

1 **Bronwyn Nielsen**

2 Hello everyone and welcome to the Lesaka Technologies webcast and conference call for the second
3 quarter of fiscal 2025.

4

5 As a reminder the webcast is being recorded and the presentation can be accessed through the webcast
6 link as well as dialling into the zoom conference call dial-in numbers provided. Management will address
7 any questions you may have at the end of the presentation. For those joining us via the webcast, you
8 can ask your questions in the zoom Q&A function. For those joining via the zoom teleconference line,
9 you cannot ask your questions live.

10

11 The webcast link, zoom conference call dial-in numbers as well as our press release and supplementary
12 investor presentation are available on our Investor Relations website at ir.lesakatech.com. Additionally,
13 Lesaka filed its Form 10-Q after the U.S. market close yesterday, which is also available on our Investor
14 Relations website.

15

16 During this call, we will be making forward-looking statements, and I ask you to look at the cautionary
17 language contained in our Form 10-Q regarding the risks and uncertainties associated with forward-
18 looking statements.

19

20 As a domestic filer in the United States, we report results in U.S. dollars, under US GAAP. However, it is
21 important to note that our operational currency is South African rand and as such we analyze our
22 performance in South African rand. In this presentation, we will discuss our results in South African rand,
23 which is non-GAAP. This assists investors' understanding of the underlying trends in our business. As you
24 know, the company's results can be significantly affected by the currency fluctuations between the U.S.
25 dollar and the South African rand.

26

27 I will now turn the call over to Ali.

28 Slide 3 - AGENDA- NOT presented on webcast

29

30 Slide 4: GAAP income statement that is NOT presented on webcast

31

32 Slide 5: Overview

33

34 Good morning, good afternoon and welcome.

35

36 It has been a year since I assumed the role of Executive Chairman at Lesaka and so I thought it
37 appropriate to amend the way we present at our quarterlies from this quarter. Accordingly, I will start
38 by representing the opportunity as we see it and highlight key events of the quarter. Dan will then
39 present on the group's financial performance, Steve represent the Merchant division, Lincoln the
40 Consumer Division, and Naeem the Enterprise Division, which we are separating out for the first time
41 as a third pillar to our business. I will then conclude with the Outlook for FY25 and also guidance for
42 FY26.

43

44 Slide 6: Total addressable market revenue pool of \$4.4bn

45

46 We have framed the opportunity for Lesaka and our strategic positioning before, but I am conscious
47 that we haven't presented the size of our serviceable addressable market in \$ terms or given an
48 indication of our perception of market share and the competitive environment. We will start by doing
49 so for South Africa.

50

51 Today we believe our existing products in our three divisions operating in South Africa represent an
52 addressable market net revenue pool of >c.\$4bn. We believe the underlying market that we are
53 addressing is growing by c.10-15% per annum and that through organic and inorganic product and
54 geographical expansion the addressable market will grow to >\$12bn in 5 years time. We believe
55 comparable business models to ours, at maturity routinely achieve EBITDA margins of >30% and high
56 free cash flow generation. We believe our experience will be no different, We believe we will grow
57 revenue faster than the market as we increase market share and we believe our EBITDA growth will be
58 faster than revenue growth as we experience operational leverage.

59

60 It's worth double clicking on the Merchant and Consumer Division's addressable markets to give more
61 colour.

62

63 **Slide 7: Merchant Division's serviceable addressable revenue pool**

64

65 Today we estimate we represent c.7% of the serviceable addressable net revenue pool in the Merchant
66 Division in South Africa. A key component of our strategy is to differentiate ourselves by being a
67 customer lead rather than product lead company by evolving our product offering to meet the various
68 needs of our customers. No single competitor offers the range of solutions we do in the market and
69 addresses as many sub-segments. In this respect we face a different competitive environment
70 dependent on the specific product.

71

72 For example, while banks may still dominate the core merchant acquiring market, we face a different
73 universe of competitors offering software products and a different one offering alternative digital
74 payments solutions (which we have previously referred to as VAS). Today we address the merchant
75 market with three brands depending on the type of merchant. For the micro-merchant segment we use
76 the Kazang brand, for QSR and Hospitality we use the GAAP brand and for other types of merchants
77 Adumo. It's worth noting, each brand historically had a different 'hero' product for their customer sub-
78 segment, but now sells other products. For example, in the case of Kazang, that product was Alternative
79 Digital Payments, in the case of GAAP it was point of sale software, however both brands now offer a
80 fast growing merchant acquiring product. The continued integration of these respective units within
81 Lesaka will allow us to not only offer more products to more segments, but also improve the product
82 offering and the efficiency of the route to market, materially improving our value proposition and unit
83 economics over time.

84

85 We expect to grow substantially faster than the market, and as the leading fintech in the country we
86 should be targeting >10% market share in the medium term as market share continues to move from
87 traditional banks to fintechs. In the last quarter presentation, I showed how this has happened in the
88 rest of the world. The regulatory environment in South Africa has been one of the core impediments to
89 the speed of this evolution and the rate of digitization here.

90

91 Lesaka has been at the forefront of spearheading the case for the regulatory environment to evolve in
92 line with other markets for the benefit of the country as a whole. We are delighted that regulators and
93 stakeholders are taking note and that substantial movements are afoot in the industry. Last week the
94 Association of South African Payments Providers (ASAPP) was launched in Johannesburg with Lesaka as
95 a founding member and with our own Lincoln Mali taking the role of President. The presence of the

96 South African Reserve Bank there and the public pronouncements they made to the media, were
97 encouraging for the industry and the country.

