



Letshego Africa Holdings Limited

Full Year 2025 Unaudited Results

Presented by

Reinette van der Merwe

Group Chief Executive Officer

and

Gwen Muteiwa

Group Chief Financial Officer

and

Poelo Mkpayah

Group Head of Finance



01

Strategy & Operational Review

Group Chief Executive Officer
Reinette van der Merwe





Macroeconomic Overview



Global Focus



- ❖ IMF holds 2026 **Global Growth at 3.3%**
- ❖ **Trade policy volatility**, geopolitical escalation, and financial market vulnerabilities all threaten the baseline.



- ❖ **Surging AI-related Investment** is the primary growth engine
- ❖ AI optimism unwind or capex pullback represents the single largest downside scenario for advanced economies



- ❖ **High Public Debt** and rising term premia in major economies risk **tightening global funding conditions**
- ❖ Potential spillover into emerging market funding costs and investor risk appetite.



Regional Focus



- ❖ **Sub-Saharan Africa** remains the fastest-growing major region at **4.6% forecast**.
- ❖ Structural tailwind for LAHL's retained market footprint



- ❖ **Botswana GDP Contracted** in 2025
- ❖ **Pula weakening** toward BWP 15/USD
- ❖ Sovereign Credit on **Negative Outlook**



- ❖ **Improving Fiscal Metrics** and FATF grey-list removal are positive
- ❖ **No IMF Funding Program** signals lingering debt and institutional risks in a key retained market.

Key Market Updates



Botswana

- ❖ Employment and Labour Relations Bill Expected to be a Significant Headwind for LFSB Performance in 2026



Namibia

- ❖ Alternative Debit Order Lending products launched to mitigate impact of suspension of deduction at Source.



Mozambique

- ❖ Devaluation of the currency, as a result of IMF demands, raises potential loss of value from USD 1:MZN 65 to USD 1:MZN 90

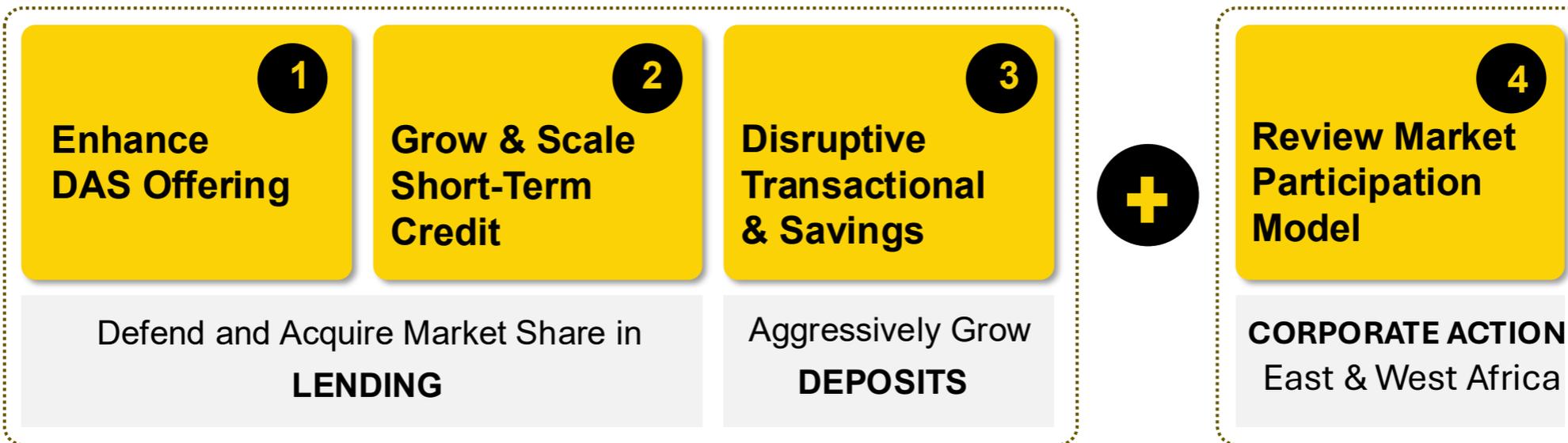


LE & ES

- ❖ Both Lesotho and Eswatini on track to launch new deposit products after receiving regulatory approval for deposit-taking services.



