareholder for coastal storage and procurement of trading stocks for the mandate.

To manage foreign currency exposure and to protect gross margins, we utilised forward hedges monthly. While risk exposure cannot be eliminated, creating a natural hedge helps manage the extent of these exposures, safeguarding margins. Overall, BOL's financial performance in the year under review reflects its commitment to maintaining financial sustainability and effective resource management amid challenging market conditions.

4. Environmental, Social and Governance (ESG)

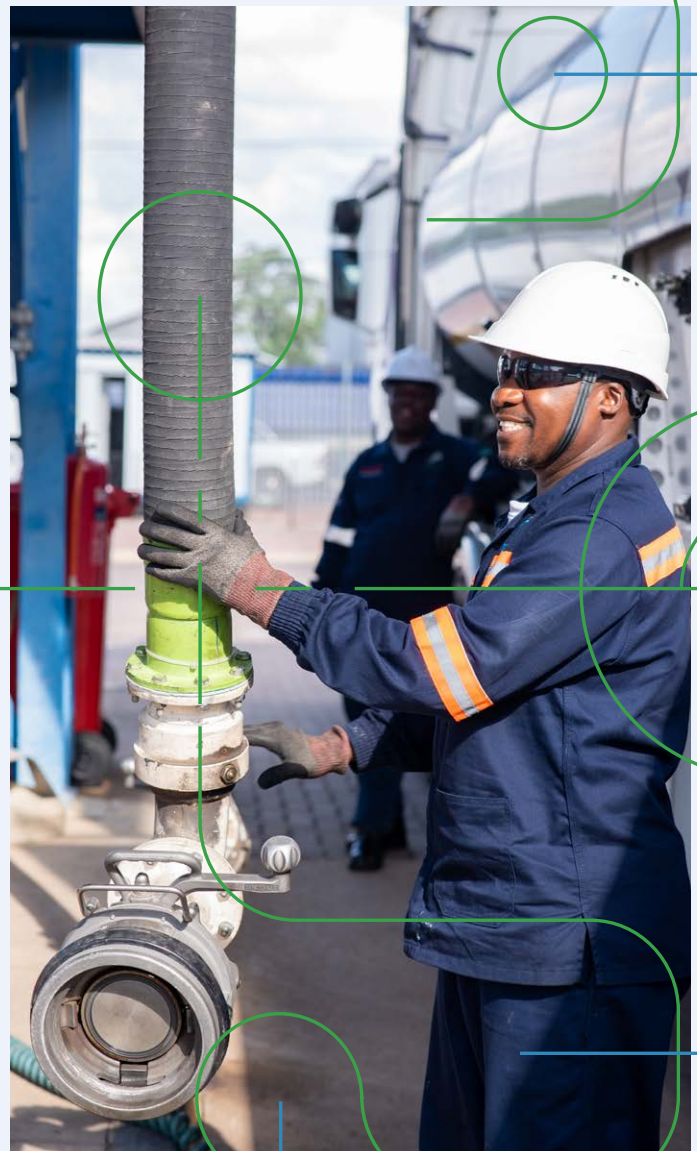


Defining appropriate ESG measurements and reporting is crucial for Botswana Oil to attract investors, meet stakeholder expectations and fulfill its social responsibility towards sustainable value creation for Botswana. Enhancing our environmental, social and governance reporting will ensure sustainability and effective management of climate change-related issues.

Foundational steps have been taken to establish a robust framework for developing an ESG strategy, which serves as a roadmap for integrating sustainability into our core business strategy. A dedicated ESG team, composed of individuals passionate about sustainability and corporate responsibility and possessing the requisite expertise, has been formed. To understand our position relative to peers and industry standards, we conducted a comprehensive benchmarking exercise.

As we embark on the journey of developing and implementing an ESG strategy, we have created a Situational Assessment Tool. This tool leverages insights from benchmarking exercises and adheres to the Global Reporting Initiative (GRI) standards. It is designed to evaluate our current ESG aspects, assess both ongoing ESG initiatives and opportunities and provides a clear understanding of our current standing and future direction in our ESG journey.

This strategic focus on ESG is a testament to our commitment to sustainability, ensuring that we not only meet but exceed the expectations of our stakeholders and contributes positively to the broader environmental and social landscape.





5. High Performance Organisation



Clear Objectives: The framework proposes specific objectives for leadership development within the company. These objectives align with the company's broader strategic goals and are designed to produce measurable results that can be tracked and evaluated.

Expected Outcomes: By defining expected outcomes, the framework ensures that leadership development efforts are focused on achieving tangible improvements. These outcomes include enhanced leadership capabilities, better decision-making and improved overall performance.

Measurement and Evaluation: The framework includes mechanisms for measuring the effectiveness of leadership development initiatives. This ensures that the company can assess progress, identify areas for improvement and continuously refine its approach to leadership development.

Through the Leadership Development Framework, we are committed to nurturing a culture of excellence and high performance. By investing in leadership development, we aim to build a resilient and dynamic company capable of meeting and exceeding stakeholder expectations. This strategic focus on human capital development is crucial for sustaining long-term growth and achieving the company's vision of being a leading player in Botswana's petroleum sector.

Financial Capital**Our monetary assets that are available to the organization**

- Volume Sold: 236million litres
- (FY2022/23 187million litres)
- Capex: BWP 6.8Million (BWP 996K FY 2022/23)
- Increase in Capital & Reserves Value: BWP 1.1Billion (BWP 358 million FY2022/23)

Manufactured Capital**Our physical infrastructure used in the production & service provision.**

- Gaborone Depot- 24 million Litres (Throughput of 46 million litres)
- Francistown Depot- 38 million Litres (Throughput of 54 million litres per month)- Ongoing Expansion to 60 million litres
- Gaborone Truck Staging Centre
- Ghanzi Depot- 30-million litres in the second phase
- Tsele Hills Depot- 187 million litres- procurement process ongoing
- Head Office Construction Measuring 13,087 Square Meters - procurement process ongoing

Intellectual Capital**Our intangible assets we use that provide competitive advantage and add to the value chain.**

- Petroleum Industry Expertise among Exco & Senior Management
- Strong Brand & Reputation
- Automated Operational Processes
- Diversified Fuel Sourcing
- Product Quality Testing Procedures
- Strong internal control systems, risk, and compliance

Human Capital**Our inputs from our skilled and committed workforce,**

- 100% Citizen Workforce
- 125 Employees
- BWP 74 million wage bill
- BWP 1.6million training & skills development spend
- Board & Exco Experience
- 100% Employee Medical Aid Cover & Gym Fee
- 10 Leaders Enrolled in Leadership Development Program
- 8 Graduate Trainees Recruited
- Performance based incentives

Social & Relationship Capital**Our inputs to maintain relationships with stakeholders and the trust developed with external parties.**

- Citizen Involvement in Value Chain
- 3 Customer Segments: IOCs, Government & Government Enterprises and Partners COOCs
- CSI Sponsorship & Donations
- Strategic Supplier Partnerships
- Strong HSSEQ Culture
- Stakeholder Engagement

Natural Capital**Our inputs to minimize the impact of the company's activities on the natural environment.**

- Energy Transition
- Environmental Audits
- Environmental Impact Assessments & Monitoring Activities
- Implementation of OMS

Citizen Facilitation

On a need basis, we procure petroleum products and services through Citizen Owned Oil Companies (COOC's). We may do this through open or closed tenders or RFQ's as guided by our procurement policy. We also target citizens for transportation of products as a way of ensuring capacity building and facilitating citizen participation in the petroleum industry. We are currently building a structured framework for citizen facilitation and empowerment

**Sale of Fuel Products**

BOL has been open for sale of products since its inception in March 2014 to support local Oil Marketing Companies (OMCs) in ensuring a continuous and undisrupted supply of petroleum products to Botswana. BOL sells fuel products to OMCs registered and operating in Botswana, through a structured manner that is based on pre-planning and signed off commitments.

Although BOL supports OMCs that buy on a planned and structured way, the Company facilitates sales to OMCs during a supply disruption or crisis. During a supply challenge or crisis, BOL invokes the Release Strategy Document/ Policy that guides the authorisation and release of strategic stock for use.

Citizen Owned Oil Companies Facilitation

Citizen Owned Oil companies are incorporated companies, wholly owned or controlled by persons who are citizens of Botswana. A citizen should be the majority owner of the company.

In its endeavour to support involvement of COOCs in the petroleum sector, BOL continued to operate within stipulated national legislation, international standards and the best practice governing the oil and gas industry.



Distribution of Fuel Products to International Oil Companies

Botswana Oil imports and distributes petroleum products to the IOCs and COOCs on a willing buyer willing seller basis. This includes provision of products to international Oil Companies (IOCs) using the same model.

The Company offers product for sale to IOCs for distribution to their filling stations and commercial customers. Where required, BOL may procure petroleum products through IOC's as well.

As a wholesaler, BOL does not play in the oil marketing business which is the domain of IOCs and COOCs. This therefore does not make BOL a competitor of IOCs and COOCs as they play in different markets. BOL therefore supports IOCs and COOCs

Financial Capital

Our monetary assets that are available to the organization

- Return On Assets:
- 8% FY 2022/23, 5% FY 2023/24
- Increase in Revenue BWP 3Billion
- (BWP 2Billion FY 2022/23)
- Operating Cash Flows: BWP -2.4 million (BWP 129K/FY2022/23)
- Net Profit Margin:
- 2.3% (3.8% FY 2022/23) Current Ratio: 3.95(FY 2022/23 1.67)

Manufactured Capital

Our physical infrastructure used in the production & service provision.

- Gaborone & Francistown Depot Combined throughput of 100 million litres- meet market requirements
- Truck Staging Facility reduces congestion around the depot, Safekeeping Depot Safety Security & Environmental Aspects
- Strategic Depots to maintain Government strategic stock
- Gaborone Depot: Sales Volume 35%
- Francistown Depot: Sales Volume 17%

Intellectual Capital

Our intangible assets we use that provide competitive advantage and add to the value chain.

- Debswana Partnership
- Quality Product Sourcing
- Logistical Efficiency
- Efficient Turnaround Time
- Supply Chain Resilience
- Technological Efficiency

Human Capital

Our inputs from our skilled and committed workforce,

- 76% Employee Engagement % Satisfaction (FY 2022/2023)
- 4% Employee Turnover Rate
- Workforce Development
- Skilled Leadership
- Motivated Employees
- Healthy & Fit Workforce
- Skilled & Developed Workforce
- High Performing Organization

Social & Relationship Capital

Our inputs to maintain relationships with stakeholders and the trust developed with external parties.

- 70 citizen Truck Transporters
- Francistown Expansion- Electrical Tender Awarded to a COC
- 238 million litres Fuel Supplied to customers Zero Injuries- LTFI
- HSSEQ Excellence Certificate from Debswana Jwaneng Mine
- BWP 2million CSI Spend: Corporate, Youth & Social Community Support
- Strategic Partners (Sasol, PetroSA, Namcor, PetroMoc)-North, South & Western Consumption Envelope

Natural Capital

Our inputs to minimize the impact of the company's activities on the natural environment.

- Solar Power Integration- Ghanzi, Francistown depot Construction
- EIA Implementation: Ghanzi, Tshele, Francistown
- Round Road-Route Study: Zero Spillages
- Oil Water Separators- Zero Contamination of Water Sources
- Compliance with Environmental Regularities
- Achievement of Goal Zero: 0% Spillages

Human Capital Transformation

As Botswana Oil Limited prepares to expand its role as the primary importer of petroleum in Botswana, the company is strategically positioning itself to become one of the nation's largest revenue generators. To support this ambitious growth, transforming the human capital function is essential. This entails a comprehensive review of human capital policies and processes, capacity building, leadership development and the attraction and retention of industry-leading talent.

The transformation of human capital policies and processes is crucial for aligning with best practices and regulatory requirements, thereby enhancing operational efficiency and effectiveness. Streamlined and updated policies will ensure that we operate at the highest standards of professionalism and compliance.

We are committed to creating an attractive work environment that offers competitive compensation, opportunities for professional growth and a culture of innovation and excellence. By positioning ourselves as an employer of choice. We aims to draw in the best and brightest talent, while also fostering loyalty and long-term commitment among our employees.

1. Leadership Development

During the reporting year, we launched a comprehensive leadership development programme for senior management. The programme identifies key development areas and creates targeted plans to enhance leadership skills, promote continuous improvement and boost overall organisational effectiveness. Our goal is to prepare senior management to meet current and future challenges, fostering a culture of professional growth and strategic excellence.

2. Talent Management and Succession Planning

The Talent Management Framework was designed to identify, develop and retain top talent within the company. This framework ensures that we can meet our strategic goals by having the right people in the right roles. It included:

- ♦ **Talent Identification:** Recognising high-potential employees and future leaders.
- ♦ **Development Programmes:** Offering targeted training and career development opportunities.
- ♦ **Succession Planning:** Preparing for future leadership needs by developing internal talent.

During the reporting period, Botswana Oil's management prioritised the implementation of its approved talent management programme. This involved identifying key talent, assessing skill gaps and aligning employee development with BOL's long-term goals. Talent acquisition efforts were enhanced to attract top-tier





candidates with diverse skills. The initiative ensured that senior management stayed closely aligned with the overall talent management strategies.

3. Culture Transformation

The Culture Transformation aims to align the company's culture with its strategic objectives. This project focuses on:

- **Employee Engagement:** Creating an environment where employees feel valued and engaged.
- **Inclusivity:** Promoting diversity and inclusion at all levels of the organisation.
- **Values Alignment:** Ensuring that the company's values are reflected in everyday activities and decisions.

During the reporting period, we introduced a culture blueprint and started incorporating the defined behaviours into performance management contracts. This initiative aims to give employees a clear understanding of how their individual and collective efforts contribute to the company's success. By making the transformation more intentional and aligned with our strategic goals, we aim to foster a more engaged and motivated workforce, ensuring everyone is working towards common objectives. This approach is intended to enhance organisational cohesion and drive strategic excellence.

4. Performance and Remuneration

Employee Attraction and Remuneration

We employ a multifaceted approach to attract and retain talent. Key initiatives include:

- **Reviewed Pay Structure:** Competitive salaries and benefits to ensure employees feel valued and adequately compensated.
- **Training and Development:** Continuous professional development opportunities to enhance skills and career growth.
- **Performance Rewards:** Financial incentives for high performance to recognise and encourage excellence.

- **Additional Benefits:** Provision of petrol for all employees, fostering a supportive and convenient working environment.
- **Work Environment:** Promoting a fun and engaging workplace culture.
- **Brand Building & Reputation:** Strengthening Botswana Oil's image as an employer of choice.
- **Wellness Programmes:** Implementing wellness programmes to support employee health and well-being.

These strategies are designed to create a supportive and rewarding work environment, making Botswana Oil Limited an attractive employer helping in sourcing and retaining skilled personnel.

5. Performance Assessment and Remuneration

Our performance assessments are intricately linked to remuneration. Employees who exhibit outstanding performance are rewarded financially, aligning their incentives with the company's objectives. This performance-based reward system ensures that high achievers receive appropriate recognition, fostering a culture of excellence and motivation.

6. Incentive Programmes

Botswana Oil Limited has established both short-term and long-term incentive programmes to reward and retain its employees:

- **Short-Term Incentives:** These include performance increases that are implemented to promptly reward employees for their contributions.
- **Long-Term Incentives:** Although a comprehensive HR policy for long-term incentives exists, it has not yet been applied. Future implementations are expected to further enhance employee motivation and retention.



Human Capital Transformation (Cont)

7. Graduate Development Programme

The Graduate Development Programme includes:

- **Technical Training:** Providing in-depth knowledge and skills relevant to the petroleum sector.
- **Leadership Development:** Equipping graduates with the leadership skills needed to take on future managerial roles.
- **Mentorship:** Pairing graduates with experienced professionals for guidance and career advice.
- **Future-Focused Training:** The programme is designed to address the future needs of the company by developing skills that will be critical in the coming years.
- **Partnership with BIUST:** Botswana Oil Limited has partnered with the Botswana International University of Science & Technology (BIUST) to provide specialised training and development opportunities. This partnership ensures that the training is aligned with industry standards and emerging trends.

