

Lesana Lesotho Limited
(Registration number I2009/942)
Interim Financial Statements
for the period ended 30 June 2026

Lesana Lesotho Limited

(Registration number I2009/942)

Statement of Financial Position as at 30 June 2026

Figures in Loti	Note(s)	30 June 2026	31 December 2025
Assets			
Non-Current Assets			
Property, plant and equipment		1 575 537	1 270 367
Right-of-use assets		3 041 777	2 462 845
Intangible assets		1 422 030	1 585 098
Investments in subsidiary		1	1
Loans and advances	2	344 042 605	363 417 192
Deferred tax		5 117 652	4 356 524
		355 199 602	373 092 027
Current Assets			
Amounts owing by related parties	1	137 296 596	92 371 867
Trade and other receivables		3 867 583	3 758 156
Loans and advances	2	117 710 678	114 656 628
Current tax receivable		-	56 567
Cash and cash equivalents		12 366 099	25 994 967
		271 240 956	236 838 185
Total Assets		626 440 558	609 930 212
Equity and Liabilities			
Equity			
Share capital		26 001 000	26 001 000
Retained earnings		170 166 229	154 548 413
		196 167 229	180 549 413
Liabilities			
Non-Current Liabilities			
Amounts owing to related parties	3	25 000 000	50 000 000
Other financial liabilities	4	177 915 738	204 169 068
Lease liabilities		2 766 445	2 306 949
Deferred income		2 034 608	4 823 374
		207 716 791	261 299 391
Current Liabilities			
Trade and other payables		4 323 586	1 886 792
Amounts owing to related parties	3	111 550 524	92 453 499
Other financial liabilities	4	104 120 894	71 643 072
Lease liabilities		683 629	490 253
Deferred income		678 202	1 607 792
Current tax payable		1 199 703	-
		222 556 538	168 081 408
Total Liabilities		430 273 329	429 380 799
Total Equity and Liabilities		626 440 558	609 930 212

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Statement of Profit or Loss and Other Comprehensive Income

Figures in Loti	Note(s)	6 months ended 30 June 2026	12 months ended 31 December 2025
Other operating income		78 144 098	190 960 799
Other operating gains		113 829	61 137
Movement in credit loss allowances		(3 642 877)	(1 628 530)
Other operating expenses		(33 915 637)	(81 039 430)
Operating profit		40 699 413	108 353 976
Investment income		7 859 519	6 607 072
Finance costs		(26 506 182)	(48 594 535)
Profit before taxation		22 052 750	66 366 513
Taxation		(6 434 934)	(17 321 677)
Profit for the period/year		15 617 816	49 044 836
Other comprehensive income		-	-
Total comprehensive income for the period/year		15 617 816	49 044 836

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Statement of Changes in Equity

Figures in Loti	Share capital	Share premium	Total share capital	Retained earnings	Total equity
Balance at 01 January 2025	2 700	25 998 300	26 001 000	238 503 577	264 504 577
Profit for the year	-	-	-	49 044 836	49 044 836
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	49 044 836	49 044 836
Dividends	-	-	-	(133 000 000)	(133 000 000)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(133 000 000)	(133 000 000)
Balance at 01 January 2026	2 700	25 998 300	26 001 000	154 548 413	180 549 413
Profit for the period	-	-	-	15 617 816	15 617 816
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15 617 816	15 617 816
Balance at 30 June 2026	2 700	25 998 300	26 001 000	170 166 229	196 167 229

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Statement of Cash Flows

Figures in Loti	Note(s)	6 months ended 30 June 2026	12 months ended 31 December 2025
Cash flows from operating activities			
Cash generated from operations	5	56 360 460	245 431 227
Interest income		7 859 519	30 497
Finance costs		(40 709 136)	(43 320 183)
Tax paid		(5 163 145)	(18 233 035)
Net cash from operating activities		18 347 698	183 908 506
Cash flows from investing activities			
Purchase of property, plant and equipment		(737 153)	(556 390)
Proceeds from sale of property, plant and equipment		164 798	-
Purchases of intangible assets		(507 941)	(1 262 211)
Net cash from investing activities		(1 080 296)	(1 818 601)
Cash flows from financing activities			
Repayments of loans to group companies/related parties	3	(50 000 000)	(250 748 661)
Proceeds from related party loans		4 133 515	65 000 000
Repayments of financial liabilities	4	(36 443 151)	-
Proceeds from other financial liabilities	4	51 910 281	158 550 000
Repayments on lease liabilities		(496 915)	(939 824)
Dividends paid		-	(133 000 000)
Net cash from financing activities		(30 896 270)	(161 138 485)
Total cash movement for the period/year		(13 628 868)	20 951 420
Cash and cash equivalents at the beginning of the period/year		25 994 967	5 043 547
Cash and cash equivalents at the end of the period/year		12 366 099	25 994 967

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Notes to the Interim Financial Statements

	6 months ended. 30 June 2026	12 months ended 31 December 2025
Figures in Loti		

1. Amounts owing by related parties

Current

Select Limited	137 296 596	92 371 867
<i>The loan bears interest of 14% and matures on 30.12.2026</i>		

Unless specified, the balances are unsecured and have no fixed terms of repayment. Interest is charged at 2 % over the prime interest rate of the lender's country.

