

Group Interim Results
JUNE 2021

FINANCIAL HIGHLIGHTS

GROUP INTERIM RESULTS 2021

FINANCIAL HIGHLIGHTS

↑ PROFIT BEFORE TAX (PBT)
up 23% yoy to P544 million
(H1 2020: P443 million)

↑ PROFIT AFTER TAX (PAT)
up 28% yoy to P314 million
(H1 2020*: P245 million)

↑ NET INTEREST INCOME
up 12% to P1.019 billion
(H1 2020: P910 million)

↓ COST TO INCOME RATIO
reduced to 47%
(H1 2020*: 49%),
with bulk of digital
investment cost
only expected in H2 2021

↑ TOTAL ASSETS
**increased by 25%
yoy to P13.3 billion**
(H1 2020* P10.6 billion)



ENOS BANDA
Group Chairman

“A year ago we announced our Transformation Strategy. The strategy entailed our positive shift towards digitalisation, embedding an Agile culture, and enhancing enterprise risk frameworks. Although the strides we have made in this journey have been inspiring, we are not done. Letshego is still on the march and, on track to achieve its 2025 targets, which are, delivering a marked change in sustainable growth, impact and value for both our customers and shareholders.”

PORTFOLIO PERFORMANCE

↑ NET ADVANCES
up 20% to P11.1 billion
(H1 2020*: P9.3 billion),
while Gross Advances
grew by 16% yoy

↑ CUSTOMER DEPOSITS
near double to P989 million
(H1 2020: P499 million)

○ LOAN LOSS RATIO (LLR)
remained constant at 1.4%
(H1 2020*: 1.4%) with
loan book remaining
resilient

SHAREHOLDER RETURNS

↑ RETURN ON EQUITY (ROE)
increased to 13%
(H1 2020 : 11%)

↑ EPS FOR JUNE 2021
13.4 thebe
(H1 2020: 10.7 thebe)

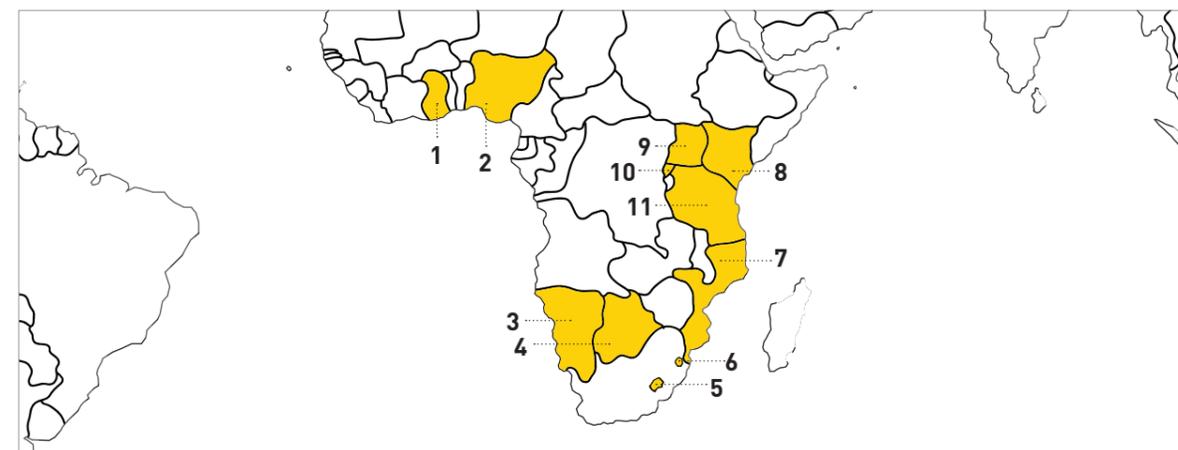
↑ DIVIDEND YIELD
17%
(H1 2020: 11%)

“Our first half results are strong, with profit growth above 20% in a challenging environment. We have made significant strides in enhancing our execution capabilities, enabling us to go live with our LetsGo digital platform across 10 countries well ahead of plan. We are set to improve more lives with digital and social impact solutions within our **#LetsGoNation**”

ANDREW FENING OKAI
Group Chief Executive



OUR FOOTPRINT



| | | EMPLOYEES | CUSTOMERS | BRANCHES | |
|----|-------------------|--------------------|--------------------------------|------------------|-------|
| 1 | Ghana | 184 (2020: 189) | 4 197 548 (2020: 3 799 511) | 26 (2020: 26) | L D T |
| 2 | Nigeria | 286 (2020: 281) | 92 792 (2020: 84 459) | 22 (2020: 22) | L D T |
| 3 | Namibia | 153 (2020: 152) | 79 990 (2020: 73 702) | 16 (2020: 16) | L D T |
| 4 | Botswana | 148 (2020: 148) | 29 560 (2020: 29 992) | 16 (2020: 16) | L |
| 5 | Lesotho | 42 (2020: 40) | 5 576 (2020: 6 221) | 5 (2020: 5) | L |
| 6 | Eswatini | 27 (2020: 27) | 99 712 (2020: 114 432) | 3 (2020: 3) | L |
| 7 | Mozambique | 170 (2020: 171) | 309 640 (2020: 262 314) | 25 (2020: 25) | L D T |
| 8 | Kenya | 160 (2020: 171) | 12 377 (2020: 12 967) | 29 (2020: 29) | L I |
| 9 | Uganda | 195 (2020: 251) | 41 878 (2020: 43 548) | 44 (2020: 45) | L |
| 10 | Rwanda | 49 (2020: 50) | 14 126 (2020: 13 915) | 4 (2020: 4) | L D |
| 11 | Tanzania | 83 (2020: 128) | 299 363 (2020: 288 862) | 9 (2020: 9) | L D T |
| | Faidika | 88 (2020: 86) | 28 488 (2020: 29 202) | 16 (2020: 16) | L |

L Loan D Deposit T Transaction I Insurance

* Group Interim financials for 30 June 2020 reflect the restated Group position following Namibia's preference share conversion to loan, as published in the 31 December 2020 Group Integrated Annual Report.

FINANCIAL COMMENTARY

The Board of Directors of Letshego Holdings Limited ("the Group") herewith presents an extract of the reviewed consolidated half year financial results for the period ended 30 June 2021.

OVERVIEW

As Letshego progresses its digital Transformation Strategy, the Group's strong performance for the first half of 2021 reflects accelerating growth trends on the back of increased net payout volumes.

With the persistence of the global pandemic, the Group continues to prioritise the health and wellbeing of its people and customers, while building and maintaining business resilience. With pandemic variants posing additional economic pressures on regional markets, along with intermittent access and dissemination of vaccines, Letshego is committed to progressing its digitalisation strategy that enables flexibility, adaptability and operational efficiencies, while enhancing an effective risk management framework.

2021 saw Letshego commence the second phase of its 6-2-5 execution roadmap, 'Plan 2'. This two year phase is characterised by increased investment into digital-first initiatives, along with the end-to-end automation of processes and platforms. In the first 6 months of this year, Letshego has already achieved targeted digital milestones, including the roll out of its LetsGo Digital Platform across 10 markets, giving customers direct access to lending solutions via their mobile phones.

