

**LEC**

**COMMUNICATIONS (PTY) LTD**

**2024/2025**



# INTERGRATED ANNUAL REPORT

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# DIRECTOR'S APPROVAL: STATEMENT OF RESPONSIBILITY

The Board of Directors of LEC Communications (LECC), as the governing body responsible for overall oversight, plays a pivotal role in leading the Company's value creation process. The Integrated Report (IR) serves as a tool to evaluate LECC's capacity to generate value over time, and the Board ensures the report's overall quality and accuracy. The Board is confident that the 2024/25 Integrated Report accurately reflects the Company's ongoing journey towards integrating strategy, risk, opportunities, and performance.

In its assessment of the 2024/25 Integrated Report, the Board has ensured:

The integrity of the report and all supplementary information referenced.

The completeness of the material aspects covered.

The reliability of reported performance information, as verified through the combined assurance process.

The Board is satisfied that the 2024/25 Integrated Report offers a true and fair representation of the Company's integrated performance throughout the year. It enables readers to make an informed evaluation of the Company's performance and its ability to sustainably create value.

Considering the thoroughness of the material issues addressed and the dependability of the information presented, based on the integrated assurance process, the Board approved the 2024/25 Integrated Report, including the Annual Financial Statements and supplementary information, on 29 January 2026, and signed it on its behalf by:



**Prof. Leboli Thamae**  
Chairman



**Mr. Tšeliso 'Mokela**  
Managing Director



# ABOUT LECC

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LECC is a wholly owned telecommunications subsidiary of the Lesotho Electricity Company (LEC), the national utility responsible for the transmission, distribution, and supply of electricity across Lesotho. LECC was established in 2015 following a Government-led intervention to address a critical market gap in national broadband infrastructure, particularly the absence of private-sector investment in long-haul fibre networks connecting towns, districts and underserved regions.

The Company was incorporated as a separate legal entity to enable compliance with sector-specific regulation, allowing it to obtain a Network Infrastructure Licence from the Lesotho Communications Authority (LCA) in terms of the Communications Act of 2012. This structure ensured regulatory separation between electricity and telecommunications operations while leveraging LEC's extensive fibre assets for broader national development objectives.

LECC operates as a wholesale open-access telecommunications infrastructure provider, offering fibre capacity on a non-discriminatory basis to licensed telecommunications operators in Lesotho. The Company utilises excess fibre capacity deployed along LEC's national electricity transmission network, primarily through Optical Ground Wire (OPGW), to deliver highly reliable long-haul connectivity. This strategic positioning has established LECC as the preferred vehicle for large-scale national communications infrastructure projects, owing to its extensive network footprint, operational reliability, and proven implementation capacity.

Currently, LECC leverages over 1,092 kilometres of national fibre infrastructure, supported by four points-of-presence (PoPs) within Lesotho and an international PoP at Teraco Isando in Johannesburg, South Africa. The Company has further strengthened network resilience through dual diverse international

routes and protected IP transit connectivity, enabling global interconnection and improved service redundancy.

In line with its expansion strategy, LECC successfully completed its first Fibre-to-the-Home (FTTH) deployment at Ha Foso in the Berea District in June 2023, covering approximately 2.5 square kilometres. The Company is progressing plans to extend fibre distribution networks to major towns, targeting connectivity for approximately 4,500 businesses through passive optical and Ethernet-based access technologies, supported by an additional 18 planned PoPs nationwide.

This report presents LECC's performance, achievements, and challenges for the 2024/25 financial year. It provides a comprehensive overview of the Company's financial position, operational progress, strategic initiatives, and investment activities. Detailed insights into revenue performance, profitability, liquidity, and capital development are outlined, alongside key network expansion milestones and institutional developments.

LECC remains committed to transparency, accountability, and sound corporate governance in all aspects of its operations. With a consistent track record of strong audit outcomes and adherence to internal control frameworks, the Company continues to demonstrate financial discipline and institutional credibility.

Looking ahead, LECC remains steadfast in its mission to deliver reliable national fibre infrastructure, strengthen stakeholder partnerships, and advance Lesotho's digital transformation and ICT development agenda.

## VISION

To become a leader and partner of choice in the provision of ubiquitous and affordable access to optic fibre infrastructure and fixed broadband connectivity.

## MISSION

To provide reliable optic fibre and other communications infrastructure, maintaining value adding relationships with our stakeholders and achieve the country's ICT developmental agenda.

## VALUE

We shall in all our dealings demonstrate customer focus, bringing in efficient and innovative solutions that are sensitive to the needs of the society and environment, fair and accountable in all respects to the expectations of our various stakeholders.

# STRATEGIC FOCUS (2023–2026)

LECC's 2023-2026 Strategic Plan is designed to transform the company into a financially sustainable and nationally significant telecommunications infrastructure provider. At its foundation is a strong focus on financial sustainability, ensuring disciplined revenue growth, profitability, and risk-managed financial stewardship that provides the resources required for expansion. This financial strength enables LECC to invest in access network expansion, product diversification, and brand strengthening, extending connectivity to residential and business customers while deepening alignment with government's digital development agenda.

As market reach grows, emphasis on operational excellence ensures that network infrastructure, service delivery, and fibre deployment are continuously optimised to deliver reliable, high-quality services efficiently. Underpinning all these priorities is investment in learning and human capital development, building project management capability and a performance-driven culture that equips the organisation to execute strategy effectively.

Together, these interconnected pillars create a virtuous cycle of financial resilience, market expansion, operational strength, and organisational capability positioning LECC for sustainable long-term impact in Lesotho's digital transformation.

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the 2024/25 Integrated Annual Report of LECC for the financial year ended 31 March 2025. This financial year is the second period of the turnaround strategic plan of 2023/24 – 2025/26, reinforcing a phase of consolidation and strategic positioning, as LECC continues to mature into a nationally significant digital infrastructure institution supporting Lesotho's long-term development agenda.

The Board's role remains firmly anchored in providing strategic leadership, effective oversight, and responsible governance to ensure sustainable value creation. During the year under review, the Board focused on strengthening financial resilience, guiding priority infrastructure investments, enhancing risk and assurance processes, and ensuring that the Company's strategy remains aligned with national digital transformation objectives.

I am encouraged by the Company's improving financial trajectory. Revenue growth, a strengthened net profit margin, declining liabilities, and the achievement of clean audit opinion collectively reflect the benefits of disciplined financial management, improved internal controls, and enhanced governance maturity. While operating margins continue to reflect the impact of deliberate, forward-looking infrastructure investments, the Board views these pressures as transitional and necessary to secure long-term sustainability and scalable growth.

Strategically, LECC continues to demonstrate its critical role in Lesotho's digital ecosystem. The operation and expansion of a resilient national fibre backbone, progress on the Roma-Thaba Tseka OPGW project, advancement of metropolitan and rural connectivity initiatives, and readiness for next-generation technologies such as IPv6 position the Company as a foundational

enabler of inclusive connectivity. The Board is particularly encouraged by LECC's leadership role in the Digital Transformation and Inclusive Connectivity Project, which integrates infrastructure expansion with digital skills development, innovation, and institutional strengthening—ensuring that connectivity translates into real socio-economic impact.