Leveraging **Strategic Partnerships & Collaborations**
to



Underpinned by
World-Class **Operational Efficiency**

- Digital & Data
- Cost Management
- Credit Innovation
- People & Culture
- Capital Management
- Tax Efficiency
- ESG



Product Update



DAS
Loans

Loan Book

P12.7bn

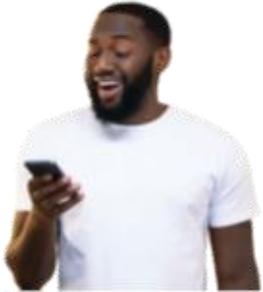
FY24: P12.2bn

Active Customers

313k

Payroll Integrations

9



Mobile
Loans

Payouts

P11.3bn

FY24: P6.4bn

Active Customers

2.8m

MNO Partnerships

10



Deposits

Deposit Book

P3.5bn

FY24: P2.1bn

Active Customers

+1.5m

Fintech Partnerships

5



Insurance

Insurance Revenue

P415m

FY24: P340m

Individual Policies

280k

Insurance Partnerships

13



ESG Update

Total Core Disbursements
(DAS & MSE Loans)

P4.11bn

ESG Disbursements

P1.99bn

ESG Borrowers

71,517

ESG Borrowers

48%

of all borrowers



Sustainability & Social
Impact Awards (SSI)
2025 - Ghana

Best Company in
Women Empowerment
Project
2024-Ghana

2025 Awards



**Best Micro Finance
Company**

Global Banking & Finance Review



**Best SME Finance
Company**

Global Banking & Finance Review



**Best Microfinance
Institution Overall**

PMR Africa



**Savings & Loans
Brand of The Year**

Ghana-West Africa
Business Awards



**Sustainable Impact
Award (Qwikloan)**

National Business Honours



**+13 Other Major
Industry Awards**

Various



Why?

- Optimise the Group’s portfolio of businesses;
- Unlock shareholder value.

Objectives:

- **Tax Efficiencies:** High effective tax rate due to lack of dual-taxation treaties in key non-SADC markets.
- **Currency Predictability:** Depreciation in currencies have historically eroded the BWP-reported value of our assets.
- **Stable Inflation:** Markets like Ghana, recently classified as hyperinflationary and subsequent improvement, distracting from the core operational performance.
- **Capital Optimisation:** Divesting allows the Group to stop "subsidising" volatile markets with the profits from the stable SADC core.

Progress

Review Market Participation Model

Sale of some of the Group’s Assets in East and West Africa.

Markets on Offer

5



Binding Offers Received

- The corporate action to divest from the East and West Africa markets is on track having received multiple binding offers for all markets up for sale in December 2025.

Outcome

FY 2026 Performance Split Into ‘Continued Operations’ and ‘Discontinued Operations’

Markets Classified as Held for Sale

5



Ongoing Negotiations with Preferred Bidder

- The current year results were highly impacted by a P519.5 million ‘loss after tax from discontinued operations’.



02

Financial Performance

Group Chief Financial Officer
Gwen Muteiwa





Income Statement For Year Ended 31 December 2025	FY2025 P'000	FY2024 P'000	Change
Interest Income	2,744,386	2,645,610	+4%
Interest Expense	(1,277,470)	(1,220,165)	
Net Interest Income	1,466,916	1,425,445	+3%
Fee & Commission Income	287,813	249,154	+16%
Other Operating Income	265,035	189,230	+40%
Total Operating Income	2,019,764	1,863,829	+8%
Expected Credit Losses	(124,754)	(533,573)	(77%)
Net Operating Income	1,895,010	1,330,256	+42%
Employee Costs	(511,817)	(392,547)	(30%)
Direct Costs	(94,630)	(102,046)	(8%)
Other Operating Expenses	(599,012)	(489,809)	(17%)
Profit Before Tax	689,551	345,854	+99%
Taxation	(405,569)	(284,410)	
PAT – CONTINUING OPS	283,982	61,444	+362%
Loss for the Year from Disc. Operations	(519,515)	(154,778)	
LOSS FOR THE YEAR	(235,533)	(93,334)	(152%)

Loan Loss Ratio (Continuing)

1%



3.5 pps

FY24: 4.5%

Net Operating Income (Continuing)

P1.9bn



FY24: P1.3bn

Cost-to-Income Ratio (Continuing)

