

CIRCULAR TO SHAREHOLDERS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action Required:

- If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, banker, lawyer, accountant or other professional adviser immediately.
- If you have sold or transferred all your shares in Letshego Africa Holdings Limited ("**Letshego**" or "**the Company**"), you should at once hand this Circular to the agent through whom you effected the sale and transfer, for transmission to the purchaser or transferee.
- This Circular incorporates listing particulars and is issued in compliance with the Listing Requirements of the Botswana Stock Exchange for the purpose of giving information to the public with regard to the Shareholders of Letshego.



Incorporated in the Republic of Botswana
Registration Number: Co. BW00000877524
Date of Incorporation: 4 March 1998
ISIN: BW 000 000 0322
("the Company")

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED SHARE BUY-BACK MANDATE OF LETSHEGO TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PER CENT (10%) OF THE STATED SHARE CAPITAL OF THE COMPANY RESULTING IN A SUBSEQUENT REDUCTION OF CAPITAL

("PROPOSED SHARE BUY BACK" and subsequent "REDUCTION OF CAPITAL")

SECTION 2: CORPORATE INFORMATION

DIRECTORS

Name of Director	Role	Address	Date of Appointment
Mr. Philip Odera*	Chairperson	No 210 Mimosa Vale, Runda, Nairobi, Kenya P O Box 1235-00621, Nairobi, Kenya	12 December 2019
Mr. R. Hoekman*	Board Member	Na Hanspaulce 6, 16000, Prague, 6, Czech Republic	22 January 2020
Ms. R. Mwaura*	Board Member	Hse #2, Flame Tree Court, Kayahwe Road, Kilimani, Nairobi, Kenya P O Box 43460-00100, Nairobi, Kenya	02 December 2021
Ms. C. Lesetedi*	Board Member	Plot 39959, Kamawe Road, Block 6, Gaborone, Botswana P O Box 850, Gaborone, Botswana	14 November 2017
Mr. C. Mokgware*	Board Member	Plot 37084, Block 8, Gaborone, Botswana P O Box 80416, Gaborone, Botswana	11 August 2022
Prof. E. Botlhale*	Board Member	Plot 4928, Masetlheng, Tlokweng, Botswana P O Box M1694, Kanye, Botswana	16 August 2022
Mr. J. Ramesh*	Board Member	Plot 5408, Tshekedi Crescent, Extension 9, Gaborone, Botswana P O Box 1157, Gaborone, Botswana	11 August 2022
Mr. K. Motshegwa*	Board Member	Plot 8282, Kgosing Ward, Ramotswa, Botswana P O Box 94, Mmadinare, Botswana	16 August 2022
Mr. A. Odubola*	Board Member	D3 Mambilla Close, Osborne Foreshore Estate, Ikoyi, Lagos, Nigeria	12 December 2019
Mr. A. Monyatsi	Group Chief Executive Officer	Plot 54788, Phakalane, Gaborone, Botswana P O Box 461 Aah, Gaborone, Botswana	13 May 2022
Ms. G. Muteiwa	Group Chief Financial Officer	Plot 67795, Kgale Manor, Gaborone, Botswana P O Box 381, Gaborone, Botswana	24 March 2020

CORPORATE ADVISORS

The Company



Letshego Africa Holdings Limited
Tower C, Zambezi Towers,
Plot 54352, CBD,
P O Box 381,
Gaborone, Botswana
Telephone: +267 364 4739
Contact: Gorata Dibotelo and Tinotenda G.
Muteiwa

Sponsoring Broker



Motswedi Securities
Plot 113, Unit 30, Kgale Mews, Gaborone
P/Bag 00223,
Gaborone, Botswana
Telephone: +267 318 8627
Email: garry@motswedi.co.bw
Contact: Garry Juma

Transfer Secretary

Central Securities Depository Company of Botswana Limited

4th Floor, Fairscape Precinct, Plot 70667
Fairgrounds, Gaborone
Private Bag 00417, Gaborone
Telephone : +267 393 2244 / +267 367 4400
Contact: csd@bse.co.bw

Legal Advisors



2nd Floor, Acacia House, Prime Plaza, Plot
74538, Western Commercial Road,
Central Business District
P.O. Box 1368,
Gaborone, Botswana
Telephone: +267 395 3481
Fax: +267 395 2757
Contact: Siphon Ziga
And: Kago K.Y Boiki

Auditor to the Company



Ernst and Young
2nd Floor, Plot 22
Khama Crescent
Gaborone, Botswana
Telephone: +267 397 4078
Fax: +267 397 4079
Contact: Francois Roos

Reporting Accountants



Bakertilly-Botswana
Plot 205, Independence Avenue, Main Mall
Gaborone, Botswana
Telephone: +267 391 6650
Contact: Samuel L. Njanji

Company Secretary

G Dibotelo
Letshego Africa Holdings Limited
Tower C, Zambezi Towers,
Plot 54352, CBD,
P O Box 381,
Gaborone, Botswana
Telephone: +267 364 4739

TO: SHAREHOLDERS OF THE COMPANY

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK MANDATE OF LETSHEGO TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PER CENT (10%) OF THE STATED SHARE CAPITAL OF THE COMPANY RESULTING IN A SUBSEQUENT REDUCTION OF CAPITAL (“PROPOSED SHARE BUY BACK” AND SUBSEQUENT “REDUCTION OF CAPITAL”)

1. INTRODUCTION

- 1.1. The Board is pleased to announce an intention by the Company to seek the Shareholders' approval to purchase up to ten per cent (10%) of the stated share capital of the Company, with effect of reducing the share capital at the forthcoming AGM to be held on the 26 July 2024.
- 1.2. The purpose of this Circular is to provide you with the details of the Proposed Share Buy-Back, and the resolutions proposed to be passed relating to the Proposed Share Buy-Back and the subsequent Reduction of Capital as set out in the notice of the AGM.
- 1.3. A public notice for the Reduction of Capital will be issued in terms of Section 59 (2) of the Act and will be filed at CIPA in terms of Section 66 (5) (b) of the Act in respect of the purchase by the Company of its own shares.