Despite the challenging economic environment, Letshego achieved double digit growth for the period, with profit before tax up 23% year on year to P544 million. Profit after tax rose 28% for the same comparative period. Asset quality remains robust with the Group's Loan Loss Ratio (LLR) within target range at 1.4%, and the non-performing loans ratio reducing to 5.6% (H1 2020: 7.9%). Strong performance for the interim period was driven by a 20% growth in net customer advances, totalling P11.1 billion.

Product performance saw double digit portfolio growth in Letshego's primary deduction at source (DAS) portfolio of 16%. DAS customer numbers increased by 19% to 694k (H1 2020: 586k). The Micro and Small Entrepreneur (MSE) segment remained more sensitive to economic slowdowns with net loan book values dropping 3%. However, MSE profitability improved with recovery and collection efficiencies. Letshego's Mass Mobile portfolio performed well with a portfolio value increase over 200% year on year.

Letshego remains well capitalised at 34% capital adequacy ratio, and has a strong liquidity position to support business growth. The Group is pleased to announce an interim dividend of 7.3 thebe, with a dividend yield of 17%

Statement of profit and loss review



Net Interest Income increased by 9% to P1.019 billion (H1 2020*: P910million), buoyed by strong net payout growth. Borrowing costs decreased by 7% year on year (excluding non-risk interest component on mobile loans), following concerted efforts by the Group to diversify its funding base and grow its customer deposit base. Operating income was up 14%, despite the new Delta variant of COVID-19.



Non-funded income increased 33% year on year, largely boosted by Namibia's revised insurance arrangement, increasing overall insurance revenue by 116% to P90 million (HY 2020:P42 million). Further diversification in Letshego's insurance offering will see Kenya, Mozambique and Botswana expand their offerings into life and short-term insurance leveraging the Group's increasing efficiencies achieved via digitised channels and platforms.



Total operational expenses increased 8% year on year to P549 million. Employee costs increased by 6% for the period with more specialist skills appointments made in product, digital and risk. Other operating expenses were up by 9%, driven by the roll out of Letshego's LetsGO Digital Platform. Digital investment will continue in the second half as the Group seeks to achieve end to end automation and digitisation to deliver 6-2-5 growth targets.

Effective Tax Rate:

Letshego's effective tax rate for the period was 42% (H1 2020*: 45%). This is attributable to:

- > Dividend flows from subsidiaries which contributed 5% to ETR (HY 2020: 7%). LHL received dividends of P346m from subsidiaries, making up 5% of ETR, in the form of withholding tax that cannot be claimed as foreign tax credits under Botswana IFSC regime.
- > Contribution of deferred tax assets and withholding tax credits not utilised by the holding company.

The components of ETR are broken down as follows:

| | HY 2021 % | HY 2020 % |
|---|--------------|--------------|
| Components of the Effective Tax Rate | | |
| Baseline tax charge | 32 | 32 |
| Dividends from subsidiaries & preference shares | 5 | 7 |
| Intergroup costs | 4 | 3 |
| LHL Deferred taxation | 1 | 3 |
| Effective tax rate | 42 | 45 |

The Group target ETR is expected to reduce by 50 basis points in the next two years. Having established a specialist tax team in this first half of the year, the Group expects to make further headway in improving its tax rate in the longer term.

ASSET QUALITY

Credit quality remains strong with the Group's Loan Loss Ratio (LLR) at 1.4%, remaining within Group risk appetite and consistent with the same period last year. 2020 year end LLR of 0.3% was inclusive of a once-off write back of P105.3 million from Ghana Mobile Loans. LLR as at June 2021 has thus improved against a normalised year end LLR of 1.8%. Non-performing loans improved to 5.6% from 7.9% in June 2020.

Resilience against the COVID-19 pandemic

- > Deduction at Source (DAS) portfolio remains stable as regional governments seek to minimise retrenchments despite ongoing pandemic conditions.
- > Letshego's MSE portfolio (9%) was impacted by lockdowns in Uganda and Rwanda. However impact was limited with the portfolio only comprising 0.5% of the Group's total loan portfolio. Customers have been offered support via repayment holidays and structured repayment plans.
- > The Group, in the short-term, has curtailed loan growth in volatile segments across specific markets and prioritised portfolio remediation and collection efforts.
- > Stress testing continues in line with the Group's Enterprise Risk Management Framework (ERMF).

Structural and Process enhancements

- > In 2021, Group materially enhanced capacity and bench strength in its Collections and Recoveries functions across the countries in the first half of 2021.
- > The Group made significant progress in the automation of Credit Decisioning and Collections/Recoveries processes in the first half of the year 2021. Group is on track to fully automate these processes by year end 2021.
- > Credit Bureau data scrub capability deployed across the Group.

| | HY2021 % | FY2020 % | HY2020 % | FY2019 % | HY2019 % | FY2018 % | HY2018 % | FY2017 % | HY2017 % |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Asset quality | | | | | | | | | |
| Portfolio at risk – 90 days (NPL) | 5.6 | 5.3 | 7.9 | 6.9 | 7.3 | 7.1 | 7.6 | 6.8 | 8.2 |
| Portfolio at risk – 30 days | 8.7 | 8.3 | 11.2 | 10.0 | 10.6 | 10.4 | 10.4 | 9.9 | 11.5 |
| Non-performing loan coverage ratio | 92.2 | 98.0 | 103.0 | 112.0 | 109.0 | 115.0 | 95.0 | 70.0 | 61.0 |
| Loan loss rate – actual | 1.4 | 0.3 | 1.4 | 1.7 | 2.5 | 4.1 | 2.6 | 3.1 | 3.3 |
| Loan loss rate – excluding once-off items | 1.9 | 1.8 | 1.4 | 1.7 | 2.5 | 2.0 | 2.6 | 2.5 | 3.3 |

Strong deposit growth

Letshego's deposit portfolio almost doubled to P989million in the first half (H1 2020; P499m) spurred by the Group's digitised payment capabilities (USSD, Cards, Agency & Community Commerce) and deepening strategic partnerships, particularly in Mozambique, Namibia, Ghana and Tanzania.

Deposit customer numbers grew by 19% to 694k (H1 2020: 586k), with more than half of our new customers signing up via digital channels. Cost of deposits decreased by two percent to 13% through deposit base diversification (H1 2020: 15.06%).

Funding

Total borrowings increased by 22% to P5.9billion (H1 2020*: P4.8 billion) for the half year period, comprising bank loans, developmental financial institution funding and bonds. Diversifying our funding mix remains a key stream within Letshego's overall de-risking strategy, with the proportion of total funding from commercial banks reducing from 41% to 38% from 31 December 2020. Bonds and DFI funding contributions increased in the period with Namibia raising NAD231 million through its inaugural bond issuance in May 2021. Progress in increasing local currency borrowing contributed to reducing concentration and foreign exchange rate risks. With customer deposits nearing the P1 billion mark, the Group expects to gain another lever in reducing funding costs.

Liquidity

Liquidity is stable with half year cash and cash equivalents over P1 billion. The funding pipeline from regional banks and developmental financial institutions remains strong.