98

99 **Slide 8: Consumer Division's serviceable addressable revenue pool**

100

101 The consumer market we address is focused today on South African Grant Beneficiaries and other
102 Payout customers. We believe we have c.6.5 percent market share of the revenue of the market. Again
103 we face a different subset of competitors depending on the product offering. While banks are the
104 principal competitors for transactional accounts, the lending market is dominated by micro-finance
105 companies and the insurance market by insurance companies.

106

107 We are confident that we can grow our market share here well above 10%, and indeed our share of
108 transactional accounts is already above that. The immediate opportunity we have is to continue to
109 expand our base of customers, especially as they switch from competitors who have experienced well
110 publicized challenges, and to continue to grow our ARPU by cross-selling into the base.

111

112 The longer run opportunity in the consumer market is to increase our serviceable addressable market
113 by expanding our product offering and moving out of the grant and payout market into other
114 underserved niches of scale that the traditional banks have ignored. There are scale ones, and I am
115 excited about our ability to compete and win there as we have been doing in the grant market.

116

117 **Slide 9: Diversified product suite offering – Q2 FY25**

118

119 While we organise the business around the customer and are prioritizing the customer unit economics,
120 we ultimately make our money by those customers buying our products. The different products we sell
121 have different margins associated with them (and indeed there are different economics when sold in a
122 bundle with other products or individually) however it is worth noting that by EBITDA contribution the
123 top three product contributors are merchant acquiring, alternative digital payments and transactional
124 accounts. Together these represent more than 50% of our EBITDA and within each there is no material
125 customer concentration. It is also worth noting our key products have revenue drivers that benefit from
126 the digitization of the economy as they make money as a percentage of the digital transaction value or
127 volumes. For the same reason, they also have the benefit of some hedge against inflation.

128

129 There is a lot that can be unpacked here, but given that the predominate focus of this presentation is
130 on the quarterlies, I will leave you with the teaser and move on for the moment. I will revert on when
131 we will unpack this further at the end of this presentation.

132

133 I would now like to hand over to Dan to talk to the group's last quarter's financial performance.

134

135 **Dan Smith**

136

137 **Slide 10: Financial performance**

138

139 Thank you, Ali. Good day everyone.

140

141 Before I start, as a reminder, Lesaka is a domestic filer in the United States, we report results in U.S.
142 dollars, under US GAAP. However, our operational currency is South African rand and as such we analyse
143 our performance in South African rand.

144

145 **Slide 11: FY25 Q2 | Continuation of our strong & consistent performance**

146

147 Q2 has been a quarter of continued strong and consistent performance, representing robust growth
148 compared to the prior year and delivering on what we committed in terms of Group Adjusted EBITDA,
149 Revenue and Net Revenue guidance, as well as a focus on balance sheet optimisation and continued
150 M&A activity.

151

152 We exceeded the upper end of our guidance at an EBITDA level, delivering 10 successive quarters of
153 achieving our EBITDA guidance.

154

155 We have also grown our Fundamental earnings and Fundamental earnings per share, which we believe
156 is the most appropriate measure of our performance and we have reduced our Net debt to Group
157 Adjusted EBITDA ratio.

158

159 **Slide 12 : Key milestones in the quarter**

160

161 We achieved a number of key milestones in the quarter as we grow and shape our business. These have
162 however, impacted the comparability of our results, our balance sheet make-up and Net debt position
163 when compared to the prior year.

164

165 Firstly, we welcomed Adumo into the Lesaka group with the completion of the acquisition on 1 October
166 2024. To remind you, we paid an effective purchase consideration of R1.67bn, comprising a combination
167 of cash and the issuance of 17.2m. shares.

168

169 Adumo has also given rise to a large increase in the goodwill and intangible assets we carry on our
170 balance sheet. Intangible assets are amortised, being a charge to our income statement, and you will
171 see a large increase in this charge in our results going forward. I note that this is a non-cash item.

172

173 Adumo has now been integrated into the Group, with its payments and technologies businesses
174 incorporated into our Merchant division and Adumo Payouts into our Consumer division. Adumo is
175 material to our merchant operations and has led to a large uplift in net revenue and Group Adjusted
176 EBITDA. Steve and Lincoln will provide more detail on these businesses in their respective divisional
177 overviews.

178

179 As a reminder, we had already incorporated the impact of Adumo into our guidance when we set our
180 FY25 guidance last quarter.

181

182 Following the completion of the Adumo acquisition, we anticipate closing Recharger in Q3 2025. Our
183 acquisition activity complements our organic growth and we continue to optimise operating structures,
184 extract revenue synergies and eliminate cost duplications. As we move forward, for comparative
185 purposes we will not be tracking each acquisition's individual contribution to net revenue and Group
186 Adjusted EBITDA separately, as these lines quickly become blurred as the businesses are combined, and
187 it is fundamentally not how our management and reporting structures are set up for the group.

188

189 Lesaka is not a fintech holding company and it is not our strategy to hold a basket of separate
190 investments. Our acquisitions are disciplined and aligned to the vision communicated in 2020, growing
191 and augmenting Lesaka's integrated multi-product fintech platform organised around our customers.