Strong governance remains central to LECC's long-term success. The Board and its committees discharged their responsibilities diligently throughout the year, supported by high levels of engagement and ongoing director development aligned with King IV Code of Governance principles. Investment in board effectiveness and governance capability continues to strengthen the quality of oversight, decision-making, and accountability across the organisation.

The Board recognises that people are the foundation upon which sustainable performance is built. We commend management and staff for their professionalism, resilience, and commitment in delivering complex projects while maintaining operational reliability. Their efforts reflect a growing organisational capability that will be essential as LECC scales its mandate and impact.



Thank you.

Prof. Leboli Zak Thamae  
Board Chairman

# GOVERNING BODY

The Governing Body of LECC upholds strong corporate governance as a fundamental enabler of the company's mandate and long-term sustainability. The Board provides strategic direction and oversight, ensuring that governance structures remain aligned to organisational objectives, prudent resource utilisation, effective risk management, and transparent accountability to stakeholders.

During the year, the Board placed particular emphasis on strengthening financial performance, enhancing operational efficiency, and guiding the company through an evolving telecommunications and digital infrastructure landscape.

The Board serves as the primary oversight authority of the company. Its governance practices are implemented in compliance with the following statutory and best-practice frameworks:

COMPANIES ACT

ARTICLES OF INCORPORATION

MEMORANDUM OF ASSOCIATION

KING IV CODE ON CORPORATE GOVERNANCE

BOARD CHARTER



# BOARD COMPOSITION

The Board of Directors is appointed by the shareholder, LEC. It comprises four Non-Executive Directors and one Executive Director. The Board's benefits are as approved by the shareholder.



## **PROF. LEBOLI THAMAE**

### NON-EXECUTIVE DIRECTOR (CHAIRMAN)

He is an Associate Professor in Electronic Communications Engineering at the National University of Lesotho and Coordinator of its Energy Research Centre. He holds a B.Sc. in Physics and Mathematics from NUL, an M.Sc. in Communication Engineering, and a PhD in Microwave and Communications Systems from University of Manchester. An IoDSA-certified director, he brings expertise in strategic leadership, corporate governance, and infrastructure policy, and has chaired boards including LEC Communications and the Lesotho Electricity and Water Authority. His research covers digital communications, telecommunication networks, and renewable energy integration, with numerous publications and international presentations.



## **MR. SEFORO MOHLALISI**

### NON-EXECUTIVE DIRECTOR (DEPUTY CHAIRMAN)

He is an MSc graduate in Physics from the University of Cape Town and a B.Eng graduate in Electronics from NUL, is a CISCO-certified electronics engineer and lecturer at NUL. He has a strong background in software development, telecommunications, and digital systems design. His international experience, including work on the Large Hadron Collider Experiment and UNDP projects, highlights his technical expertise and global outlook.



## **MS. MORATUOA HLONGWA**

### NON-EXECUTIVE DIRECTOR

She is the Chief Executive and Principal Consultant at Lebesa Advisory Services, providing financial and business advisory services. She previously served as Risk and Compliance Manager at Letshego Financial Services Lesotho, overseeing enterprise-wide risk. She has served on the Audit Committee of the Central Bank of Lesotho and the Risk and Audit Committee of the Commonwealth Games Federation (UK), focusing on governance, financial reporting, and compliance. She is also a Mandela Washington Fellow for Young African Leaders (YALI), trained in Business and Leadership at Yale University.



**MR. NTELANE SELLO (NEW APPOINTMENT – MARCH 2025)**

NON-EXECUTIVE DIRECTOR (LEC EXECUTIVE)

He is a seasoned Electrical Engineer with over 30 years of service at the LEC, where he has held senior roles in maintenance, transmission, and operations. He is currently and executive overseeing the Operations Division, with responsibility for network monitoring, asset management, and the management of Power Purchase Agreements (PPAs). He has been an active participant in the Southern African Power Pool (SAPP) and previously served as Chairperson of the SAPP Operating Sub-Committee, contributing to regional power system coordination and operational standards.



**MR. MOHLOMI SEITLHEKO (APPOINTMENT ENDED-MARCH 2025)**

NON-EXECUTIVE DIRECTOR (LEC EXECUTIVE)

He is a senior executive with extensive experience in the energy and infrastructure sectors, serving as Managing Director of LEC. He has been with LEC since 2004, rising through leadership roles including General Manager: Engineering and Head of Operations before being appointed as Managing Director.



**MR. TŠELISO 'MOKELA**

MANAGING DIRECTOR

He is a results-driven executive with over 20 years of experience across government, corporate boards, and multiple sectors. He was part of the founding leadership of the Lesotho Postbank and served as Chairperson of the Bank from 2008 to 2012. He has led major ICT infrastructure initiatives and provided strategic governance as Principal Secretary for Communications and later for Gender and Youth. As an IoDSA Certified Director, he promotes board effectiveness, sound governance, and King IV compliance, contributing to the development of resilient institutions that deliver sustainable value for stakeholders.



**MS. NTHABISENG MOTJOLEPANE**

COMPANY SECRETARY

She is an LLB graduate of the National University of Lesotho with a postgraduate degree in Air & Space Law from McGill University. She is a legal, regulatory, and compliance specialist with experience in government and private business across Lesotho, South Africa, and Swaziland. She has served as Senior Legal Advisor on government and World Bank-funded projects, led legal and regulatory divisions in mobile network operators, and worked as a principal consultant in private firms. She is an independent consultant on governance, transport and communications, e-transactions, and mobile financial services, and is admitted as an advocate of the Lesotho High Court and Free State in South Africa.

# BOARD COMMITTEES

The Board is supported by three key committees. These committees provide oversight across governance, financial management, human resources, and operational strategy, ensuring effective and accountable decision-making.

The Board's structure and its committees ensure that LEC Communications operates with strategic oversight, driving the organization's long-term success while safeguarding its resources and reputation.

## Nominations, Remuneration & Human Resources Committee (NRHRC)

The Committee guides the Board on executive and staff recruitment, performance management, retention, remuneration, director development and evaluation, and ethical internal culture

### Members:

- Prof. Leboli Thamae – Chairman
- Ms. Moratua Hlongwa
- Mr. Tšeliso 'Mokela

## Finance, Audit & Risk Committee (FARC)

The Committee guides the Board in overseeing financial reporting, internal controls, risk management, compliance, and audit processes.

### Members:

- Ms. Moratua Hlongwa – Chairman
- Mr. Seforo Mohlalisi
- Mr. Tšeliso 'Mokela

## Technical, Operations & Sustainability Committee (TOSC)

The Committee guides the Board on technology strategy, operational efficiency, innovation, and the management of operational risks, corporate citizenship, sustainable development and stakeholder relationships.