60%



FY24: 52%

Effective tax rate (Continuing)

59%



FY24: 82%

Core Operations Delivered a 362% PAT Improvement.
Reported Group Loss Driven Entirely by Non-cash IFRS 5 Accounting



Balance Sheet (Abridged) as at 31 December 2025	FY2025 P'000	FY2024* P'000	Change
ASSETS			
Cash & Similar Instruments	1,951,246	1,658,667	+18%
Investment Securities	257,797	654,830	(61%)
Net Advances to Customers	11,667,825	13,569,163	(14%)
Assets classified as held for sale	3,557,872	–	New
Other Assets	1,572,372	2,081,617	
TOTAL ASSETS	19,007,112	17,964,277	+6%
LIABILITIES			
Customer Deposits	2,237,157	2,147,299	+4%
Borrowings	8,127,042	9,676,565	(16%)
Liabilities directly associated with assets classified as held for sale	2,738,018	–	New
Other Liabilities	1,142,493	1,179,203	
TOTAL LIABILITIES	14,244,710	13,003,067	10%
Stated Capital	897,909	897,909	-
Retained Earnings	3,354,445	3,526,599	(5%)
Other Shareholders' Equity	510,048	536,702	(5%)
LIABILITIES & EQUITY	19,007,112	17,964,277	+6%

Return on Assets (Continuing)

1.5%

FY24: 0.4%



Return on Equity (Continuing)

6%

FY24: 1%



5pps

Debt-to-Equity Ratio (Continuing)

167%

FY24: 196%



29pps

Capitalisation Ratio

22%

FY24: 24%



2pps

Total Assets

P19.01 bn

FY24: P17.96 bn



6%

*In classifying some of the Group's businesses as discontinued Operations, the current year balances in the above only constitutes amount for continuing operations, whereas in the prior year the balances presented constitute both continuing and discontinuing operations. This is keeping with the manner in which Balance Sheet items are presented in the accounting records per the applicable accounting standards



Discontinued Operations

Operating Income

P1.46 bn  43%

FY24: P1.02 bn

Net Income Before Tax*

P105.7 m  +100%

FY24: (P91.3 m)

*Excludes 571 m impairment loss and tax

Loss After Tax after P571m Impairment Loss

(P520 m)  -236%

FY24: (P154.8 m)