192

193 Secondly, we had a significant increase in short term gearing in the period, as we part funded the
194 acquisition of Adumo and related costs with a short term bridge of R665m. We also raised further

195 facilities to fund the growth in our Consumer loan book with the enhanced loan offering to our EPE
196 customers. As mentioned in our Q1 FY25 investor call, we are undertaking a comprehensive refinance
197 of all our debt facilities in order to optimise our debt across the Group and reduce our considerable
198 interest charge. We expect to complete this in the current quarter.

199

200 Thirdly, during the quarter, Mobikwik, our non-core investment in an Indian fintech, listed on the
201 National Stock Exchange of India. Prior to this listing, MobiKwik did not have a readily determinable fair
202 value and we valued the investment on the basis of “cost plus or minus changes in observable price
203 equity securities”. This gave rise to a carrying value of ZAR1.31 billion. Post MobiKwik’s listing we now
204 measure this investment applying the closing price reported on the NSE at quarter end, representing a
205 carrying value of R802 million. This has results in a pre-tax write down of R615 million on the investment
206 and an associated tax benefit of R117 million. This was the primary contributor to our Net Loss of R584m
207 for the period. Mobikwik has now become a liquid investment and our intention is to monetise it in a
208 disciplined manner once the lock-up expires in mid-May this year. We are now reflecting it as “listed
209 securities held for sale” in our Net debt position and we have a clear path to reduced gearing in the
210 Group.

211

212 Finally, during the quarter we have moved to analysing the Group’s profitability into three operating
213 lines, with our Enterprise business now being reported as a standalone division, whereas in previous
214 quarters we reported its results within the Merchant division. This division has been restructured and a
215 platform for growth established. Naeem will provide more perspective on the Enterprise division in his
216 overview.

217

218 Slide 13: Group Revenue, Net Revenue & Group Adjusted EBITDA for Q2 FY25

219 *Exceeded upper end of our Group Adjusted EBITDA guidance*

220

221 At a group level, revenue slightly exceeded the upper end our guidance provided, decreasing 2% to R2.6
222 billion. The decrease was driven by merchant revenue decreasing 5%, however, this was as expected
223 and as a result of changes in airtime sales mix between agency and principal sales.

224

225 We measure topline performance on a net revenue basis, which eliminates the volatility caused by
226 agency and principal sales mix, and which has no impact on overall profitability. Group net revenue
227 increased by 42% year-on-year.

228

229 At a divisional level, merchant net revenue was up 68% mainly attributable to the inclusion of Adumo
230 from 1 October.

231

232 Consumer continued its strong growth with revenue increasing 31% to R411 million, attributable to a
233 larger EPE account base and a higher ARPU on the back of continued cross-selling success.

234

235 In the Enterprise division, net revenue retracted 29% as we build this platform, focusing on profitable
236 business in conjunction with right-sizing the cost base. We have eliminated a number of unprofitable
237 contracts over the last 12 months.

238

239 Group Adjusted EBITDA grew by 26% to R212 million, exceeding the upper end of our guidance of R210
240 million.

241

242 Merchant adjusted EBITDA grew by 32% to R185 million, primarily driven by the inclusion of Adumo for
243 the quarter, offset by significant cost investment into our platform and a change in sales mix towards
244 lower margins products.

245

246 Consumer delivered strong EBITDA growth, increasing by R29 million, or 61% on last year, including
247 Adumo Payouts. The underlying performance of the Consumer division compared to the prior year is
248 skewed by the inclusion of R13m of interest expense charges directly related to the Consumer loan book
249 this period, whereas we did not allocate such interest costs in FY24 and prior years. Had this not been
250 included, Consumer Adjusted EBITDA would have been R90m, an increase of 88%.

251

252 As mentioned, Enterprise is going through a year of building and repositioning, with cost overhangs and
253 investment into our technology leading to a reduction in Enterprise Adjusted EBITDA for the quarter to
254 a loss of R0.5m.

255

256 Group costs increased to R50 million for the quarter due to higher employee costs with more team
257 members now being allocated to the group function, including an additional executive position, base
258 salary adjustments and higher consulting and legal fees. Group costs have however, reduced 6% from
259 last quarter.

260

261 **Slide 14: GAAP Income Statement for the quarter (FY25 Q2, FY24 Q2)**

262

263 On our GAAP income statement I would like to highlight a few items before moving onto fundamental
264 earnings commentary.

265

266 Under GAAP, we incurred a Net loss attributable to shareholders of R584m for the period.

267

268 Included in this is the R615 million charge related to the change in fair value of equity securities, relating
269 to the downward adjustment to the fair market valuation of our non-core Mobikwik investment. This
270 adjustment is non-cash. Linked to this is a deferred tax benefit of R117m raised, with a net impact of
271 R484m on our overall Net Loss attributable to shareholders.

272

273 Our net interest expense has increased year on year to R98m due to higher borrowing levels than last
274 year, primarily due to the debt taken on in respect of the Adumo acquisition.

275

276 Our Selling, general and administration expenses increased by R250m compared to Q2 FY24, due to a
277 combination of the inclusion of Adumo in our cost base, higher employee-related expenses and stock-
278 based compensation charges, increased transaction costs, costs related to the investment in the growth
279 of our businesses and year-on-year-inflationary increases on certain expenses.