### Members:

- Mr. Seforo Mohlalisi – Chairman
- Prof. Leboli Thamae
- Mr. Tšeliso 'Mokela
- Mr. Mohlomi Seithleko (Ended March 2025)
- Mr. Ntelane Sello (Commenced March 2025)

# BOARD & COMMITTEE ATTENDANCE



**Prof. Leboli Thamae**



**Mr. Seforo Mohlalisi**



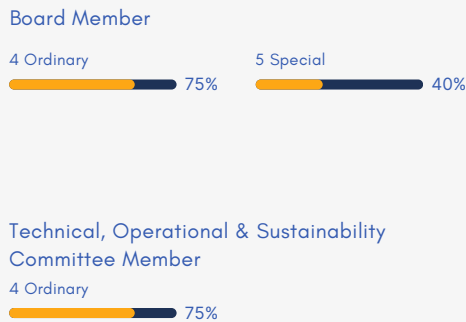
**Ms. Moratua Hlongwa**



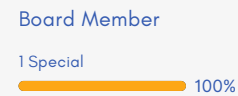
**Mr. Tšeliso 'Mokela**



**Mr. Mohlomi Seitlheko**  
(Appointment Ended- Mar '25)



**Mr Ntelane Sello**  
(Newly Appointed- Mar '25)



# MANAGING DIRECTOR'S STATEMENT

I am pleased to present the annual report of LECC for the financial year ending 31 March 2025, a period marked by both operational resilience and strategic growth. Throughout the year, our dedicated teams have worked tirelessly to expand and strengthen Lesotho's digital infrastructure, while ensuring financial discipline and sustainable growth.

LECC's financial performance this year reflects a deliberate and forward-looking balance between strategic investment in national digital infrastructure and disciplined operational management. Total revenue increased by 27% to LSL 15 million, driven by resilient demand for Dark Fibre Lease and bandwidth services, supported by steady interest income. This momentum, underpinned by prudent cost control, translated into a net profit margin of 23%, up from 7% in the prior year. LECC's balance sheet remains robust, with total assets stabilising at M75 million and liabilities reducing from M47 million to M42 million, reflecting strengthened solvency and growing financial resilience.

The Auditor General's unqualified audit opinion further affirms our commitment to transparency, accountability, and sound governance as we position LECC for sustainable growth and long-term value creation in support of Lesotho's digital future.

This financial discipline has been complemented by our investment in human capital, which remains the foundation of LECC's success. Our staff have not only maintained high operational standards but have also embraced expanded responsibilities in line with the organisation's growth. Workforce planning and professional development initiatives strengthened technical, managerial, and strategic capabilities, ensuring our teams are equipped

to deliver on complex projects and innovate in an evolving digital landscape. The inclusion of two high-performing female interns reinforced our commitment to developing the next generation of digital professionals while actively advancing gender inclusion within a traditionally male-dominated telecommunications sector.

Operationally, LECC has continued to deliver reliable, enterprise-grade connectivity across Lesotho, operating a 1,092 km fibre backbone linking nine districts with redundant transport routes to Johannesburg and dual IP transit links. Strategic investments in network development, such as the Roma-Thaba Tseka OPGW Network and the Ha-Foso FTTx rollout, have expanded access to underserved areas, connecting households, businesses, and institutions to high-speed broadband. These projects, executed alongside rigorous network monitoring, threat intelligence, and alignment with NIST CSF 2.0 cybersecurity standards, demonstrate our ability to integrate technical excellence with operational reliability. The recent /32 IPv6 allocation from AFRINIC further positions LECC for emerging technologies, supporting future-ready services such as Internet of Things and smart city applications.

Our commitment to strategic growth extends beyond network development. Through initiatives such as the Digital Transformation and Inclusive Connectivity Project (DTIC-P) formally known as the Lesotho Metropolitan Fibre Optic Initiative (LEMOFI), LECC is driving nationwide digital inclusion. The program aims to connect all ten districts with resilient fibre infrastructure, empower over 20,000 youth with digital skills, and support 250 startups and MSMEs in innovation-driven sectors. By integrating financial prudence, operational excellence, and workforce capability, these initiatives reflect LECC's holistic approach to fostering socio-economic development and technological progress.

Looking ahead, LECC will continue to leverage strategic investments, expand its network reach, and cultivate a skilled workforce to ensure sustainable growth and enhanced digital inclusion. Our focus remains on delivering high-quality connectivity solutions that support Lesotho's digital economy while maintaining the financial stability and operational efficiency that underpin our achievements.

On behalf of management, I extend my sincere gratitude to the Board, employees, partners, and stakeholders for their continued support. Together, we are building a connected and empowered future for Lesotho, ensuring that LECC remains at the forefront of the country's digital transformation.

The following sections of this report highlight activities which were carried out by the company during the reporting period.



Thank you.  
Mr. Tšeliso 'Mokela  
Managing Director

# FINANCIAL PERFORMANCE & HUMAN RESOURCE MANAGEMENT



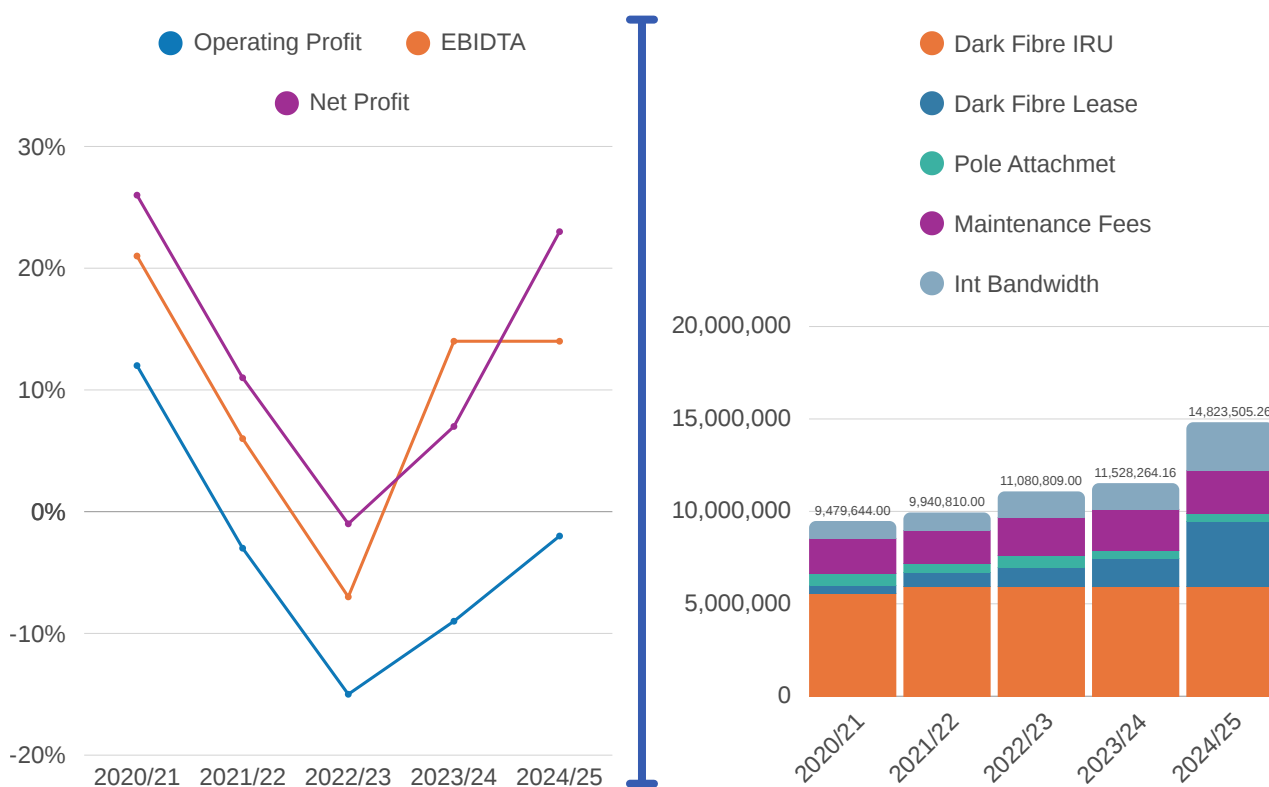
Under the strategic leadership of Ms. Rethabile Sekhiba, the Finance & Administration department continues to drive LECC’s financial resilience and operational excellence. Comprising an Accountant and a Human Resource & Administration Officer, the team ensures robust financial management, effective governance, and seamless administrative operations. Beyond day-to-day efficiency, this department actively supports strategic decision-making, enabling LECC to pursue ambitious goals, optimise resources, and sustain long-term growth, while upholding transparency, accountability, and regulatory compliance.