Net Advances

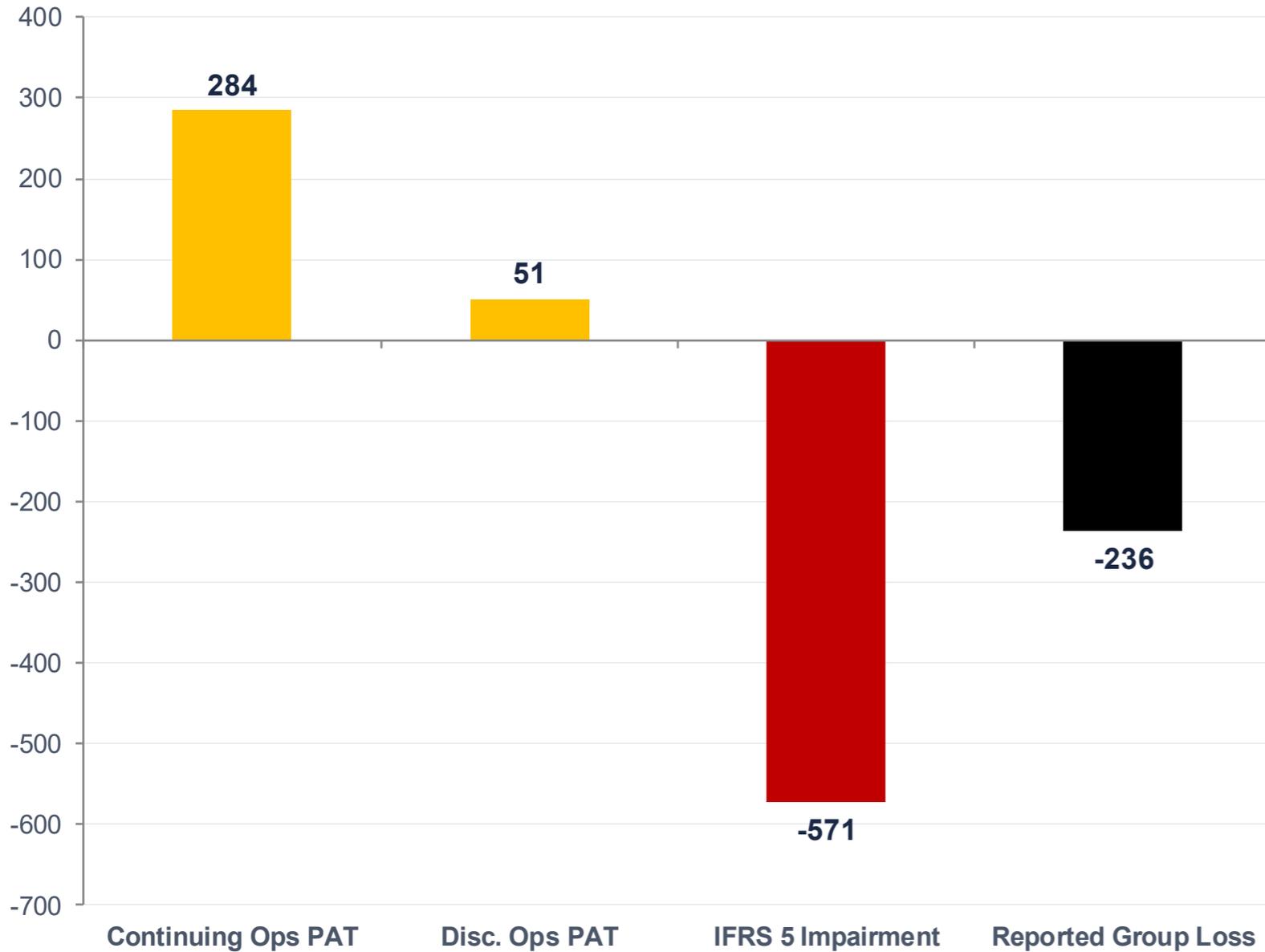
P2.86 bn  31%

FY24: P2.18 bn

Customer Deposits

P1.29 bn  122%

FY24: P0.58 bn



READING THE BRIDGE

Continuing Ops PAT | +P284m
PAT from continuing ops. 362% improvement YoY. Core business delivering.

Disc. Ops PAT | +P51m
Profit after Tax from discontinued entities. Businesses improving operationally.

IFRS 5 Impairment | -P571m
Non-cash IFRS 5 remeasurement impairment. Mandatory accounting adjustment. Does NOT reflect operational failure.

Reported Group Loss | -P236m
Reported group loss. Entirely driven by non-cash accounting on the Held for Sale group.