280

281 Depreciation and amortization increased by R38 million largely due to the acquisition of Adumo.

282

283 **Slide 15 : Segmental EBITDA Income Statement for the quarter (FY25 Q2, FY24 Q2)**

284 ***[No script as discussed EBITDA upfront and have fundamental earnings slide next]***

285

286 **Slide 16: Fundamental earnings for the quarter**

287 ***Continued growth momentum***

288

289 We believe that fundamental earnings is the most appropriate measure of our performance. It adjusts
290 for once-off items such as: change in fair value of equity securities (net of tax), intangible asset
291 amortization (net of tax), stock-based compensation charges, transaction costs, indirect taxes provision
292 released, net loss on disposal of equity-accounted investments, income recognized related to closure
293 of legacy businesses, and other such items.

294

295 Fundamental earnings for the quarter increased 35% to R23 million, leading to an increase in
296 fundamental earnings per share of 12% to 29 South African cents. As a reminder, we issued 17.2 million

297 shares to Adumo shareholders as part of the acquisition, increasing the weighted average number of
298 shares in issue.

299

300 **Slide 17: Strong growth in operating cash flows**

301 **Investing in growth -with a path to reduced gearing**

302

303 Cash generated from business operations increased to R269 million, supported by the inclusion of
304 Adumo for the quarter. Net cash generated from operations, after accounting for interest payments,
305 increased to R193 million, up from R138 million last quarter and R89 million last year.

306

307 Cash utilized in working capital reduced from R193 million in Q1 to R81 million this quarter, due to the
308 unwind of higher than usual accounts payables in respect of micro-merchant settlements arising in Q1,
309 offset by increased investment in working capital with the take-on of Adumo this quarter.

310

311 The growth in the Consumer loan book in the period was funded through short term banking facilities,
312 with an outflow of R149 million, and Kazang took the opportunity to do a bulk VAS purchase with a net
313 investment in inventory of R69 million in the period. We also made provisional tax payments in the
314 quarter of R56 million, resulting in net cash used by operating activities of R164 million.

315

316 We spent R113 million on capex, leaving net cash utilized before financing activities of R277 million for
317 the quarter.

318

319 Our gross debt increased by just over R1 billion in the quarter to R3.8 billion. This is due to the Adumo
320 acquisition, adding R665 million of debt, funding utilized from short term facilities for the growth of the
321 Consumer loan book and net funding of R69m utilized to purchase prepaid airtime.

322

323 Cash on hand increased from R854 million to R1.1 billion in the quarter as a result of the cash brought
324 on from the acquisition of Adumo.

325

326 With its listing on the NSE, Mobikwik has now become a liquid investment and our intention is to
327 monetise it in a disciplined manner once the lock-up expires. We are now reflecting it as “listed
328 securities held for sale.” This differs to prior periods when our stake was not readily monetizable at or
329 near fair value. Liquidity in Mobikwik stock is high and we anticipate being able to covert our position
330 into cash and pay down debt once our lock-up expires.

331

332 In principle this could effectively reduce our Net Debt to R1.8 billion at the end of Q2 FY25 and our Net
333 Debt to Group Adjusted EBITDA ratio to 2.4x, using the reported last 12 months Group Adjusted EBITDA
334 of R754 million, which only includes Adumo for 3 months. This is lower than the 2.6x at the end of Q1
335 FY25. If one were to include Adumo for a full 12 months in our EBITDA run rate, our effective Net debt
336 to EBITDA ratio on this basis would be closer to 2.1x.

337

338 We have communicated to the market that we are looking to continue bringing our Net Debt to Group
339 Adjusted EBITDA ratio down, with a medium-term objective of 2 times, which we believe is comfortably
340 serviceable and is the appropriate capital structure for the business.

341

342 **Slide 18: CAPEX increase driven by the inclusion of Adumo and investing for growth**

343

344 Capital expenditure for the quarter amounted to R113 million, of which R56 million related to
345 investment in growth. We invested R25 million in merchant acquiring POS devices, including Kazang
346 and Adumo, and R26 million in cash vaults, as we continue to invest in this business in line with our
347 growth initiatives.

348

349 Maintenance capex increased to R57 million, including Adumo and GAAP. The balance of our
350 maintenance capex was primarily driven by software and server upgrades.

351

352 In close, I am encouraged by our overall performance and the progress we have made this quarter. I
353 will hand over to Steve to take you through the Merchant division's performance.

354

355 **Steven Heilbron**

356

357 **Slide 19: Merchant Division**

358

359 Thank you, Dan,

360

361 Good afternoon, everyone, today I will be taking you through the strategy, operational KPIs and
362 performance of our Merchant division, which comprises the solutions we have for micro-merchants
363 operating in informal markets plus small and medium merchants in the formal markets. Naeem will talk

364 you through the Enterprise division in more detail than we have previously done, which has a different
365 solution set targeting enterprise level businesses.

366

367 **Slide 20: Holistic offering & innovative solutions for merchants of any size**

368

369 Ali has taken you through the sizable opportunity that is presented by the secular trends of cash to
370 digital migration, growth of informal markets through financial inclusion, and the changing regulatory
371 landscape, supporting fintech disruption and market share growth. We are building a platform to take
372 advantage of this opportunity and have made material progress over the past 12 months with 3
373 acquisitions bringing scale and new technologies to Lesaka. In the merchant division, we believe we are
374 well positioned with a comprehensive offering to micro, small and medium merchants.

375

376 Our solution set has expanded and now covers merchant acquiring across both formal merchants and
377 micro merchants; software and data solutions; alternative digital payments including pre-paid solutions,
378 and supplier enabled payments; cash management solutions including vaults and ATMs; and lending.