All amounts owing by related parties are receivable in Maloti.

2. Loans and advances

Non-current assets	344 042 605	363 417 192
Current assets	117 710 678	114 656 628
	461 753 283	478 073 820

Due to the lack of other quantitative or qualitative indicators which would allow for meaningful identification of Significant Increase in Credit Risk (SICR), days in arrears is utilised as the sole indicator for Significant Increase in Credit Risk. Specifically, the IFRS 9 requirement to use a 30 days in arrears indicator as a "backstop" for identification of Stage 2 accounts was implemented. Similarly, any individual account with arrears greater than 90 days was placed in Stage 3 – aligning to the Basel definition of default of 90 days past due. Stage 1 accounts are consequently any up to date account, as well as accounts up to 30 days in arrears. Stage 2 refers to accounts which are 31 to 90 days past due and Stage 3 includes all accounts greater than 90 days past due. Arrears information is stored at an account level within the operation loan system and thus readily available for all related calculations.

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Notes to the Interim Financial Statements

	6 months ended 30 June 2026	12 months ended 31 December 2025
Figures in Loti		

2. Loans and advances (continued)

The following table represents categorisation of the gross loan book into stages 1 - 3.

Company - 30 June 2026	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 1 January 2026	477 288 430	3 312 856	13 710 730	494 312 016
Loans advanced during the period	110 308 314	-	-	110 308 314
Loans repaid during the period	(197 685 227)	(1 241 039)	(808 355)	(199 734 621)
Bad debt write offs	-	(15 655)	(1 379 795)	(1 395 450)
Accounts migrating from Stage 1 to 2	(4 353 960)	4 353 960	-	-
Accounts migrating from Stage 1 to 3	(3 611 074)	-	3 611 074	-
Accounts migrating from Stage 2 to 1	406 668	(406 668)	-	-
Accounts migrating from Stage 3 to 1	337 153	-	(337 153)	-
Accounts migrating from Stage 3 to 2	-	16 193	(16 193)	-
Accounts migrating from Stage 2 to 3	-	(1 836 087)	1 836 087	-
Revenue accrued	76 683 336	625 553	835 209	78 144 098
Gross carrying amount 30 June 2026	459 373 640	4 809 113	17 451 604	481 634 357
Company - 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 1 January 2025	629 286 061	3 218 511	10 300 039	642 804 611
Loans advanced during the year	181 702 040	-	-	181 702 040
Loans repaid during the year	(513 133 371)	(1 264 881)	(1 301 697)	(515 699 949)
Bad debt write offs	(377 986)	(805 209)	(4 272 291)	(5 455 486)
Accounts migrating from Stage 1 to 2	(2 919 567)	2 919 567	-	-
Accounts migrating from Stage 1 to 3	(7 158 531)	-	7 158 531	-
Accounts migrating from Stage 2 to 3	-	(1 337 038)	1 337 038	-
Accounts migrating from Stage 3 to 2	-	11 412	(11 412)	-
Accounts migrating from Stage 3 to 1	9 865	-	(9 865)	-
Accounts migrating from Stage 2 to 1	251 148	(251 148)	-	-
Revenue accrued	189 628 771	821 642	510 387	190 960 800
Gross carrying amount 31 December 2025	477 288 430	3 312 856	13 710 730	494 312 016

The company makes unsecured loans to individuals who are employees of approved institutions. The company has agreements with the institutions to the effect that the institutions will deduct monthly repayments from the employees' salaries on behalf of the company.

The advances are on terms ranging from three to sixty months and are repaid by equal monthly repayments of capital and interest on an amortised basis, over the repayment term of the advances.

Advances outstanding at end of period/year	481 634 357	494 312 016
Provision for credit losses on loans and advances	(19 881 074)	(16 238 196)
	461 753 283	478 073 820

Movement in impairment of credit losses on loans and advances

Balance at start of the period/year	16 238 196	14 609 667
Charge to profit or loss	3 642 878	1 628 529
Closing balance	19 881 074	16 238 196

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Notes to the Interim Financial Statements

	6 months ended 30 June 2026	12 months ended 31 December 2025
Figures in Loti		

2. Loans and advances (continued)

Lesana's payment obligations under the MTNs are secured by the security assets (the entire loan book and FNB bank account) to the value of the outstanding notes issued, including any accrued interest.