Cost-to-Income Ratio

60%

FY24: 52%



Employee Costs

512m

FY24: P393m



Other Opex

P599m

FY24: P490m



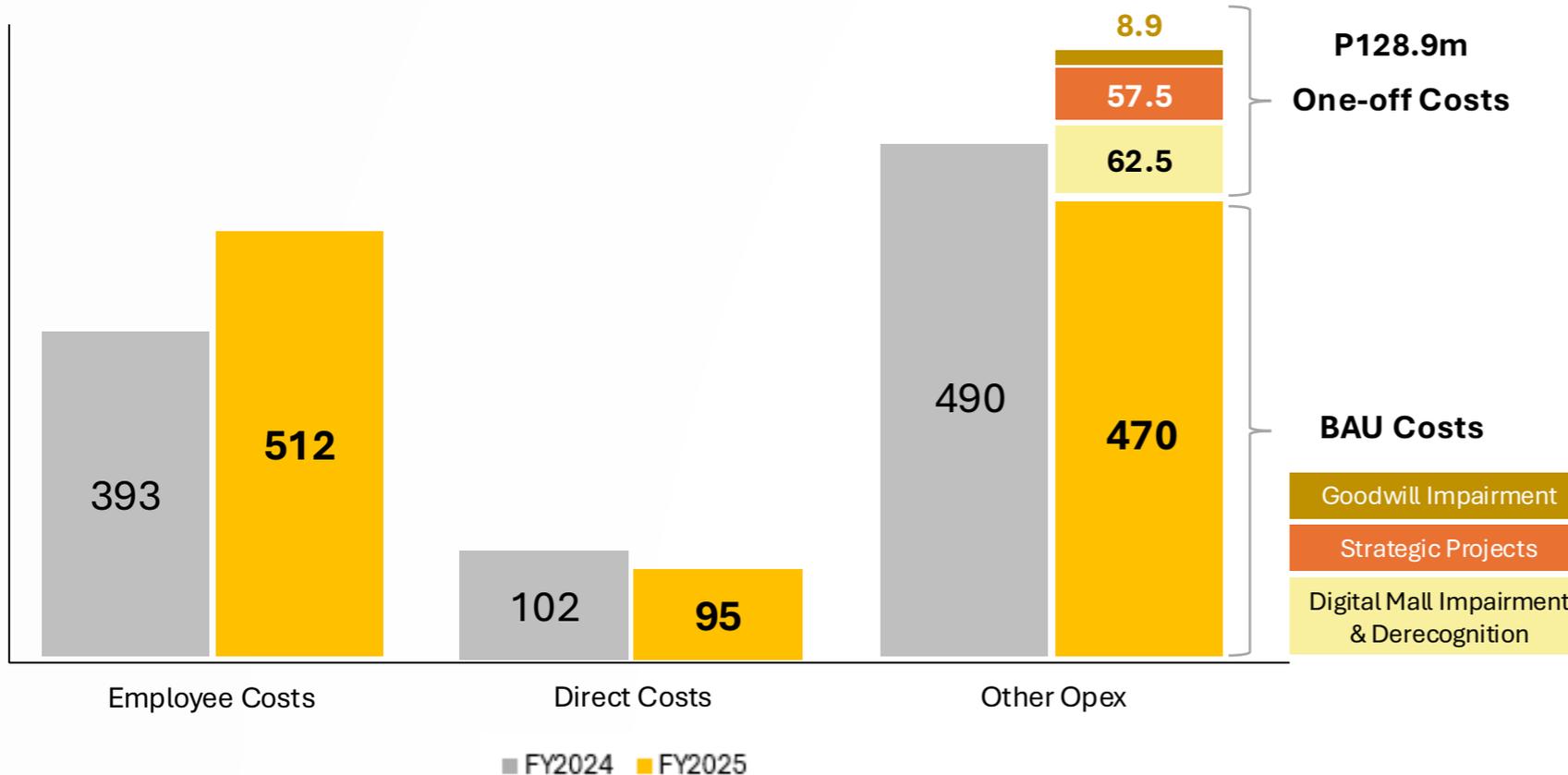
Total Operating Costs

P1.2bn

FY24: P985m



Cost Breakdown: FY2024 vs FY2025 (BWP m)



OPERATIONAL CONTEXT

- Employee cost increase (+30%) **reflects the normalised cost position** and P17m Head Office restructuring costs.
- The Group reversed staff incentive provisions in FY2024 due to non-performance of the overall Group as these awards are performance-based.
- Normalised for one-off items, the underlying **CIR trajectory is improving** in continuing markets.
- **Management remains focused on efficiency gains** as transformation investments mature through FY2026.



