MEDIA RELEASE

LETSHEGO DELIVERS INCREASED PROFITABILITY AS STRATEGIC REPOSITIONING ADVANCES IN HY2026

Performance supported by disciplined cost, capital management and materially lower impairments across continuing operations and resilient contributions from its Southern African markets.

Financial highlights:
- **Consolidated profit after tax increased by 25% to BWP226.9 million**
- **Profit after tax from continuing operations increased by 5% to BWP179.9 million**
- **Net impairments reduced by 62% and the loan loss ratio improved to 0.5%**
- **Operating expenses reduced by 7% to BWP525.4 million**
- **Basic earnings per share from continuing operations increased by 5.3% to 6.0 thebe**

18 August 2026, Gaborone – Letshego Africa Holdings Limited ("Letshego" or "the Group") today announced its unaudited financial results for the six months ended 30 June 2026, reflecting improved profitability and continued progress in repositioning the Group for more sustainable, risk-adjusted growth.

Consolidated profit after tax increased by 25% to BWP226.9 million, compared with BWP181.0 million in the prior period. Profit after tax from continuing operations increased by 5% to BWP179.9 million, while discontinued operations contributed BWP47.1 million.

The improved result was achieved despite an 8% reduction in operating income to BWP957.5 million, reflecting subdued lending activity and continued pressure on margins and funding costs across certain markets. Net interest income remained broadly stable at BWP764.1 million, while non-funded income reduced by 28% to BWP193.4 million, due to a once-off insurance adjustment passed in the previous year partly relating to 2024.

Reinette van der Merwe, **Group Chief Executive Officer** said:

> *"Letshego delivered improved profit after tax in the first half of 2026 despite continued pressure on income, margins and funding costs. This performance reflects disciplined cost and capital management as the Group advances its strategic repositioning, simplifying the portfolio, improving capital efficiency and focusing on markets with sustainable return potential, while protecting customers, employees and long-term shareholder value."*

Proposed transaction and strategic milestone in portfolio optimisation strategy

In April 2026, Letshego entered into a binding framework agreement with Axian Digital Venture Holding and Management Limited for the proposed sale of its operations in Ghana, Nigeria, Rwanda, Tanzania, and Uganda. Shareholders approved the proposed transaction on 19 June 2026, following which the regulatory approval process commenced in the affected markets.

The proposed transaction, which remains subject to certain conditions, is intended to concentrate capital and management attention on markets where the Group can achieve greater scale, stronger profitability and improved risk-adjusted returns.

To reflect the proposed transaction underway and except where otherwise specified, the figures herein are reported on a continuing operations basis.

Cost discipline and credit quality key drivers of the performance

Total operating expenses reduced by 7% to BWP525.4 million, reflecting continued cost optimisation, disciplined expenditure management and the simplification of operations across the Group. The cost-to-income ratio remained stable at 55%, with the reduction in operating expenses largely offsetting the impact of lower revenue.

Credit performance strengthened further during the period. Net impairment charges reduced by 62% to BWP32.6 million and the loan loss ratio improved to 0.5% from 1.4%, supported by improved recoveries, more effective collections and a continued focus on portfolio quality.

The Group maintained a measured approach to new credit origination, prioritising asset quality, collections effectiveness and sustainable risk-adjusted returns over volume growth.

Poelo Mkpayah, **Interim Chief Financial Officer** said:

> *"Focused execution and supported improved profitability in the first half, despite constrained revenue and challenging market conditions. We continued to strengthen collections, manage credit risk, optimise productivity and maintain prudent origination.*
>
> *Looking ahead, our focus remains on strengthening the balance sheet, improving capital efficiency and building a more focused, resilient and digitally enabled business."*

Regional contribution

Letshego's continuing Southern African operations remained the principal contributors to Group profitability.

Letshego Holdings Namibia continued to perform strongly, with profit after tax increasing by 12% to BWP208 million, supported by contained costs, improved impairment outcomes and a growing insurance contribution. Business momentum strengthened towards the end of the period following the resumption of deduction-at-source (DAS) top-ups and consolidations, as well as home-loan origination.

Letshego Mozambique delivered profit after tax of BWP153 million, compared with BWP178 million in the prior period. The decline was primarily attributable to a lower insurance profit-share contribution, as the prior period included a significant once-off catch-up payment relating to 2024. Excluding this timing effect, underlying profitability improved despite the challenging operating environment.

Letshego Botswana maintained profit after tax at BWP104 million despite tight domestic liquidity and elevated funding costs, which continued to constrain lending activity and margins.

Management remained focused on protecting asset quality and maintaining disciplined capital deployment.

Letshego's business in Eswatini increased profit after tax by 42% to BWP27 million, supported by steady demand across its lending portfolio.

Within the operations subject to the proposed transaction, Letshego's business in Ghana delivered a strong result of BWP76 million in profit after tax (HY2025: BWP18 million), benefitting from improving operating conditions and positive business momentum in market. Letshego's operations in Uganda and Tanzania remain areas of management focus, with remediation efforts centred on credit quality, recoveries and strengthening the sustainability of earnings.

Funding, liquidity and capital management

Letshego continued to prioritise the strengthening of its funding profile through the diversification of funding sources, increased deposit mobilisation and greater focus on locally sourced funding. Total assets grew by 6% year-on-year to BWP19.7 billion, with net advances to customers of BWP11.5 billion and customer deposits of BWP2.5 billion. Cash and similar instruments increased by 27% to BWP2.8 billion, supporting improved liquidity and financial resilience. All subsidiaries remained above their applicable regulatory capital requirements at the end of the reporting period.

Outlook

Letshego expects market conditions to remain challenging during the second half, with elevated borrowing costs, pressure on household disposable income and constrained liquidity continuing to affect customer demand and funding conditions across several markets.

The Group will maintain a cautious risk posture while selectively rebuilding business volumes, optimising products, strengthening its core DAS franchise and improving customer engagement. Continued emphasis will be placed on collections, recoveries, the management of non-performing loans and disciplined credit origination. Cost management and operational simplification will remain key priorities, while targeted investment will continue in technology, digital capabilities and customer experience.

van der Merwe concluded:

> *"Our priorities for the second half are clear. We will continue strengthening the balance sheet, improving capital efficiency and directing resources towards markets and opportunities capable of delivering sustainable returns.*
>
> *The proposed transaction is central to building a more focused and resilient Letshego. As we progress through the required approval processes, we remain committed to disciplined execution, protecting our stakeholders and positioning the Group to deliver sustainable long-term value."*

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About Letshego Africa

Letshego Africa Holdings Limited ("Letshego Africa" or "Letshego Group") is a pan-African inclusive finance organisation founded in Gaborone, Botswana, in 1998. The Group supports public- and private-sector individual customers, as well as micro and small entrepreneurs.

Letshego has operations across 11 sub-Saharan African markets, including Botswana, Eswatini, Ghana, Kenya, Lesotho, Mozambique, Namibia, Nigeria, Rwanda, Tanzania and Uganda.

Letshego Africa Holdings Limited is listed on the Botswana Stock Exchange. Its Namibia subsidiary is listed on the Namibian Stock Exchange, with additional local bond listings in Namibia, Ghana and Mozambique.

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