2. DEFINITIONS

In this section, unless the context indicates otherwise, the terms in the first column have the meanings assigned to them in the second column. Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

“Act”	Companies Act, Cap 42:01 as may be amended, modified or re-enacted from time to time;
“AGM”	the annual general meeting of the Company to be held on the 26 July 2024;
“Board”	the Board of Directors of Letshego;
“BSE”	Botswana Stock Exchange Limited;
“BWP”	the legal tender of the Republic of Botswana in which all monetary amounts in this Circular are expressed;
“CIPA”	Companies and Intellectual Property Authority, established in terms of the Companies and Intellectual Property Authority Act, Cap 42:13;
“Constitution”	the Constitution of Letshego Africa Holdings Limited;
“Circular”	this Circular incorporated in the notice of the AGM including the appendices and Form of Proxy;
“CSDB”	the Central Securities Depository Company of Botswana Limited, a public company with limited liability duly incorporated in accordance with the laws of Botswana and operates as a central depository to the BSE;
“Director”	a person holding office as a director for the time being of the Company;
“EPS”	the earnings per share of the Company;
“Letshego” or the “Company”	Letshego Africa Holdings Limited, a public company incorporated according to the laws of Botswana and listed on the BSE;
“Letshego Shares” or “Shares”	the ordinary shares in Letshego;
“the Last Practicable Date”	the 4 th of July 2024, being the last day before the date of issue of the Circular;
“Listing Requirements”	Listing Requirements of the BSE;
“Market Day”	a day on which the BSE is open for trading in securities;

“NAV”	Net Asset Value;
“Ordinary Resolution”	the ordinary resolution to be passed by the Shareholders approving the Proposed Share Buy-Back;
“Proposed Share Buy-Back”	the proposed share buy-back to purchase the Company’s ordinary shares of up to ten per cent (10%) of the Company’s stated share capital;
“Reduction of Capital”	the proposed reduction of the stated share capital of the Company, pursuant to the Proposed Share Buy-Back;
“Shareholders”	registered holders of Shares and in respect of the depositors whose securities accounts are credited with Shares with the CSDB, persons whose interests in Shares are held with the CSDB;
“Share Buy-back Mandate”	the general mandate to authorize the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate;
“Special Resolution”	the special resolution to be passed by the Shareholders approving the Reduction of Capital;
“Substantial Shareholder”	a Shareholder who has an interest in five per cent (5%) or more of the total number of issued Shares; and
“Treasury Shares”	up to five per cent (5%) shares that may be retained as treasury shares pursuant to the Share Buy-back Mandate being approved.

3. PROPOSED SHARE BUY-BACK

DETAILS OF THE NEW PROPOSED SHARE BUY-BACK MANDATE OF LETSHEGO TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PER CENT (10%) OF THE STATED SHARE CAPITAL OF THE COMPANY AND CANCELLING THE REST RESULTING IN THE SUBSEQUENT REDUCTION OF CAPITAL

3.1. Background

The Directors of Letshego propose to seek a new Share Buy-back Mandate from the Shareholders to purchase up to a maximum of ten per cent (10%) of the stated share capital of the Company by way of on-market Share Buy-back of the stated share capital of the Company and cancel the rest of the shares and effect a Reduction of Capital on the shares purchased.

3.2. Regulatory Compliance

3.2.1. The Proposed Share Buy-back, and the subsequent Reduction of Capital, is subject to compliance with the Listing Requirements, the Act, the Constitution and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

3.2.2. Pursuant to the Act, Letshego may only effect a Proposed Share Buy-back, retain some of those shares as Treasury Shares and cancel the rest of the shares and implement the Reduction of Capital if:

3.2.2.1. the Constitution of the Company expressly permits the Company to retain some of those shares as Treasury Shares and cancel the rest of the shares and implement a Reduction of Capital; and

3.2.2.2. the Board of the Company having exercised its discretion, resolves that the shares concerned of the stated share capital of the Company shall be cancelled on acquisition and the Reduction of Capital be implemented.

3.2.2.3. The share buy back will be done without any prior understanding or arrangement between the Company and the counter party.

3.2.2.4. The Company will appoint only one agent to effect the share buy back on behalf of the Company.

3.2.2.5. The Company undertakes to make announcements in terms of Clause 3.4(p) of the BSE listing requirements following the Company cumulatively repurchasing 3% of the initial number (the number of that class of shares in issue at the time that the general authority from shareholders is granted) of the relevant class of securities, and for each 3% in aggregate of the initial number of that class acquired thereafter.