Botswana
Profit Before Tax

22%



Namibia
Profit Before Tax

27%



Mozambique
Profit Before Tax

52%



Dividend Flows

18%



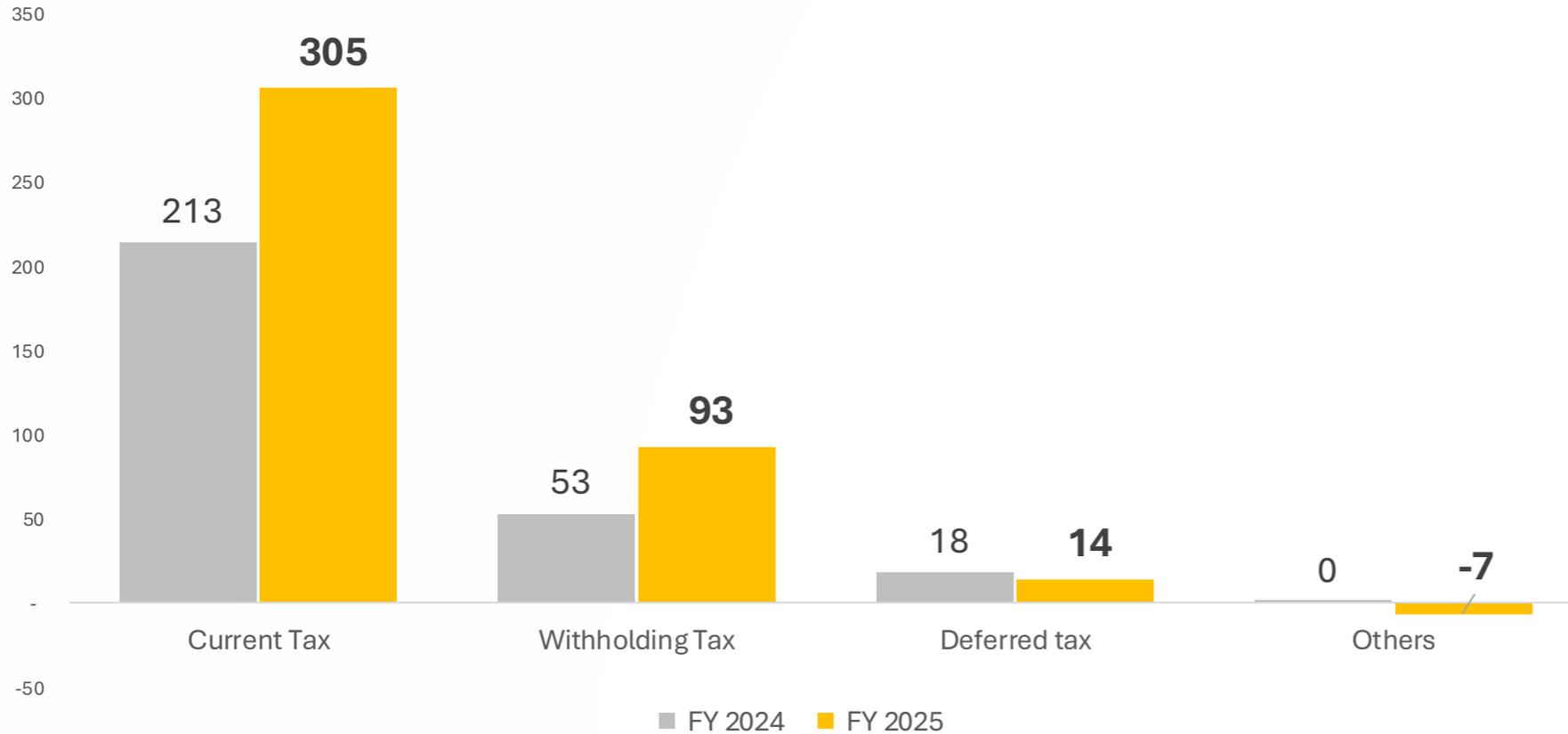
Effective tax rate (Continuing)

59%



FY24: 82%

Tax Breakdown: FY 2024 vs FY 2025 (BWP m)



TAX OPTIMIZATION PRIORITIES

- LIOC - Optimise structure for tax efficiency across the region
- Cell Captive Structure - Established to enhance tax efficiency within applicable frameworks
- LAHL Loss Utilisation - Cost Optimisation to support improved taxable income
- Withholding Tax Review - Proposal to restructure dividend WHT between subsidiaries and LAHL



Continuing Operations

Operating Income

P2.02 bn



FY24: P1.86 bn

Net Impairment Expense

P124.8 m



FY24: P533.6 m

Profit After Tax

P284 m



FY24: P61.4 m

Total Assets

P19.01 bn



FY24: P17.96 bn

Net Advances

P11.7 bn



FY24: P11.4 bn

Customer Deposits

P2.24 bn



FY24: P1.6 bn

Cost to Income Ratio

60%



FY24: 52%

Return on Equity

6%



FY24: 1%

Basic Earnings per Share

9.4t



FY24: (0.1t)



Income Statement Highlights

Operating Income

P3.48 bn  21%

FY24: P2.88 bn

- Strong revenue performance in the Southern Africa markets, Ghana and Tanzania.

Net Impairment Expense

P490 m  37%

FY24: P783 m

- Improved expected credit losses in Botswana, Eswatini and Kenya.

Profit After Tax

P335 m  459%

FY24: (P93) m

- Our businesses returned to profitability, without effects of one-off accounting adjustment.