Our newly established Graduate Development Programme aims to enhance the expertise of graduate trainees by providing a comprehensive skill set and practical experience. It prepares graduates for successful careers within the Company and the broader industry through project-based learning. The programme exposes trainees to various organisational functions, enhancing their practical skills and understanding of operations. Trainees work on specific projects to apply their knowledge in real-world scenarios, further developing their competencies.

Additionally, the programme includes CSR projects to foster community involvement and social responsibility. For engineering graduates, a specialised curriculum aligned with Engineers Registration Board (ERB) Standards ensures the training meets professional and regulatory requirements.

These initiatives underscore Botswana Oil Limited's commitment to nurturing and promoting a knowledgeable, skilled and motivated workforce, capable of driving the company's future success.





Graduate Trainee Testimonials

Initial Impressions



“My name is Thato Moeng and I am currently an Engineering Graduate Trainee at Botswana Oil Limited. I have been in this role for over a year, during which I have had the opportunity to provide innovative solutions to modern-day challenges in the Oil and Gas industry. What attracted me to Botswana Oil was its commitment to ensuring security and efficiency of supply of Petroleum products and its focus on implementing innovative technology to drive Botswana towards energy security and sustainability. The various projects resonated with my career aspirations where I could apply my engineering skills in a dynamic environment, contribute to impactful projects and further my professional growth.”



“My name is Lone Mojalemotho and I am an Engineering Graduate Trainee at Botswana Oil Limited. I am passionate about sustainable energy solutions and the critical role that infrastructure plays in ensuring reliable energy supply for Botswana. I am thrilled to be part of a company that plays a crucial role in Botswana’s energy sector. During my onboarding process, I noticed that Botswana Oil Limited places strong emphasis on its core values. Integrity, teamwork and commercial excellence are not just buzzwords, but they are deeply ingrained in the company. What attracted me to Botswana Oil Limited is its commitment to ensuring a reliable supply of fuel resources for the country. The company vision aligns with my passion for contributing to sustainable energy solutions and infrastructure development.”

Company Culture and Environment



“My name is Kobamelo Ngiya, a graduate trainee in Botswana Oil Limited in the Supply Division, a motivated learner seeking supply chain management opportunities to grow in the oil and gas industry. The company culture is fast-paced as we are dealing with a moving target and has many safety requirements therefore it is most suited for fast learners. The scope of work exposes people to various industry players and different concepts in a brief period. Thereby leading to more professionalism and the opportunity to query when you have questions regarding any division of the business.”



“My name is Tumisang Kgosi Motlalekgosi, graduate of Petroleum Engineering from the North Caucasus Federal University (Stavropol, Russia). I joined BOL in March 2023 as a New Ventures trainee. My stay in BOL has been met with interesting and challenging opportunities and learnings. Moving across various business units has helped me develop new competencies and further refine my existing strengths. I have been involved in various projects such as the IXTL Project, Implementation of Rural Area Energy Centres, Acquisition of Aviation Fuel Infrastructure Project and Transfer of GFM (CTO) Infrastructure to BOL. There is a strong company culture that emphasises values such as integrity, teamwork, continuous improvement, commercial focus and social responsibility. It is a company where new and fresh ideas are welcome, there is staff collaboration and support for one another. Overall, the environment is the one that supports being yourself and brings out the best that you can be.”

Key Highlights and Achievements



“My name is Kitlano Mosigi and my association with BOL commenced as a legal graduate trainee under its Legal Department. Throughout my tenure, I have had the privilege of contributing to significant projects and achievements, including assisting in high-profile contract negotiations with International Oil Companies and conducting thorough legal due diligence. These experiences have not only honed my legal acumen but also instilled a sense of pride in being part of BOL’s journey.”



“My name is Thabiso Masole, a metallurgist from Wits University with a Master of Science in Engineering in Materials and Metallurgical Engineering. In Botswana Oil Limited, I am a process engineering graduate trainee in the New Ventures department. Leveraging my academic foundation in Metallurgy and Materials Engineering, I have been an integral part of the development of a coal-to-liquids facility. This endeavour has beautifully interwoven my knowledge of coal properties and behaviour, allowing me to contribute in profound ways. Engaging with stakeholders has been an invaluable aspect of my role, enhancing my business acumen and communication skills. Regular interactions have allowed me to contribute to vital discussions and make informed decisions. Additionally, my experience has highlighted my ability to simplify complex technological processes, making them accessible to everyone.”



“My name is Ogomoditse Gaogakwe, a highly motivated graduate trainee placed under the Supply and Commercial department with aspirations to grow in the oil and gas industry not only limited to just the supply chain aspect but the industry holistically. BOL, as a corporation, prioritises the education and growth of its workforce. This is evident from the company sponsoring the two workshops on soft skills which included training in emotional intelligence and as well as effective communication. These opportunities provided me with a change of perspective and emotional fortitude to function in this fast-paced environment.”



“My name is Mpho Adar Phatshwane and joined the Botswana Oil Limited team as an Engineering Graduate trainee, working under the Engineering department. Botswana Oil Limited provides extensive support and development opportunities to its employees, ensuring continuous growth and career advancement. The major initiatives I experienced includes training programmes, mentorship and buddy programs, soft skill training including emotional intelligence, effective communication training. It provides a platform to learn all the hard skills required for an Engineer. These initiatives collectively create a nurturing environment that empowers employees and contribute meaningfully to the company’s success.”

Key Strategic Partnerships

Botswana Oil Limited is engaged in various strategic partnerships to enhance resource access, secure supply chains and diversify its sources, ensuring a stable and reliable supply of hydrocarbons for the nation. These collaborations facilitate technological advancements and knowledge transfer, improving operational efficiency and innovation. During the fiscal year 2023/2024, Botswana Oil Limited (BOL) collaborated with various entities, including engineering consultants, environmental consultants and contractors, to facilitate the delivery of Government strategic infrastructure projects.

Infrastructure Development

i. G4 Consulting Engineers and Vigosoft Engineers

BOL procured G4 Consulting Engineers and Vigosoft Engineers to assist with the design and tender documentation for the procurement of contractors. These consultants also managed contracts during the construction phase for both the Francistown Expansion Project and the Ghanzi Petroleum Storage Project.

ii. Herbco Technical Services

In line with BOL's Health, Safety, Security, Environmental and Quality (HSSEQ) policy, which emphasises environmental protection, BOL partnered with Herbco Technical Services. This strategic partner was tasked with developing Environmental Management Plans (EMPs) and conducting monitoring during construction to ensure contractor adherence for both the Francistown Expansion Project and the Ghanzi Petroleum Storage Project. The EMP is crucial for managing and minimising the environmental impacts of construction activities.

Depot Maintenance

To ensure the availability and reliability of its plants, which are critical for the continued daily operations of the depots, we established, implemented and monitored an annual maintenance plan. This plan involves using both internal and external resources, including contractors, to provide maintenance services. During the fiscal year 2023/2024, several key maintenance activities and projects were undertaken to improve and upgrade the plants to meet operational and safety requirements.

These activities and projects included:

- Gaborone Depot Electrical inspection and lighting upgrade conducted by AR Edwards and Associates
- Gaborone Depot Acculoads IV upgrade project.
- Gaborone Depot Intellitrol Scully installation project.
- BOL Computer Based Maintenance Management System (CMMS) project done by Zismo Engineering.

Suppliers

As part of fulfilling its mandate, our operations department continued to provide opportunities to citizen-owned companies for the supply of goods and services. However, for specialised services where there is no local capacity or no citizen-owned service providers, the company had to procure these services externally. Some of the key suppliers used by BOL during the fiscal year 2023/2024 included:



- **PI Meters (local):** Supplied, installed and maintained metering systems and provided calibration services.
- **Silver Gauge (local):** Provided mechanical and piping maintenance.
- **PUMPCO (local):** Supplied, installed and maintained loading and offloading pumps.
- **ZISMO Engineering (local):** Handled electrical installations and maintenance.
- **VTM Security Services (local):** Provided security services.
- **DKI (external):** Provided the Terminal Management System.

By leveraging strategic partnerships and prioritising local suppliers, we not only support citizen-owned businesses but also ensured the efficient and sustainable operation of its facilities, contributing to the broader economic and industrial development of Botswana.



Strategic Projects

Botswana Oil Limited is mandated to manage and maintain state-owned depots and ensure strategic fuel stocks are available to address any disruptions in the fuel supply. This mandate ensures a continuous and reliable fuel supply. To fulfil this mandate, the Government of Botswana recognised the necessity to expand bulk petroleum product storage in the northern, western and southern regions of the country. This expansion aims to alleviate the pressure on the existing Gaborone and Francistown depots and ensure sufficient strategic stocks across these consumption areas.

On behalf of the Ministry of Minerals and Energy (MME), we are currently developing three key projects: the Ghanzi Depot, the Tshele Hills Depot and the expansion of the existing Francistown Depot. These projects are designed to increase the national strategic reserve capacity from a 15-days cover to a 60-days cover, thereby significantly enhancing the security of the fuel supply and meeting the national strategic reserve objectives.



Northern Consumption Envelope

Francistown Expansion Project

Project Description

Given that the northern consumption envelope accounts for approximately 35% of the national fuel demand, it was proposed to construct a planned loading facility at the Francistown bulk strategic petroleum storage depot.

Currently, the Francistown Depot holds 38 million litres with a throughput of 54 million litres. The expansion project aims to increase the bulk petroleum storage capacity by an additional 60 million litres to meet the Government's strategic stock cover for petroleum products in the northeast consumption area by 2030. This project is also intended to enhance the economic contingency plans under the essential supplies regulation by improving the security of fuel supplies to Botswana.

The new gantry at Francistown will have the same functionalities as the existing Gaborone Depot, ensuring consistent and efficient fuel distribution.

Project Developments In FY2023/24

Civil and Building Works Contract (Phase One) progress is 92% Complete with Phase 2 of the project to commence in April 2024.



Southern Consumption Envelope

Tshele Hills Depot

Project Description

The southern consumption envelope in Botswana accounts for approximately 57% of the nation's petroleum needs. To address this demand, the Tshele Hills Depot Project involves the construction of a 187 million litre storage facility located 4 kilometres west of Rasesa Village in the Kgatleng District. This project encompasses the design, financing, construction, operation, maintenance and eventual transfer of the petroleum storage facility at Tshele Hills. Implemented through a Public-Private Partnership (PPP) model, this initiative will see the private sector playing a pivotal role in developing the infrastructure.

Western Consumption Envelope

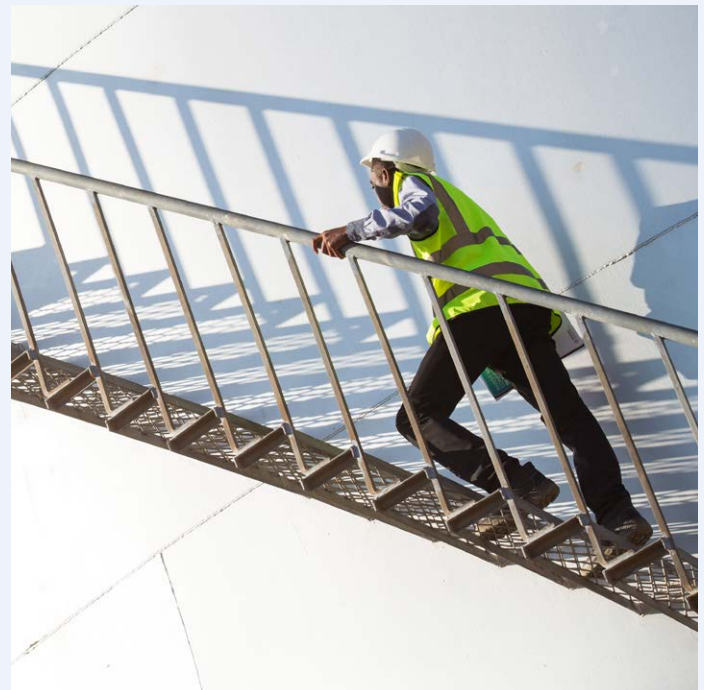
Ghanzi Depot

Project Description

The western consumption envelope accounts for approximately 8% of the nation's fuel consumption. In response to this, the Ghanzi Depot Project aims to construct a 30 million litre oil storage facility located 44 kilometres outside Ghanzi along Mamuno Road. This project is designed to provide a 60-day strategic stock for the western corridor. Implemented as an Engineering, Procurement, Construction and Management (EPCM) project, it ensures a robust and efficient approach to meeting the region's fuel storage needs.

Project Developments In FY2023/24

- Civil and Building Works Tender (Contract 1) awarded and the kick-off meeting was held in January 2024 to commence the project.
- Fabrication, Supply and Installation of Tanks Tender (Contract 2.1) - notice of award has been issued.
- Civil/Structural, Mechanical, Electrical and Instrumentation Works Tender (Contract 2.2) expected to be issued for tender during the year.
- Botswana Power Corporation has been procured to provide Power supply through upgrade of Substation in Ghanzi, construction of 45km Distribution line and Construction of the stepdown Substation at the depot Borehole Drilling
- Borehole drilling with 2 boreholes yielding about 15cubic meter / hour and two boreholes dry.



Future Projects

The Ikaegeng Coal to Liquids Project

The Ikaegeng Coal to Liquids (IXTL) Facility is a future initiative facilitated by Botswana Oil Limited. This project involves the development of a Coal to Liquids (CTL) facility, leveraging Botswana's abundant coal resources, estimated at around 212 billion tonnes, to produce liquid hydrocarbon fuels through coal liquefaction. This process converts solid coal directly into liquid form without any intermediate stages. The project capitalises on proven commercial technologies for converting coal to both diesel and gasoline and aims to scale these technologies to a size suitable for Botswana's context.

As a technologically complex, private sector-led mega project, the Ikaegeng iXTL Project is expected to span multiple years and involves an estimated investment of over BWP40 billion. Characterised by substantial capital investments, advanced technology and multiple stakeholder interfaces, this project represents a significant advancement in Botswana's energy sector.

Anticipated Project Benefits

The project if viable, will allow Botswana to have:



**Energy Security
& Energy
Independence**



**Improved Energy
Affordability**



**Meaningful
Participation of
Citizen Emerging
Companies**



**Economic
Diversification**



**Value addition
to local natural
resources**



**High Quality Job
Creation**

Project Developments In FY2023/24

- The procurement process for this project has resumed and at various stages
- BOL Procured Portal for RFP Administration
- P25 million sponsorship by Ministry of Minerals & Energy for FY (2023/24) and FY (2024/25)
- Further engagements with critical stakeholders on mandate to transact.
- Stakeholder engagements conducted and comments from stakeholders incorporated. The stakeholders include MME, PPP Unit, Project Committee and sharing the same with BERA and Department of Environmental Affairs.

Operational Resilience

Operational resilience is paramount for us as Botswana Oil Limited, given our pivotal role in securing the national fuel supply and ensuring stability in the nation's energy sector.

This resilience is mandatory given the critical nature of our operations and becomes evident in our ability to navigate market disruptions, price volatility, occasional product scarcity and an unpredictable external environment.


Our capacity to withstand and respond to these challenges underscore the importance of our adaptability and ensures an uninterrupted flow of essential resources, thereby maintaining both our stability and the nation's energy security.


According to the Basel Committee, an organisation is considered operationally resilient if it adheres to seven key principles:

- Governance
- Operational Risk Management,
- Business Continuity Planning,
- Mapping Interdependencies and Interconnections
- Third-Party Dependency Management,
- Incident Management and Information and Communication Technologies including Cyber Security.

Though we have not yet fully implemented the Basel Committee's 7 Principles, we have undertaken several initiatives that demonstrate our commitment to being operationally resilient. We plan to integrate these principles comprehensively, to ensure that we can continue to fulfil the critical role in maintaining the national fuel supply, even in the face of unforeseen challenges. This dedication to resilience not only bolsters our stability as BOL but also strengthens the security of fuel supply for Botswana.