## FINANCIAL PERFORMANCE

At LEC, financial stewardship is central to sustaining growth, enabling strategic investment, and advancing the company’s role in Lesotho’s digital transformation. The 2024/25 financial year reflects LECC’s continued commitment to disciplined financial management, resilient revenue generation, and prudent risk oversight. Through a balanced approach that aligns operational efficiency with long-term infrastructure investment, the company has strengthened its financial position while laying the foundation for sustainable expansion.

	2023/2024	2024/2025
<b>Operating Profit</b>	-9%	-2%
<b>Earnings Before Interest, Taxes, Depreciation, and Amortization</b>	14%	14%
<b>Net Profit</b>	7%	23%

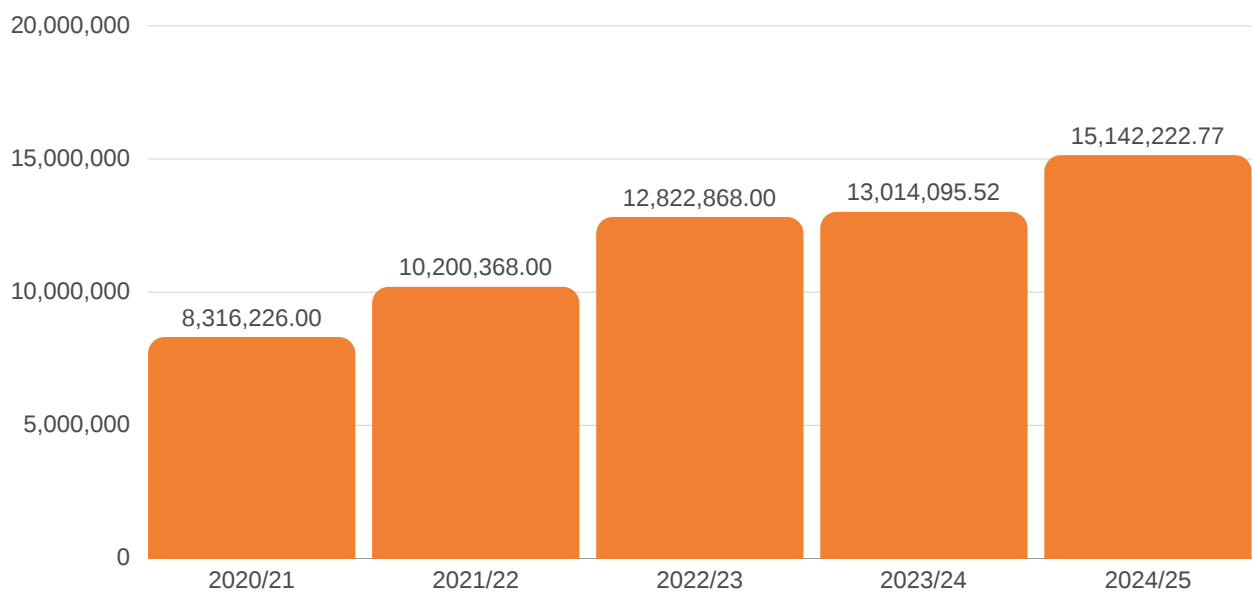
# REVENUE & PROFITABILITY



LECC's financial performance for the 2024/25 fiscal year reflects a year of recovery, growth, and strategic investment, building on the company's progress over the past 10 years. Total revenue reached LSL 15 million, a substantial increase from LSL 11,8 million in 2023/24, representing growth of 27% year-on-year. This growth was primarily driven by the demand of Dark Fibre Lease contracts, bandwidth performance, and a continued contribution from interest income.

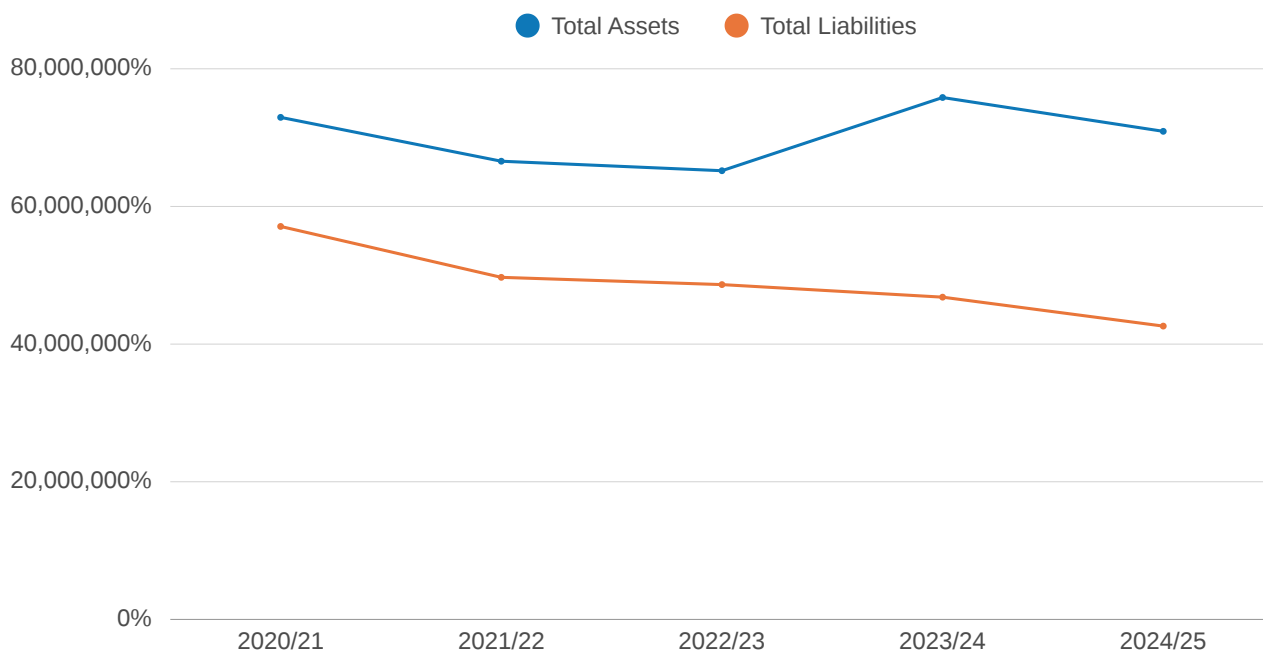
Profitability indicators continued to strengthen, with the net profit margin improving to 23% from 7% in the prior year, while EBITDA remained stable at 14%. Operating profit remained marginally negative at -2%, reflecting LECC's ongoing investment phase as the company continues to build and expand long-life national infrastructure assets. As these investments progressively come on stream—including the Roma-Thaba Tseka segment and the phased implementation of the DTIC-P, LECC is intentionally positioning itself for scalable revenues, improved operating performance, and sustainable long-term value creation.