Balance Sheet Highlights

Net Advances

P14.5 bn  7%

FY24: P13.6 bn

- Underpinned by Strong growth in Core DAS markets of Namibia and Mozambique

Customer Deposits

P3.5 bn  64%

FY24: P2.1 bn

- Strong traction in retail deposits from Ghana and Mozambique.
- Positive growth in Namibia from corporate depositors.

Borrowings

P9.1 bn  6%

FY24: P9.7 bn

- Driven by the Group's strategy to reduce borrowings and grow deposits to fund the growth in advances.



03

Credit Portfolio

Group Head of Finance
Poelo Mkpayah





Impairment Expense

P111m

FY24: P168m



34%

Bad Debts Written-Off

P656m

FY24: P843m



22%

Post Write-Off Recoveries

P276m

FY24: P228m



21%

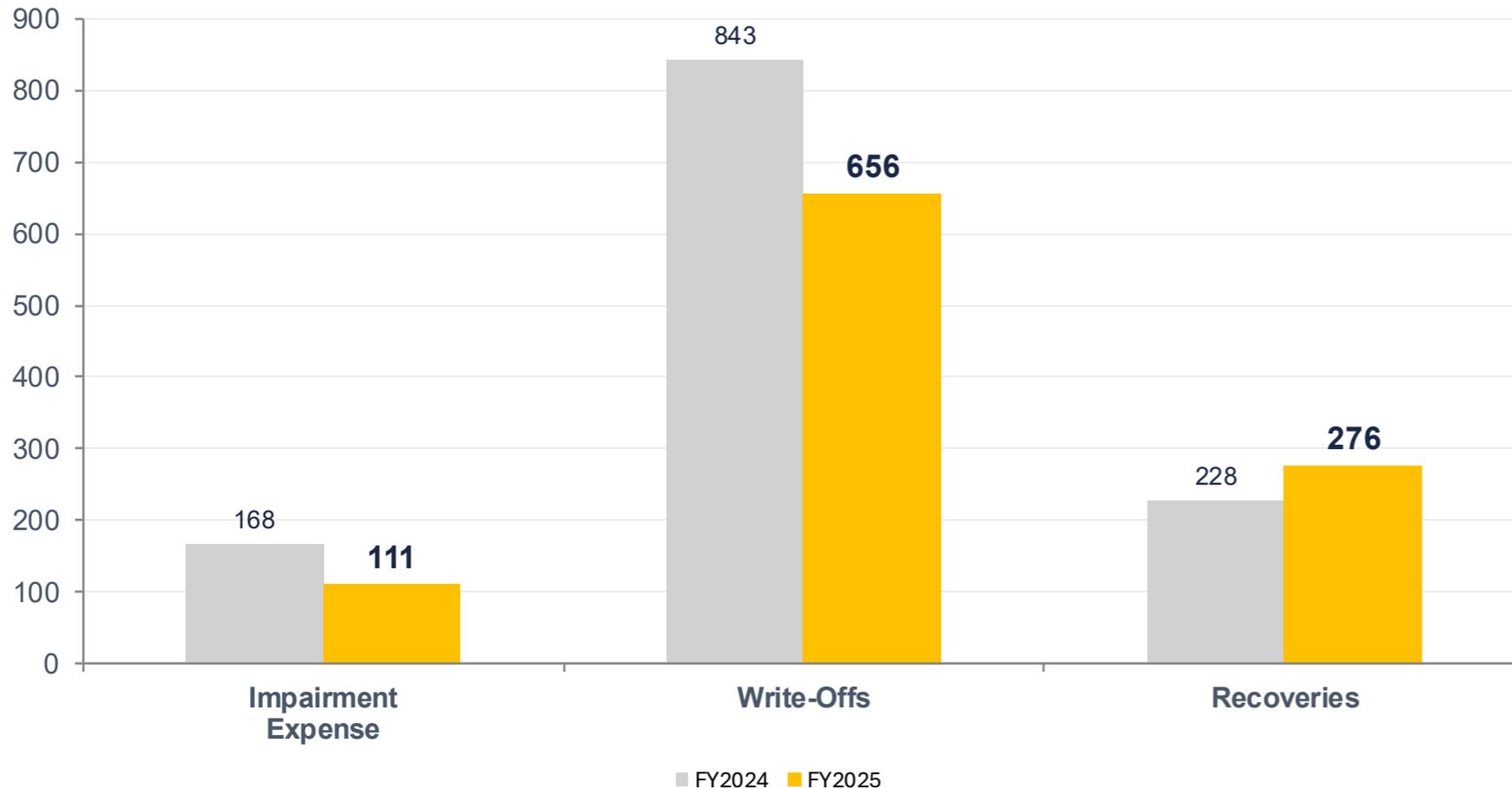
Total Net Impairment Charge

P490m

FY24: P783m



37%



COMMENTARY

1 Impairment Charge

Reflects TID impact on Mobile Loans, driving higher coverage levels. New booking quality improved – stronger forward-looking portfolio.