The introduction of CDAS has resulted in significant stability in collections and this is expected to continue.

The stability experienced in collections in recent years continued in 2026. The existing impairment coverage is considered suitable for the trading conditions expected in the near future. Management is therefore of the view that there is normal upside and downside risk in future scenarios for the Lesotho business which are adequately addressed by the normal up and downside risk weightings.

Fair values

The discounted cash flows were calculated by taking the monthly installment due, multiplied by the remaining term of the loan, and then discounting it back to a present value using the effective interest rate of the loan (This is seen as the rate which a similar loan would be obtainable at in the market). Given this, the fair value of the loan book equals the carrying amount.

3. Amounts owing to related parties

Non-current

African Alliance Eswatini Umnotfo Fund	-	25 000 000
<i>The promissory notes is repayable on 17 March 2027 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12.25%.</i>		
African Alliance Eswatini Umnotfo Fund	25 000 000	25 000 000
<i>The promissory notes is repayable on 27 May 2028 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12.25%.</i>		
	25 000 000	50 000 000

Current

Select Advisors Proprietary Limited	1 933 344	2 614 886
African Alliance Advisory (Pty) Limited	9 376	-
African Alliance Eswatini Lilangeni Fund	-	27 668 151
<i>The promissory notes is repayable on 16 February 2026 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12.25%.</i>		
African Alliance Eswatini Umnotfo Fund	26 101 370	-
<i>The promissory notes is repayable on 16 February 2027 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12% pa.</i>		
African Alliance Eswatini Lilangeni Fund	30 281 918	-
<i>The promissory notes is repayable on 03 June 2027 with a nominal value of LSL 30 000 000 and bearing an effective interest rate of 12.25% pa.</i>		
African Alliance Eswatini Umnotfo Fund	25 889 384	2 433 219
<i>The promissory notes is repayable on 17 March 2027 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12.25%.</i>		
African Alliance Eswatini Lilangeni Fund	-	32 134 521
<i>The promissory notes is repayable on 03 June 2026 with a nominal value of LSL 30 000 000 and bearing an effective interest rate of 12.25%.</i>		
African Alliance Eswatini Lilangeni Fund	26 816 438	25 328 767
<i>The promissory notes is repayable on 22 November 2026 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12%.</i>		

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Notes to the Interim Financial Statements

Figures in Loti	6 months ended 30 June 2026	12 months ended 31 December 2025
3. Amounts owing to related parties (continued)		
African Alliance Eswatini Umnoto Fund	293 664	1 837 500
<i>The promissory notes is repayable on 27 March 2028 with a nominal value of LSL 25 000 000 and bearing an effective interest rate of 12.25%. The current portion relates to interest payable in May 2027.</i>		
SBC Limited	225 030	436 455
	111 550 524	92 453 499

Unless specified, the balances are unsecured and have no fixed terms of repayment. Interest is charged at 2 % over the prime interest rate of the lender's country.

Split between non-current and current portions

Non-current liabilities	25 000 000	50 000 000
Current liabilities	111 550 524	92 453 499
	136 550 524	142 453 499

The carrying amounts owing to related parties are denominated in the following currencies:

Common Monetary Area	136 550 524	142 453 499
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4. Other financial liabilities

Promissory notes	Interest Rate	Maturity Date	30 June 2026	31 December 2025
LSN005 - Inala Capital (Pty) Ltd	13.94 %	11 February 2026	-	17 207 486
LSN008 - ERIFIO Trust	12.00 %	07 April 2027	8 059 090	7 619 068
LSN1003 - Louis Erasmus	11.25 %	30 November 2026	3 319 502	3 142 616
LSN007 - Growmore (Pty) Limited	12.50 %	22 March 2027	3 938 474	3 714 092
LSN006 - Yvette Cardoso & Isidoro Cardoso	12.00 %	02 March 2026	-	1 848 460
LSN006-02032028 - Yvette Cardoso & Isidoro Cardoso	12.00 %	02 March 2028	1 715 638	-
LSN005-2305207- Inala Capital (Pty) Ltd	13.94 %	23 May 2027	6 150 446	-
			23 183 150	33 531 722

Medium term notes - Private placement unlisted	Interest Rate	Maturity Date	30 June 2026	31 December 2025
LSN1008 - LHOA	15.50 %	19 September 2028	34 039 759	34 012 071
LSN1007 - Blue Orchard REFFA	13.00 %	16 April 2027	39 492 521	39 509 527
LSN1009 - Aluwani	13.25 %	22 May 2029	30 435 616	-
LSN1004 - Aluwani	13.25 %	11 April 2026	-	30 858 288
LSN 1005 - Alliance Insurance Company Limited	13.00 %	18 September 2026	11 018 630	10 373 973
LSN1006 - Alliance Insurance Company Limited	13.00 %	04 July 2027	10 633 973	10 644 658
LSN102 (2) - ALCB Fund	17.90 %	29 March 2027	25 196 164	25 208 425
			150 816 663	150 606 942