Principle 1	Description	Activities	
 <p>Governance</p>	<p>Our governance framework serves as the foundation of our operations at Botswana Oil Limited. Though we take pride in our effective governance structure, enriched by a diverse array of skills and experience, we recognise the need to integrate operational resilience into our governance practices. Our current governance structure must evolve to align more closely with operational resilience principles, ensuring comprehensive oversight and strategic direction in this critical area.</p> <p>Key Areas of Improvement</p> <p>Structural Alignment: We realise our need to review and align our governance framework to ensure that roles and responsibilities are clearly defined, facilitating effective oversight and the implementation of operational resilience measures.</p> <p>Resource Allocation: It is essential to allocate resources specifically towards developing and supporting an Operational Resilience Strategy or Framework, ensuring that adequate support is provided to bolster our resilience efforts.</p>	<p>Structure review: Was governance aligned to clearly defined roles and responsibilities to ensure effective oversight and implementation of Operational Resilience Measures in reporting period?</p> <p>Development of appetite and tolerances: Did Botswana Oil have a risk appetite and tolerance statement for the reporting year under review?</p> <p>Resource allocation: Did Botswana Oil allocate resources to an Operational Resilience Strategy or Framework in FY 2023/24?</p> <p>Reporting: Did Botswana Oil Report on their governance approach?</p>	<p>X</p> <p>X</p> <p>X</p> <p>✓</p>
Principle 2	Description	Activities	
 <p>Operational Risk Management</p>	<p>Our comprehensive risk management framework is an integral part of our strategic planning as it identifies, assesses and mitigates operational risks to ensure sustained performance and continuity.</p> <p>Refer to: Enterprise Risk Management and Sustainability, page 90</p>	<p>Has BOL worked alongside other stakeholders functions to Identify and assess threats vulnerabilities and effectiveness of controls and procedures?</p> <p>Business Risk Registers (assessment of risks/threats aligned to processes, people, systems etc..</p> <p>Operational Risk Performance reports</p> <p>Monitoring of vulnerabilities of critical operations</p> <p>Change Management</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

Principle 3	Description	Activities	
 <p>Business Continuity Planning</p>	Our Business Continuity Management Strategies are to commence in Financial Year 2024/25; however, we have Business Impact Analysis in a form of Environmental Audits that aim to reduce impact on operating natural biodiversity.	Business Impact Analysis (BIAs)	x
	<p>Continuity Strategies: We have robust continuity plans that are regularly tested and updated</p> <p>Refer to: Enterprise Risk Management page 90 and Sustainability, page 102</p>	Recovery Strategies	✓
		Testing/Exercises	x
		Training	x
		Awareness	✓
		Communication and crisis management	✓

Principle 4	Description	Activities	
 <p>Mapping Interconnections and Dependencies</p>	Understanding the critical interconnections and dependencies within our operations is vital for resilience. At Botswana Oil Limited, we map these interconnections to manage them effectively.	Mapping of people process, technology, information, facilities and interconnections and dependencies, including third parties.	✓
	Interconnections: We analyse the flow of operations and dependencies within our supply chain and operational processes.	Review of internal/external dependencies.	✓
	Dependencies: Critical dependencies, such as key suppliers and logistical networks, are monitored and managed closely.		
	Refer to: Our Supply Routes page 15 and Key Strategic Partnerships, page 80.		

Principle 5	Description	Activities	
 <p>Third Party Dependency Management</p>	For Botswana Oil, managing third-party dependencies is crucial to ensuring operational resilience, particularly given the industry's reliance on external suppliers and service providers. Botswana Oil has established robust structures to effectively oversee and manage these third-party relationships. This includes due diligence on suppliers, rigorous vetting processes for selecting suppliers and partners, continuous monitoring of their performance and compliance and regular risk assessments to identify potential vulnerabilities.	Risk assessments and due diligence on parties.	✓
	The company has also implemented comprehensive contractual agreements and contingency plans to address any disruptions in third-party services. By maintaining stringent oversight and proactive management of third-party dependencies, Botswana Oil aims to safeguard its operations from external risks and ensure stability in its supply chain and service delivery.		
	Refer to: Chief Legal Reflections on 10 years of Excellence, page 23		

Principle 6	Description	Activities	
 <p>Incident Management</p>	<p>Managing incidents effectively is crucial given the petroleum industry's inherent risks and complexities. We have established comprehensive incident management structures designed to swiftly address and mitigate any disruptions that may impact our operations. Our framework includes well-defined protocols for detecting, assessing and responding to incidents across our supply chain, from fuel imports to distribution.</p> <p>We also implement robust communication channels to ensure timely and accurate information flow both internally and externally. Post-incident reviews are conducted to analyse the response and identify improvements, ensuring that we continually enhance our resilience and preparedness for future challenges.</p> <p>Refer to: Sustainability page 102 and Enterprise Risk Management, page 90.</p>	<p>Structures to manage incidents</p> <p>Response and recovery plans in place, updated and tested.</p> <p>Root cause analysis and evidence of lessons learned.</p> <p>Training</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Principle 7	Description	Activities	
 <p>Information and Communication Technology (ICT) and Cybersecurity</p>	<p>Information and communication technology (ICT) and cybersecurity are vital components of operational resilience. BOL has a Disaster Recovery (DR) Plan that requires that DR systems are tested every quarter to ensure timely response during disaster situations as well as quick recovery times. Disaster Recovery tests were scheduled and conducted for all critical BOL systems (SAP, Omega 5000 and network infrastructure (Connectivity)). The tests were successful with all test scenarios passing.</p> <p>Refer to: Enterprise Risk Management, page 90.</p>	<p>ICT Policy and Cyber Security Policy review</p> <p>ICT security measures</p> <p>Threat profiles of critical information assets and testing</p> <p>IT Disaster Recovery plans</p> <p>Testing of protection, detection, response and recovery programmes</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>

Enterprise Risk Management





Supply

Risk	Meeting Market demands
Risk Description	The risk that BOL will not meet contracted demand.
Strategic objective	Security of supply
Contributing factors	<ul style="list-style-type: none"> • Failure to accurately forecast demand • Delayed issuance of import BERA regulations • Inadequate logistics to fulfil volume demand • Outdated regulated pricing structure • Constricted global and regional supply
Management mitigation plans and controls	<ul style="list-style-type: none"> • Continue to follow up and monitor process to implement import regulations • Conclude logistics readiness plan as part of import mandate strategy • Follow up response from BERA on the inclusion of alternative routes in the pricing slate • Firm up contracts with alternative routes suppliers in time for implementation of the import mandate
Stakeholder impacted	<ul style="list-style-type: none"> • Customers

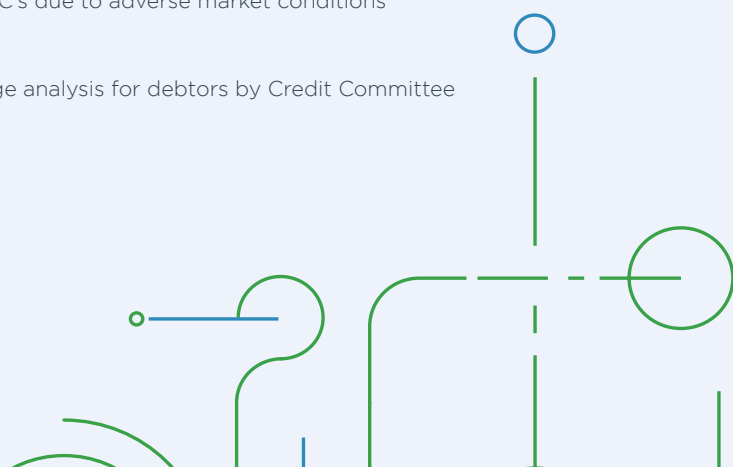
Risk	Operational Costs Coverage
Risk Description	The risk that BOL may not achieve its target gross margin and the supply margin earned may not be adequate to meet operational costs leading to BOL not meeting its profitability targets.
Strategic objective	Profitability
Contributing factors	<ul style="list-style-type: none"> • Adverse movement of prices on stock movements • Adverse International crude oil price fluctuations • Foreign Exchange Fluctuations • Current Botswana slate (pricing structure) does not have allowance for supply margin • Absence of approved import mandate regulations • Unreliable fuel supply from South Africa and Namibia • Lack of regulated pricing for alternative routes • Lack of regulations for the import license leading to lack of firmed up mandate.
Management mitigation plans and controls	<ul style="list-style-type: none"> • Procure and implement market monitoring and price analysis tool • Pursue initiatives to increase market share to 50% (new customer acquisition with focus on IOCs) • Continue engaging BERA on the pricing slate
Stakeholder impacted	Shareholders

Risk	Strategic Stock Maintenance
Risk Description	The risk that strategic stock reserves will be insufficient as outlined within Government's objectives/guidelines.
Strategic objective	Security of supply
Contributing factors	<ul style="list-style-type: none"> • Inadequate Strategic Reserve Storage Capacity • Inadequate funding for Strategic Stock (coastal stock and storage) • Supply disruption from source (Reliance on one supplier - RSA) • Delays in execution of strategic projects • Utilisation of strategic reserves for commercial operations
Management mitigation plans and controls	<ul style="list-style-type: none"> • BOL to source funding from NPF to facilitate funding of strategic reserves as and when required • Deliver infrastructure projects on schedule • Conclude throughput arrangements from various suppliers at the coast/contract storage to receive own shipment from source
Stakeholder impacted	Shareholders

Risk	
Citizen Companies' Participation	
Risk Description	The risk that BOL may not meet the citizen participation targets.
Strategic objective	Citizen participation
Contributing factors	<ul style="list-style-type: none"> • Inexperience in the market • Constrained financial resources by citizen companies leading to limited number of citizens-owned trucks • Lack of a supply development framework for facilitation of citizen participation • Inadequate funding and personnel for CEEP
Management mitigation plans and controls	<ul style="list-style-type: none"> • Work with UNDP to develop and implement a supplier development programme • Conclude MOUs with potential funders for access by citizens to preferential interest rates • Work with Debswana to facilitate citizen transporters to deliver Debswana volume
Stakeholder impacted	Botswana Oil Board
Strategy and Sustainability	

Risk	
HSSEQ Management Systems	
Risk Description	The possibility that BOL HSSEQ systems may fail leading to serious HSSEQ incidents and Business Disruptions /Interruptions.
Strategic objective	Health Safety & Environment
Contributing factors	<ul style="list-style-type: none"> • Failure of HSSEQ management system controls • Non-adherence to policies, processes and standard operating procedures (SOP'S) and best practice • Lack of Crisis management & Business continuity Framework • Unsafe Acts and Conditions around BOL operations
Management mitigation plans and controls	<ul style="list-style-type: none"> • Develop the Crisis Management & Business Continuity Management framework. • Conduct annual HSSEQ Audits to test effectiveness of HSSEQ management systems. • Conduct regular tests of Emergency, crisis and business continuity plan. • Review and improve asset integrity controls • Implement HSSEQ MS for ISO certification
Stakeholder impacted	Employees

Risk	
Counter Party Risk	
Risk Description	The risk of financial exposure if counterparties (such as COOC's, IOC's or other fuel vendors, other service providers) default on their contractual obligations.
Strategic objective	Profitability
Contributing factors	<ul style="list-style-type: none"> • Closure and liquidation of COOC's due to adverse market conditions • Higher account delinquencies
Management mitigation plans and controls	<ul style="list-style-type: none"> • Review the Credit Policy • Conduct monthly reviews on age analysis for debtors by Credit Committee
Stakeholder impacted	Shareholders



Risk	New Revenue Streams
Risk Description	The risk that BOL's profitability may remain stagnant or eroded leading to going concern challenges.
Strategic objective	New revenue streams
Contributing factors	<ul style="list-style-type: none"> • Lack of profitable new ventures • Growing cost base relative to revenue growth • Limited funding for implementation of BOL mandate
Management mitigation plans and controls	<ul style="list-style-type: none"> • Development of CTO and aviation new business cases
Stakeholder impacted	Shareholders

Finance

Risk	Information and Cyber Security
Risk Description	The risk that BOL may not be adequately prepared for ICT related attacks.
Strategic objective	Governance risk and compliance
Contributing factors	<ul style="list-style-type: none"> • Technology Vulnerability Gaps • Lack of a business continuity framework • Lack of capacity to implement the ICT Governance and Management Framework
Management mitigation plans and controls	<ul style="list-style-type: none"> • Implement Recommendations of the ICT Security Framework including governance and management framework • Regular system updates are conducted to counter attacks • Conduct bi-annual Penetration tests and implement recommendations • Regular training for ICT personnel on cyber security • End user awareness training on information security and cyber security
Stakeholder impacted	Customers

Risk	Gross Margin Growth
Risk Description	The risk that BOL may not achieve the target margin.
Strategic objective	Profitability
Contributing factors	<ul style="list-style-type: none"> • Adverse movement of prices on stock movements • Lack of regulations for the import license leading to lack of firmed up mandate. • Deficient regulatory pricing slate • Lack of regulated pricing for alternative routes • Unreliable fuel supply from South Africa and Namibia
Mitigation plans and controls	<ul style="list-style-type: none"> • Request for Debswana consignment stocks to be converted to Strategic stocks • Development of Costal storage • Supply to motivate for a Strategic reserve's product swap between diesel and petrol
Stakeholder impacted	Shareholders

Risk	Operational Efficiency
Risk Description	Failure to digitalise our business processes to improve operational efficiency
Strategic objective	ICT digitalisation
Contributing factors	<ul style="list-style-type: none"> Competing financial priorities Lack of a dedicated business processes resource
Management mitigation plans and controls	<ul style="list-style-type: none"> Implement ICT Strategy roadmap (Digitalisation initiative)
Stakeholder impacted	Customers

Operations

Risk	Strategic Infrastructure Projects
Risk Description	The risk that strategic storage infrastructure projects may not be delivered on time, affecting both the quality and cost to meet the current strategic storage requirements.
Strategic objective	Delivery of strategic projects
Contributing factors	<ul style="list-style-type: none"> Inadequate funding Lack of local contractors with expertise to execute specialised projects Inadequate project management capabilities Engagement of contractor's incapable of executing specialised projects
Management mitigation plans and controls	<ul style="list-style-type: none"> Follow up shareholder on project funding Develop and implement project prioritisation and ensure adherence to the Project Management Framework Capacity building of local contractors on specialised works through supplier development programme
Stakeholder impacted	Customers

Shareholder relations

Risk	Stakeholder Alignment
Risk Description	The risk that BOL may fail to align and meet stakeholders' expectations through delivery of the mandate.
Strategic objective	Stakeholder satisfaction
Contributing factors	<ul style="list-style-type: none"> Misalignment with the BOL constitution Poor strategy execution Unfavourable market dynamics External dependencies - third party entities not facilitating BOL
Management mitigation plans and controls	<ul style="list-style-type: none"> Quarterly engagements with Board to appraise them of development and seek guidance Monitoring and reporting on performance quarterly to board Implementation of the Supply Strategy Implementation of the stakeholder management plan
Stakeholder impacted	Shareholders

Human Capital

Risk	Talent Attraction and Retention
Risk Description	The risk that BOL may not be able to attract and retain suitable highly skilled and qualified talent.
Strategic objective	Employee engagement
Contributing factors	<ul style="list-style-type: none"> • Current remuneration packages not competitive • Limited career progression opportunities • Lack of a Human Capital strategy and defined Employee Value Proposition
Management mitigation plans and controls	<ul style="list-style-type: none"> • Review the Reward and retention policy • Implement Talent Management & Succession Planning Policy • Review BOL Remuneration structure • Develop the HC Strategy and EVP
Stakeholder impacted	Customers

Legal

Risk	Governance and Compliance
Risk Description	The risk that BOL may not meet statutory and regulatory requirements, standards and best practice.
Strategic objective	Governance risk and compliance
Contributing factors	<ul style="list-style-type: none"> • Lack of defined Compliance framework and structure • Inadequate compliance reviews • Lack of defined regulatory requirements from BERA
Management mitigation plans and controls	<ul style="list-style-type: none"> • Implement GRC system • Expedite the review of the Compliance Universe
Stakeholder impacted	BERA

Operational Highlights

During the review period 2023/24, depot operations experienced a notable increase in total volume handled, driven by higher sales volumes. The total combined volume from all depots reached 223,000 m³ (million litres), up from 187,000 m³ (million litres) in the previous fiscal year. This increase in volume positively impacted overall operational efficiency within the depots.