3.2.2.6. The Board passed a resolution on the 30 May 2024 which read as follows:

“The Directors approve the purchase of up to ten per cent (10%) of the stated share capital of the Company by way of On-Market Share Buy-back. The Directors resolve that they are not aware of any information that has not been disclosed to shareholders which is material to an assessment of the value of the shares and consideration to be provided for the shares, are unfair to the shareholders whose shares are to be acquired.

The Directors have resolved to cancel the rest of the shares purchased which will not be retained as Treasury Shares and subsequently reduce its share capital in terms of section 59 of the Act.

The Directors undertake that the number of shares acquired when aggregated with shares of the same class held by the Company on the time of acquisition, will not exceed 10 per cent (10%) of the shares of that class previously issued by the Company, excluding shares previously deemed to be cancelled.

The Directors undertake to implement the proposed share buy-back in accordance with laws prevailing at the time of purchase, including compliance with the twenty percent (20%) public shareholdings spread as required under the Botswana Stock Exchange Listing Requirements.”

3.2.3. The Shareholders will be requested to approve the following resolutions, which will be incorporated in the Notice of Meeting of the AGM to be held on 26 July 2024:

“ORDINARY RESOLUTION

At a meeting of the Board of Directors held on 30 May 2024, IT WAS HEREBY RESOLVED THAT:

Subject to the Company's compliance with all rules, regulations, orders and guidelines made pursuant to the Companies Act, the provisions of the Company's Constitution and the Listing Requirements of the Botswana Stock Exchange (BSE), the Company be and is hereby authorized to the fullest extent permitted by law, to make on Market Share Buy Back of its own ordinary shares of no par value as may be determined by the Directors of the Company from time to time through the BSE upon the terms and conditions that may be deemed fit and expedient in the interest of the Company ("Proposed Share Buyback") provided that:

- a) the Company does not purchase under this authority more than 10% of ordinary shares;*
- b) the maximum price, exclusive of expenses, which may be paid for each ordinary share shall be not more than 10% above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the transaction is effected.*

Such authority shall commence upon the passing of this special resolution, until the conclusion of the next annual general meeting of the Company or the expiry of the period within which the next annual general meeting is required by law to be held unless revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting but so as not to prejudice the completion of a purchase made before the expiry date;

Aobakwe Aupa Monyatsi and Tinotenda Gwendoline Muteiwa be and are hereby authorised to take all steps as are necessary or expedient to implement or give effect to the Proposed Share Buyback with full powers to amend and/or assert to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, the provisions of the Company's constitution and the requirements of the BSE and all other relevant governmental/regulatory authorities; and

The Board herein confirms that the Company has for the purpose of this Resolution and putting it into effect, passed the solvency and liquidity test."

“SPECIAL RESOLUTION

Reduction of Capital of Letshego pursuant to the approval of the Share Buy-back Mandate

THAT, subject to the shareholders of Letshego approving the Share Buy-back Mandate and it being implemented, the Company be and is hereby authorized in terms of Section 59 of the Companies Act to reduce its stated share capital as may be determined by the Directors of the Company from time to time, upon the terms and conditions that may be deemed fit and expedient in the interest of the Company (“Reduction of Capital”) provided that:

- a) only a limit of 108,751,932 shares shall be reduced from a stated share capital of 2,175,038,644 shares, such that post reduction the stated share capital would be 2,066,286,712 shares;*
- b) alternatively 217,503,864 shares shall be reduced from a stated share capital of 2,175,038,644 shares, such that post reduction the stated share capital would be 1,957,534,780 shares in the event that the Board decides not to retain any Treasury Shares and cancel all the shares subject to the Share Buy-Back; and*
- c) the reduction of capital will not result in the Company failing the solvency test as prescribed in terms of the Act.*

THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next annual general meeting of the Company or the expiry of the period within which the next annual general meeting is required by law to be held, unless revoked or varied by special resolution of the shareholders of the Company in a general meeting or extraordinary general meeting, but so as not to prejudice the completion of the Reduction of Capital made before the expiry date;

AND THAT the Directors of the Company be and are hereby authorized to take all steps as are necessary or expedient to implement or give effect to the Reduction of Capital with full powers to amend and/or assert to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, Cap 42:01 as amended from time to time, the provisions of the Company’s constitution and the requirements of the BSE and all other relevant governmental/regulatory authorities.”

3.3. Manner of Share Buy-back

The Proposed Share Buy-back will be made by way of one or more on-market Share Buy-back Transactions (“**On-Market Share Buy-back Transaction**”) transacted on the BSE trading system, from time to time, the Company will appoint only one agent to effect the share buy back, appointed only for that purpose.

3.4. Purchase Price

3.4.1. The purchase price (excluding brokerage, commission, applicable value-added tax and other related expenses) to be paid for the Shares will be determined by the Letshego committee constituted for the purposes of effecting Share Buy-backs. The purchase price to be paid for each Share pursuant to the Share Buy-back must not exceed the Average Closing Price of the Shares (as defined below in clause 3.4.2), excluding related expenses of the purchase or acquisition, by more than 5% (“**Maximum Price**”).

3.4.2. “**Average Closing Price**” means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the BSE immediately preceding any proposed Share Buy-Back in terms of the Share Buy-Back Mandate.