# OPERATIONAL EXPENDITURE



Operating expenses decreased by 1% compared to the previous financial year, reflecting continued progress in cost efficiency, although they remained 7% above the approved budget. This variance was primarily driven by higher depreciation charges, which increased to 12% of total expenditure following the conversion of the LEC loan into infrastructure assets. Excluding this non-cash accounting impact, underlying operating costs remained well controlled, underscoring management's commitment to disciplined and sustainable cost management.

# FINANCIAL POSITION



Total assets remained stable at approximately M75 million in 2024/25, following significant growth in the prior year driven by investment in FTTx infrastructure and optic fibre expansion. This stability reflects consolidation of recent infrastructure investments and a strategic focus on maximising utilisation and operational returns from the expanded network base.

Liabilities declined from approximately M47 million to M42 million, primarily relating to prepaid IRU contracts amortised over their contractual life. The continued reduction demonstrates LECC's ability to meet long-term obligations while steadily strengthening solvency and liquidity.

Overall, a stable asset base and declining liabilities further reinforced LECC's financial position in 2024/25, providing a strong foundation for delivering the 2023-2026 Strategic Plan. Looking ahead, LECC will continue investing in commercially viable, high-value infrastructure that generates sustainable returns and accelerates Lesotho's digital transformation and economic growth.

# AUDIT REPORT – UNQUALIFIED OPINION

(Clean Audit)

The Auditor General’s annual audit provides an independent assessment of the company’s financial statements, ensuring that they present a true and fair view of LECC’s financial position in line with applicable accounting standards, governance principles, and legal requirements.

For the fiscal year 2024/2025, the Auditor General issued an unqualified (clean) audit opinion for LECC’s financial statements. This represents a significant milestone and a strong vote of confidence in the company’s financial management practices, internal controls, and governance processes.

This positive outcome follows the previous year’s modified opinion – the first since LECC’s establishment in June 2015 – which arose from timing differences in the validation of the LEC-LECC loan conversion into an asset. That matter was subsequently resolved and fully validated, laying the foundation for improved coordination and accuracy in financial reporting.

The return to an unqualified opinion reflects the company’s continuous improvement in financial governance, strengthened internal controls, and enhanced collaboration between departments. It underscores LECC’s ongoing commitment to transparency, accountability, and excellence in financial management.



Excellence



Transparency



Accountability

# HUMAN RESOURCE MANAGEMENT

At LECC, human capital is the engine of success and the foundation of the organisation's ambition to advance national digital transformation. The year has demonstrated that the workforce is not merely a contributor to the company's mission it is the driving force behind its achievements. Through intentional investment in skills development, strategic leadership capacity, and a culture that upholds excellence and accountability, LECC continues to build a team that is resilient, future-focused, and equipped to pioneer innovation in Lesotho's telecommunications sector. Employees are strategically positioned to deliver on current priorities while strengthening the capabilities that will enable LECC and the country to progress toward a fully connected and digitally empowered future.

## STRATEGIC WORKFORCE PLANNING

LECC continues to implement a proactive and strategic approach to workforce planning. Key positions are filled thoughtfully to balance operational needs with long-term sustainability, ensuring financial flexibility while maintaining high performance. During the year, the organization successfully managed critical vacancies, enabling staff to absorb additional responsibilities and demonstrate remarkable adaptability. This approach reflects LECC's commitment to fostering a high-performing, agile workforce capable of supporting an expanding national telecommunications infrastructure.

By carefully planning and deploying talent, LECC ensures that the organization remains resilient, responsive, and ready to capitalize on emerging opportunities, laying a strong foundation for future growth.

## TALENT MANAGEMENT & PERFORMANCE MANAGEMENT SYSTEM

As part of its talent management strategy, LECC regularly conducts performance reviews to ensure that all employees are aligned with the company's goals and standards of excellence. These reviews help identify individual strengths and areas for development, providing employees with clear feedback and the motivation to excel. By setting transparent performance expectations, LECC fosters a results-driven

culture that encourages accountability and continuous growth. Additionally, the performance management system keeps everyone motivated, as employees are made aware of what is expected of them, allowing them to perform at their best. The system uses a scale from 1 to 5, where 1 represents unacceptable performance, 3 is fully effective, and 5 signifies outstanding performance. Impressively, overall score achieved is a rating of 3, demonstrating the commitment and alignment with the company's strategy.

## BUILDING STRATEGIC CAPABILITY THROUGH PERFORMANCE AND COLLABORATION

LECC's team continues to demonstrate exceptional commitment in delivering national infrastructure priorities. Throughout the year, the personnel played a central role in the execution and operationalisation of the Roma-Thaba-Tseka OPGW project a collaboration with the African Development Bank (AfDB), Government of Lesotho, LEC, and LECC. This project not only enhanced national connectivity but also became a real-world learning platform, accelerating technical proficiency and project delivery expertise within the team.

Furthermore, LECC assumed strategic leadership in the early planning and structuring of the upcoming Digital Transformation and Inclusive Connectivity Project (DTIC-P). This partnership with the Ministry of Energy, Ministry of Communications, and AfDB reflects the confidence placed in LECC's technical capability and governance. The team's contribution to shaping this flagship project is a testament to the brilliant minds driving innovation within the organisation and culture of ownership and excellence.



## CONTINUOUS LEARNING CULTURE

LA culture of continuous learning continues to define LECC's approach to human capital development. Staff actively leverage company-provided resources, including structured training programs, hands-on operational experience, and professional certifications, to enhance technical, managerial, and strategic capabilities. This continuous upskilling strengthens the organization's operational excellence, innovation, and ability to adapt in a rapidly evolving telecommunications environment.

During 2024/25, the Board and Executive Committee participated in Institute of Directors in Southern Africa (IoDSA) training, further enhancing strategic leadership, governance oversight, and decision-making skills. By investing in leadership at all levels, LECC is ensuring that both its operational teams and executive leadership are equipped to navigate complex challenges and seize new opportunities.

This continuous learning culture forms the foundation of a high-performance organisation capable of sustaining rapid expansion and delivering on complex national projects.





## TELECOMMUNICATIONS EDUCATION & YOUTH DEVELOPMENT

LECC is committed to nurturing the next generation of telecommunications professionals as part of its role as a responsible corporate citizen. In 2024/25, our Telecommunications Manager led a two-day lecture series at the National University of Lesotho, sharing practical insights on fibre networks, telecom operations, and industry best practices.

This initiative highlights LECC's dedication to developing future talent, while showcasing the expertise of our staff – capable of delivering complex national projects and translating their experience into valuable learning opportunities for students. By investing in education, LECC strengthens Lesotho's technical capacity and inspires the innovators of tomorrow.