The rise in handled volume allowed for more streamlined operations, leading to enhanced efficiency in fuel handling and storage processes. As a result, storage and handling costs were optimised, closing at 3.55 thebe per litre. This improvement in cost management underscores our commitment to operational excellence and cost-effectiveness, ensuring that the company can continue to meet growing demand while maintaining exacting standards of efficiency and service delivery.

The increased volume demonstrates our capacity to scale operations effectively in response to market demands, further solidifying its position as a key player in Botswana's energy sector. The operational enhancements achieved during this period lay a solid foundation for future growth and sustainability, aligning with the company's strategic objectives.



Suppliers

Botswana Oil currently supplies 25% of the market requirements through a diverse range of suppliers, including Sasol, Trafigura, August Energy and Namcor. Our product volume distribution is 60% from South Africa, 20% from Namibia and 20% from Mozambique. Additionally, we are consulting with a supply trading consultancy to assist in finalising long-term supplier contracts, which will include international suppliers.

The contracted volumes will be sufficient to meet or exceed market requirements, ensuring a stable and reliable supply chain for our stakeholders. Our success relies heavily on strong relationships with our suppliers and our commitment to providing a consistent supply to our customers within Botswana. By maintaining and enhancing these partnerships, we ensure the resilience and reliability of our operations and supply chain.



Logistics

We have significantly increased the number of citizen transporters from less than 20 trucks in 2020 to an average of 70 trucks year-to-date. In preparation for handling 90% of the market volumes, we have initiated negotiations with the current transporters and plans to onboard additional citizen transporters by mid-March 2024. This proactive approach aims to align road transporters with the transition model, ensuring minimal disruptions to the industry. We also utilise a mix of rail and road transport modes. During the reporting year, we engaged with Botswana Railways to increase capacity of the rail wagons to fulfil the mandate requirements. These strategic enhancements in transportation logistics are designed to support the efficient and reliable distribution of fuel across the country.



Storage

The Company has sufficient storage capacity to meet the mandate requirements, with the Francistown Depot handling a throughput of 54 million litres and the Gaborone Depot handling 38 million litres. To complement these storage facilities, an expansion of the Francistown Depot is underway and construction of the Ghanzi Depot has commenced. To further enhance storage capabilities, the Company is negotiating coastal storage rentals with different companies in Namibia and Mozambique. These efforts aim to ensure robust and reliable storage solutions to support the company's operational needs.





Outlook

As we move forward, our priority is to stabilise and secure the nation's security of fuel supply, particularly with the new 90% import mandate which will take effect at the beginning of the next financial year. Alongside this, we are committed to fostering active citizen participation and driving sustainable growth in a rapidly evolving market.

The global petroleum sector faces volatility due to geopolitical instability, which creates fuel price fluctuations and poses challenges in the supply chain. However, through our focus on operational resilience and strategic projects, we aim to enhance our efficiency and strengthen our ability to meet our mandate. The upcoming implementation of the Citizen Economic Empowerment Programme (CEEP) will further support local partnerships and accelerate citizen empowerment in Botswana especially in the transportation sector which is paramount for successful fulfilment of the 90% Import Mandate.

For the upcoming financial year, we plan to make significant progress on key initiatives, including the Ikaegeng IXTL Coal to Liquids Facility, taking over aviation fuel supply and infrastructure, managing the Government fleet, expanding the Francistown depot and the construction of the Ghanzi Storage Depot. These initiatives, a summary of which is presented below, are crucial in solidifying our position as the National Oil Company and reinforcing our credibility in fulfilling our national mandate.



Procurement and Appointment of the Coal to Liquids (XTL) facility Project through a PPP Model

The Ikaegeng Coal to Liquids (IXTL) Project, which will be executed through a Public Private Partnership (PPP) model, is a transformative initiative aimed at enhancing Botswana's energy security through the strategic utilisation of our country's abundant coal reserves. This ambitious project, valued at over P50 billion, represents a significant leap forward in our quest to strengthen Botswana's petroleum industry and diversify our energy sources. The IXTL Project is designed to provide solutions for several pressing challenges and needs within our nation and the region. These include:

- A growing demand for liquid fuel in Botswana.
- A growing concern over security of liquid fuel supply in the region.
- Over reliance of the economy on the mineral sector.
- Limited development and processing of Botswana's significant coal reserves.
- The need for employment creation and local skills development to enable citizen empowerment; and
- Limited private sector investment.

This technologically sophisticated megaproject is poised to drive significant advancements in industrialisation of Botswana's petroleum sector, foster economic growth and contribute to the long-term sustainability of our resources.

Acquisition of the Aviation Fuel Supply and Infrastructure

BOL will commence supplying Aviation fuels in the next financial year. This project is focused on mitigating the risks associated with dependence on a single supplier, thereby ensuring a more reliable and secure supply chain for aviation fuels. The project brings several significant benefits. First, it will establish government oversight over the procurement and distribution processes of aviation fuels, ensuring greater accountability and efficiency. Additionally, it will create valuable opportunities for meaningful citizen participation within the aviation fuel value chain, fostering greater involvement and investment from our local communities.

Transfer of the Government Fleet Management Facilities (GFM)

BOL is scheduled to begin supplying fuel to GFM in the next financial year. The project is set to deliver several notable benefits; including: to enhance energy security for the government fleet, which is crucial for maintaining the efficiency of government operations. Additionally, it will provide opportunities for increased citizen involvement in the operation of GFM fuel points, stimulating and nurturing greater local engagement and contribution.

Francistown Depot Expansion Project

The Francistown Depot expansion is a strategic initiative designed to significantly enhance our terminal capacity. The project will increase our storage capability from 38 million liters to an impressive 98 million liters, thereby contributing to our goal to have a 60-day supply coverage for Northern Botswana's consumption needs.

This expansion, which is already underway and expected to be concluded by December 2025, will be executed in two phases and includes the addition of a state-of-the-art road loading and offloading gantry, a rail offloading gantry, an upgraded firefighting system and a new administration building. It will also include construction of additional tanks and the implementation of associated mechanical and electrical systems. These upgrades are integral to improving our operational efficiency and reinforcing BOL's commitment to meeting the growing demands of the Northern region.

These developments are critical to achieving BOL's project goals and enhancing its operational capabilities.

Construction of Ghanzi Government Storage Depot

The ongoing development of the Ghanzi Government Storage Depot is a pivotal project designed to construct a storage facility with a capacity of 60 million liters. This new depot will play a crucial role in providing a reliable 60-day supply coverage for the Western Corridor of Botswana, ensuring stability and efficiency in BOL's supply chain for the region.

The project is progressing in two distinct phases. Phase 1, which encompassed the design and procurement of contractors, has been successfully completed. Phase 2, focusing on construction, began in January 2024. The civil and building works are expected to be completed by March 2025. This phase marks a significant step toward realising the project's objectives and strengthening BOL's infrastructure.

Sustainability

Diversity, Equity and Inclusion (DEI)

Key Statistics

Botswana Oil maintains a diverse workforce with a strong commitment to gender and generational diversity. The workforce profile for the period under review is as follows:

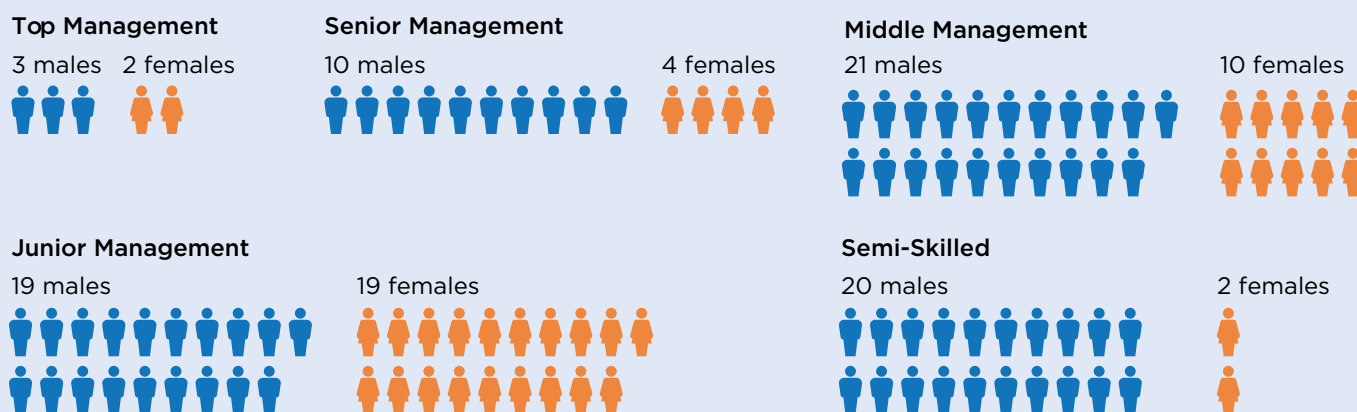
- Male Employees: 67%
- Female Employees: 33%
- Employees aged 35 years or younger: 45%
- Employees older than 35 years: 55%
- Botswana Employees: 100%
- Foreign Nationals: 0%

The gender distribution at Botswana Oil reflects a male-dominated workforce, with men comprising 67% and women 33% of the employees. This gender split is particularly notable at various management levels, with efforts towards gender parity evident in junior management, where the numbers are equal.

The generational distribution shows a balanced mix, with 45% of employees aged 35 years or younger and 55% older than 35 years. This indicates a blend of youthful energy and experienced professionals within our organisation, fostering an environment that values both innovation and seasoned expertise.

All employees at Botswana Oil are Botswana, highlighting the company's commitment to local employment and national development. This focus on local talent ensures that the company's growth directly contributes to the country's economic and social progress.

Gender Split vs. Occupational Level (FY2024)



This distribution demonstrates Botswana Oil's efforts to enhance gender diversity, particularly at the junior management level, which exhibits a balanced gender representation. However, there is room for improvement in higher management levels, where male employees significantly outnumber female employees.

Corporate Social Responsibility

Botswana Oil Limited has consistently demonstrated a strong commitment to Corporate Social Responsibility (CSR), engaging in various initiatives that contribute to the social and economic development of the communities we serve. From April 2023 to March 2024, BOL has been actively involved in several impactful projects and events, reflecting its dedication to sustainability, community support and local development.

Community Engagement

We participated in and sponsored numerous community events and initiatives throughout the year. Notably, the company sponsored the Jwaneng Golf Open held from March 3rd to 5th, 2023. Additionally, we also donated towards the Miss Orphan Nest 2023 beauty pageant in Sese on May 30th, 2023, with funds directed towards aiding orphaned children.

Education Support

In alignment with our commitment to CSR and supporting the United Nations Sustainable Development Goal (UN SDG) 4: Quality Education, we have initiated several impactful projects aimed at enhancing education and community safety.

During the review period, we led multiple initiatives in Jwaneng.

One such initiative is the Mahotshwane Primary School Study Camp, designed to address undesirable Primary School Leaving Examination (PSLE) results. It was identified that Standard 7 pupils often regress in their studies during school closures. To counteract this, a study camp has been organised to engage students during school holidays, allowing them to focus on their studies. This project involves collaboration with Mahotshwane Primary and the PTA. Funds will be used to purchase study and exam stationery, toiletries and food items for the camp.

Botswana Oil has a partnership with the Botswana International University of Science and Technology (BIUST) which includes awarding of best overall students in Engineering a P10,000 prize to reward academic excellence to the graduating student as they prepare for their career.

Overall, these initiatives, with a total investment of P330,000.00 demonstrate our dedication to improving educational outcomes and community safety. By investing in education and safety training, we support the development of future generations and ensure that the community is well-prepared to handle emergencies, contributing to the overall resilience and sustainability of the region.



Safety and Awareness Campaigns

Safety remains a top priority for BOL. The company actively participated in the Road Safety Awareness Week from December 6th to 9th, 2023, in partnership with OKKK, emphasising the importance of road safety and responsible driving practices. Furthermore, BOL took part in the Trans Kalahari Joint Law Enforcement Operation from July 31st to August 3rd, 2023, at Sese Junction, showcasing their commitment to regional safety and cooperation.

Environmental Initiatives

We have also been proactive in environmental conservation efforts. The company supported the ongoing Jwaneng Cleanup Campaign by donating fuel to the Jwaneng Town Council for their equipment and providing 20 refuse bins, which are yet to be mounted and handed over. Additionally, staff members participate in the cleanup campaign every Friday once a month, demonstrating BOL's commitment to maintaining a clean and healthy environment.

Support for Local Businesses & Economic Empowerment



Botswana Oil Limited (BOL) has made substantial progress in supporting local businesses and fostering economic empowerment through its Citizen Owned Fuel Transporters (COFTs) initiative.

The company has contracted four fully citizen-owned fuel transporters—Skybridge Logistics, Filano, AIP Botswana and Guildhall to deliver fuel to Debswana sites (Jwaneng & OLDM). Over the past three years, the total expenditure on these COFTs has reached P36.5 million, accounting for 42% of the total spend on citizen-owned fuel transporters.

In alignment with its mandate to support citizen-owned companies in the industry, BOL's Supplier Development Programme has successfully facilitated the registration of

AIP Botswana and Filano with SASOL, thereby enhancing their capacity to source volumes from South Africa.

Guildhall and Skybridge Logistics are currently under review for similar registration. This initiative highlights BOL's commitment to empowering local enterprises and integrating them into the broader petroleum industry value chain.

Furthermore, this effort aligns with the United Nations Sustainable Development Goal (UN SDG) 9, which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation. Through these initiatives, BOL not only supports local businesses but also contributes to the sustainable economic growth and industrial development of Botswana.