STRATEGIC TRANSFORMATION: OUR 5 CONVERSATIONS

2020 saw the first phase of Letshego's "6-2-5 execution roadmap" centred on leveraging the Group's legacy, and strengthening our core business. This second phase, "Plan 2" commenced in 2021, and will focus on leveraging digital to automate processes end-to-end, diversify our product offering and dramatically enhancing customer experience by increasing operational efficiencies and access.



1. Diversifying our product offering

DEDUCTION AT SOURCE ("DAS")

The DAS net loan book portfolio grew by 19% to P9.9 billion in H1 2021 (H1 2020: P8.3 billion). Profit before tax for this portfolio increased by 31% in the first half to P677 million (H1 2020: P516 million). Growth is attributed to the rapid deployment of digital channels to meet evolving customers needs during the pandemic, as well as supporting our 'digital first' ambitions. Supported by 'Digital Eagles' (front line employees), and in-house sales teams, 74% of our DAS customers have now transitioned to digital channels.

Letshego's 'LetsGO Digital Platform' has now been rolled out in 10 regional markets, enabling existing and new customers to register online, access new DAS lending solutions and update account information via their mobile phones.

MICRO & SMALL ENTREPRENEURS (MSES)

The ongoing pandemic has impacted the Group's most vulnerable customer segment, Micro and Small Entrepreneurs ("MSEs"), with net loan book values decreasing by 3% in the first half to P817 million (H1 2020: P842 million). Despite the decrease, Letshego MSE profit before tax more than doubled following improvements in credit recoveries as well as lowered costs due to digital efficiencies (MSE PBT: H1 2021 P42 million; H1 2020: P11 million).

The Group continues to progress its 'Programmatic Approach', a holistic structure that leverages partnerships to maximise value for the MSE segment, while mitigating downside risks in the segment. Programmatic Approach initiatives include eco-friendly lending solutions in Ghana and Educational Impact solutions in Botswana, Ghana and Kenya. With partner support, Letshego is increasing products and solutions that achieve a social and environmental impact within targeted economic segments, that include Housing, Education, Agriculture and Health.

MASS MOBILE LOANS

Mobile mass lending has shown resilience through the pandemic given the ease in customer access, as well as enhanced credit management and credit automation processes. The net loan book value for the mobile lending portfolio grew by 219% to P364 million (H1 2020: P114 million). Profit before tax for this segment increased by 19% to P8.3 million (H1 2021: P7 million). Customer usage of the mobile lending platforms increased by 30% year on year, with more than 6 million transactions processed over the period. Letshego continues to invest and grow this segment, deepening strategic partnerships for longer term return.



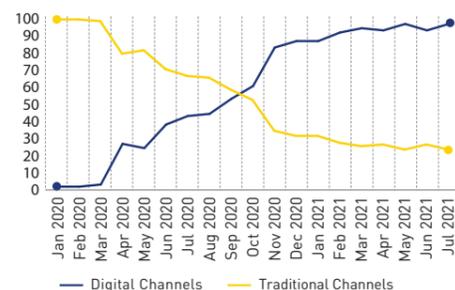
2. Accelerating digitalisation

Aggregated digital adoption levels increased to 74% at the end of June 2021 (H1 2020: 30%). Digitisation was achieved with the deployment of customer-facing digital platforms, including WhatsApp, Webforms, and more recently the LetsGo Digital Platform that was delivered in record time with Enterprise Agility. Our 'Digital Eagles' continue to support the process by educating customers on digital access. By the end of June 2021, digital loan approvals surpassed 95 000.

DIGITAL ADOPTION TRENDS (%)



DIGITAL AND TRADITIONAL CHANNEL TRENDS (%)



3. Geographic Rebalancing

Geographic Rebalancing centres around the Group's strategy to scale East and West subsidiaries, seizing local growth opportunities, and increasing their collective contribution to Group profits over the medium to long term. Profit before tax contribution for East and West markets in H1 2021 increased to 23% to P130 million (H1 2020: P106 million). This was the result of continuous business growth in Ghana, digital adoption in Nigeria and cost optimisation in Uganda.



4. Enterprise Agility & People Culture

Employee engagement and adoption of Enterprise Agility methodologies continues to expand across Letshego's markets, functions and segments via online 'Lunch & Learn' sessions. To date, 20 certified squads representing employees from multiple markets and functions now support the swift execution of strategic goals and digital project roll outs.

Digital is also supporting Letshego's 'People First' culture with the launch of the Group's inaugural 'Online Learning Platform' in May. Every employee across the Group can now choose from 4 500 online accredited courses to upskill and expand their career choices. 96% of employees have enrolled and completed over 1 700 courses in just 3 months. Individual and Squad performance tracking has recently been automated with the introduction of an online Enterprise Agility platform that enables employees to manage and track their individual Objectives and Key Results (OKRs) from their desktop or device, wherever they are located.



5. Sustainable Shareholder Value

Letshego has completed the first phase of its Capital Allocation and Optimisation exercise identifying relevant capital levers for sustainable returns. The exercise involved the review of subsidiaries with excess capital and the risk-cost return per country. The Group is now finalising its long-term capital plan, a comprehensive capital optimisation plan and determining mechanisms for capital allocation going forward. At 30 June 2021, the Group's capital adequacy ratio was 34% with a Debt-to-Equity Ratio of 119% (H1 2020*: 105%) – well within the Group's target range. The Group is pleased to see improved performance of the Letshego counter with the share price increasing from 70 thebe at 30 June 2020 to 105 thebe in July 2021, a 50% increase. The dividend yield has remained strong at 17%.

OUTLOOK

With the onset of a 'third wave' in many sub-Saharan markets, Letshego continues to maintain a proactive stance in adjusting and evolving its Pandemic Response Plans and risk mitigation strategies to meet ever-changing economic environments. With the staggered dissemination of vaccines and the identification of multiple variants the Group will continue to prioritise the lives and livelihoods of employees and customers, as well as local communities by supporting national pandemic relief plans.

Letshego's 'Plan 2' horizon will see increased investment into digital and strategic partnerships towards year end and into 2022, supporting further system and product enhancements. By the end of 2022 the Group will see further expansion of the Group's vision to develop a foundation for 'eco-systems', expanded multi-tier partnerships and digital hubs, all while upskilling and empowering employees and customers with world-class, digital skills that supports sustainable financial inclusion and digital-savvy economies.

AUDITORS' REVIEW

The condensed half year financial statements from which the financial information is set out in this announcement has been reviewed but not audited by Ernst & Young, Letshego Group's external auditors. Their review report is available for inspection at the Group's registered office.

DIVIDEND NOTICE

Notice is hereby given that the Board has declared an interim dividend of 7.3 thebe per share for the half year ended 30 June 2021. In terms of the Botswana Income Tax Act (Cap 50:01) as amended, withholding tax at the rate of 7.5% or any other currently enacted tax rate will be deducted from interim dividend for the half year ended 30 June 2021.