379

380 This solution set, and added scale, puts us in a favorable position to offer value to our merchants by
381 solving for their pain points. These pain points include limited access to digital payments and growth
382 capital, poor cash management solutions, and having to use multiple and disparate service providers.

383

384 We estimate the share of the addressable market will increase for fintechs in line with trends witnessed
385 in international and other African markets. We have invested significantly over the past two and a half
386 years and will continue to invest, innovate and build our fintech platform to deliver on, the opportunity
387 in front of us.

388

389 Inclusive of Adumo we now have leading positions in both the informal and formal sectors of the
390 economy, servicing approximately 90,000 micro-merchants and 30,000 small and medium sized
391 merchants.

392

393 **Slide 21: Merchant Division | Q2 KPIs | Merchant acquiring & Software**

394 Our merchant acquiring offering encompasses Card Connect, Adumo and Kazang Pay. Card Connect and
395 Adumo are being integrated and will operate under the Adumo brand in the formal merchant sector.
396 Kazang Pay is focused on micro-merchants in the informal sector. We now have over 80,000 card-
397 enabled POS devices demonstrating the additional scale Adumo has brought to our merchant customer

398 base. This acquisition enhanced our product set both in terms of hardware and software integrations,
399 further strengthening our ability to out compete.

400

401 Throughput on these devices jumped by R7.2 billion to R11.3 billion for the quarter, up from R4.1 billion
402 in Q2 2024. The inclusion of Adumo for the full quarter accounted for the majority of this growth,
403 however it was well supported by Kazang Pay, which saw a 19% year-on-year growth in throughput.

404

405 GAAP, is our primary software solution, and is the leading hospitality software offering in Southern
406 Africa, with on-the-ground operations in 5 countries and servicing clients in 26 countries across Africa.
407 GAAP offers restaurants advanced technologies that improve efficiencies and enhance customer
408 experience, allowing restaurateurs to streamline operations, improve service quality, and ultimately
409 increase profitability. Customers include global brands such as KFC, McDonald's, Pizza Hut, Nando's and
410 Krispy Kreme. GAAP has 9,705 sites operating its hardware and software solutions, with a monthly ARPU
411 of R3,300. GAAP operates a subscription model with over 60% annual recurring revenues.

412

413 **Slide 22: Merchant Division | Q2 KPIs | Cash and lending**

414

415 Turning to our cash KPIs, which includes cash vaults and ATMs. We effectively put the bank in our
416 merchants' and micro-merchants' stores. Merchants can digitize their cash takings immediately, making
417 it available for working capital, as well as transferring the cash holding risks to us from the moment the
418 cash enters our vault or ATM. Cash will continue to play a large role in South Africa's economy for the
419 foreseeable future, with our vaults playing an important and differentiating part of our offering.

420

421 Cash is at the nexus of transformation to digitalization for the micro merchant, and a critical component
422 enabling us to approach customers with digital and cash solutions. Relationships with our vault clients
423 are deeply entrenched and sticky, positioning us well to sell additional solutions to these clients.

424

425 Devices grew 4% to almost 4,700, with throughput growing 2% to R30.4 billion. We anticipate single
426 digit growth from this business, and it remains an important aspect in our offering.

427

428 We have seen encouraging growth in vaults with our Kazang customers as we build out our vaulting
429 ecosystem in informal markets. Efficiency gains to micro-merchants include immediate availability to
430 funds, and cashless payments on supplier routes. Kazang vault cash settlements increased over 100%

431 year-on-year, and now contributes over 10% of our cash settlement throughput, compared to 5% a year
432 ago.

433

434 Our Capital Connect lending business has been through a challenging period as our formal sector
435 merchants suffered under challenging macro-economic conditions over the past two years. This
436 resulted in fewer customers meeting our credit criteria leading to lower disbursements and book size.
437 Whilst the cessation of load shedding has been welcomed, we will need to see further interest rate
438 reductions and consumer financial health improvements before some buoyancy returns to this sector
439 and improves our merchants' credit scores. Whilst we have noted a small uptick in activity of late, we
440 think it may take a while longer for merchant scores to recover. Lending is one of the real cross-sell
441 opportunities we have with the Adumo and GAAP acquisition and we expect to see growth in this
442 respect as we continue to benefit from integration.

443

444 Included in our lending business from this quarter, a 50:50 joint venture between Adumo and Retail
445 Capital (a division of Tyme Bank). Credit disbursements for Q2 were R178 million, including R39 million
446 from Adumo Capital. Our net loan book at quarter-end was R343 million, which includes R91 million
447 from Adumo Capital.

448

449 **Slide 23: Merchant Division | Q2 KPIs | Alternative Digital Payments**

450 Our Alternative Digital Payments offering covers supplier enabled payments including international
451 money transfers, with Pre-paid solutions including electricity, airtime, data and gaming.

452

453 Our supplier payments platform has grown rapidly since its introduction at the end of 2021, and now
454 has over 1,200 registered suppliers. It forms an essential value-add to micro-merchants as they journey
455 to digital, de-risk their operations through cashless routes and reduce the burden of administration.

456 Onboarding additional suppliers into the ecosystem, attracts more merchants to our card and cash
457 acquiring solutions.

458

459 This front loaded investment into the supplier payment and wallet ecosystem is made to attract and
460 drive growth in throughput, in quarters to come.