Health, Safety, Security, Environment & Quality (HSSEQ) Commitment

At BOL, we place the highest priority on Health, Safety, Security, Environment and Quality ('HSSEQ') as fundamental pillars of our operations. Recognising the critical importance of HSSEQ to our business, partners, employees and the communities in which we operate, we adopt a zero-tolerance approach to HSSEQ incidents. Our unwavering commitment is to maintain:

- Zero injuries
- Zero fatalities
- Zero workplace illnesses
- Zero spills or environmental pollution

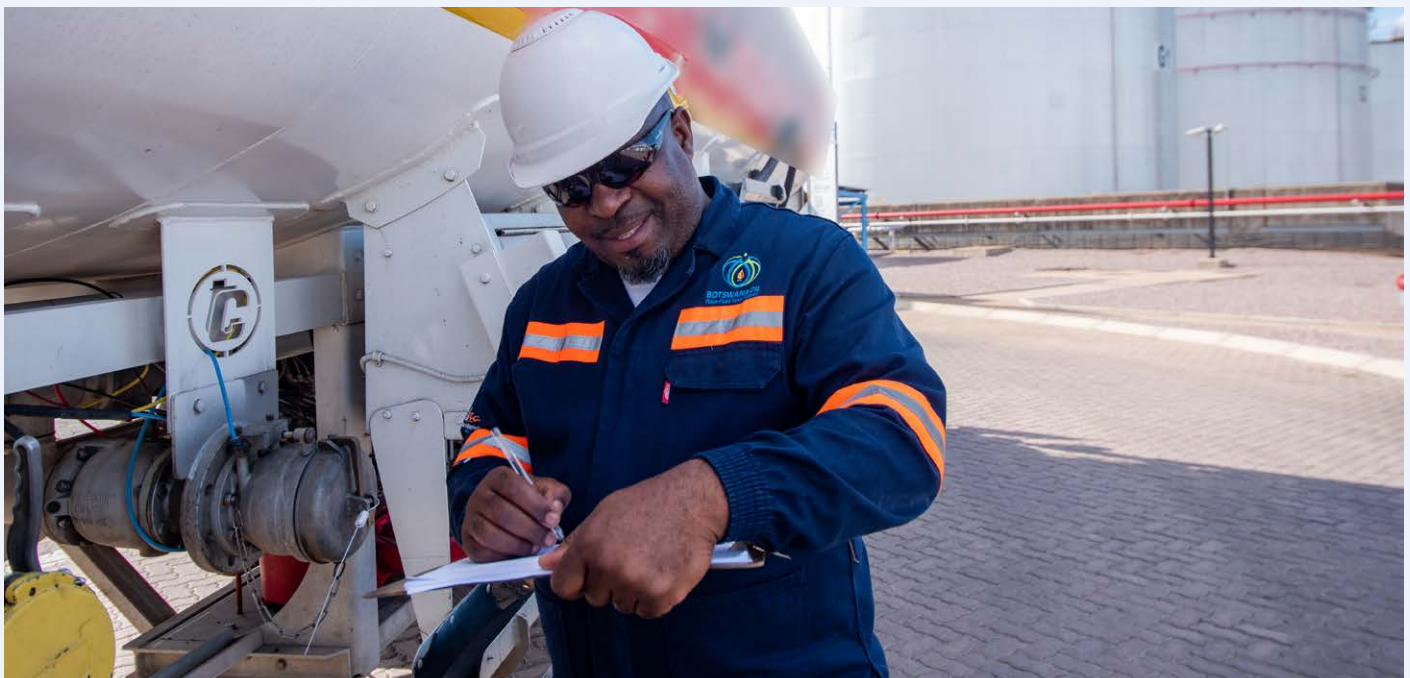
HSSEQ Management & Standards

Every aspect of our business is conducted in a manner that ensures safety, health and environmental responsibility, adhering to both statutory requirements and international standards. We strive to create and sustain a workplace that is safe, clean and healthy, reinforcing our dedication to environmental stewardship and the well-being of our stakeholders.

HSSEQ Policy & Safety Culture

The BOL HSSEQ Policy articulates our company's commitment to HSSEQ and underpins our safety culture. We understand that the successful management of HSSEQ within the workplace hinges on the commitment, consultation and cooperation of all stakeholders involved. This collective approach ensures that HSSEQ practices are effectively integrated into all operational processes. Stakeholder Engagement in HSSEQ

We actively encourage all stakeholders, including employees and contractors, to recognise the importance of HSSEQ systems. We believe that the active participation of everyone involved in our operations is crucial to creating a safer workplace. By fostering a culture of awareness and responsibility, we aim to ensure that every individual understands their role in upholding our HSSEQ standards.





HSSEQ Initiatives & Programmes

Our commitment to HSSEQ is demonstrated through various initiatives and programmes designed to enhance safety and environmental performance. These include regular training sessions, emergency preparedness drills and continuous improvement programmes that focus on identifying and mitigating potential risks. Additionally, we conduct rigorous audits and inspections to ensure compliance with HSSEQ policies and standards. Dedication to HSSEQ is integral to our operational ethos and is reflected in every facet of our business. By prioritising health, safety, security and environmental sustainability, we aim to protect our employees, partners and the communities we serve. Our ongoing efforts to uphold the highest HSSEQ standards underscore our commitment to responsible corporate citizenship

and sustainable business practices, we subscribe to the United Nations Sustainable Development Goal (SDG) 3, which focuses on ensuring healthy lives and promoting well-being for all at all stages. By maintaining high HSSEQ standards, BOL contributes to reducing workplace accidents, promoting health and safeguarding the environment, all of which are key aspects of SDG 3.

As the primary national fuel supplier, it is imperative for Botswana Oil to adhere to stringent HSSEQ standards. This commitment not only ensures the safety and well-being of its employees and partners but also reinforces the company's role in supporting national and global sustainability goals. By prioritising HSSEQ, we help to secure a sustainable future for Botswana, contributing to the nation's economic stability and environmental preservation.

Review of Financial Statements for the Financial Year 2023-24

Botswana Oil Limited maintained solid performance during the financial year, albeit at a reduced rate. The year closed with a net profit after tax of P55 million, compared to P99 million in the previous financial year. Despite volatility in the Oil and Gas industry, the company's performance remained commendable.

Key Financial Highlights

- Volumes: Petroleum product sales increased by 26% compared to the prior year.
- Revenue: Revenue grew by 19%, aligning with the increase in volume sales.
- Gross Profit Margin: The margin was 12% lower than last year due to sourcing more products from alternative supply routes, which were more expensive than traditional sources. The traditional routes also faced supply shortages.
- Operating Profit Margin: Profitability was impacted by both the reduction in gross margin and increased operating expenses, as the company focused on building capacity to implement its import mandate in 2024-25.
- Net Profit Margin: Despite a 46% decrease from the previous financial year, the company remained profitable.

Financial Ratios and Stability

- Return on Equity (ROE): The ratio was 3% positive at year-end and is projected to grow as the company successfully cleared accumulated losses for the first time.
- Debt-to-Equity Ratio: The company has not acquired any debt since its inception, ensuring financial stability and flexibility.
- Current Ratio: Improved from 1.67 in the previous year to 3.96, demonstrating a strong financial position and the ability to cover current liabilities.

Cash Flow Position

At year-end, Botswana Oil Limited maintained a healthy cash flow, closing at P1.1 billion.

This version ensures clarity, removes redundancy, and improves readability with structured formatting. Let me know if you need any further refinements!

ANNUAL FINANCIAL STATEMENTS



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

INDEX TO THE FINANCIAL STATEMENTS

Corporate Information	110
Statement of director’s responsibility	111
Independent auditors report	112
Statement of financial position	115
Statement of comprehensive income	116
Statement of cash flows	117
Statement of changes in equity	118
Summary of material accounting policies	119
Financial risk management	
Critical accounting estimates and assumptions	
Notes to the financial statements	133
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed statement of comprehensive income	



CORPORATE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

Registration number

BW00001348552

Country of incorporation and domicile

Botswana

Nature of Business

Botswana Oil Limited serves as the Government of Botswana's transformation agent and is mandated to ensure security and efficiency of supply of petroleum products for Botswana, to manage state owned strategic fuel reserve facilities and to facilitate participation of citizen emerging companies in the petroleum sector.

Directors

Mr Martin Motsomi Makgatlhe
Mr Meshack Tshekedi
Ms Caroline Setshedi Botlhole-Mmopi
Mr Motsile Stephen Sibanda
Mr Nchena Zico Mothebe
Ms One Pearl Batshabile
Mr Judge Mogogi Mookodi
Mr Kenneth G Matswiri

Office

Chairman
Member/CEO
Member
Member
Member
Member
Member

Registered Office

Plot 54373
Petroleum House Matante Mews
Central Business District
Gaborone

Company Secretary

Desert Secretarial Services (Pty) Ltd
Plot 64518
Fairgrounds Office Park
Gaborone

Auditor

Grant Thornton Botswana
Plot 50370
Acumen Park Fairgrounds
Gaborone

Bankers

Stanbic Bank of Botswana
Access Bank Botswana
Absa Bank
First National Bank Botswana
Bank Gaborone

(The financial statements are expressed in Pula, the currency of Botswana)

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2024

The directors of Botswana Oil Limited are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

The company maintains systems of internal controls, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of company assets. The directors are also responsible for the design, implementation and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any MATERIAL breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual financial statements set out on pages 116 to 145 were authorised and approved for issue by the Board of Directors on 19 September 2024 and are signed on its behalf by:



Chief Executive Officer
Meshack Tshekedi



Director
Martin Motsomi Makgatlhe

INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2024



Chartered Accountants

Grant Thornton

Acumen Park, Plot 50370
Fairgrounds, Gaborone
P O Box 1157
Gaborone, Botswana

T +267 395 2313

F +267 397 2357

[linkedin.com/company/Grant-Thornton-Botswana](https://www.linkedin.com/company/Grant-Thornton-Botswana)
twitter.com/GrantThorntonBW

To the shareholder of Botswana Oil Limited

Opinion

We have audited the annual financial statements of Botswana Oil Limited set out on pages 116 to 145, which comprise the statement of financial position as at 31 March 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the annual financial statements, including a summary of material accounting policy information.

In our opinion, the annual financial statements present a true and fair view of, the financial position of Botswana Oil Limited as at 31 March 2024 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1,3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other matter

The annual financial statements of the company for the year ended 31 March 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 30 November 2023.

Botswana Accountancy Oversight Authority registration number: FAP 005 2024 (Audit Firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW11013 (Audit and Non-Audit)

Member of Grant Thornton International Ltd
Offices in Gaborone & Francistown

Partners

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

www.grantthornton.co.bw



BOTSWANA
OIL LIMITED

INTEGRATED REPORT
2023/2024

INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2024



Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Oil Limited annual financial statements for the year ended 31 March 2024", which we obtained prior to the date of this report and the document titled "Botswana Oil Limited Annual Report 2023/2024" which is expected to be available to us after that date. The other information does not include the annual financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Financial Statements

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

In preparing the annual financial statements, the directors are responsible for assessing the entity'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 entity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements

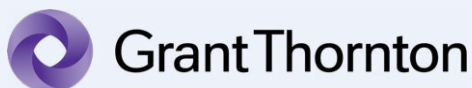
Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2024



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 year 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.

Grant Thornton/

Grant Thornton
Firm of Certified Auditors
Practicing Member: Madhavan Venkatachary (CAP 0017 2024)

Gaborone
19 September 2024

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 P	2023 P (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	16,033,160	11,793,786
Intangible assets	9	2,238,295	2,634,769
Right of use	10	4,629,071	7,265,679
Deferred Tax Asset	15	2,168,684	1,861,682
		25,069,210	23,555,916
Current Assets			
Inventories	11	91,961,164	89,335,855
Trade and other receivables	12	225,971,338	264,396,339
Investments	13	10,526,300	43,690,129
Cash and cash equivalents	14	1,145,894,458	823,385,175
		1,474,353,260	1,220,807,498
Total Assets		1,499,422,470	1,244,363,414
EQUITY			
Stated capital	17	113,127,939	113,127,939
Capital reserves	18	948,863,997	271,669,319
Retained earnings		27,862,452	(25,826,980)
		1,089,854,388	358,970,278
Non-Current Liabilities			
Lease liability	19	2,620,681	5,017,979
		2,620,681	5,017,979
Current Liabilities			
Lease liability	19	2,435,277	2,469,327
Shareholder's product loan	20	18,889,697	65,432,943
Government advances	21	67,764,353	476,583,392
Trade and other payables	22	313,763,245	335,889,495
Current tax payable	16	4,094,829	-
		406,947,401	880,375,157
Total Liabilities		409,568,082	885,393,136
Total Equity and Liabilities		1,499,422,470	1,244,363,414

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 P	2023 P (Restated)
Revenue	1	3,083,922,120	2,625,394,567
Cost of sales	2	(2,971,828,206)	(2,466,217,615)
Gross profit		112,093,914	159,176,952
Other operating income	3	23,866,629	7,569,663
Administrative expenses	4	(135,764,899)	(110,451,097)
Profit from operations		195,644	56,295,518
Finance cost	5	(891,560)	(1,717,356)
Finance income	6	69,983,091	44,399,663
Profit from operations		69,287,174	98,977,825
Income tax	7	(15,597,742)	94,792
Profit after income tax expense		53,689,432	99,072,617



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	2024 P	2023 P (Restated)
Profit before income tax expense	1	69,287,174	98,931,570
Adjustments for:			
Interest expense	5	443,131	347,297
Interest earned	6	(69,161,568)	(44,399,663)
Profit on disposal of assets	8	(272,899)	(27,726)
Taxation	16	(11,809,915)	(1,766,890)
Depreciation, amortisation and impairment	8 & 9	5,134,520	4,007,773
Product loan-drawn from Government reserves	20	(46,543,245)	65,432,943
Unrealised foreign exchange loss on bank balances		2,707	33,578
Cash flows before working capital changes		(52,920,087)	122,558,882
(Increase)/decrease in inventories	11	(2,625,309)	(68,987,711)
(Increase)/decrease in trade and other receivables	12	38,425,001	(209,765,022)
Increase/(decrease) in trade and other payables	22	(22,126,250)	256,798,957
Net cash utilised by operations		(39,246,645)	100,605,106
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	8	(6,796,243)	(3,415,240)
Acquisition of intangible assets	9	(380,315)	(430,095)
Proceeds from disposal of assets		1,159,827	71,863
Upliftment of fixed deposits		-	186,630,174
(Increase)/decrease in BIFM investment	13	(3,636,907)	702,738
Investment relating to bank guarantees	13	36,800,736	(36,800,736)
Interest received	6	69,161,568	44,399,663
		96,308,666	191,158,367
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liability	19	(2,482,539)	(1,698,768)
Interest on leases	19	(443,131)	(347,297)
Upfront payment of rentals on acquired land lease		-	(6,984,500)
Proceeds from Government for projects and maintenance	21	138,599,726	101,744,224
Utilisation of Government funds on projects and maintenance	21	(176,482,925)	(76,614,898)
Outflow of funds for procurement of Government strategic fuel	21	(422,332,500)	(145,637,975)
Inflow of funds for procurement of Government strategic fuel	21	51,396,660	469,728,717
Cash injection by the shareholder	18	677,194,678	115,000,000
Net cash generated from financing activities		265,449,969	455,189,502
Net (decrease)/increase in cash and cash equivalents		322,511,990	746,952,975
Unrestricted cash and cash equivalents at the beginning of the year		823,385,175	76,465,777
Effects of exchange rate movement on cash balance		(2,707)	(33,578)
Unrestricted cash and cash equivalents at the end of the year		1,145,894,458	823,385,175

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Stated capital P	Capital reserves P	Accumulated loss P	Total equity P
Balance as at 1 April 2022	113,127,939	156,669,319	(124,899,597)	144,897,661
Contribution for the year	-	115,000,000	-	115,000,000
Profit/(loss) for the year	-	-	99,072,617	99,072,617
Restated balance at 31 March 2023	113,127,939	271,669,319	(25,826,980)	358,970,278
Balance as at 1 April 2023	113,127,939	271,669,319	(25,826,980)	358,970,278
Profit/(loss) for the year	-	-	53,689,432	53,689,432
Contribution for the year	-	677,194,678	-	677,194,678
Balance at 31 March 2024	113,127,939	948,863,997	27,862,452	1,089,854,388

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL

Botswana Oil Limited ("BOL"/ the "Company") is a company fully owned by the Government of Botswana under the Ministry of Minerals and Energy (MME). The address of its registered office and principal place of business is disclosed in the corporate information section of the financial statements. The company undertakes bulk sale of petroleum products to customers. The current customer base consists of citizen-owned companies and international oil companies active in the local market.

The company's financial statements were approved and authorised for issue by the Board of directors.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements are prepared on a going concern basis and under the historical cost convention except for investments and shareholder's product loan that are measured at fair value. The material accounting policies applied in the preparation of the company financial statements are set out below. These policies have been consistently applied in the last year, unless otherwise stated.

The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

2.1 New standards and Interpretations

International Financial Reporting Standards and amendments effective for the first time for March 2023 year end and are applicable to the company		
Number	Effective date	Impact on these Financial Statements
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022.	No impact on these financials statements.
IFRS 16, 'Leases,' amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.		
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022.	No impact on these financials statements, as the company does not produce any assets.
The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.		
Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022.	No impact on these financials statements.
The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the		

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

2.1 New Standards and Interpretations (continued)

International Financial Reporting Standards and amendments effective for the first time for March 2023 year end and are applicable to the company		
Number	Effective date	Impact on these Financial Statements
Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments"	Annual periods beginning on or after 1 January 2024.	No impact on these financials statements as the company does not have any supplier finance arrangements.
'Supplier finance arrangements, amendment to IAS & and IFRS 7 is done to address the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.		
Amendments to IAS 1 Presentation of Financial Statements	Annual periods beginning on or after 1 January 2024.	No impact on these financials statements, as the company does not have any non-current liabilities with covenants.
The amendment to IAS 1, "Non-current liabilities with covenants" introduces additional disclosures for liabilities with covenants within 12 months of the reporting period. These disclosures are to enable financial statement users to understand the risks of the loans becoming repayable within 12 months of the reporting date.		
Amendments to IFRS 16 Leases	Annual periods beginning on or after 1 January 2024.	No impact on these financials statements as the company does not have these transactions.
The amendment specifies subsequent measurement requirements for sale and leaseback transactions.		

Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income.

Property, plant and equipment and intangible assets

Property Plant & Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property plant and equipment or to acquire or develop intangible assets and costs incurred subsequently to add to, replace part of, or service it.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Property plant and equipment (continued)

Property, plant and equipment are carried at costs less accumulated depreciation and after accounting for any impairment losses. Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment which is as follows.

Item	Useful lifetime
Leasehold improvements	Over the operating lease period
Buildings - Porto cabins	10 years
Plant and Machinery	7 years
Furniture and fixtures	7 years
Motor vehicles	5 years
Office equipment	7 years
IT equipment	14 years

Useful lives and residual values of property, plant and equipment

The Company annually assesses the appropriateness of the useful life and residual value estimates. The estimated residual values of the property, plant and equipment have been determined by the Company's directors based on their knowledge of the industry.

De-recognition of property, plant and equipment

Property plant and equipment is de-recognised where:

- the right to receive cash flows from the asset has expired
- it has been sold
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. Like all assets, intangible assets are expected to generate economic returns for the company in the future. As a long term asset, this expectation extends for more than one year. These consists internally and externally generated assets.

The cost may include development costs or acquisition costs of the new software and costs incurred subsequently to enhance the software. Costs of software development are recognised as capital work in progress (WIP). The Work-in-progress is capitalised at the date when the economic benefits of the intangible asset start to accrue to the company. The capitalised asset will follow the depreciation policy of the existing intangible asset.

Intangible assets are carried at costs less accumulated amortization and after accounting for any impairment losses. WIP is only amortized once completed and transferred to an asset. Amortization are provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property which is as follows;

Item	Useful lifetime
SAP Oil-In-One	5 years
Software	5 years

The residual values and useful lives of property, plant and equipment and intangibles are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The amortisation of intangible assets is included in administrative expenses of the statement of comprehensive income (SOCl).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Intangible assets (continued)

De-recognition of intangible assets

Intangible assets de-recognised when:

- It is disposed of
- when no future economic benefits are expected from its disposal.
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of non-financial assets

In respect of assets that are subject to depreciation or amortisation, the company assesses at each reporting date whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An asset's recoverable amount is the higher of its fair value less cost to sell 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 group of assets. Where the carrying values exceed the estimated recoverable amounts, the tangible assets concerned are written down to their estimated recoverable amounts. 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.

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 may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received). The right of use asset is measured at cost less accumulated depreciation and impairment losses.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is 3 years. The Company also assesses the right-of-use asset for impairment each year end for any indicators.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are any changes of in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Right -of-use assets and lease liabilities have been presented on the face of the balance sheet as separate line.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Related party transactions

Related party transactions involve the transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. In the case of BOL, a related party can be the shareholder being the Government of Botswana through the Ministry of Minerals and Energy (MME).

Prior to entering into any transactions, the drawn contract is reviewed by the company's Head of Legal & Company Secretary. The company's board members then give the final approval.

BOL's policy is to disclose all transactions carried out with the related parties including those with key management personnel as per IAS 24 requirements.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first-out (FIFO) basis and is the net of the invoice price, insurance, freight, customs duties and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

At month end the closing inventory is valued using the unit rates as provided by the regulator. The valuation results in a gain or loss which is recognised in the SoCI under cost of sales.

The company also accounts for tank losses that may occur due to different factors such as leaks or evaporation in the cost of sales as stock written off.

Stock in transit losses that are within the tolerable range as per contractual agreements with transporters are recognised as stock losses in cost of sales. If losses are above tolerable range this is invoiced to the supplier and written off to cost of sales. The recoveries are treated as other income.

Investment funds

The Company initially and subsequently recognises its investments in debt and equity securities and related derivatives, as financial assets at fair value. Financial assets designated at fair value at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The company has an investment of its employee's gratuity with a professional fund manager Botswana Insurance Fund Management (BIFM). The investment is a Capital Preservation Fund in Unit trust and was effected on the 1st of September 2018 at a fee rate of 0.45% VAT exclusive. Subsequent to initial investment the investment accumulates monthly interest that increases its value and this interest varies depending on the performance of the market.

There are no losses as the investment is that of capital preservation.

Trade and other receivables

Recognition and classification

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are due within 14 days or upon exhaustion of credit limit are classified as current financial assets. Other receivables are non-trade amounts due to the company from different transactions that may occur during the year of operation like prepayments and VAT. Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables.

Initial and subsequent measurement

They are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest method, adjusted for any loss allowances.

They have been classified in this manner because their onboarding terms 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 trade and other receivables.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Trade and other receivables (continued)

Impairment loss allowance

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

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

The company makes use of a provision matrix to determine expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors and are of short term.

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

Definition of default

The company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collateral held by the company).

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

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.

Cash and cash equivalents

The company considers cash and cash equivalents as cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value and bank overdrafts.

These are initially measured at fair value and subsequently measured at amortised cost. Cash and cash equivalents are classified as low risk as they are held with highly reputable financial institutions hence subject to immaterial risk changes.

Gains on cash earned as interest on call and fixed deposits are recognised through the profit and loss as interest income in the statement of comprehensive income (SOCl).

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank borrowings.

De-recognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- the right to receive cash flows from the asset has expired;
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.



SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the entity's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Stated capital

Ordinary shares are classified as equity and stated at the fair value of the consideration received on note (16) of the financial statements.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital reserves

Capital reserves represent cash received from the shareholder through Security of Supply Margin ("SSM") for working capital purposes.

There is no requirement for BOL to issue any shares in exchange for the funds received nor repay them to the Government. The presentation and disclosures are treated as capital reserves in as the funds are in substance a capital contribution and they are non-reciprocal in nature.

These amounts are recorded in a separate reserve account within equity.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are de-recognised when the obligation under the liability is discharged, cancelled or expires.

Shareholder's product loan

Recognition and classification

One of Botswana Oil Limited's mandate is to manage strategic reserves on behalf of the Ministry of Minerals and Energy (MME). Product has to be rotated in order to maintain and uphold its quality. Botswana Oil Limited is allowed to borrow up to 10% of the strategic stocks to sweeten the product. The company recognises the loan in the month it was incurred and is classified as a current liability as the loan is payable within 30 days. The repayment is done as a product.

Initial and subsequent measurement

The loan is measured at fair value using the prevailing unit rate (also known as slate) from Botswana Energy Regulation Authority (BERA) at month end. A loan revaluation gain or loss is recognised on the statement of comprehensive income under cost of sales with a corresponding adjustment to the carrying amount of the shareholders product loan.

Government advances

Government advances represent the funds received from the Botswana Government for the implementation of Government projects, sourcing of strategic reserves and maintenance of Government depots.

The funds received from the Government are recognised in the balance sheet as liabilities for either Government advance product purchasing or Government advance projects.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Employee benefits

a. The company operates a defined contribution retirement fund. The company's contributions to the fund are charged to the statement of comprehensive income in the year to which they relate.

Severance benefits are payable in terms of the Employment Act to all employees not belonging to the retirement fund. These benefits are recognised when they accrue to the employees.

b. The company has a money market fund on employee's gratuity with Botswana Insurance Fund Management (BIFM). The company's contributions to the fund as per rate of contract agreed with employees are charged to the statement of comprehensive income in the year to which they relate and a payable is created.

The company recognises the investment balance as an asset in the books of accounts as the fund is maintained and signed off by BOL management. A liability to date is also shown in the books of accounts as the company recognises its contractual obligation to its employees. Movement in the funds of monthly contributions expense and net interest earned are also recognised as part of the investment. BOL recognises that it is liable to the employees for the gratuity despite investment with 3rd parties, that the investment does not exonerate it from its obligations.

c. Other employee entitlements like annual leave and bonuses are recognised when they accrue to employees as well. The company recognises a liability and expense for bonuses based on contractual and constructive obligations. These liabilities are short term in nature and are presented under current liabilities.

Revenue recognition

Sales revenue and other income are recognised based on the satisfaction of performance obligations which occurs when control of goods or service transfers to a customer.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns, relevant levies. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

Sales of goods - fuel

The entity sells Petrol, Diesel and Illuminating Paraffin from the Government storage. Sales are recognised when the product has been loaded to the customers' tankers at the product uplift point at which point the risk and rewards of ownership is transferred to the buyer. The quantity of the product is determined as per the facility manager's report at loading point and the tankers will be sealed before departure. There are no unfulfilled obligations that would affect the buyers' acceptance of the product.

IFRS 15 has no MATERIAL impact on these financial statements because of the following business model:

- The company operates a willing buyer, willing seller model which gives great resistance to commitment to contracts on the part of International Oil Companies (IOCs), as they use the company as a backup for their fuel supplies. They already have contracts with their sister companies in South Africa for fuel supply.
- The company uses the previous month's pricing throughout the current month and only adjusts prices at the end of each month after unit rates are published by passing a credit note or debit note. For this reason, the transaction price is only determined at month end and this pricing philosophy is understood and agreed by the parties involved.
- The company also sells to Citizen entrepreneurship companies on a cash basis and there are no contracts in place.

Revenue debtors (IOC's) are required to settle their invoices within 14 days from the invoice date and sales to citizen entrepreneurs are on a cash basis.

Other Income

a. Sales of Services - Management fee - Fuel procurement

The entity sources fuel on behalf of the Government to replenish the Government Reserve Stocks managed by the entity. These costs are borne by the Government through the Ministry of Minerals and Energy. The entity earns a supply margin for the service provided.

b. Investment Income

The company earns interest from short-term investments with various financial institutions. This is a way of capitalising excess cash while preserving capital. These investments have a short-term maturity period. Investment income is recognized from the contractual agreement date with the financial institution and derecognized upon maturity.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Other Income (continued)

These are initially measured at fair value and subsequently measured at amortised cost. Interest earned at the agreed bank rate is accrued for monthly to date of maturity through statement of comprehensive income and a corresponding entry to the short-term investment.

c. Coal to liquids project (XTL) reimbursements

The company is executing a coal to liquid feasibility study on behalf of the Government and this project cost is funded through the Security of Supply Margin fund. The practice is for the funds to be advanced to BOL each year before actual expenditure is incurred as per approved budget by the Government.

BOL recognizes these funds as other income in the year they are to be spent as per approved budget. This revenue is set off by the expenditure recognised through the company's statement of comprehensive income. Where funds have not been received a monthly accrual equivalent to the expense is recognised as other income with a corresponding entry to related party receivables.

Cost of sales

Cost of sales represents the purchase cost of fuel for resale, duties, levies and includes all overheads appropriate to the sale.

Current and deferred income tax

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited in other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Financial risk management

Capital risk management

The company's objectives when managing its working capital are to safeguard the company's ability to continue as a going concern in order to provide benefits for stakeholders. In managing capital, the Company strives to provide maximum benefits to stakeholders at the lowest possible cost. There were no borrowings during the year under review. There are no externally imposed capital requirements and there have been no changes to what the company manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The company continues to manage its working capital which is current assets net of current liabilities. The current ratio as at year end was 1.39:1 against a target ratio of 1.40. All this is due to an increase in related party balances that need to be cleared off. This has inhibited the attainment of the target. The company continues to improve its cash by investing excess cash with low-risk financial institutions, robust debtors' collection measures were applied and engagement with suppliers for reasonable credit terms aided in improving the working capital.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Board of Directors regularly reviews these risks and approves the risk management policies, which cover the management of these risks.

Market risk

(i) Foreign currency risk

The company principally operates in Botswana and uses the pula as the reporting currency. The company is exposed to foreign exchange rate fluctuations arising primarily with respect to United States Dollar, Great British Pound and South African Rand. Foreign exchange risk arises from import of fuel. However, as the financial instruments held in foreign currencies are denominated in the functional currencies of the respective trading partners, the company's risk to foreign currency fluctuations is largely mitigated through the operation of such natural hedges.

Balances exposed to foreign currency risk are trade payables to foreign suppliers for fuel procurement and foreign account bank balances.

On 31 March 2024 the company's financial assets and liabilities denominated in foreign currencies are:

Bank balances

	Debit/(Credit) 2024 P	Debit/(Credit) 2023 P
United States Dollar	17,347	34,796
South African Rand	1,262,465	88,277,088
	1,279,812	88,311,884
Trade payables		
United States Dollar	(21,578,223)	(68,602)
South African Rand	(177,973,966)	(205,757,762)
	(199,552,189)	(205,826,364)

As at 31 March 2024, if the Botswana Pula had strengthened/weakened by 10% against the USD with all other variables held constant, post-tax profit for the year would have been P2,156,088(2023: P3,381) and P2,156, 088 (2023: P3,381) higher/lower, mainly as a result of foreign exchange gains/losses on translation of United States dollar denominated payables and bank balances respectively.

As at 31 March 2024, if the Botswana Pula had strengthened/weakened by 10% against the ZAR with all other variables held constant, post-tax profit for the year would have been P17, 671,150 (2023: P11,748,067) and P17,671,150 (2023: P11,748,067) higher/lower, mainly as a result of foreign exchange gains/losses on translation of South African rand denominated payables and bank balances respectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Financial risk management (continued)

(ii) Cash flow and fair value interest rate risk

The company's exposure is limited to cash flow interest rate risk arising from the cash and cash equivalents held with banks and their investment in money market funds. The cash flow varies according to movements in underlying market rates. The balances held with counter parties are callable at the option of the company and are exposed to an Immaterial risk of change in value. The counterparties are generally with financial institutions of high repute only. These include subsidiaries of international and regional institutions.

Amount subject to cash flow interest rate risk.

	2024 P	2023 P
Stanbic Bank Botswana Limited	691,030,355	736,935,394
First National Bank Botswana Limited	6,495,289	225,817
Access Bank	439,548,019	-
ABSA Bank	8,820,794	123,024,602
BIFM Gratuity Investment	10,526,300	6,889,393
Lease Liability	(5,055,958)	(7,487,306)
Total	1,151,364,799	859,587,899

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. Surplus funds are invested in a manner to achieve maximum returns while minimising risk. An increase/decrease of 1% in the interest rate in short-term cash deposits would increase/decrease interest income by P11,425,447(2023: P7,733,640).

(iii) Price risk

The pricing structure of the oil industry is based on the slate which is regulated by the Botswana Energy Regulatory Authority (BERA). It is a volatile structure as it is influenced by different elements. The price risk the company is exposed to relates to its inventory and product loan.

As disclosed in Note 20 of the financial statements, the amount outstanding quantity of fuel loaned from the Government strategic reserve at the year-end date was P18,889,697(2023: P65,432,943). The value of drawdowns on this loan is determined with reference to the value of fuel drawn from Government reserves measured at the published slate price per litre on the day of drawdown. Subsequently, the value of this liability will fluctuate based on changes in the published slate price per litre. During the current financial year, the company accounted for a loss/(gain) of P39,588,084(2023: P22,502,051) through an decrease of this liability because of decreases in the published slate price per litre subsequent to the initial drawdown. The company mitigates this risk by closely monitoring price movements to decide on closing inventory.

The maximum amount subject to price risk as at 31 March 2024

	2024 P	2023 P
Closing Inventory	91,961,164	89,335,855
Shareholder's product loan	(18,889,697)	(65,432,943)
Total	73,071,467	23,902,912

Fluctuations in slate price per litre of the subsequent month impacts on the value of opening inventory and shareholder's loan, giving rise to price risk. An increase/decrease of 1% in the slate price, increase/decrease the value of stock and loan by P730,715 (2023: P239 029).