## INTERNSHIP & DIVERSITY

As part of its corporate social responsibility and commitment to nurturing future talent, LECC successfully onboarded two top-performing female graduates from the University of Lesotho as interns. These individuals were selected based on academic excellence, merit, and potential to contribute meaningfully to the organization. Notably, with 100% of LECC's technical team currently male, this initiative also represents a deliberate step toward gender inclusivity within the company's workforce, while maintaining a strict focus on merit and capability.

The internship program provides practical, hands-on experience across core telecommunications operations, project management, and administration, ensuring that these young professionals gain exposure to the full breadth of LECC's operations.

This initiative underscores LECC's dedication to developing the next generation of professionals and reinforces the organization's role as a socially responsible corporate citizen. By investing in these promising female talents, LECC is actively cultivating a future-ready, diverse workforce—one that will not only sustain the company's growth and innovation but also strengthen its culture of inclusion, excellence, and opportunity for all.



# BUSINESS DEVELOPMENT

## BUSINESS PERFORMANCE OVERVIEW



The 2024/25 financial year reflected steady progress in selected revenue streams, providing early indications of potential medium-term growth. Notably, the dark fibre segment recorded measurable traction, with a number of short- to medium-term contracts (of up to five years) successfully concluded. These contracts are expected to generate approximately LSL 1.4 million per annum in recurring revenue, of which LSL 0.4 million was recognised during the 2024/25 financial year..

Further progress was achieved in the acquisition of dedicated internet services, which contributed LSL 1,3 million per annum in recurring revenue, with LSL 1,2 million realised during the 2024/25 financial year. Collectively, these two revenue streams contributed LSL 1,6 million to revenue for the year under review and are projected to generate a combined LSL 2,8 million per annum over the next five years, strengthening the company's forward revenue base.

In addition, LECC received a growing number of requests for branch and point-to-point connectivity. While the company is able to offer competitive pricing, these opportunities are typically associated with high upfront capital requirements, which may place short-term pressure on cash reserves if costs are not recovered within a relatively short period. However, where demand is geographically concentrated, the potential for economies of scale improves the commercial viability of such projects.

Lead by the experienced Mr. Thabang Ramahlele, the Business Development function plays a critical role in shaping LECC's market positioning and long-term strategy. The function focuses on product diversification, innovative service offerings, and strengthening strategic partnerships, ensuring that LECC remains responsive to evolving national connectivity needs. By identifying new revenue streams, expanding market reach, and championing digital inclusion, the department drives sustainable growth and reinforces LECC's mission to transform Lesotho's telecommunications landscape.

In response to these market dynamics, LECC continued to pursue long-term investment funding through government-supported financing, including engagement with the African Development Bank (AfDB). During the year, this initiative progressed to the

preparation of a concept note for submission to the AfDB Board for appraisal, following the completion of AfDB-funded feasibility studies. If approved, the project is expected to support job creation, strengthen internal and external technical capacity, and enable the delivery of a broader portfolio of services, including dedicated internet access, point-to-point and branch connectivity, shared broadband (open-access and internet services), cloud solutions, and other innovation-led offerings.

Conversely, the business experienced delays in commercialising services over the piloted Foso fibre-to-the-home/business/node (FTTx) network. These delays arose primarily from internal contractual matters affecting key partners and have postponed revenue realisation from this investment. As a result, the continued deferment of returns has placed additional strain on the company's financial performance, an issue that remains under active management.

## BRAND POSITIONING

During the 2024/25 financial year, LECC continued to strengthen its brand positioning as a specialist provider of secure, resilient, and professionally managed digital infrastructure services. The company's positioning is anchored in its role as a wholesale-focused infrastructure partner, delivering high-reliability connectivity solutions to enterprises, government institutions, service providers, and other mission-critical users. LECC differentiates itself in the market through a focus on infrastructure depth, network security, and service reliability, rather than mass-market pricing or volume-driven offerings. This positioning reflects a deliberate strategic choice to prioritise performance-critical connectivity, long-term partnerships, and tailored solutions, particularly in segments that require stability, uptime, and responsive technical support.

In an increasingly competitive telecommunications landscape, LECC's brand is aligned to address clear market gaps between price-driven retail providers and the unmet needs of higher-value users seeking dependable, enterprise-grade services. The company's emphasis on customer-centric engagement, direct technical support, and operational agility further reinforces its positioning as a trusted partner rather than a commoditised service provider.

As part of this positioning journey, LECC initiated a structured brand development programme during the year to ensure its brand identity, messaging, and market presence accurately

reflect its strategic direction and evolving service portfolio. This work lays the foundation for a clearer, more consistent brand expression that supports long-term growth, enhances stakeholder confidence, and positions the company to scale its infrastructure and digital services offerings in line with national and regional connectivity needs.

## EXPANDING MARKET REACH AND ACCESS

During the 2024/25 financial year, LECC recognised the demand for highly robust, reliable, and high-capacity connectivity services across different market segments. Customers increasingly require stable digital infrastructure capable of supporting modern communication, commerce, and digital services. LECC is uniquely positioned to meet this demand through its fibre network deployed on LEC's national electricity infrastructure, providing unmatched network reliability and geographic reach.

In response to this opportunity, the company actively explored new market access pathways and service delivery models to ensure that more users can experience the full potential of fibre-based connectivity. These efforts are laying the groundwork for broader service availability, improved customer experience, and expanded market participation.

LECC remains confident that these initiatives will translate into increased user uptake and stronger market presence in the next financial year, further advancing Lesotho's digital inclusion and reinforcing LECC's role as a key enabler of national connectivity.

# TECHNICAL OPERATIONS & PROJECTS

## TECHNICAL OPERATIONS

LECC proudly operates and maintains a 1092km fibre backbone across 9 of the 10 districts (Qacha's Nek not yet present) of the Mountain Kingdom. LECC's network is engineered for high availability by using redundant and geographically diverse transport links to Teraco in Johannesburg and using two redundant IP transit links. This network enables LECC to provide its customers access to reliable enterprise grade internet access and point to point connections within the country and beyond.

LECC has presence at two internet exchange points, one being NAPAfrica which is based at Teraco's Data Centre, while the other is the Lesotho Internet Exchange Point (LIXP) where cross connections between global and local internet service providers occurs. By leveraging industry-leading networks, LECC ensures that its customers enjoy seamless, high-speed access to global content, connecting them to the world with unmatched reliability and speed.

LECC has remained focused on expanding, maintaining, and enhancing its network infrastructure to ensure robust performance and uninterrupted service availability for its clients. Continuous network monitoring systems provided real-time data, enabling our technical team to manage bandwidth utilization effectively. This proactive approach helped maintain high uptime across all major transport links, allowing LECC to deliver on its promise of reliability and superior performance.

LECC's efforts in network expansion are not limited to the present; LECC has outlined ambitious plans to extend its coverage across Lesotho, specifically in the southern part of Lesotho (Quthing and Qacha's Nek), further connecting unserved and underserved regions. The map below illustrates the existing fibre coverage, as well as the planned routes for future expansion. These projects form a key part of LECC's commitment to ensuring that reliable, high-speed broadband becomes accessible to all regions in the country.