3.5. Duration of Authority

The authority for the Proposed Share Buy-Back, retention of the Treasury Shares and the Reduction of Capital will be effective immediately upon the passing of the ordinary resolution in relation to the Proposed Share Buy-back and the retention of the Treasury Shares and the passing of the special resolution in relation to the Reduction of Capital respectively and will continue to be in force until:

3.5.1. the date on which the next AGM of the Company is held or required by law to be held, unless renewed by an ordinary or special resolution, as the case may be, either unconditionally or conditionally; or

3.5.2. the Shareholders of the Company revoke or vary the authority; or

3.5.3. the date on which purchases and acquisitions of Shares pursuant to the Share Buy-back Mandate are carried out to the full extent mandated, retention of the Treasury Shares and the Reduction of Capital is implemented accordingly whichever is the earliest.

3.6. Maximum Number of Shares to be Acquired

As at the Last Practicable Date, the ordinary share capital of the Company is 2,175,038,644 shares of no-par value. The maximum number of shares that will be acquired will not exceed 217,503,864 consisting of ten per cent (10%) of the entire issued share capital of the Company.

3.7. Maximum Amount of Funds to be Allocated and Source of Funds

The Company may use its internal or external sources of funds to finance the Share Buy-back. The Directors do not propose to exercise the Share Buy-back Mandate to such extent that it would materially affect the working capital requirements, financial flexibility or investment ability of Letshego Africa Holdings Limited. The Share Buy-back will not exceed BWP 250,129,444. This amount has been determined on the basis of a purchase of 217,503,864 shares at an illustrative price of BWP 1.15 per share. The full illustrative effects are set out at paragraph 6.1.4 below.

3.8. Treatment of Shares Purchased

3.8.1. In accordance with the Act, the Board has resolved to retain the shares to be purchased in terms of the Share Buy-back Mandate, up to five per cent (5%) of the stated share capital of the Company, as Treasury Shares and cancel the rest of the purchased Shares and the Company will make an announcement on the day the cancellation is made, providing the details of the number of shares cancelled, the date of the cancellation and the outstanding paid-up share capital after cancellation. The cancellation of the shares will result in a Reduction of Capital.

3.8.2. The Treasury Shares may be dealt with in the following ways:

3.8.2.1. the Board may distribute the Treasury Shares as dividends to the shareholders; or

3.8.2.2. the Board may resell the Treasury Shares on the BSE and use the proceeds as working capital for potential investment opportunities arising in the future; or

3.8.2.3. retained as treasury shares;

3.8.2.4. transferred in terms of the rules of Group's existing long term incentive plan; or

3.8.2.5. deal with the Treasury Shares in any manner they deem fit; or

3.8.2.6. cancel the Treasury Shares.

3.8.3. In the event that the Board decides to resell the Treasury Shares, the Company will make an announcement on the day the resale is made, providing the description of the shares sold, the number of shares sold, the resale price of each share and the total consideration received. In the case of resale of Treasury Shares, the Company will resell such Treasury Shares for cash or transfer the Treasury Shares as consideration for the acquisition of shares or assets of another company or assets of a person or sell, transfer or otherwise use the Treasury Shares for such other purpose as may be prescribed by the Board.

3.8.4. In the event that the Board decides to cancel the Treasury Shares, the Company will make an announcement on the day the cancellation is made, providing the details of the number of shares cancelled, the date of the cancellation and the outstanding paid-up share capital after cancellation. The cancellation of the shares will result in a further Reduction of Capital.

3.9. Rights attached to the Share Buy-back shares

3.9.1. Rights attached to the Treasury Shares

The rights attached to the Treasury Shares in relation to voting, dividends and participation in any other distribution or otherwise would be suspended and the Treasury Shares will not be taken into account in calculating the number or percentage of shares or a class of shares of the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, quorums for meetings and the results of a vote on resolutions(s) at meetings.

3.9.2. Rights attached to the cancelled shares

The rights attached to the cancelled shares in relation to voting, dividends and participation in any other distribution or otherwise shall cease to exist and will not be taken into account in calculating the number or percentage of shares or a class of shares of the Company for any purposes including the determination of substantial

shareholdings, take-overs, notices, the requisitioning of meetings, quorums for meetings and the results of a vote on resolutions(s) at meetings.

3.10. Market Price of Letshego Shares

3.10.1. The highest and lowest traded prices of Letshego Shares on the BSE for each quarter over the previous two years are as follows:

	Aggregate volume traded	Highest (thebe)	Lowest (thebe)
QUARTER [2022]			
JAN-MARCH	144,926,896	180	141
APRIL-JUNE	103,055,556	180	155
JULY-SEPT	26,517,771	150	129
OCT-DEC	29,361,480	129	125
QUARTER [2023]			
JAN-MARCH	1,734,111	125	123
APRIL-JUNE	16,929,520	123	100
JULY-SEPT	20,384,521	127	98
OCT-DEC	38,906,896	127	125
QUARTER [2024]			
JAN-MARCH	5,592,701	125	122
APRIL-JUNE	42,243,290	124	110

3.10.2. The highest and lowest traded prices of Letshego Shares on the BSE for the past 12 months are as follows:

	Aggregate Volume Traded	Highest (thebe)	Lowest (thebe)
2023			
JUNE	16,729,975	109	100
JULY	6,344,582	103	98
AUGUST	4,141,962	126	103
SEPTEMBER	9,897,977	127	126
OCTOBER	2,122,191	127	126
NOVEMBER	26,181,692	126	125
DECEMBER	10,603,013	126	125
2024			
JANUARY	59,511	125	124