Important dates pertaining to this dividend are:

- > Declaration date: 12 August 2021
- > Shares go ex-dividend from 3 November 2021
- > Last date to register is 5 November 2021
- > Dividend payment date on or about, 16 November 2021

For and on behalf of the Board of Directors:

Enos Banda
Group Chairman

12 August 2021

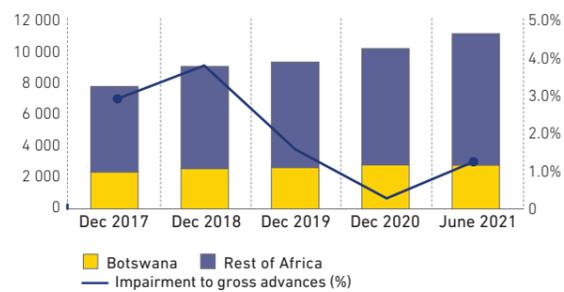
Andrew Fening Okai
Group Chief Executive

12 August 2021

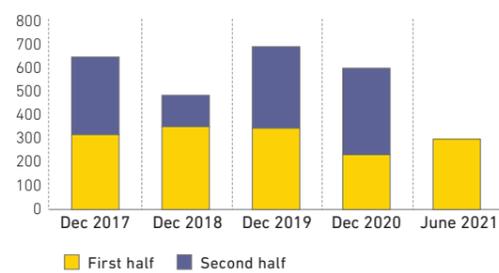
RATIOS

| | 30 June 2021 (Reviewed) % | 30 June 2020 (Restated) % | 31 Dec 2020 (Audited) % |
|--------------------------|---------------------------------|---------------------------------|-------------------------------|
| Return on average assets | 5 | 5 | 5 |
| Return on average equity | 13 | 11 | 13 |
| Cost to income ratio | 47 | 49 | 50 |
| Debt to equity ratio (%) | 119 | 105 | 118 |

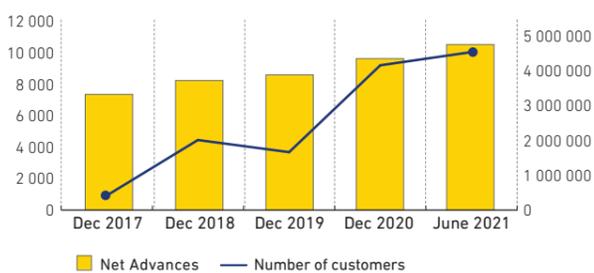
GROSS ADVANCES AND IMPAIRMENT



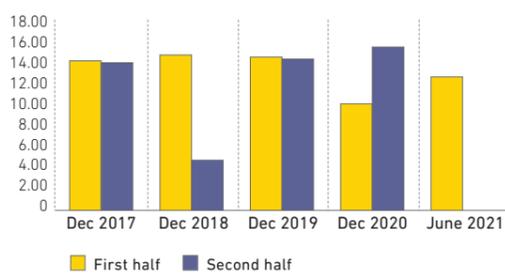
PROFIT AFTER TAX (P'M)



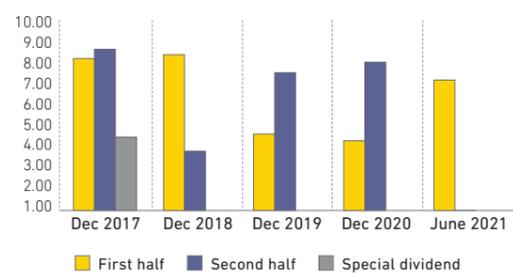
NET ADVANCES AND NUMBER OF CUSTOMERS



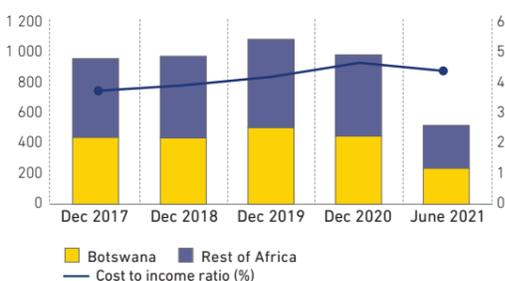
BASIC EARNINGS PER SHARE



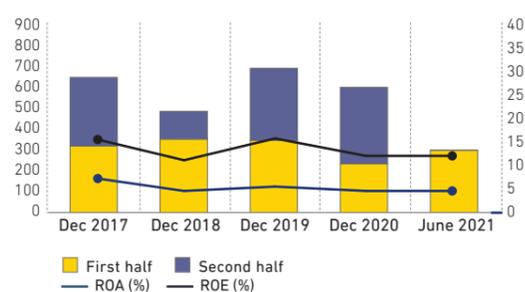
DIVIDEND PER SHARE (THEBE)