Under the proficient guidance of Mr. Thabiso Nthathakane, the Technical Operations department combines deep technical expertise with operational precision. The team comprising a Telecommunications Engineer, a Fibre Optic Technician, and two Network Operations Centre specialists – ensures the reliable delivery, monitoring, and expansion of LECC's fibre and network infrastructure. Beyond maintaining enterprise-grade connectivity, the department plays a pivotal role in pioneering national projects, such as the Roma-Thaba-Tseka OPGW and Ha-Foso FTTx rollout, driving innovation, technical excellence, and digital transformation across Lesotho.

# LECC'S FIBRE OPTIC CABLE COVERAGE NETWORK



Understanding National Needs

Creative Execution

Data-Driven Optimization

Continuous Improvement



## NETWORK MONITORING AND MANAGEMENT

LECC employs network protocols for real-time network monitoring, management and diagnostics, ensuring proactive detection of issues across its infrastructure. These systems provide continuous visibility into device health, performance, and security, minimizing LECC's downtime through graphics, reports and active service level monitoring. LECC monitors and controls over 50 of its core devices while also monitoring FTTx network interfaces of our customer services.

LECC has also leveraged threat intelligence systems that provide critical data on existing cyber threats and mitigation techniques in collaboration with other telecommunications services providers through the joint Lesotho Communications Authority (LCA) sanctioned computer incident response team (CIRT). LECC has also began its process of aligning its operations with LCA's prescribed cybersecurity guidelines that are formulated on the National Institute of Standards and Technology (NIST) Cybersecurity Framework 2.0.

## CAPACITY PLANNING AND NETWORK OPTIMIZATION

Currently LECC has been allocated  $2^{10}$  IPv4 public IP addresses



and  $2^6$  IPv6 addresses through the African Region Internet Registry (RIR) also known as AFRINIC. LECC has used only 25% of its IPv4 block through careful network planning that has been designed to be fault proof, scalable, and next-generation networks ready.

Effective implementation of virtual local area networks, use of multipaths to networks, route optimizations using dynamic network and routing protocols, and bi-lateral peering of content delivery networks (CDNs), (eg. META, AKAMAI, GOOGLE and Multichoice), use of high bandwidth devices and links enable optimal network use.

## LINK PERFORMANCE

LECC continues to outsource international network links through industry partners, which have demonstrated reasonable performance. These international links had two simultaneous outages that cumulatively lasted 6 hours and 10 minutes. These instances occurred in the 1<sup>st</sup> and 3<sup>rd</sup> quarter of LECC's financial year and resulted in the worst-case scenario of having limited internet connectivity to LECC broadband service clients.

Such instances have been identified and recorded into LECC's governance tools to ensure that such instances do not reoccur. Remedial steps have been identified and are being explored. These include but not limited to seeking alternative partnerships, implementing alternative technologies, and ensuring resilient supply mechanisms to LECC's clients.

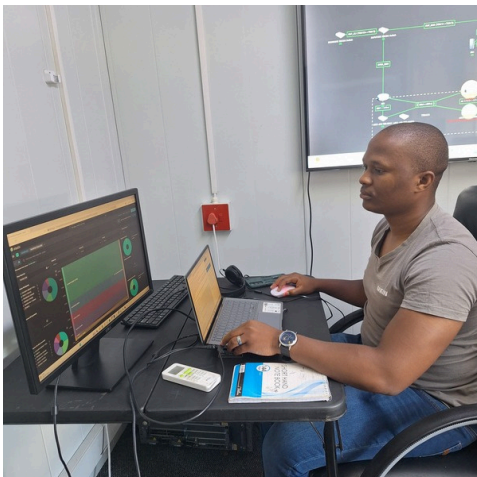
# EFFICIENCY PROJECTS

## TICKETING SYSTEM

LECC has implemented a ticketing system primarily for fault logging and tracking, ensuring efficient resolution of issues. Customers can initiate tickets by sending a query to the system email, enabling communication with the assigned agent. The system automates tasks like service connection requests and integrates with LECC's network management system to automatically open tickets for major network faults. The system manages service levels (SLAs), escalates tickets when necessary, and streamlines customer communication.

## IMPORTANCE

- Improved Incident Management: - Centralized logging, tracking and resolution of faults (11kV pole attachments, DIA, leased lines, and dark fibre IRUs), customer issues, and internal LECC enterprise incidents.
- Structured Workflow and Accountability: - Defined issue ownership, escalation paths, and SLA management.
- Regulatory and Compliance Support: - Maintained auditable records for incidents, types of incidents, actions taken, and SLA or KPI tracking/adherence verification.
- Integration with NMS and SOC tools:- Automated ticket creation from NMS and SOC tools improves response times to issues. LECC has integrated its NMS to the proposed ticketing system to ensure this feature is applied through categorized faults.
- Data-driven Decision Making: - Historical data will isolate hot-spots, aid root-cause analysis, maintenance prioritization, and support planning and budgeting.



# New Link Projects

## MAZENOD - MOFOKA - RAMAROTHOLE

An introduction of a new substation at Ha-Mofoka that is located between Mazenod and the Ha-Ramarothole substation has improved connectivity between these two substations. The introduction of an alternative/diverse route between these two substations has not only improved the network resiliency of LECC's network but significantly improved potential network capacity in the southern part of Lesotho. In progress 48 new fibre pairs are in the testing phase for Mazenod, Mofoka and Ramarothole.



## FTTx

In this reporting year, LECC's Fibre-to-the-Home/Business (FTTx) infrastructure rollout at Ha-Foso and between Mabote and Ha-Foso remains operational and in the testing phase with various LECC customers. This strategic investment significantly expands LECC's network coverage, bringing high-quality broadband access directly to residential homes and businesses in the Ha-Foso area and nearby neighbourhoods. By enhancing connectivity, the Ha-Foso FTTx project not only supports digital inclusion but also positions LECC as a key enabler of modern, high-speed internet access for an estimated total of 900 potential households and businesses alike.

This FTTx project continues to create opportunities and collaborations with various registered internet service providers (ISP). Successful integrations of two ISPs have been implemented at this area, with LECC unable to offer any services directly to end-users due to license restrictions.

# ROMA – THABA-TSEKA OPGW LINK

E-GOVERNMENT FUNDED BY AFRICAN DEVELOPMENT BANK



The Roma-Thaba-Tseka OPGW project remains a pivotal infrastructure initiative under the Government of Lesotho's digital transformation agenda, financed through a loan from the African Development Bank (AfDB) as part of the e-Government Infrastructure Phase II Project. The project seeks to enhance digital access, digital finance, and financial inclusion by expanding reliable, high-capacity connectivity to rural and underserved regions through fibre infrastructure deployed along existing electricity transmission corridors.

A key component of the initiative is the construction of a 96 km Optical Ground Wire (OPGW) fibre network extending from Roma (Maseru) to Thaba-Tseka. The network includes Points of Presence (PoPs) at the Roma, Mantšonyane, and Thaba-Tseka substations, with multiple fibre drop-off points at strategic locations including Nazareth, Molimo-Nthuse, Thaba Putsoa Pass, Mohale Dam, Marakabei, and Ha 'Nyane. This infrastructure is essential for improving mobile and data service quality and providing reliable access to digital services in remote regions. The project presents a significant opportunity for LECC to expand its national network footprint, extend enhanced digital services to unserved and underserved communities, and reinforce its commitment to bridging the digital divide in rural Lesotho.