FEBRUARY	936,651	125	124
MARCH	4,596,539	125	122
APRIL	11,114,982	124	118
MAY	7,153,505	118	112
JUNE	23,974,803	115	110
JULY	54,842	115	115

*as at 4 July 2024 (Source: BSE)

3.10.3. The highest and lowest traded prices of Letshego Shares on the BSE as of the 4th of July 2024 are as follows:

Date 2024	Aggregated volumes traded	Highest (thebe)	Lowest (thebe)
27 June	0	115	115
28 June	0	115	115
2 July	0	115	115
3 July	46,286	115	115
4 July	8,556	115	115

3.10.4. The last traded price of Letshego Shares on the BSE as of the 4th of July 2024, was BWP 1.15.

3.11. Listings, Purchases, Cancellation, Resale of Shares and Reduction of Capital made in the preceding twelve (12) months

LAHL listed additional 25,924,588 ordinary shares in terms of their Long-Term Incentive Plan on Wednesday 7 June 2023. The total number of issued shares increased from 2,149,114,056 to 2,175,038,644.

On 14 June 2024, the Company purchased 17,245,784 Letshego Shares at a price of BWP 1.15, which shares are to be retained as Treasury Shares in accordance with the approval obtained at the annual general meeting of the Company that was held on 11 July 2023.

3.12. Public Shareholding Spread of Letshego

3.12.1. Based on the Register of Directors' Shareholdings, Register of Substantial Shareholders and the Share Register as at 31 December 2023, the public shareholding spread of Letshego was 70.6% of the stated share capital. Assuming that the Proposed

Share Buy-Back is carried out in full and Letshego Shares so purchased are all retained, the public shareholding spread would be 60.6% (assuming the shares are purchased from public shareholders other than our existing Directors pursuant to the Proposed Share Buy-Back).

3.12.2. The public shareholding spread of Letshego as at the Last Practicable Date was 70.1%.

3.12.3. Our Board undertakes to implement the Proposed Share Buy-Back in accordance with laws prevailing at the time of purchase, including compliance with the thirty percent (30%) public shareholding spread, as required under the Listing Requirements.

3.13. Potential Advantages and Disadvantages of the Proposed Share Buy-Back, retention of Treasury Shares and the Reduction of Capital

3.13.1. Potential Advantages

3.13.1.1. Improves Shareholder Value-

The benefit of the Proposed Share Buy-back is that Letshego can improve shareholder value by leveraging its balance sheet to improve returns on equity and earnings per share.

3.13.1.2. Shareholder Perception-

The act of Letshego acquiring its own shares, retaining only five per cent (5%) for re-issue is a signal to investors that the Company has excess capital, which it does. This is therefore attractive to other investors that they should invest in Letshego, which could further improve the price of the Shares.

3.13.2. Potential Disadvantages

3.13.2.1. The Proposed Share Buy-back, if implemented in full or in part, will use some of the Company's cash and borrowings to purchase shares rather than to deploy the same in its operations.

3.13.2.2. Notwithstanding the above, the Board is of view that the Proposed Share Buy-back is not expected to have any material disadvantage to the Shareholders, as it will be implemented only after careful consideration of

the financial resources of Letshego and the resultant impact on Letshego and the Shareholders of the Company.

RATIONALE FOR THE NEW PROPOSED SHARE BUY-BACK MANDATE OF LETSHEGO TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PER CENT (10%) OF THE STATED SHARE CAPITAL OF THE COMPANY AND CANCELLING THE REST RESULTING IN THE SUBSEQUENT REDUCTION OF CAPITAL

The Board strives to increase Shareholders' value. Share Buy-backs, the retention of Treasury Shares and a Reduction of Capital are ways through which Shareholders' value may be enhanced. Share Buy-backs retention of Treasury Shares and the Reduction of Capital are intended to be made as and when the Directors believe them to be of benefit to the Company and/or the Shareholders.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the proposed Share Buy-Back are as follows:

4.1. Share Capital

Assuming the Proposed Share Buy-Back is carried out up to ten per cent (10%) of the existing stated share capital of Letshego, the number of Letshego Shares allowed to be purchased by the Company is 217,503,864.

4.2. Cash flow

The Proposed Share Buy-Back is not expected to be implemented to the extent that it will adversely affect the cash flow of Letshego. The exact effect on the cash flow of Letshego will depend on the quantum and prices of Letshego Shares so purchased. Prior to executing any Reduction of Capital, the Directors will in accordance with the Act, pass a resolution in terms of Section 59 of the Act, confirming that, after the Reduction of Capital, the Company will satisfy the solvency test.

4.3. Dividends

4.3.1. The Proposed Share Buy-Back is not expected to have an impact on the policy of the Board in recommending dividends, if any, to our Shareholders.

4.3.2. The Proposed Share Buy-back may reduce the amount of distributable reserves available for dividends. However, assuming the Proposed Share Buy-back is implemented in full and Letshego's quantum of dividends is maintained at historical levels, the Proposed Share Buy-back will have the effect of increasing the dividend rate

of Letshego as a result of the reduction in the issued and paid-up share capital of Letshego.

4.4. Tax implications

The Proposed Share Buy-Back is not expected to have any tax implications for the Company.