(iv) Credit risk

The financial assets of the company which are subject to credit risk consist mainly of cash resources and debtors. Cash resources are placed with reputable financial institutions. The main financial institution where the company places its funds at is Stanbic Bank Botswana which has a credit rating of AAA as per Fitch's ratings. The company's policy is to hold cash resources in subsidiaries of rated United Kingdom and South African Banks. The company does not have MATERIAL credit risk from its trade receivables as it ensures that sales of petroleum products and services are made to customers with good credit history as identified through the vetting process that uses the services of a credit risk agency. The utilisation of credit limits is regularly monitored by management.

For some trade receivables the company may obtain security in the form of guarantees, which can be called upon if the counterparty is in default under the terms of the agreement.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Financial risk management (continued)

Impairment of financial assets

The company applies IFRS 9 simplified approach to measuring expected credit losses.

Financial assets are considered impaired if there is objective evidence of impairment as a result of one or more occurred loss events that have an impact on the estimated future cash flows of the financial asset.

At each reporting date management considers each debtor to determine if it is recoverable, or whether its recovery is doubtful. Each debtor is assessed individually and a provision is made for those where indications exist that recovery is uncertain or where clear evidence exists that the outstanding amount will not be recovered.

The loss allowance on trade receivables is determined as the lifetime expected losses. This lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of debtors and focuses on the near future. It also considers the impact of socio, political and economic factors on the expected receivables. These are grouped based on the shared risk characteristics. International Oil companies are grouped together while Citizen Oil companies are grouped together. Government receivables are excluded from the matrix as there is no risk of default.

Trade receivables are credit impaired if they exceed 150 days of non-payment based on payment terms.

Cash and cash equivalent and investment are not expected to be impaired as the investment is capital preserved while cash is kept on high creditable banks. Fixed deposits are done on contractual rates which will not be affected by market rate fluctuations.

The credit risk loss assessment in note 12 shows that there was no loss allowance raised in 2024. The allowance raised is 0% (2023:0%) of the trade receivable balance. The low reduction in losses from prior year is due to the stringent collection measures in place. The Board has delegated responsibility for the oversight of credit risk to the CEO and the heads of business units through the credit risk committee.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and MATERIAL assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

A number of MATERIAL judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The expected loss rates are based on payment profiles of sales. The historical loss rates are adjusted to reflect the current and forward-looking information on macro-economic factors, consideration was made based on the country's GDP and it is assessed to be stable. As a result, the impact of macro-economic factors is considered to be in MATERIAL. Further, due to short term nature of receivables, it is anticipated that no MATERIAL changes impacting credit losses will occur in the short term.

The maximum amount subject to credit risk as at 31 March 2024

	2024 P	2023 P
Trade receivables (net)	129,055,332	157,155,636
Other receivables:		
Amounts due from related parties	61,401,627	56,302,197
Cash and cash equivalents	1,145,894,458	823,385,175
Investments	10,526,300	43,690,129
Total	1,346,877,717	1,080,533,137

The company monitors the outcomes of regulatory inspections and reports with respect to these counter parties. The company is not aware of any facts and circumstances which would indicate that the counterparty is exposed to such risks beyond those normally associated with such relationship and there has been no increase in MATERIAL risk since initial recognition.

The company's management considers all financial assets which were fully performing and past due for each of the reporting dates under review as being of good quality.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Financial risk management (continued)

(v) Liquidity risk

Liquidity risk arises when the company is unable to meet its payment obligations in a timely manner when they become due. This can arise as a result of poor cash flows, inability to obtain financing. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The company manages its liquidity needs by carefully managing cash outflows due in day-to-day business and by ensuring that borrowing facilities could be made available at short notice from their principal banker Stanbic Bank Botswana Limited. The entity currently has sufficient cash flows to manage its operations.

Management continues to monitor actual cashflows against budgets and does rolling forecasts to be alert of any risk that may occur. There are cash saving policies in place to be implemented as measures against liquidity risk.

The table below analyses the company's financial liabilities based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include statutory liabilities.

	Less than 1 year P	Between 1 and 5 years P	Total P
As of 31 March 2024			
Trade and other payables (excl statutory liabilities)	279,096,158	-	279,096,158
Lease liability	2,435,277	2,620,681	5,055,958
Government advances	67,764,353	-	67,764,353
	349,295,788	2,620,681	351,916,469
As of 31 March 2023			
Trade and other payables (excl statutory liabilities)	323,239,243	-	323,239,243
Lease liability	2,469,327	5,017,979	7,487,306
Government advances	476,583,392	-	476,583,392
	802,291,962	5,017,979	807,309,941

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities approximates their carrying amounts at the balance sheet date.

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value estimation of financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The fair values of quoted investments held by BIFM are based on the current bid prices. If the market for a financial asset is not active (and for unitized securities) the Fund establishes fair value by using valuation techniques. These may include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024 (continued)

Liquidity risk (continued)

	2024 P	2023 P
As at 31 March		
Investments (level 2)	10,526,300	6,889,393
	10,526,300	6,889,393

This investment is a capital preservation fund and the fund manager provides statements of interest earned on the employee's accounts net of any maintenance charges incurred. All the movements are accounted for through the balance sheet within liabilities against the investments as the funds are held for employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
Sale of petroleum products		
1. Revenue		
Diesel	2,332,721,971	2,259,147,089
Petrol	737,665,815	320,773,397
A1 Jet Fuel	3,463,526	1,712,316
	3,073,851,312	2,581,632,802
Management fees on product related works:		
Management fees from replenishing strategic reserves	2,425,070	3,571,399
Depot management recovery fees	-	35,714,286
Management fees Debswana	7,328,080	4,365,460
Throughput Income	317,658	110,620
	10,070,808	43,761,765
Total Sales Revenue	3,083,922,120	2,625,349,567
All BOL revenue is recognised at a point in time		
Revenue from sale of petroleum products has been further disaggregated as follows:		
Sales to Government owned entities	22,175,831	18,920,995
Sales to commercial customers	3,051,675,482	2,562,711,807
Total Sales Revenue	3,073,851,312	2,581,632,802
2. Cost of sale		
Finished goods	(2,935,178,839)	(2,439,405,303)
Inventory (gain)/loss	3,570,852	4,343,938
Stock revaluation (gain)/loss	(39,588,084)	22,502,051
Slate (over)/under recovery	673,716	(26,390,522)
Own stock (loss)/gains on revaluation	9,442,735	(19,781,736)
Loss in transit	(2,960,203)	(2,851,178)
Realised loss on forex	(7,814,135)	(5,402,536)
Unrealised gain/(loss) on forex	25,752	767,671
	(2,971,828,206)	(2,466,217,615)
3. Other operating income		
Profit on disposal of assets	272,899	27,725
Tender fee	1,079,151	671,348
XTL reimbursement	9,796,209	6,578,791
HRDC claim trainings	765,285	289,239
Disposals of scraps	45,971	2,560
Project recovery income	11,888,788	-
Miscellaneous income	18,326	-
	23,866,629	7,569,663

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
4. Profit /(loss) from operations is stated after charging the following items:		
Auditors' remuneration - audit fees	(689,000)	(540,012)
Advertising and marketing costs	(4,740,823)	(3,408,394)
Administration costs	(7,174,014)	(10,858,261)
Consultancy fees	(13,037,802)	(19,542,403)
Depreciation amortisation and impairment costs	(5,134,520)	(3,961,518)
Health safety security and environmental costs	(1,306,337)	(1,222,723)
ICT costs	(4,526,490)	(4,929,638)
Professional costs	(1,386,996)	(944,012)
Training and travel costs	(9,691,054)	(9,722,147)
Utility costs	(2,078,356)	(1,595,139)
Employee costs include:		
Salaries and allowances	(70,822,403)	(44,212,513)
Gratuity expense	(8,987,140)	(5,969,157)
Defined contribution pension expense	(3,180,803)	(2,357,536)
Severance expense	(31,613)	(13,377)
Leave costs	(2,977,548)	(1,174,267)
	(135,764,899)	(110,451,097)
5. Finance costs		
Exchange loss - unrealised	-	(530,286)
Exchange loss - realised	-	(839,773)
Interest on lease liability	(443,131)	(347,297)
Facility Bank Charges	(448,429)	-
	(891,560)	(1,717,356)
6. Finance income		
Interest income	69,161,568	43,512,239
Exchange gains - unrealised	410,780	-
Exchange gain - realised	410,743	887,415
	69,983,091	44,399,654
7. Income tax expense		
Current income tax		
The entity is liable to income tax at the rate of 22%.		
Reconciliation of accounting profit before tax		
Major components of the tax expense		
Current tax		
Basic company tax	15,904,744	1,766,890
Deferred tax		
Originating and reversing temporary differences	(307,002)	(1,861,682)
	15,597,742	(94,792)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

7. Income tax expense (continued)

	2024 P	2023 P
7. Income tax expense (continued)		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense		
Accounting profit from continuing operations	69,287,174	98,931,570
Tax at the applicable rate (22%)	15,243,178	21,764,945
Tax effects of adjustment on the taxable income		
Non-deductible rental payments	26,962	8,931
Depreciation on passenger motor vehicles excess cost	5,239	19,765
Previously unrecognised deferred tax on assessed losses	-	(21,888,433)
Corporate social responsibility and donations	312,187	-
Prior year land depreciation reversal	10,176	
	15,597,742	(94,792)

	Buildings - Porto- Cabins P	Plant and equipment P	Motor vehicles P	Furniture and fitting P	IT equipment P	Leasehold improvements P	Office equipment P	Land P	Capital Works In Progress P	Total P
8. Property, plant and equipment										
Year-ended 31 March 2024										
At cost	373,348	284,587	4,351,402	3,856,284	6,115,808	3,003,132	195,169	6,984,500	535,397	18,715,127
Accumulated depreciation	(318,762)	(281,658)	(630,189)	(2,652,019)	(3,477,787)	(2,143,508)	(162,544)	-	-	(9,666,467)
Net book value	54,586	2,929	3,721,213	1,204,265	2,638,021	859,624	32,625	6,984,500	535,397	16,033,160
Opening net book amount	64,510	5,837	1,466,098	537,279	2,034,437	31,330	28,037	6,984,500	641,758	4,809,286
Additions	-	-	3,655,902	564,634	1,424,991	600,949	14,370	-	535,397	6,796,243
Transfers	-	-	-	313,773	(10,163)	338,148	-	-	(641,758)	-
Disposals	-	-	(2,595,330)	(176,634)	(518,263)	-	(16,933)	-	-	(3,307,160)
Write-ups	-	-	71,125	-	-	-	-	-	-	71,125
Impairment of assets disposed	-	-	-	3,000	-	-	-	-	-	3,000
Depreciation charge	(9,924)	(2,908)	(650,010)	(208,270)	(749,491)	(110,803)	(9,660)	-	-	(1,741,066)
Depreciation on disposals	-	-	1,773,428	170,483	456,510	-	16,811	-	-	2,417,232
Closing net book value	54,586	2,929	3,721,213	1,204,265	2,638,021	859,624	32,625	6,984,500	535,397	16,033,160

There is no PPE with restricted title or pledged as security

The following assets of zero value are still in use over and above their life span:

Asset Class	Value (P)
Lease Improvements	P2,032,785
Office Furniture	P55,614
Furniture & Fittings	348,790
IT Equipment	1,776,125
Total	P4,213,314

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

8. Property, plant and equipment (continued)

	Buildings - Porto- Cabins P	Plant and equipment P	Motor vehicles P	Furniture and fitting P	IT equipment P	Leasehold improvements P	Office equipment P	Land P	Capital Works In Progress P	Total P
Year-ended 31 March 2023										
At cost	373,348	284,587	3,290,830	3,161,674	5,209,079	2,064,035	197,733	6,985,500	641,758	22,207,544
Accumulated depreciation	(308,838)	(278,750)	(1,824,732)	(2,624,394)	(3,174,643)	(2,032,705)	(169,696)	-	-	(10,413,758)
Net book value	64,510	5,837	1,466,098	537,280	2,034,436	31,330	28,037	6,984,500	641,758	11,793,786
Opening net book amount	101,616	38,069	1,048,907	806,487	680,913	68,986	1,978	-	-	2,746,956
Additions	-	-	695,500	226,277	1,839,608	-	12,097	6,984,500	641,758	10,399,740
Transfers	-	(29,324)	-	-	-	-	29,324	-	-	-
Disposals	-	-	-	(116,421)	(182,218)	-	-	-	-	(298,639)
Impairment of assets disposed	-	-	-	11,000	-	-	-	-	-	11,000
Depreciation charge	(37,106)	(2,908)	(278,309)	(493,673)	(443,759)	(37,656)	(15,362)	-	-	(1,308,773)
Depreciation on disposals	-	-	-	103,609	139,893	-	-	-	-	243,502
Closing net book value	64,510	5,837	1,466,098	537,279	2,034,437	31,330	28,037	6,984,500	641,758	11,793,786

There is no PPE with restricted title or pledged as security.

9. Intangible assets

	Other software P	SAP oil in one P	Capital work in progress P	Total P
Year-ended 31 March 2024				
At cost	966,163	11,084,633	433,946	12,484,743
Accumulated depreciation	(534,980)	(9,711,468)	-	(10,246,448)
	431,183	1,373,165	433,946	2,238,295
Year-ended 31 March 2024				
Opening net book amount	166,047	2,038,627	430,095	2,634,769
Additions	192,276	-	188,039	380,315
WIP capitalised	184,188	-	(184,188)	-
Disposals	-	-	-	-
Depreciation charge	(111,328)	(665,461)	-	(776,789)
Depreciation on disposals	-	-	-	-
	431,183	1,373,166	433,946	2,238,295

SAP Oil in One ERP had a carrying amount of P2 704 088 at the reporting date with a remaining amortisation period of four (4) years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	Other software P	SAP oil in one P	Capital work in progress P	Total P
9. Intangible assets (continued)				
Year-ended 31 March 2023				
At cost	589,699	11,084,633	430,095	12,104,427
Accumulated depreciation	(423,651)	(9,046,007)	-	(9,469,658)
	166,048	2,038,626	430,095	2,634,769
Year-ended 31 March 2023				
Opening net book amount	258,147	2,704,088		2,962,235
Additions			430,095	430,095
Depreciation charge	(92,100)	(665,461)	-	(757,561)
	166,047	2,038,627	430,095	2,634,769

	2024 P	2023 P
10. Right of use assets		
At cost	9,473,927	9,422,746
Accumulated depreciation	(4,844,856)	(2,157,076)
Net book amount	4,629,071	7,265,679
Reconciliation of the right of use asset		
Opening balance NBV	7,265,679	2,793,416
Additions- leased office	-	2,821,959
Additions-Motor vehicle leased	51,181	3,545,488
Depreciation charge	(2,687,789)	(1,895,184)
Closing net book value	4,629,071	7,265,679
There is no right of use assets with restricted title and or pledged as a security.		
11. Inventories		
Fuel inventory	60,460,424	55,671,218
Fuel supplies in transit	31,500,740	33,664,637
	91,961,164	89,335,855

	2024 QTY in litres P	2023 QTY in litres P
Reconciliation of stock movement		
Opening Stock	7,898,718	89,335,855
Sales	(236,384,734)	(3,046,121,909)
Receipts	233,282,847	3,008,822,212
Drawdown	3,600,000	51,396,660
Tank losses	297,571	3,570,852
Product loan balance /(payment)	(4,247,317)	(46,543,246)
Stock in transit	2,371,776	31,500,740
Closing stock	6,818,861	91,961,164

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
12. Trade and other receivables		
Financial Assets		
Trade receivables	121,728,098	154,966,321
Trade receivables- Government entities	7,327,234	2,189,315
Diseconomies of scale recoveries from the Government	51,605,419	55,715,921
XTL Recoveries	9,796,208	-
	190,456,959	212,871,557
Non-Financial Assets		
Withholding tax receivables		2,639,844
Value added tax receivable	5,517,782	3,501,444
Government project funds receivable	-	586,276
Upfront payments to contractors to facilitate project commencement	22,704,076	15,993,283
Advance payments to suppliers of petroleum products	3,735,038	27,685,109
Other receivables	3,557,483	1,118,826
	35,514,379	51,524,782
Categorisation of trade and other receivables		
Financial assets	190,456,959	212,871,557
Non-Financial assets	35,514,379	51,524,782
Total Trade Receivables	225,971,338	264,396,339

Expected credit loss rate

	2024 Estimated gross carrying amount P	2024 Loss allowance (Life time expected) P	2023 Estimated gross carrying amount P	2023 Loss allowance (Life time expected) P
Less than 30 days past due 0% (2023:0%)	124,916,546	-	157,155,636	-
31 - 60 days past due 1.3% (2023:1.1%)	608,433	-		-
61 - 90 days past due - 0% (2023:0%)	1,766,641	-		-
91 - 120 days past due 0% (2023:0%)	1,763,712	-	-	-
Total	129,055,332	-	157,155,636	-

The allowance raised is 0% (2023:0%) of the trade receivable balance. This is attributable to the short credit period awarded to the customers and stringent collection measures put in place by management to recover any outstanding debts. This assessment is in-line with prior years where loss allowance was raised at 0%.