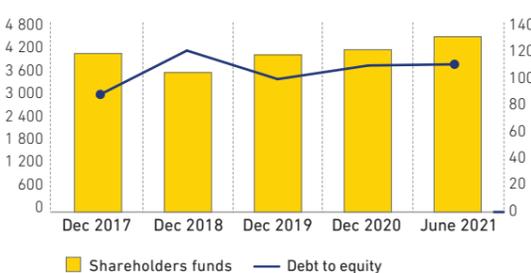
GEOGRAPHIC DIVERSIFICATION AND PBT TO COST TO INCOME RATIO



ROA vs ROE vs PAT



SHAREHOLDERS' FUND: DEBT TO EQUITY



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | Change % | At 31 Dec 2020 (Audited) P'000 |
|--|------|--|--|-------------|--------------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 1 | 1 005 836 | 624 400 | | 1 043 864 |
| Advances to customers | 2 | 11 103 366 | 9 256 212 | 20 | 10 161 534 |
| Other receivables | 3 | 374 947 | 185 835 | | 263 202 |
| Financial assets at fair value through profit or loss | 4 | 260 832 | - | | 140 804 |
| Financial assets at fair value through OCI | | 59 408 | 53 591 | | 59 408 |
| Income tax receivable | | 101 922 | 92 359 | | 102 633 |
| Property, plant and equipment | 5 | 106 798 | 97 726 | | 94 229 |
| Right of use assets | 6 | 109 517 | 62 320 | | 131 703 |
| Intangible assets | 7 | 34 282 | 45 649 | | 39 091 |
| Goodwill | 8 | 67 042 | 68 860 | | 65 598 |
| Deferred tax assets | | 114 770 | 160 987 | | 124 139 |
| Total assets | | 13 338 720 | 10 647 939 | 25 | 12 226 205 |
| LIABILITIES AND EQUITY | | | | | |
| Liabilities | | | | | |
| Financial liabilities at fair value through profit or loss | 9 | 255 807 | - | | 152 855 |
| Customer deposits | 10 | 988 912 | 499 002 | 98 | 664 393 |
| Cash collateral | 11 | 19 093 | 21 438 | | 18 838 |
| Trade and other payables | 12 | 807 663 | 590 487 | | 714 548 |
| Lease liabilities | 13 | 107 316 | 57 786 | | 133 377 |
| Income tax payable | | 137 967 | 98 173 | | 103 057 |
| Borrowings | 14 | 5 858 058 | 4 809 385 | | 5 649 561 |
| Deferred tax liabilities | | 5 907 | - | | - |
| Total liabilities | | 8 180 723 | 6 076 271 | | 7 436 629 |
| Shareholders' equity | | | | | |
| Stated capital | 15 | 882 224 | 872 169 | | 872 169 |
| Foreign currency translation reserve | | (654 049) | (757 776) | | (885 673) |
| Legal reserve | | 214 835 | 199 248 | | 214 835 |
| Fair value adjustment reserve | | 5 817 | - | | 5 817 |
| Share based payment reserve | | 31 215 | 22 013 | | 31 295 |
| Retained earnings | | 4 242 048 | 3 883 580 | | 4 133 314 |
| Total equity attributable to equity holders of the parent company | | 4 722 090 | 4 219 234 | | 4 371 757 |
| Non-controlling interests | | 435 907 | 352 434 | | 417 819 |
| Total shareholders' equity | | 5 157 997 | 4 571 668 | | 4 789 576 |
| Total liabilities and equity | | 13 338 720 | 10 647 939 | 25 | 12 226 205 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | 6 months ended 30 June 2021 (Reviewed) P'000 | 6 months ended 30 June 2020 (Restated) P'000 | Change % | 12 months ended 31 Dec 2020 (Audited) P'000 |
|--|------|--|--|-------------|---|
| Interest income at effective interest rate | 16 | 1 510 417 | 1 351 187 | 12 | 2 712 278 |
| Interest expense at effective interest rate | 17 | (473 560) | (426 838) | 11 | (819 324) |
| Other interest expense | 17.1 | (18 028) | (13 912) | 30 | (31 640) |
| Net interest income | | 1 018 829 | 910 437 | 12 | 1 861 314 |
| Fee and commission income | | 35 442 | 27 233 | 30 | 71 033 |
| Other operating income | 18 | 114 379 | 85 803 | 33 | 212 536 |
| Operating income | | 1 168 650 | 1 023 473 | 14 | 2 144 883 |
| Employee costs | 19 | (252 882) | (238 369) | 6 | (493 497) |
| Other operating expenses | 20 | (295 971) | (271 565) | 9 | (595 308) |
| Net income before impairment and taxation | | 619 797 | 513 539 | 21 | 1 056 078 |
| Expected credit losses | 21 | (75 719) | (70 868) | 7 | (25 771) |
| Profit before taxation | | 544 078 | 442 671 | 23 | 1 030 307 |
| Taxation | | (230 384) | (198 084) | | (399 434) |
| Profit for the period | | 313 694 | 244 587 | 28 | 630 873 |
| Attributable to: | | | | | |
| Equity holders of the parent company | | 285 783 | 227 379 | | 575 718 |
| Non-controlling interests | | 27 911 | 17 208 | | 55 155 |
| Profit for the period | | 313 694 | 244 587 | 28 | 630 873 |
| Other comprehensive income, net of tax | | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | | |
| Fair value adjustment from revaluation of a financial asset | | - | - | | 5 817 |
| Foreign currency translation differences arising from foreign operations | | 245 837 | (119 966) | | (219 197) |
| Total comprehensive income for the period | | 559 531 | 124 621 | | 417 493 |
| Attributable to: | | | | | |
| Equity holders of the parent company | | 517 407 | 145 488 | | 371 747 |
| Non-controlling interests | | 42 124 | (20 867) | | 45 746 |
| Total comprehensive income for the period | | 559 531 | 124 621 | | 417 493 |
| Weighted average number of shares in issue during the period (millions) | | 2 131 | 2 126 | | 2 128 |
| Dilution effect - number of shares (millions) | | 157 | 40 | | 99 |
| Number of shares in issue at the end of the period (millions) | | 2 144 | 2 144 | | 2 144 |
| Basic earnings per share (thebe) | | 13.4 | 10.7 | 25 | 27.1 |
| Fully diluted earnings per share (thebe) | | 12.5 | 10.2 | | 25.7 |

Note: The diluted EPS has been calculated based on the total number of shares that may vest in terms of the Group's long term staff incentive scheme.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | 6 months ended 30 June 2021 (Reviewed) P'000 | 6 months ended 30 June 2020 (Restated) P'000 | Year ended 31 Dec 2020 (Audited) P'000 |
|--|------|--|--|--|
| OPERATING ACTIVITIES | | | | |
| Profit before taxation | | 544 078 | 442 671 | 1 030 307 |
| <i>Adjustments for:</i> | | | | |
| - Interest income at effective interest rate | | (1 510 417) | (1 351 187) | (2 712 278) |
| - Interest expense | | 491 588 | 440 750 | 850 964 |
| - Amortisation, depreciation, right of use assets and disposals | | 49 197 | 40 393 | 85 674 |
| - Impairment and write off charge | | 164 718 | 176 157 | 224 400 |
| Movement in working capital and other changes | | (818 880) | (279 795) | (1 172 066) |
| Cash used in operations | | (1 079 716) | (531 011) | (1 692 999) |
| Interest received | | 1 510 417 | 1 351 187 | 2 712 278 |
| Interest paid | | (473 560) | (426 838) | (819 324) |
| Income tax paid | | (179 486) | (366 369) | (536 257) |
| Net cash flows (used in) / generated from operating activities | | (222 345) | 26 969 | (336 302) |
| INVESTING ACTIVITIES | | | | |
| Purchase of property, plant and equipment and intangible assets | | (28 689) | (26 474) | (45 320) |
| Net cash flows used in investing activities | | (28 689) | (26 474) | (45 320) |
| FINANCING ACTIVITIES | | | | |
| Dividends paid to equity holders and subsidiary non-controlling interest | | (201 085) | (181 146) | (265 392) |
| Payment of capital and interest on leases | | (35 043) | (27 074) | (49 886) |
| Finance obtained from third parties | | 1 300 892 | 167 351 | 1 273 785 |
| Repayment of borrowings | | (918 244) | (371 303) | (519 042) |
| Net cash flows generated from / (used in) financing activities | | 146 520 | (412 172) | 439 465 |
| Net movement in cash and cash equivalents | | (104 514) | (411 677) | 57 843 |
| Cash and cash equivalents at the beginning of the period | | 986 534 | 972 123 | 972 123 |
| Effect of exchange rate changes on cash and cash equivalents | | 54 604 | 6 654 | (43 432) |
| Cash and cash equivalents at the end of the period | 1 | 936 624 | 567 100 | 986 534 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Stated capital P'000 | Retained earnings P'000 | Share based payment reserve P'000 | Fair value reserve of financial assets at FVOCI P'000 | Foreign currency translation reserve P'000 | Legal reserve P'000 | Non-controlling interest P'000 | Total P'000 |
|--|-------------------------|----------------------------|--------------------------------------|--|---|------------------------|-----------------------------------|----------------|
| Balance at 1 January 2020 | 862 621 | 3 823 280 | 24 304 | - | (675 885) | 195 793 | 390 823 | 4 620 936 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | 227 379 | - | - | - | - | 17 208 | 244 587 |
| Other comprehensive income, net of income tax | | | | | | | | |
| Foreign currency translation reserve | - | - | - | - | (81 891) | - | (38 075) | (119 966) |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Allocation to legal reserve | - | (3 455) | - | - | - | 3 455 | - | - |
| Recognition of share based payment reserve movement | - | - | 7 257 | - | - | - | - | 7 257 |
| New shares issued from long term incentive scheme | 9 548 | - | (9 548) | - | - | - | - | - |
| Dividends paid by subsidiary to minority interests | - | - | - | - | - | - | (17 522) | (17 522) |
| Dividends paid to equity holders | - | (163 624) | - | - | - | - | - | (163 624) |
| Balance at 30 June 2020 – Restated | 872 169 | 3 883 580 | 22 013 | - | (757 776) | 199 248 | 352 434 | 4 571 668 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | 348 339 | - | - | - | - | 37 947 | 386 286 |
| Other comprehensive income, net of income tax | | | | | | | | |
| Other comprehensive income | - | - | - | 5 817 | - | - | - | 5 817 |
| Foreign currency translation reserve | - | - | - | - | (127 897) | - | 28 666 | (99 231) |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Allocation to legal reserve | - | (15 587) | - | - | - | 15 587 | - | - |
| Recognition of share based payment reserve movement | - | - | 9 282 | - | - | - | - | 9 282 |
| Dividends paid by subsidiary to minority interests | - | - | - | - | - | - | (1 228) | (1 228) |
| Dividends paid to equity holders | - | (83 018) | - | - | - | - | - | (83 018) |
| Balance at 31 December 2020 – Audited | 872 169 | 4 133 314 | 31 295 | 5 817 | (885 673) | 214 835 | 417 819 | 4 789 576 |
| Total comprehensive income for the period | | | | | | | | |
| Profit for the period | - | 285 783 | - | - | - | - | 27 911 | 313 694 |
| Other comprehensive income, net of income tax | | | | | | | | |
| Foreign currency translation reserve | - | - | - | - | 231 624 | - | 14 213 | 245 837 |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| Allocation from legal reserve | - | - | - | - | - | - | - | - |
| Recognition of share based payment reserve movement | - | - | 9 975 | - | - | - | - | 9 975 |
| New shares issued from long term incentive scheme | 10 055 | - | (10 055) | - | - | - | - | - |
| Dividends paid by subsidiary to minority interests | - | - | - | - | - | - | (24 036) | (24 036) |
| Dividends paid to equity holders | - | (177 049) | - | - | - | - | - | (177 049) |
| Balance at 30 June 2021 – Reviewed | 882 224 | 4 242 048 | 31 215 | 5 817 | (654 049) | 214 835 | 435 907 | 5 157 997 |