5. **FINANCIAL EFFECTS OF THE SHARE BUY-BACK**

5.1. The financial effects of the Proposed Share Buy-back on Letshego will depend on, inter alia, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects on the audited financial accounts of Letshego will depend, inter alia, on the factors set out below:

5.1.1. Purchase or Acquisition out of Profits and/or Capital

Under the Act, purchases or acquisition of Shares by the Company may be made out of the Company's profits and/or capital. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable vat and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

5.1.2. Number of Shares Acquired or Purchased

Based on 2,175,038,644 issued Shares as at the Last Practicable Date, and assuming no further Shares are issued or repurchased, on or prior to the AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 217,503,864 Shares.

5.1.3. Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires the 217,503,864 Shares at the Maximum Price of BWP 1.15 for each Share (being the price equivalent to 100% of the average last dealt prices of the Shares for the five consecutive Market Days on which the Shares were traded on the BSE immediately preceding the Last Practicable Date),

the maximum amount of funds required for such Share Buy-back is approximately BWP 250,129,444.

5.1.4. Illustrative Financial Effects

For illustrative purposes only, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate on the audited financial statements of Letshego for the financial period ended 31 December 2023 are set out below and assumes the following:

- 5.1.4.1. based on the issued share capital of the Company as at the Last Practicable Date of 2,175,038,644 Shares, and assuming no further Shares are issued on or prior to the AGM, the purchase of 10% of its issued Shares will result in the purchase of 217,503,864 Shares;
- 5.1.4.2. the Company made purchases of 217,503,864 Shares at the Maximum Price of BWP 1.15 for each Share (being the price equivalent to 100% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the BSE immediately preceding the Last Practicable Date), and the maximum amount of funds required for the purchase or acquisition of 217,503,864 Shares is approximately BWP 250,129,444; and
- 5.1.4.3. the purchase or acquisition of the Shares will be made out of the capital and, retained earnings of the Company. The financial effects are explained below:

Letshego Africa Holdings Limited

Share buyback – pro-forma financial information

Financial Position			Performance	
	Before Share Buy-back	After Share Buy-back	After Share Buy-back	
	Dec-23	Dec-23	Dec-23	
	BWP '000	BWP '000	BWP '000	
Share Capital	917,909.65	796,107	Interest Income	3,424,947
Retained earnings & reserves	3,559,147	3,559,147	Interest Expense	(1,658,512)
Non-Controlling Interest	442,831	442,831	Net Interest Income	1,766,435
TOTAL EQUITY	4,919,888	4,794,823	Other Income	514,372
Other liabilities	3,563,905	3,563,905	Revenue	2,280,807
Borrowings	9,626,301	9,626,301	Expected Credit Losses	(456,591)
TOTAL EQUITY AND LIABILITIES	18,110,094	17,985,029	Total Expenses	(1,702,755)
Advances to customers	13,487,892	13,487,892	Profit before taxation	121,461
Cash and cash equivalent	1,401,824	1,401,824	Taxation	(270,260)
Other assets	3,220,378	3,095,313	Profit for the period	(148,799)
TOTAL ASSETS	18,110,094	17,985,029		

Number of shares	2,175,038,644	2,066,286,712
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FINANCIAL RATIOS	
NAV per share	8.704
Debt to Equity	1.84
ROE	-3%
EPS (thebe)	(7.20)

Assumptions

- Share price on date of Share Buy-back

BWP 1.15

- Share Buy-back price

BWP 1.15

- Number of shares and financial information used for comparability: Number of shares was 2,175,038,644 at 28 June 2024 and 2,175,038,644 at 31 December 2023.
- Share price on date of Share Buy-back - price at BWP 1.15 used.
- Assume share buy-back was funded by repayment to Group of excess capital by subsidiaries, thereby reducing investment in subsidiaries (other assets).
- Market Purchases of up to 10% at 100% of the Average Closing price.

Letshego Africa Holdings Limited did not list any additional shares for trade on the Botswana Stock Exchange in terms of the Company's long term Incentive Plan, (LTIP).

The share capital and shares reconciliation is as follows:

Share capital and shares reconciliation	
	No. of Shares
Total before buy-back	2,175,038,644
Buy-back (10%)	(217,503,864)
Treasury shares (5%)	108,751,932
After buy-back	<u>2,066,286,712</u>

**THE INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION FOLLOWS BELOW:**



Certified Auditors

Kgwebo @ Fairgrounds
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info@bakertilly.co.bw
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Letshego Holdings Limited by the directors. The pro forma financial information, as set out in Section 5 of the circular ("the circular"), to be dated on or about 30 June 2024, consists of statement of financial position, statement of financial performance and related explanatory notes. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the BSE Limited (BSE) Listings Requirements and described in Section 5.

The pro forma financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Section 4 of the circular, on the Company's financial position as at 31 December 2023 and the company's financial performance for the period then ended, as if the corporate action or event had taken place at 31 December 2023 and for the period then ended. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's financial statements for the period ended 31 December 2023, on which an auditor's report was issued on 31 May 2024 by Ernst & Young.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the BSE Listings Requirements and described in Section 5 of the circular

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the BSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma

Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the BSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

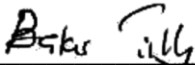
Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSE Listings Requirements and described in Section 5.