461

462 We disclose supplier payments separately as it is now a material contributor to device throughput and,
463 similar to international money transfers, it has a lower commission rate than traditional pre-paid
464 solutions.

465

466 Our Kazang devices in field grew 13% year on year to over 89,000 at the end of Q2. This includes devices
467 in the tavern vertical, not yet been enabled for alternative digital payments, which presents a revenue
468 opportunity, as these are converted.

469

470 Pre-paid solutions throughput increased 7% year-on-year to R4.9 billion. Throughput on our supplier
471 enabled payments platform increased 63% year-on-year.

472

473 In Kazang we have focused on high turnover sites with greater revenue potential. ARPU increased 12%
474 year-on-year to approximately R970 per month.

475

476 Turning to the financial performance of the merchant division, net revenue was up 68% to R854 million
477 with Segment adjusted EBITDA up 32% to R185 million for Q2 2025. This performance is a function of
478 both organic and inorganic activity. The inclusion of the Adumo acquisition has had a positive impact on
479 this quarter's performance.

480

481 From an organic perspective over the past 12 months, we have made a significant investment into our
482 Kazang business. This has resulted in a material increase in operating expenditure, which is front loaded
483 and enhances the platform targeting future revenue opportunities. These investments will need to
484 deliver on their respective business cases.

485

486 As is evident in this quarter, throughput is materially up, but a change in the product mix has had a
487 negative impact on margins attributable to this throughput. We do expect a pull through of higher
488 margin throughput in future quarters, as a function of the investment that has been made.

489

490 As communicated, we will target our guided returns and continue to build and enhance our platform
491 through organic and inorganic, disciplined investments, crafted to position our platform for the
492 opportunity presented.

493

494 Thank you, Lincoln will now take you through the Consumer performance

495

496 **Lincoln Mali**

497

498 **Slide 24: Consumer Division**

499

500 Thank you Steve.

501

502 Q2 is traditionally our busiest quarter, with festive season and holiday spend spiking which benefits our
503 transactional volumes, as well as loan originations as our consumers plan for holidays, travel home,
504 attend cultural events and plan to spend for the new year's back to school. This has translated to another
505 successful set of results for the Consumer business.

506

507 The Adumo Payouts team joined on 1 October 2024, and the results are included for the full quarter.
508 We have started exploring potential opportunities and synergies which we will develop over time. These
509 would include delivering a digital offering where these customers can have access to their accounts but
510 also can buy other products like pre-paid solutions, loans and insurance.

511

512 **Slide 25: SA remains underpenetrated with huge addressable opportunities**

513

514 There are approximately 12 million permanent grant recipients in South Africa, which is our core target
515 market for our EasyPay Everywhere platform. Based on our active account numbers our share is 12%,
516 but at a revenue level we estimate that our share to be approximately 6.5%, leaving significant room for
517 growth in the grant beneficiary market.

518

519 Our EasyPay offering is specifically focused on the needs of South Africa's grant beneficiaries, and we
520 believe we can add significant value to their lives through our tailored products, distribution and service
521 capabilities, where legacy providers are not ideally equipped to service them. Some examples of the
522 pain points for grant beneficiaries include lower smartphone penetration and expensive data preventing
523 easy use of digital channels, expensive and opaque pricing structures, limited access to financial services
524 and long waits at traditional branch networks.

525

526 We have invested heavily in understanding these pain points of our clients and are continually designing
527 and adjusting our products and distribution to align with their needs. We continue to see an encouraging
528 increase in account activations and uptake of our loan and insurance products.

529

530 **Slide 26 : Consumer | Q2 Key performance indicators**

531

532 Our core products include transactional accounts, micro-loans, funeral insurance and the recently
533 added Adumo Payouts offering, which provides corporate card services supporting payroll, incentives,
534 rewards, and expense management.

535

536 Our relationship with a grant recipient starts with an EasyPay Everywhere transactional account and
537 then we deepen this relationship through specifically tailored lending and insurance products for this
538 end of the market. We recently upgraded our loan product for qualifying consumers where the
539 maximum loan and repayment term increases from “R2000 and six months” to “R4000 and nine
540 months”. We increased the capital and term due to demand but remain committed to ensuring that
541 our customers can afford the monthly installments. The research we commissioned showed that many
542 of our customers were resorting to additional loans often on significantly worse terms, and often from
543 unregistered lenders. Our decision was also supported by the consistent and low loan loss ratio we have
544 experienced in our book over the past two years. We will be applying the same affordability criteria to
545 the new product and expect our average loan size to increase from R1580 to R2600 over time. Our
546 research also led to an enhanced insurance product to allow policyholders to cover up to 6 additional
547 dependents to the funeral policies. Since launch this has been very well accepted, boosting gross
548 premiums and cross-sell initiatives.

549

550 Our active EPE customer base increased to 1.6 million year on year, a 11% increase. Within this, our
551 permanent grant base increased 16% to 1.4 million. These are the customers where we have an
552 opportunity to cross-sell and are our target market. To continue to deliver value to our consumers, we
553 have kept our monthly account fee stable for 3 years now at R7.50 per month.

554

555 Our lending product continues to be successful for us and importantly is a compelling part of our value
556 proposition to consumers, with our gross advances increasing 38% year-on-year to R617 million, and
557 our book increasing 41% to R709 million at quarter end. We have managed to maintain our loss ratio at
558 approximately 6% through the challenging economic environment for consumers and the increased
559 lending activity, highlighting the value these loans have in our consumers lives.