SEGMENTAL REPORTING

The Group's geographical operating segments are reported below:

| Reportable segments 30 June 2021 | Botswana P'000 | Namibia P'000 | Mozambique P'000 | Lesotho P'000 | Eswatini P'000 | Kenya P'000 | Rwanda P'000 | Uganda P'000 | Tanzania P'000 | Nigeria P'000 | Ghana P'000 | Holding company or eliminations P'000 | Total P'000 |
|--|-------------------|------------------|---------------------|------------------|-------------------|----------------|-----------------|-----------------|-------------------|------------------|------------------|--|-------------------|
| Operating income | 341 108 | 284 514 | 188 478 | 45 303 | 43 520 | 70 799 | 4 352 | 76 444 | 67 247 | 36 210 | 111 303 | (100 628) | 1 168 650 |
| Profit / (loss) before taxation | 248 465 | 170 535 | 134 482 | 30 174 | 12 905 | 50 893 | (263) | 16 369 | 8 191 | 3 749 | 51 423 | (182 845) | 544 078 |
| Taxation – consolidated | | | | | | | | | | | | | (230 384) |
| Profit – consolidated | | | | | | | | | | | | | 313 694 |
| Gross advances to customers | 2 926 074 | 3 021 003 | 1 579 769 | 404 685 | 544 389 | 747 502 | 33 474 | 429 676 | 442 994 | 174 045 | 1 430 822 | – | 11 734 433 |
| Impairment provisions | (114 818) | (69 775) | (28 331) | (15 896) | (31 835) | (120 191) | (2 990) | (37 133) | (43 694) | (23 036) | (143 368) | – | (631 067) |
| Net advances | 2 811 256 | 2 951 228 | 1 551 438 | 388 789 | 512 554 | 627 311 | 30 484 | 392 543 | 399 300 | 151 009 | 1 287 454 | – | 11 103 366 |
| Total assets | 3 081 403 | 3 371 189 | 1 868 269 | 434 240 | 543 702 | 727 314 | 56 888 | 456 303 | 543 211 | 163 235 | 1 601 089 | 491 877 | 13 338 720 |
| Borrowings | 1 938 231 | 532 172 | 279 719 | 6 335 | 253 694 | 461 760 | – | 185 118 | – | – | 826 649 | 1 374 380 | 5 858 058 |
| Total liabilities | 2 041 040 | 891 774 | 860 136 | 14 229 | 270 575 | 591 532 | 22 770 | 200 068 | 76 379 | 53 156 | 1 409 434 | 1 749 630 | 8 180 723 |
| Reportable segments 30 June 2020 (Restated) | | | | | | | | | | | | | |
| Operating income | 311 501 | 206 101 | 151 885 | 42 990 | 35 037 | 72 910 | 2 212 | 70 802 | 76 175 | 29 214 | 99 154 | (74 508) | 1 023 473 |
| Profit / (loss) before taxation | 270 909 | 137 895 | 81 933 | 37 784 | (23 141) | 13 434 | (3 118) | 7 860 | 35 677 | 4 046 | 48 018 | (168 626) | 442 671 |
| Taxation – consolidated | | | | | | | | | | | | | (198 084) |
| Profit – consolidated | | | | | | | | | | | | | 244 587 |
| Gross advances to customers | 2 831 137 | 2 185 152 | 1 385 584 | 365 606 | 460 128 | 781 365 | 41 372 | 433 296 | 479 673 | 139 285 | 971 206 | – | 10 073 804 |
| Impairment provisions | (138 616) | (26 797) | (34 461) | (28 663) | (50 151) | (181 247) | (5 598) | (64 462) | (88 110) | (22 179) | (177 308) | – | (817 592) |
| Net advances | 2 692 521 | 2 158 355 | 1 351 123 | 336 943 | 409 977 | 600 118 | 35 774 | 368 834 | 391 563 | 117 106 | 793 898 | – | 9 256 212 |
| Total assets | 2 766 000 | 2 419 616 | 1 555 166 | 353 676 | 470 341 | 767 970 | 62 292 | 396 833 | 605 285 | 171 057 | 941 731 | 137 972 | 10 647 939 |
| Borrowings | 1 097 183 | 322 010 | 241 107 | 206 784 | 313 320 | 397 788 | 15 509 | 227 233 | 6 713 | 1 750 | 525 169 | 1 454 819 | 4 809 385 |
| Total liabilities | 1 176 631 | 455 303 | 618 982 | 217 669 | 325 027 | 538 498 | 42 873 | 240 792 | 94 095 | 57 668 | 795 223 | 1 513 510 | 6 076 271 |