Baker Tilly
Firm of Certified Auditors
Practicing Member: Samuel N Njanji (CAP 0054 2023)

Date: 4 June 2024
Gaborone

THE HISTORICAL FINANCIAL INFORMATION OF THE ISSUER AS PUBLISHED IN TERMS OF THE CONSTITUTION OF THE ISSUER, THE COMPANIES ACT AND THE BSE LISTING REQUIREMENTS IS INCORPORATED HEREIN AND IS AVAILABLE FOR REVIEW AT <https://apis.bse.co.bw/storage/disclosures/06/2024/4833.pdf>

6. EFFECTS OF THE REDUCTION OF CAPITAL

In the event that the Proposed Share Buy-back is approved by the Shareholders, the Board has a discretion to cancel all the purchased Shares which will result in Reduction of Capital or retain those shares up to five per cent (5%) of the stated share capital of the Company as Treasury Shares. The Board considers that the Reduction of Capital will not have any material adverse effect on the financial position of Letshego.

7. FINANCIAL EFFECTS OF THE REDUCTION OF CAPITAL

Set out below, for illustrative purpose only, is a simplified statement showing the proposed movement of the equity of the Company before and after the Capital Reduction, should the Proposed Share Buy-back be implemented, based on the Company's position as at 31 December 2023:

	Immediately before the Capital reduction as at 31 December 2023	Immediately after the Capital reduction as at 31 December 2022
	BWP '000	BWP '000
Share Capital	917,910	792,845
Retained earnings & reserves	3,559,147	3,559,147
Non-Controlling Interest	442,831	442,831
Total Equity of the Company	4,919,888	4,794,823

8. NO PURCHASE DURING PRICE SENSITIVE INFORMATION DEVELOPMENTS

The Company will not undertake any Share Buy-backs at any time when it is trading under a cautionary announcement or when it is in a normal closed period as defined by the BSE Equity listing requirements. Letshego's closed period starts on 1 July and 1 January each year and ends once the interim or year-end results are published.

9. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on the BSE from an interested person, that is, a Director, the chief executive of the Company or Substantial Shareholder of the Company or any of their associates and an interested person is prohibited from knowingly selling his Shares to the Company.

10. CONDITIONS OF THE PROPOSED SHARE BUY-BACK, RETENTION OF THE TREASURY SHARES AND SUBSEQUENT REDUCTION OF CAPITAL

The Proposed Share Buy-Back, retention of the Treasury Shares and the Reduction of Capital is subject to the approval of Shareholders being obtained at the Company's forthcoming AGM.

11. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

11.1. Save for the inadvertent increase in the percentage shareholding and/or voting rights of the Shareholders as a consequence of the Proposed Share Buy-Back and the subsequent Reduction of Capital, none of our Directors and Substantial shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-back and the subsequent Reduction of Capital.

11.2. There are no contracts or arrangements currently in place that render any director duly interest and conflicted.

11.3. There are no outstanding loans owned by the Company to any director by any member of the Group of Companies for their benefit.

11.4. There are no arrangements under which any director of the Company has waived or agreed to waive such emoluments which occurred in the previous financial year.

GENERAL UNDERTAKINGS

12. DIRECTORS' RECOMMENDATIONS

12.1. The Directors, having considered all aspects of the Proposed Share Buy-back and the subsequent Reduction of Capital, are of the opinion that the Proposed Share Buy-back and the subsequent Reduction of Capital is in the best interest of the Company and will not result in the Company being unable to pay its debts as they become due or the Company's assets being

less than their liabilities as envisaged in Section 59 (4) of the Act. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Share Buy-Back and the special resolution for the Reduction of Capital to be tabled at the forthcoming AGM.

12.2. The Directors have considered the Proposed Share Buy-back and the resolutions presented and are of the opinion that they are in the interest of the shareholders.

12.3. The Directors recommend that the shareholders vote in favour of the Proposed Share Buy-back in terms of the resolutions proposed.

13. **AGM**

13.1. The AGM or any adjournment thereof, will be held on 26 July 2024 via conference call for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolution to give effect to the Proposed Share Buy-back and the special resolution to give effect to the Reduction of Capital.

13.2. If you are unable to attend the AGM in person, you are requested to complete the enclosed Form of Proxy and forward it to our Registered Office at not later than forty eight (48) hours before the time set for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

14. **FURTHER INFORMATION**

14.1. Legal Advisors

Armstrongs Attorneys have been appointed to advise the Company and the Board for the Proposed Share Buy-Back and the subsequent Reduction of Capital.

14.2. Material Contracts

Letshego has not entered into any material contracts (not contracts being entered into in the ordinary course of business) within the two years as of the Last Practicable Date.

14.3. Material Litigation

Letshego is not involved in any material litigation, arbitration nor is it aware of any pending or threatened proceedings against it which may have a significant impact on the financial position of the Company.

14.4. Patents and Trademarks

There are no trademarks, patents or other intellectual property or industrial property which are significant in relation to the Company's business.

14.5. Solvency Test

14.5.1. Letshego is confident that after the Reduction of Capital pursuant to the Proposed Share Buy-Back it will be able to meet its obligations as they become due in the normal course of business.

14.5.2. The Board confirms that the working capital available to the Company is sufficient for the Company's present requirements, that is, for at least the next twelve months from issue of this circular.

14.6. Remittance Statement

There are no restrictions applicable affecting the remittance of profits or repatriation of capital into Botswana from outside Botswana.

14.7. Trading and Financial Position

The Board confirms that there will be no adverse effects or changes to the financial and trading position of the Company following the most recent financial year

14.8. Documents for Inspection

The following documents are available for inspection in English on our website www.letshego.com and at our offices at Letshego Africa Holdings Limited, Tower C, Zambezi Towers, Plot 54352, CBD, P O Box 381, Gaborone, Botswana between the date of this Circular to the date of the AGM:

14.8.1. The Circular;

14.8.2. Signed expert consent letters;

14.8.3. Constitution; and

14.8.4. the audited financial statements for the year ended 31 December 2023.