## Project Scope

The supply, installation, and commissioning of the 96 km OPGW fibre network from Roma to Thaba-Tseka via Ha 'Nyane forms part of the fibre infrastructure expansion component of the e-Government Infrastructure Phase II Project. The scope of works includes:

- Replacement of LEC's existing ground wire on 33 kV power lines with a 48-core OPGW fibre cable between Roma and Thaba-Tseka.
- Installation of a 48-core ADSS fibre optic cable between Mantšonyane Substation and Ha 'Nyane radio sites.
- Construction of three bandwidth hubs along the route, located at Roma, Mantšonyane, and Thaba-Tseka.

## Project Implementation Progress

During the reporting period, the project transitioned from procurement and preparatory phases into active construction. Fibre stringing commenced at the Roma Substation in January 2025 and is expected to take approximately six months to complete during the initial phase of implementation. As part of contractual obligations, materials testing was conducted at the Council for Scientific and Industrial Research (CSIR). All tests performed on both ADSS and OPGW cables met South African National Standards (SANS), with additional benchmarking against Eskom recommendation standards. Breakout points and splice configurations were subsequently confirmed and issued to the contractor to guide installation works.

The Roma-Thaba-Tseka route spans approximately 96 km. By the end of the reporting period, stringing works had progressed from Roma Substation to the Basotho Pony Trekking area (Tower 159), just beyond Molimo-Nthuse Pass, representing approximately 21 km of completed stringing. Construction activities are expected to continue steadily into the next financial year.

## Bandwidth Hubs Installation

The 2024/25 financial year also marked the commencement of supply, delivery, installation, and commissioning of bandwidth hubs along the Roma-Thaba-Tseka route. Site surveys were undertaken jointly by LEC, LECC, and the appointed contractor to confirm technical and logistical requirements at hub locations. Following implementation progress reviews, an extension to the project completion timeline was granted to allow for finalisation of installation and commissioning activities.

## Breakout Points

Breakout points represent locations where the fibre optic cable is accessible for cross-connections and service distribution.

# PLANNED PROJECTS

## DIGITAL TRANSFORMATION AND INCLUSIVE CONNECTIVITY PROJECT (DTIC-P)

LECC continues to play a central role in the Digital Transformation and Inclusive Connectivity Project (DTIC-P). During the reporting period, LECC has been undertaking rigorous preparatory activities, guided closely by the Government of Lesotho and the African Development Bank (AfDB), to ensure readiness for project implementation. These efforts position LECC as the trusted government infrastructure vehicle, capable of delivering critical fibre infrastructure that bridges broadband connectivity gaps nationwide.

The project focuses on developing metropolitan fibre optic networks in major and intermediate towns and establishing eighteen (18) Points-of-Presence (PoPs) across all ten districts of Lesotho. Recognizing its strategic significance and potential socio-economic impact, the Government of Lesotho sought financial and technical support from the AfDB. This collaboration led to an expanded scope and redefinition of the initiative under DTIC-P, broadening its objectives beyond fibre infrastructure to include digital skills development, entrepreneurship, and regulatory strengthening, ensuring both social impact and sustainable economic returns.

### PROJECT OBJECTIVES:

- -Expand Climate-Smart Digital Infrastructure: Connect all 10 districts to a high-capacity, energy-efficient fibre backbone and extend broadband to 80% of the urban population, laying the digital foundation for inclusive growth and innovation
- -Develop Future-Ready Digital Talent: Train 20,000 youth (40% women) in core digital and advanced technologies, AI, data science, IoT, cybersecurity to fuel job creation and competitiveness in emerging sectors.
- -Accelerate Inclusive Digital and Climate-Tech Entrepreneurship: Support 250 startups and MSMEs in digital, cleantech, and climate-tech sectors with incubation, and growth support to drive green innovation and economic resilience.
- -Foster a Sustainable Innovation Ecosystem: Launch AI and frontier tech pilots in agriculture, education, health, and urban systems; promote digital inclusion and empower communities with localized skills and tools for climate resilience.

### COMPONENT 1 – CLIMATE SMART DIGITAL INFRASTRUCTURE

a) Metropolitan Fibre Expansion: Approximately 350 km of metropolitan fibre network (~150 km ring and ~200 km distribution) is being deployed, supported by 18 Points-of-Presence (PoPs) across all ten districts. The infrastructure is designed to be energy-efficient and climate-resilient, ultimately serving around 4,500 users.

b) Rural Connectivity – Qacha’s Nek to Quthing (Leloaleng) Fibre Expansion: A 150 km fibre backbone is being extended to underserved areas, particularly Qacha’s Nek, leveraging existing LEC infrastructure for cost efficiency. LECC conducted a survey of the 33 kV line from Leloaleng Substation (Quthing) to Qacha’s Nek Border to assess the feasibility of stringing ADSS on the existing power line and to evaluate the progress of the new line under construction. The ongoing construction of a 33 kV line from Mphaki to Christ The King will, once completed, fully connect Quthing to Qacha’s Nek.

### COMPONENT 2 – DIGITAL SKILLS AND ENTREPRENEURSHIP

Implementation of this component will be led by the Ministry of Information, Communications, Science, Technology and Innovation (MCSTI), in close collaboration with the Ministry of Education and Training, Ministry of Trade and Industry, and the Lesotho Institute of Public Administration and Management (LIPAM).

a) Digital Skills Development: The initiative aims to train over 20,000 individuals, with a minimum of 40% women, in essential digital skills including digital literacy, AI, cybersecurity, coding, and digital marketing. It also includes the development of a National Digital Skills Framework to guide future capacity-building efforts.

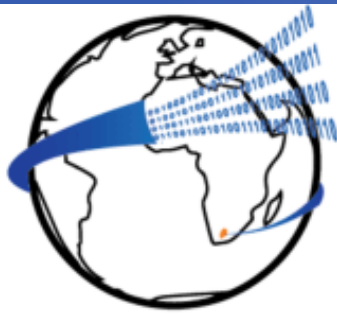
b) Business Transformation and Entrepreneurship: The project will support over 1,000 Micro, Small, and Medium Enterprises (MSMEs) through training in digital tools. A Startup Support Facility will provide seed funding of up to LSL 150,000 for promising youth-led enterprises, fostering innovation, entrepreneurship, and job creation.

### COMPONENT 3 – INSTITUTIONAL STRENGTHENING

Legal and Regulatory Reform: Planned reforms include the enactment of the Communications Act, Cybersecurity Bill, Data Protection Bill, and Electronic Transactions Bill. The project also aims to introduce climate-responsive digital policies to support a resilient and forward-looking digital ecosystem.

Capacity Building: The project will strengthen the capabilities of MCSTI, LECC, and the Lesotho Communications Authority (LCA). Key initiatives will include the adoption of open data policies, establishment of regulatory sandboxes, and reforms to the Universal Service Fund to enhance institutional efficiency and promote innovation.

Project Management: A dedicated Project Implementation Unit (PIU) will be established, with competitive recruitment to ensure the right expertise. The PIU will incorporate environmental and social safeguards and implement comprehensive monitoring systems to support effective project delivery and accountability.



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