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Notes to the Interim Financial Statements

	6 months ended 30 June 2026	12 months ended 31 December 2025
Figures in Loti		

4. Other financial liabilities (continued)

Medium term notes - Listed	Interest Rate	Maturity Date	30 June 2026	31 December 2025
LSO CB12.75 - Aluwani & Metropolitan	12.75 %	28 February 2028	73 007 602	73 080 959
LSO CB13.75 - Lekunya, Vennel & Metropolitan	13.75 %	28 February 2030	18 572 457	18 592 517
LSO CB12.75 20290320 - Various	12.75 %	20 March 2029	880 286	-
LSO CB13.75 20300228 - Specific Office DC & Various	13.75 %	20 March 2030	15 576 474	-
			108 036 819	91 673 476

Total other financial liabilities

282 036 632 275 812 140

Split between non-current and current portions

Non-current liabilities - At amortised cost	177 915 738	204 169 068
Current liabilities - At amortised cost	104 120 894	71 643 072
	282 036 632	275 812 140

Composition of other financial liabilities

Promissory notes	23 183 150	33 531 722
Medium term notes - Private placement unlisted	150 816 663	150 606 942
Medium term notes - Listed	108 036 819	91 673 476
	282 036 632	275 812 140

Lesana's payment obligations under the MTNs are secured by the security assets (the entire loan book and FNB bank account) to the value of the outstanding notes issued, including any accrued interest. Refer to Note 2.

5. Cash generated from operations

Profit before taxation	22 052 750	66 366 513
Adjustments for non-cash items:		
Depreciation, amortisation and impairments	5 096 061	4 543 418
Gains on termination of lease	-	(61 137)
Gains on disposal of asset	(113 829)	-
Bad debts	1 395 450	5 455 486
Adjust for items which are presented separately:		
Interest income	(7 859 519)	(6 607 072)
Finance costs	26 506 182	48 594 535
Changes in working capital:		
Decrease in trade and other receivables	(109 427)	(1 828 875)
Decrease in loans and advances	11 282 209	143 037 109
Increase in trade and other payables	2 436 794	732 946
Decrease in deferred income	(3 718 356)	(16 577 581)
Movement on related party loans	(607 855)	1 775 885
	56 360 460	245 431 227

Lesana Lesotho Limited

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Detailed Income Statement

Figures in Loti	Note(s)	6 months ended 30 June 2026	12 months ended 31 December 2025
Other operating income			
Origination fees recognised		3 712 542	19 929 531
Interest income on advances		68 242 733	146 596 865
Loan and book administration fees		6 188 823	24 434 403
		78 144 098	190 960 799
Other operating gains			
Gains on termination of lease		-	61 137
Gain on disposal of asset		113 829	-
		113 829	61 137
Movement in credit loss allowances		(3 642 877)	(1 628 530)
Other operating expenses			
Administration costs		(12 737 899)	(35 390 691)
Advertising		(880 579)	(2 121 723)
Amortisation		(671 009)	(1 368 112)
Auditors' remuneration		(485 476)	(426 194)
Bad debts		(1 395 450)	(5 455 486)
Bank charges		(305 118)	(797 583)
Commission paid		(2 615 347)	(6 100 345)
Computer expenses		(1 225 712)	(2 125 014)
Accounting fees		(92 203)	(111 285)
Professional fees		(285 195)	(449 548)
Consultancy expense		(46 410)	(1 950 000)
Depreciation		(782 175)	(1 546 776)
Employee costs		(8 386 462)	(15 729 973)
Insurance - assets and business		(117 897)	(237 842)
Directors' emoluments		(478 331)	(175 281)
Non Refundable VAT		(211 415)	(569 164)
Other expense		(88 543)	(215 089)
Corporate social investment		-	(14 847)
Insurance		(2 012 620)	(4 278 612)
Lease rentals on operating leases		(223 902)	(408 228)
Motor vehicle expenses		(82 066)	(147 914)
Utilities		(35 200)	(31 100)
Postage		(4 130)	(1 400)
Printing and stationery		(4 150)	(57 511)
Repairs and maintenance		(32 933)	(30 702)
Subscriptions		(28 097)	(74 625)
Telephone		(243 473)	(438 472)
Training		(45 990)	-
Travel		(397 855)	(785 913)
		(33 915 637)	(81 039 430)
Operating profit		40 699 413	108 353 976
Investment income		7 859 519	6 607 072
Finance costs		(26 506 182)	(48 594 535)
Profit before taxation		22 052 750	66 366 513
Taxation		(6 434 934)	(17 321 677)
Profit for the period/year		15 617 816	49 044 836