	2024 P	2023 P
13. Investments		
Fixed deposits	-	-
Employees gratuity invested at Botswana Insurance Fund Management (BIFM)	10,526,300	6,889,393
Absa bank guarantee	-	36,800,736
	10,526,300	43,690,129

The company has an investment of its employee's gratuity with a professional fund manager Botswana Insurance Fund Management (BIFM). The purpose of this investment is to earn interest which can be used to settle the gratuity accrual relating to employees upon demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
14. Cash and cash equivalents		
Cash at bank	1,145,894,458	823,385,076
Cash on hand	-	99
	1,145,894,458	823,385,175
15. Deferred tax liability		
Deferred tax asset		
Lease Liability	(1,122,189)	(1,647,207)
Non-residential fee adjusted	(890,379)	(1,549,339)
Provision for bonus	(1,725,094)	(694,898)
Total deferred tax asset	(3,737,662)	(3,891,444)
Deferred tax liability		
Right of use assets	1,018,396	1,588,273
Unrealised exchange gains	96,036	52,225
Intangible assets	396,957	343,842
Accelerated capital allowances (PPE)	57,589	45,422
Total deferred tax liability	1,568,978	2,029,762
Deferred tax asset	(3,737,662)	(3,891,444)
Deferred tax liability	1,568,978	2,029,762
Total net deferred tax asset	2,168,684	1,861,682
16. Current tax liability		
Current tax	15,904,744	1,766,891
Self-Assessed Tax payments	(4,787,105)	-
Withholding tax credits	(7,022,810)	(1,766,891)
Total tax payable	4,094,829	-
17. Stated and issued capital		
123 127 938 (2023: 123 127 938) ordinary shares of no-par value	113,127,939	113,127,939
	113,127,939	113,127,939
18. Capital reserves		

Capital reserves represents cash received from the shareholder through Security of Supply Margin ("SSM") fund to the value of P948,863,997(2023: P271,669,319) for working capital purposes.

The SSM was introduced by the Government in response to a cabinet memorandum which was seeking to capitalise BOL. The SSM was introduced in the pricing of slate and was measured at P0.175 per litre on all regulated petroleum products.

This margin was collected at retail level by fuel suppliers over a 5-year period with the intention of collecting P1.04 billion to be utilised to fund projects which are aimed at facilitating efficiency and security of supply of petroleum products for Botswana."

As there is no requirement for BOL to issue any shares exchange for the funds received and there is no contractual obligation on BOL to repay these funds to the Government, the presentation and disclosures is treated as capital reserves as the funds are in substance a capital contribution and they are non-reciprocal in nature. These amounts are recorded in a separate reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
19. Lease liability		
Minimum lease payments due		
Within one year	2,713,020	2,909,315
In second to fifth year inclusive	2,811,230	5,327,214
Later than 5 years		155,450
Rental lease payments	5,524,250	8,391,979
Less: future finance charges	(468,292)	(904,673)
Present value minimum lease payments	5,055,958	7,487,306
Non-current liability	2,620,681	5,017,979
Current liability	2,435,277	2,469,327
	5,055,958	7,487,306
Movement in lease liability		
Balance at the beginning of the year	7,487,306	2,818,627
Additional liability	51,181	6,367,448
Lease rental payment	(2,925,660)	(2,046,066)
Interest on lease liability	443,131	347,297
Balance at end of year	5,055,958	7,487,306

The entity entered into a commercial lease for two office premises. The lease period for one of these contracts is three years with an option to renew while the lease period for the other is 4 years. Future minimum rentals payable under non - cancellable leases as at year end are as stated above.

The company also entered into a lease agreement for 6 vehicles. This was to facilitate the smooth running of the additional activities arising from the supply contract with Debswana. Two of these cars shall be leased for 5 years whilst four of the cars shall be leased over 3 years. BOL entered into a land lease agreement with Botswana Innovation Hub (BIH) for 37 years and there is no option for renewal. An upfront payment amounting to P6 543 500 was made to the lessor and hence no lease liability was recognised as a result of this arrangement.

	2024 P	2023 P
20. Shareholder's Product Loan		
Product loan	18,889,697	65,432,943
	18,889,697	65,432,943

The movement of the product loan is reflected below:

	2024 QTY in litres P	2023 QTY in litres P
Balance as at beginning of year	5,604,726	65,432,943
Utilisation by BOL	82,497,042	962,997,627
Replenishment to the strategic reserves	(83,144,358)	(1,049,128,956)
Draw down	(3,600,000)	23,114
Measurement adjustment to cost of sales	-	39,588,084
Balance at the end of the year	1,357,410	18,889,697

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

20. Shareholder's Product Loan (continued)

The measurement adjustment at each month-end resulted in a gain/(loss) of P39,588,084 (2023: P22,502,051) representing the impact of the slate prices at each measurement date with the carrying value in the accounting records for the outstanding quantities. This amount has been debited to Cost of Sales in the Statement of comprehensive income. BOL and the Ministry of Mineral and Energy (MME) has an agreement where according to clause 6.6 of this agreement limits the quantity to be borrowed up to a maximum of 10% of the storage capacity.

	2024 P	2023 P
21. Government advances		
Strategic Reserves Procurement	8,637,706	379,573,546
Depot Projects and Maintenance	59,126,647	97,009,846
	67,764,353	476,583,392

The movement in Government advances is reflected below:

	2024			2023		
	Strategic Reserves procurement advance P	Depot maintenance and projects P	Total Government funds P	Strategic Reserves procurement advance P	Depot maintenance and projects P	Total Government funds P
Balance at the beginning of the year	379,573,546	97,009,846	476,583,392	55,482,804	71,880,520	127,363,324
Utilisation	(422,332,500)	(176,482,925)	(598,815,425)	(145,637,975)	(76,614,898)	(222,252,873)
Cash injection	51,396,660	138,599,726	189,996,386	469,728,717	101,744,224	571,472,941
Balance at the end of the year	8,637,706	59,126,647	67,764,353	379,573,546	97,009,846	476,583,393

The Government advance procurement loan represents the specific amounts received by BOL to procure strategic reserve stocks on behalf of the Government directly and or through COOC's (Citizen Oil Owned Companies) in order to facilitate these companies to participate in the petroleum sector. BOL earns management fees as a result of the sourcing on behalf of the Government Strategic Stock Reserves. The advance does not attract interest.

BOL received funding through the Department of Energy towards specific projects during the year. Expenditure relating to these projects for the year has been charged off to the relevant Government assets accounts at the year end. The advance balances as at year end represents the amounts remaining to be spent for the projects going forth.

	2024 P	2023 P
22. Trade and other payables		
Financial liabilities		
Trade payables	249,368,893	250,691,400
Other payables:		
Accruals	3,669,024	7,864,425
Slate liability	15,338,961	50,749,771
Retention	6,636,951	2,674,262
Fuel levies	4,082,329	3,887,246
	279,096,158	315,867,104



NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 P	2023 P
22. Trade and other payables (continued)		
Non-financial liabilities		
Payroll accruals		
Debswana project funds	22,099,872	12,650,252
Downpayments received	9,673,983	3,004,474
Withholding tax payable	1,536,627	2,941,985
Other payables	706,090	535,245
Fuel levies	650,515	890,435
	34,667,087	20,022,391
Categorization of trade and other receivables		
Financial liabilities	279,096,158	315,867,103
Non-financial liabilities	34,667,087	20,022,391
Total trade and other payable	313,763,245	335,889,495

23. Financial assets by category

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable.

Financial assets of the company are classified as follows:

	2024 P	2023 P
Trade and other receivables (measured at amortised cost)	190,456,959	212,871,557
Cash and cash equivalents (measured at amortised cost)	1,145,894,458	860,185,911
Investments (designated at fair value)	10,526,300	43,690,129
	1,346,877,717	1,116,747,597

24. Financial liabilities by category

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable.

Financial liabilities of the company are classified as follows:

	2024 P	2023 P
Trade and other payables (measured at amortised cost)	279,096,158	315,867,103
Lease liability (measured at amortised cost)	5,055,958	7,487,306
	284,152,116	323,354,409

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

25. Related party balances and transactions

The entity has availed the exemption under Para 25 of IAS 24: Related Party Disclosures, from the disclosure requirements in relation to related party transactions and outstanding balances. Botswana Oil Limited is wholly owned and controlled by the Government of the Republic of Botswana. During the year BOL utilised inventory from the strategic reserves owned by the Government and obtained advances to manage projects on behalf of the Government. These have been disclosed under note 20 and note 21 of the financial statements.

BOL generates revenue through sale of fuel to Government departments in the normal course of their operations. Amounts receivable from Government owned entities and amounts payable to Government owned entities are made under ordinary terms of trade.

Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Company directly or indirectly. For the company, this includes the directors (executive and non-executive) and managerial staff.

Details of transactions during the year:

	2024 P	2023 P
Sales of fuel to Government departments	22,175,831	18,920,995
	22,175,831	18,920,995
Details of balances at the year-end date:		
Amounts receivable from Government owned entities	68,728,861	58,491,512
Amounts payable to Government owned entities	101,993,011	592,766,104
	170,721,872	651,257,616
Key Management Personnel		
Directors Emoluments		
For services as directors	577,217	513,450
Executive management	15,665,869	12,498,713
	16,243,086	13,012,163
Year-end payable balances		
Gratuity payable	10,487,931	6,878,538
	10,487,931	6,878,538

26. Going concern

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made a profit of P53,689,432 (2023:99,072,617) in the current year as of 31 March 2024.

As at 1st April 2024 the company moved from the willing buyer willing seller model after being granted 90% Import Mandate and this will boost the company profits. This will ensure the continuity of the business.

27. Contingencies

The company has issued a guarantee to the amount of P70,000 in favour of Botswana Unified Revenue Services to obtain a credit limit on its Assycuda account for customs clearing on fuel. There are no other contingent liabilities and assets as at the end of 31 March 2024.

28. Events after reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report that would require adjustments to or disclosure in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2024

29. Prior Period Error

The error relates to the correction of prior year recognition of Land as part of property plant and equipment amounting to a total of P6,984,500 that was recognised as Right of Use in 2023.

The effect of the correction of this error on the entity's financial results were as follows:

Effect on the entity's Balance Sheet

Balance sheet (extract)

	2023 P	Increase/ (Decrease) P	March 2023 (restated) P
Property plant and equipment	4,809,286	6,984,500	11,793,786
Right of use asset	14,203,924	(6,938,245)	7,265,679
Net Assets	19,013,210	46,255	19,059,465
Retained Earnings	25,873,235	(46,255)	25,826,977
Net Equity	25,873,235	(46,255)	25,826,977

Effect on the entity's Income Statement

Statement of profit and loss (extract)

Depreciation and amortisation	4,007,774	(46,255)	3,961,519
Profit or loss before tax	98,931,570	46,255	98,977,825
Income tax expense	94,792	0	94,792
Profit/(loss) after tax	99,026,362	46,255	99,072,617
Depreciation and amortisation	4,007,774	(46,255)	3,961,519
Profit or loss before tax	98,931,570	46,255	98,977,825
Income tax expense	94,792	0	94,792
Profit/(loss) after tax	99,026,362	46,255	99,072,617

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed statement of comprehensive income

	Note(s)	2024 P	2023 P
Revenue			
Sale of petroleum products	1	3,083,922,120	2,625,394,567
Cost of sales			
Cost of goods sold	2	(2,971,828,206)	(2,466,217,615)
Gross profit		112,093,916	159,176,952
Other operating income			
Other operating income	3	23,866,629	7,569,663
Administrative expenses			
Administration costs		(3,691,243)	(1,329,904)
Advertising and promotions		(4,740,823)	(3,408,394)
Health safety security and environment		(1,306,337)	(1,222,723)
ICT cost		(4,324,755)	(4,799,018)
Personnel management		(4,848,484)	(3,492,788)
Professional services		(5,317,589)	(4,631,483)
Professional services - Government projects		(9,796,209)	(16,394,945)
Repairs and maintenance		(599,292)	(6,908,483)
Service contracts		(339,610)	(272,365)
Staff costs		(85,999,507)	(53,640,988)
Telephone costs		(1,116,672)	(1,014,956)
Training costs		(3,014,092)	(2,270,678)
Travel and accommodation		(4,626,096)	(6,347,707)
Utilities		(622,073)	(460,966)
Depreciation expense		(5,134,520)	(3,961,518)
Printing and stationery		(287,597)	(294,181)
Profit from operations		195,646	56,295,518
Finance Income			
Interest Income	6	69,161,568	43,512,239
Foreign exchange gains	6	821,523	887,415
Finance cost			
Interest expense	5	(443,131)	(347,297)
Foreign exchange losses	5	-	(1,370,059)
Facility charges	5	(448,429)	-
Profit before income tax expense		69,287,176	98,977,825
Income tax			
Tax expense	7	(15,597,742)	94,792
Profit after income tax expense		53,689,434	99,072,617

Appendices Glossary

- BAOA-Botswana Accountancy Oversight Authority
- BERA-Botswana Energy Regulatory Authority
- BERA-Botswana Energy Regulatory Authority
- BOL- Botswana Oil Limited
- CEEP- Citizen Economic Empowerment Program
- COOC-Citizen Owned Oil Companies
- COVID 19- Coronavirus Disease of 2019
- ESG-Environmental Social Governance
- FARC-Finance, Risk Committee
- GC-Governance Committee
- GRC-Governance, Risk and Compliance
- GRI-Global Reporting Initiative
- HRC-Human Resource Committee
- HR-Human Resources
- HSSEQ- Health, Safety, Security, Environmental & Quality
- IAR-Integrated Report
- IFRS- International Financial Reporting Standards
- IIRC- International Integrated Reporting Council
- IOC-International Oil Companies
- IR-Integrated Report
- JIG-Joint Inspection Group
- MME-Ministry of Minerals and Energy
- OMS- Order Management System
- OPEC- Organisation of the Petroleum Exporting Countries
- OTIF- On time in full
- PASS-Projects and Security of Supply
- SASB- Sustainability Accounting Standards Board
- SDG's- Sustainable Development Goals
- WBWS- Willing Buyer Willing Seller



BOTSWANA OIL
Your Fuel. Your Future

HEAD OFFICE

Plot 54373, Petroleum House
Matante Mews, Gaborone CBD
Botswana
Tel: +267 3981 700
Fax: +267 3181 705

POSTAL ADDRESS

Private Bag BO 173
Bontleng, Gaborone

GABORONE DEPOT

Plot 1229, Haile Selassie Road
Gaborone, Botswana
Tel: +267 3999 400
Fax: +267 3185 615

FRANCISTOWN DEPOT

Plot 1107, Dumela Industrial
Francistown
Botswana
Tel: +267 3999 444
Fax: +267 24700 66

Botswana Oil Limited



www.botswanaoil.co.bw



SCAN HERE