560

561 Our EasyPay Insurance product continues to perform very well, with active policies increasing 29% year
562 on year, and gross premiums increasing 38% year on year to R97 million. Again, the quality of our book
563 demonstrates the value to our consumers with a collection rate of 96% and an annual lapse rate below
564 20%, which is well below market norms at this end of the market.

565

566 Our ARPU continues to improve and is now R94 per month on EPE permanent grant customers, up from
567 R85 one year ago.

568

569 Adumo payouts currently has approximately 180 corporate clients and 200,000 cardholders. The Q2
570 “load value” was R170 million, which is the rand value loaded onto the cards. This can be in respect of
571 incentive payments or performance payments for meeting health and safety or compliance targets. Our
572 contractual relationship exists with the corporate client, and we receive revenue based on the number
573 of cards loaded as well as based on the value of the load onto the cards.

574

575 The strong performance across all KPIs has led to an increase in revenue of 31% year-on-year to R411
576 million, and segment adjusted EBITDA growing 61% to R77 million for the quarter. It is worth noting that
577 this result includes an interest charge of R13 million in respect of dedicated funding lines for our micro-
578 lending book. Previously the book was funded using group facilities with the interest charge at group
579 level and not reflected in Consumer cost of sales, where it is now accounted for. This is another
580 extremely pleasing set of results for the Consumer business.

581

582 We have had a very encouraging start to our third quarter, registering record monthly activations of EPE
583 accounts, record monthly loan originations and record insurance policy sales, placing us in a strong
584 position to continue our growth trends.

585

586 **Slide 27: Growth in EPE base | Continued momentum in cross selling & upselling initiatives**

587 Our cross-sell initiatives continue to show excellent results. Our cross-sell potential starts with our EPE
588 permanent grant base. Net activations for Q2 was approximately 65,000 which continues the step
589 change in activations we have seen since revamping our brand and distribution network. The higher net
590 activations seen in Q2-24 was an anomaly created by the Postbank suffering from internal system and
591 card renewal issues, which led to a large number of its clients migrating to alternative service providers,
592 which EasyPay benefitted from.

593

594 In terms of cross-sell we continue to see very positive results with increasing loan originations and policy
595 sales into our EPE base, supported by a new sales single view platform, effective digital channels,
596 improved branding and productivity in our sales force. Our loan penetration increased to 43% from 40%,
597 and insurance up from 31% to 35%. Consumers with our full suite of products is up more than 35%
598 compared to a year ago. As our distribution evolves and improves and as we tailor our products, we
599 anticipate our loan and insurance penetration to continue to improve.

600

601 **Slide 28: Repositioned EasyPay Everywhere brand**

602

603 I am very proud of the team, as we continue to deliver against our strategic focus areas, including
604 enhancing product and service delivery, and cross selling and upselling. Whilst the Consumer division
605 has delivered excellent results over the past 18 months, we are not slowing down and still have many
606 areas where we can continue to enhance our product and customer experience. We are focused on the
607 launch of our new products in the loans and insurance business, as well as improving our distribution
608 through digital channels, branches as well as pop-up kiosks, which are proving popular. Our USSD
609 transactions continue to show extremely encouraging growth as our customers realize the ease and
610 convenience of using our digital channels. These channels complement our national network of over
611 650 sales and service consultants and over 100 flexi consultants.

612

613 We have a large opportunity to grow our customer base which we plan to execute on by continuing our
614 focus on our consumers' needs, delivering value, convenience and exceptional service.

615

616 Thank you, and with that I would like to hand over to Naeem for an update on the Enterprise Division.

617

618 **Naeem Kola**

619

620 **Slide 29: Enterprise Division**

621

622 Thank you, Lincoln.

623

624 FY25 is a build and restructuring year for the Enterprise business, as we lay solid foundations on which
625 to grow this division and realize its potential, in addition to exiting unprofitable business activities. We
626 have a well-established business which we are investing in and upgrading our technology, we have new
627 products which we have recently launched.

628

629 **Slide 30: Enterprise Division Q2 KPIs**

630

631 The acquisition of the Recharger business is expected to close early March 2025 and soon thereafter
632 we will commence integrating this business into the Group, within the Enterprise Division. We expect
633 Recharger to contribute approximately R40 million to our FY25 Group Adjusted EBITDA for four months
634 of consolidation.

635

636 We are developing our Enterprise as a material Group Adjusted EBITDA contributor in the coming years,
637 which is why we are investing behind it and separating it as a standalone division.

638

639 Recharger, is a South African prepaid electricity submetering and payments business with a base of over
640 460,000 registered prepaid electricity meters. We are excited by this opportunity as it expands our
641 enterprise offerings and enables us to drive a significant strategy in the electricity vouchers vending
642 through our platforms.

643

644 As mentioned earlier, FY25 is very much a build year for Enterprise with a significant amount of
645 uncanceled development expenditure impacting EBITDA this quarter, as well as a cost overhang from
646 the termination of unprofitable contracts, as we eliminate associated overheads. The result this quarter
647 was a loss of R0.5 million, down from a R17 million profit last year.