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | At 31 Dec 2020 (Audited) P'000 |
|---|---|---|---|
| 1 CASH AND CASH EQUIVALENTS | | | |
| Cash at bank and in hand | 803 352 | 530 377 | 918 284 |
| Statutory cash reserve | 69 212 | 57 300 | 57 330 |
| Short term investments | 133 272 | 36 723 | 68 250 |
| | 1 005 836 | 624 400 | 1 043 864 |
| Cash and cash equivalents for the purpose of the statement of cash flows | 936 624 | 567 100 | 986 534 |
| 2 ADVANCES TO CUSTOMERS | | | |
| Gross advances to customers | 11 734 433 | 10 073 804 | 10 739 521 |
| Less : Expected credit losses | | | |
| - Stage 1 | (208 263) | (232 096) | (213 621) |
| - Stage 2 | (129 047) | (75 689) | (73 435) |
| - Stage 3 | (293 757) | (509 807) | (290 931) |
| Net advances to customers | 11 103 366 | 9 256 212 | 10 161 534 |
| 3 OTHER RECEIVABLES | | | |
| Deposits and prepayments | 43 857 | 57 032 | 46 951 |
| Receivable from insurance arrangements | 258 458 | 85 055 | 168 029 |
| Withholding tax and value added tax | 812 | 204 | 755 |
| Deferred arrangement fees | 23 897 | 11 810 | 19 418 |
| Settlement and clearing accounts | 38 151 | 23 674 | 23 619 |
| Other receivables | 9 772 | 8 060 | 4 430 |
| | 374 947 | 185 835 | 263 202 |
| 4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | |
| Foreign currency swaps | 260 832 | - | 140 804 |

This relates to short-term foreign currency swap arrangements with financial institutions, where the Group pays a specified amount in one currency and receives a specified amount in another currency to reduce its exposure on currency risk. These were translated using reporting date exchange rates to reflect the changes in foreign currencies. The related financial liability at fair value through profit or loss is in note 9.

5 PROPERTY PLANT AND EQUIPMENT

| | Carrying amount at 01 Jan 2021 | Additions | Transfers | Disposal and written off | Depreciation charge | Forex translation | Carrying amount at 30 June 2021 |
|--------------------------------|--------------------------------------|-----------|-----------|--------------------------------|------------------------|----------------------|---------------------------------------|
| Motor vehicles | 5 093 | 1 091 | - | (20) | (1 322) | 230 | 5 072 |
| Computer equipment | 32 511 | 7 561 | (103) | (322) | (11 383) | 1 257 | 29 521 |
| Office furniture and equipment | 29 409 | 4 708 | - | (818) | (5 158) | 1 934 | 30 075 |
| Land and building | 16 824 | - | - | - | - | 422 | 17 246 |
| Work in progress | 10 392 | 14 239 | (43) | - | - | 296 | 24 884 |
| | 94 229 | 27 599 | (146) | (1 160) | (17 863) | 4 139 | 106 798 |

6 RIGHT-OF-USE ASSETS

| | Carrying amount at 01 Jan 2021 | Additions | Modifications | Disposal and written off | Depreciation charge | Forex translation | Carrying amount at 30 June 2021 |
|----------|--------------------------------------|-----------|---------------|--------------------------------|------------------------|----------------------|---------------------------------------|
| Property | 131 703 | 9 346 | (10 576) | - | (23 547) | 2 591 | 109 517 |
| | 131 703 | 9 346 | (10 576) | - | (23 547) | 2 591 | 109 517 |

During the current period there was a remeasurement of the head-office lease liability that resulted in the modification adjustment noted above.

7 INTANGIBLE ASSETS

| | Carrying amount at 01 Jan 2021 | Additions | Transfers | Disposal | Amortisation charge | Forex translation | Carrying amount at 30 June 2021 |
|-------------------|--------------------------------------|-----------|-----------|----------|------------------------|----------------------|---------------------------------------|
| Computer software | 35 926 | 1 090 | 146 | (29) | (6 355) | 1 000 | 31 778 |
| Brand value | 1 197 | - | - | - | (104) | (95) | 998 |
| Core deposit | 1 968 | - | - | - | (139) | (323) | 1 506 |
| | 39 091 | 1 090 | 146 | (29) | (6 598) | 582 | 34 282 |

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

| | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | At 31 Dec 2020 (Audited) P'000 |
|---------------------------------------|---|---|---|
| 8 GOODWILL | | | |
| Goodwill arose on the acquisition of: | | | |
| Letshego Holdings Namibia Limited | 23 249 | 20 800 | 22 489 |
| Letshego Tanzania Limited | 1 901 | 2 063 | 1 886 |
| Letshego Kenya Limited | 31 940 | 35 069 | 31 349 |
| AFB Ghana Plc | 9 952 | 10 928 | 9 874 |
| | 67 042 | 68 860 | 65 598 |

Goodwill was translated using reporting date exchange rates to reflect the changes in foreign currencies. The Group assesses the recoverable amount of goodwill in respect of all cash generating units to determine indications of impairment. An assessment was done at 31 December 2020 and there were no indications of impairment for the above cash generating units.

| | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | At 31 Dec 2020 (Audited) P'000 |
|---|---|---|---|
| 9 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | | | |
| Foreign currency swap (note 4) | 255 807 | - | 152 855 |
| 10 CUSTOMER DEPOSITS | | | |
| Demand accounts | 53 086 | 71 009 | 106 384 |
| Savings accounts | 268 552 | 89 716 | 107 669 |
| Call and term deposits | 667 274 | 338 277 | 450 340 |
| | 988 912 | 499 002 | 664 393 |
| 11 CASH COLLATERAL | | | |
| Cash collateral on loans and advances | 19 093 | 21 438 | 18 838 |

Cash collateral represents payments made by customers as security for loans taken. The amounts are refundable upon the successful repayment of loans by customers or are utilised to cover loans in the event of default.

| | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | At 31 Dec 2020 (Audited) P'000 |
|---|---|---|---|
| 12 TRADE AND OTHER PAYABLES | | | |
| Insurance premium payable | 127 513 | 85 847 | 146 530 |
| Payroll related accruals | 20 999 | 22 293 | 14 204 |
| Staff incentive accrual | 31 331 | 42 447 | 75 968 |
| Other provisions | 65 685 | 59 061 | 58 167 |
| Guarantee funds | 414 939 | 255 970 | 291 961 |
| Trade and other payables | 117 457 | 103 032 | 94 818 |
| Value added tax / withholding tax payable | 29 739 | 21 837 | 32 900 |
| | 807 663 | 590 487 | 714 548 |

| | At 30 June 2021 (Reviewed) P'000 | At 30 June 2020 (Restated) P'000 | At 31 Dec 2020 (Audited) P'000 |
|--|---|---|---|
| 13 LEASE LIABILITIES | | | |
| Lease liability | 107 316 | 57 786 | 133 377 |
| 14 BORROWINGS | | | |
| Commercial banks | 2 364 758 | 1 761 141 | 2 588 765 |
| Note programmes | 1 658 276 | 1 786 412 | 1 555 891 |
| DFI's | 1 794 954 | 1 103 459 | 1 339 680 |
| Pension Funds | 40 070 | 158 373 | 165 225 |
| Total borrowings | 5 858 058 | 4 809 385 | 5 649 561 |
| 15 STATED CAPITAL | | | |
| Issued: 2,144,045,175 ordinary shares of no par value (2020: 2,144,045,175) of which 9,222,720 shares (2020: 14,571,140) are held as treasury shares | 882 224 | 872 169 | 872 169 |