2 Write-Offs

Contained despite stricter policy from 2024. Residual 2022-23 open-market balances maturing through.

3 Recoveries

Key strategic focus, resulting in +21% YoY improvement. Improving effectiveness on previously written-off assets.



	Continuing Operations		Discontinued Operations		Group Total		YoY Change
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025	
Total Outstanding	12,061	12,260 ▲	2,487	3,395 ▲	14,548	15,655 ▲	+8%
Impairment Expense	(50)	79 ▼	(119)	(190) ▲	(168)	(111) ▼	+34%
Write-Offs	(677)	(437) ▼	(166)	(219) ▲	(843)	(656) ▼	22%
Recoveries	193	233 ▲	36	43 ▲	228	276 ▲	21%
Net Impairments	(534)	(125) ▼	(249)	(365) ▲	(783)	(490) ▼	37%
Loan Loss Ratio (%)	4.5%	1.0% ▼	9.6%	12.4% ▲	5.4%	3.2% ▼	220bps

* Continuing operations are Southern Africa plus Kenya

Discontinuing Operations are East and West excluding Kenya



2024 and 2025 Vintages performing inline with Risk Appetite, originations was refocused on the core DAS and mature mobile lending. 2023 PAR's increasing against a shrinking portfolio due to winding down of tested and learn products originated during the period.

Metric	Total Portfolio	2025	2024	2023
	Dec '25	Bookings	Bookings	Bookings
Gross Loan Balance (P'm)	15,655	6,577	3,635	1,987
PAR 30%	11.4%	2.5%	8.7%	19.6%
PAR 90%	8.0%	1.1%	6.2%	16.1%



Govt DAS	Total Portfolio	2025	2024	2023
	Dec '25			
Gross Loan Balance	11,492	5,546	3,192	1,562
PAR 30%	6.3%	1.6%	6.3%	11.2%
PAR 90%	4.5%	0.8%	4.3%	8.6%

Non-Govt DAS	Total Portfolio	2025	2024	2023
	Dec '25			
Gross Loan Balance	1,214	615	271	160
PAR 30%	13.2%	3.8%	16.3%	23.5%
PAR 90%	10.2%	1.2%	13.2%	19.7%

MSE	Total Portfolio	2025	2024	2023
	Dec '25			
Gross Loan Balance	806	352	134	152
PAR 30%	35.6%	6.1%	39.7%	68.6%
PAR 90%	29.4%	2.7%	28.2%	61.9%

Individual Lending	Total Portfolio	2025	2024	2023
	Dec '25			
Gross Loan Balance	249	4	34	114
PAR 30%	62.6%	22.1%	37.9%	64.2%
PAR 90%	54.0%	6.1%	30.0%	54.1%



04

Outlook and Focus Areas

Group Chief Executive Officer
Reinette van der Merwe





Liquidity and Capital Optimisation

- ▲ **Continued vigilance** will be applied in markets experiencing liquidity constraints.
- ▲ **Various Capital Management initiatives** are being explored to mitigate short-term risks.

Target Operating Model Review

- ▲ **Review of the target operating model** in light of review of our participation model in our East and West markets.
- ▲ **Transitional Support for Discontinuing Operations** will continue with current support team, borne by purchasing entity.

Cost Efficiencies & Optimisation

- ▲ **Driving operational efficiency**, supported by cost discipline, improved collections, sharper credit origination and strengthened tax efficiency.
- ▲ Review of technology and procedures underway to ensure infrastructure that is fit for purpose.

Deepening the Deposits and Payments Franchise

- ▲ **Accelerating deposit growth**, leveraging transactional accounts, partnerships, and broader payments ecosystems.
- ▲ 4 out of 5 of our 5 continuing operations are deposit-taking, providing strong opportunities for **cost of funds optimisation**.

Thank You

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