14.9. Constitution

A summary of the constitution of the company is herein annexed as Schedule A to this Circular.

14.10. Statement of liability

14.10.1. The respective affiliates, other professional advisors and the BSE have not separately verified the information contained in this Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealers, their respective affiliates, other professional advisors or the BSE as to the accuracy or completeness of the information contained in this Circular or any other information provided by the Issuer.

14.10.2. The Arranger, the Dealers, their respective affiliates, other professional advisers and the BSE do not accept any liability in relation to the information contained in this Circular or any other information provided by the Issuer in connection with the Circular.

14.10.3. No person has been authorised to give any information or to make any representation not contained in or not consistent with this Circular or any other information supplied in connection with the Circular and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, any other professional advisers or the BSE.'

14.10.4. The Advisors as listed in this circular have given and have not withdrawn their consent to the inclusion of references to their names in the form and context in which they appear in this Circular.

15. **RESPONSIBILITY STATEMENT OF MEMBERS OF THE BOARD**

15.1. The members of the board, document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which would make any statement false or misleading,

that they have made all reasonable enquiries to ascertain such facts and (if applicable) that the Circular contains all information required by law.

- 15.2. The members of the board confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the securities to which the Circular relates.
- 15.3. The Board confirms that as at the date of issuance of this Circular, no change of business of the Issuer is contemplated or under consideration by the Board or any of its Committees.
- 15.4. The Board, with its concurrence of its audit committee confirms that the Issuer has sufficient and adequate internal controls to address the necessary financial, operational, and compliance of the Issuer in terms of its Constitution, the Companies Act and the BSE Listings Requirements.
- 15.5. The Board confirms that all Pro-forma information included in this Circular and associated documents is the responsibility of the directors of the issuer and that such information is given in compliance with IFRS.
- 15.6. The Board confirms that in preparation and quantification of pro-forma adjustment the Company has applied accounting policies, on the same basis as normally adopted by the Issuer in preparation of the Issuer's annual financial statements.

16. **BSE DISCLAIMER**

The Botswana Stock Exchange has not verified the accuracy and truth of the contents of the document submitted to it and the Botswana Stock Exchange accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from the decision taken based on the Circular.

Yours faithfully,



CHRISTOPHER MOKGWARE

for and on behalf of the

BOARD OF DIRECTORS



TINOTENDA GWENDOLINE MUTEIWA
CHIEF FINANCIAL OFFICER



GORATA DIBOTELO
COMPANY SECRETARY

SCHEDULE A – SUMMARY OF LETSHEGO CONSTITUTION

The Constitution of the Company provides, *inter alia* as follows:

1. Companies Act (Clause 2.1)
 - 1.1. That the company, Board and each Director and each shareholder of the Company have the rights to, powers, duties and obligations as set out in the Act.
2. Incorporation of listing requirements (Clause 2.2)
 - 2.1. That the listing rules as may be modified are deemed to be incorporated into the constitution.
3. Listing Rules prevail (Clause 2.3)
 - 3.1. That any provision of the constitution inconsistent with the listing rules, the listing rules will prevail.
4. Compliance with the listing rules (Clause 2.4)
 - 4.1. That the company shall so long as it is listed, comply with the listing rules.
5. Directors power to vote on matters where conflicted
 - 5.1. There is no express provision in the company constitution that speaks to the directors' ability to vote in matters in which they are conflicted, reliance is therefore placed on the Companies Act and the BSE listing requirements in terms of clause 2 of the constitution.
6. Shares are freely transferable (Clause 8)
 - 6.1. That shares of the Company are freely transferable and registration of the transfer of listed shares shall not be subject to any restriction, save to the extent required for compliance with statutory requirements or the Listing Rules.
 - 6.2. That the transfers of shares may be effected by transfer in accordance with the Act and in any usual or common form, or, if the Company is Listed, in any other form

approved by the Directors or as required by any rules from time to time made by the CSDB.

7. Directors power to vote on matters of remuneration (Clause 24.1)

7.1. That the board of directors may exercise power in terms of the Companies Act to authorize remuneration and other benefits to and for Directors

8. Directors borrowing powers (Clause 25)

8.1. That directors may borrow for the purpose of the company's business as a meeting of shareholders may determine.

8.2. That the company engage in foreign currency borrowings by way of back-to-back loan agreements.

8.3. That a register will be kept of all borrowings of the company

8.4. That the directors may execute necessary security related to the borrowings of the company.

9. Company dividend policy (Clause 26)

9.1. That the company may pay dividends to holders of security

9.2. That payments of dividends shall be done in different currency at the discretion of the Board.

9.3. That the company will make deductions to dividends in terms the constitution

9.4. That the entitlement date for dividends will be subsequent to the date of declaration or date of confirmation, whichever is later.

9.5. That the company may repossess all unclaimed dividends after a three-year period.

10. Retirement age of directors

10.1. In terms of the constitution of the company, there is no specified age of retirement for directors.

11. Directors' qualification shares (Clause 20.6)

11.1. There are no shareholding qualification for Directors, reliance is therefore placed on the Companies Act and the BSE listing requirements in terms of clause 2 of the constitution.