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

| | 6 months ended 30 June 2021 (Reviewed) P'000 | 6 months ended 30 June 2020 (Restated) P'000 | 12 months ended 31 Dec 2020 (Audited) P'000 |
|---|---|---|--|
| 16 INTEREST INCOME AT EFFECTIVE INTEREST RATE | | | |
| Advances to customers | 1 291 986 | 1 215 783 | 2 426 509 |
| Interest income on risk informal / mobile loans | 49 013 | 42 237 | 78 346 |
| Interest income on non-risk informal / mobile loans | 155 045 | 78 819 | 185 271 |
| Interest income from deposits with banks | 14 373 | 14 348 | 22 152 |
| | 1 510 417 | 1 351 187 | 2 712 278 |
| 17 INTEREST EXPENSE AT EFFECTIVE INTEREST RATE | | | |
| Overdraft facilities and term loans | 318 515 | 348 019 | 634 053 |
| Interest expense on non-risk informal / mobile loans | 155 045 | 78 819 | 185 271 |
| | 473 560 | 426 838 | 819 324 |
| 17.1 OTHER INTEREST EXPENSE | | | |
| Interest expense on leases | 7 621 | 3 222 | 13 053 |
| Foreign exchange loss | 10 407 | 10 690 | 18 587 |
| | 18 028 | 13 912 | 31 640 |
| | 491 588 | 440 750 | 850 964 |
| 18 OTHER OPERATING INCOME | | | |
| Early settlement fees | 24 315 | 16 447 | 42 156 |
| Income from insurance arrangements | 89 502 | 41 518 | 153 925 |
| Market to market gain on foreign currency swaps | 3 223 | 22 544 | 7 184 |
| Sundry (loss) / income | (2 661) | 5 294 | 9 271 |
| | 114 379 | 85 803 | 212 536 |
| 19 EMPLOYEE COSTS | | | |
| Salaries and wages | 203 129 | 173 626 | 361 782 |
| Staff incentive | 20 514 | 37 738 | 75 053 |
| Staff recruitment costs | 597 | 33 | 2 184 |
| Staff pension fund contribution | 14 785 | 14 178 | 28 669 |
| Directors' remuneration – for management services (executive) | 3 882 | 5 537 | 9 270 |
| Long term incentive plan | 9 975 | 7 257 | 16 539 |
| | 252 882 | 238 369 | 493 497 |

| | 6 months ended 30 June 2021 (Reviewed) P'000 | 6 months ended 30 June 2020 (Restated) P'000 | 12 months ended 31 Dec 2020 (Audited) P'000 |
|---|---|---|--|
| 20 OTHER OPERATING EXPENSES | | | |
| Accounting and secretarial fees | 103 | 385 | 641 |
| Advertising | 11 831 | 6 909 | 22 078 |
| Audit fees | 3 974 | 3 823 | 5 732 |
| – Audit services | 3 900 | 3 745 | 5 575 |
| – Covenant compliance fees | 74 | 78 | 157 |
| Bank charges | 3 433 | 4 389 | 10 497 |
| Computer expenses | 4 652 | 7 153 | 17 005 |
| Consultancy fees | 20 107 | 16 124 | 59 650 |
| Corporate social responsibility | 617 | 4 049 | 4 912 |
| Collection commission | 30 035 | 29 961 | 61 033 |
| Direct costs | 19 549 | 25 021 | 50 305 |
| Direct costs – informal loans | 6 521 | 12 260 | 22 969 |
| Depreciation and amortisation | 24 461 | 24 327 | 49 808 |
| Depreciation – right of use assets | 23 547 | 15 994 | 35 183 |
| Directors' fees – non executive | 4 700 | 4 321 | 8 581 |
| Directors' fees – subsidiary boards | 3 950 | 3 195 | 7 746 |
| Government levies | 16 081 | 13 788 | 27 142 |
| Insurance | 28 505 | 5 883 | 18 688 |
| Office expenses | 9 799 | 10 776 | 23 161 |
| Rental expense for low value assets | 1 435 | 2 457 | 7 325 |
| Short term leases | 1 753 | 1 588 | 2 852 |
| Other operating expenses | 40 208 | 42 821 | 80 668 |
| – Entertainment | 104 | 85 | 338 |
| – IT costs | 1 835 | 656 | 8 000 |
| – Loss on disposal of plant and equipment and intangible assets | 1 189 | – | 683 |
| – Motor vehicle expenses | 3 582 | 3 285 | 6 554 |
| – Printing and Stationery | 3 513 | 2 791 | 7 745 |
| – Repairs and Maintenance | 3 432 | 1 884 | 4 292 |
| – Storage costs | 1 309 | 804 | 2 271 |
| – Subscriptions and licenses | 9 848 | 2 820 | 5 919 |
| – Other expenses | 15 396 | 30 496 | 44 866 |
| Payroll administration costs | 1 093 | 1 010 | 2 086 |
| Professional fees | 16 939 | 7 434 | 24 972 |
| Telephone and postage | 15 080 | 16 647 | 32 995 |
| Travel | 7 598 | 11 250 | 19 279 |
| | 295 971 | 271 565 | 595 308 |
| 21 EXPECTED CREDIT LOSSES | | | |
| Amounts written off | 351 243 | 119 969 | 407 817 |
| Recoveries during the period | (88 999) | (105 289) | (198 629) |
| Expected credit losses (reversed) / raised during the period | (186 525) | 56 188 | (183 417) |
| | 75 719 | 70 868 | 25 771 |

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

22 PRIOR YEAR ADJUSTMENT

Group Interim Financial Statements for 30 June 2020 reflect the restated position following Namibia Preference Shares conversion back to a loan as published in the 2020 Group Integrated Annual Report. The financial impact is noted below:

| | At 30 June 2020 As previously reported P'000 | Increase / Decrease P'000 | At 30 June 2020 Restated P'000 |
|---|--|---------------------------------|---|
| Statement of financial position – extract | | | |
| Balance Sheet | | | |
| Income tax receivable | 42 310 | 50 049 | 92 359 |
| Total assets | 10 597 890 | 50 049 | 10 647 939 |
| Trade and other payables | 589 193 | 1 294 | 590 487 |
| Total liabilities | 6 074 977 | 1 294 | 6 076 271 |
| Foreign currency translation reserve | (826 436) | 68 660 | (757 776) |
| Retained earnings | 3 931 030 | (47 450) | 3 883 580 |
| Total equity attributable to equity holders of the parent company | 4 198 024 | 21 210 | 4 219 234 |
| Non-controlling interests | 324 889 | 27 545 | 352 434 |
| Total shareholders' equity | 4 522 913 | 48 755 | 4 571 668 |
| Statement of profit or loss and other comprehensive income – extract | | | |
| Effective interest rate | (400 844) | (39 906) | (440 750) |
| Profit before taxation | 482 577 | (39 906) | 442 671 |
| Taxation | (204 520) | 6 436 | (198 084) |
| Profit for the period | 278 057 | (33 470) | 244 587 |
| Basic earnings per share (thebe) | 12.2 | (1.5) | 10.7 |
| Fully diluted earnings per share (thebe) | 11.7 | (1.5) | 10.2 |

Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for both basic and diluted earnings per share was a decrease of 1.5 thebe per share.



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