648

649 I would like to give you a quick overview of our products and solutions.

650

651 Easypay is a payment aggregator enabling B2B connections. The Easypay platform is embedded in major
652 retail businesses across Southern Africa and as well as smaller retailers. Easypay was a pioneer in bill
653 payments services and pre-paid solutions (previously referred to as value-added services) in South
654 Africa and is a well-known brand, processing well over R3 billion per month bill payments and utility
655 payments combined.

656

657 The Hardware Security Modules "HSM" business, operating under the Prism brand, sells very specialized
658 high-end data security devices that are used in data centres processing sensitive information, for
659 example, payment switching and PIN encryption / decryption on ATMs and POS terminals, and voucher
660 numbers generated for pre-paid electricity, data and airtime. It uses hardware cryptography as opposed
661 to software cryptography, making it more secure for the most sensitive data elements. This business
662 generates revenue on sales of the units as well as annual maintenance contracts.

663

664 In June 2024 we launched our revitalized Prism switch which we have been developing over the past 18
665 months. Our Prism switch enhances our go-to-market strategy and is strategically important. We see
666 this as a significant opportunity to continuing to release synergies across the group and internalize
667 transaction flows. We believe this unique expertise will enable the business to compete much more
668 effectively.

669

670 Turning to our KPIs, in Easy pay Bill Payments we processed R8.3 billion in throughput this quarter, which
671 is up 13% on last year.

672

673 On utility payments we saw a 16% pullback in throughput, which was primarily attributable to
674 termination of a large contract that was no longer strategic for us. Despite the loss of throughput, there
675 is no impact on profitability.

676

677 HSM units sold in the quarter increased 7% compared to FY24 Q2.

678

679 With the anticipated closing of the Recharger acquisition we are looking forward to welcoming the team
680 to Lesaka and integrating it with our Enterprise operation, which will make a significant impact on
681 reported performance going forward.

682

683 Ali will now take you through the Group's outlook.

684

685 **Ali Mazanderani**

686

687 **Slide 31: Outlook**

688

689 **Slide 32: Outlook disclaimer – (Not spoken to on webcast)**

690

691 **Slide 33: Reaffirming our FY25 guidance**

692

693 Thanks Naeem.

694

695 Moving to outlook. We are reaffirming our revenue guidance of ZAR10bn – ZAR11bn, Net Revenue
696 Guidance of ZAR5.2bn-ZAR5.6bn and Group Adjusted EBITDA guidance of ZAR900m-ZAR1bn.

697

698 For the quarter ending March 31 2025, we expect revenue of between ZAR2.4bn-ZAR2.6bn, Net
699 Revenue of ZAR1.3bn- ZAR1.5bn and Group Adjusted EBITDA of ZAR230m-ZAR260m.

700

701 We are also pleased to be able to provide for the first time Group Adjusted EBITDA guidance for the
702 year ending June 30 2026. The guidance range we are providing is ZAR1.25bn – ZAR1.45bn. This includes

703 Recharger, but excludes any unannounced acquisitions. We also expect to deliver not only positive
704 fundamental earnings per share but also positive profit after tax. We will give revenue guidance for
705 FY2026 in due course.

706

707 **Slide 34: Evolution of our Group Adjusted EBITDA and our FY26 Group Adjusted EBITDA guidance**

708

709 Stepping back it is pleasing to see the evolution of the Group Adjusted EBITDA over time. From mid-
710 point to mid-point of the range we are giving guidance of 42% YoY growth in Group Adjusted EBITDA
711 from this year to next. The FY2026 EBITDA guidance implies a c. ZAR1.7bn swing in profitability over 4
712 years and a 45% YoY CAGR over the last 3 years. It's a decent start on our mission. But it really is just a
713 start. We don't expect our growth trajectory to slow and we expect our best years to be ahead of us.

714

715 We have outlined at a high-level the enormity of the opportunity before us, but I am conscious that
716 given the evolution of the platform, the time is now right for Lesaka to host a capital markets day and
717 unpack our opportunity in more detail. Accordingly, we will shortly schedule a markets day next month,
718 open to the investment community. This will provide us the opportunity to communicate our underlying
719 drivers as touched on earlier in more detail as well as our competitive positioning and provide greater
720 clarity on what we are building.

721

722 Over the coming years we expect to be the reference fintech success story on a continent of 1.5bn
723 people. We are looking forward to showing you why.

724

725 Thank you, we will now take your questions on our Q2 results.

726

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737 Slide 35: Questions

738

739 Lesaka Q2 FY25 – Earnings Presentation Questions:

740

741 Question 1: From Frank Geng at Briarwood Capital- Last quarter FY25 guidance did not include any
742 unannounced M&A now your reaffirmed FY25 guidance includes Recharger, can you please talk
743 through this?

744

745 Ali: Thanks, Bronwyn. And thanks, Frank, for the question. So as name says, our expectation is that
746 Recharger would be contributing about ZAR 40 million to EBITDA in FY 2025. Our guidance, just to
747 remind you, is ZAR 900 million to a ZAR 1 billion. And the guidance we would be providing would be
748 exactly the same. And our reaffirming would be exactly the same, irrespective of whether Recharger
749 was included or not included. So you can drive your inference from that.

750

751 Question 2: From Potamac Capital- Congrats on the impressive results and even more impressive '26
752 EBITDA guidance. FY '26 EBITDA guidance is very impressive; can you discuss the drivers for this strong
753 growth?

754

755 Ali: Thanks again for the question. At the midpoint of our range, we have an FY25 EBITDA of 950 million
756 rand. And in FY26, it's uh 1,350 million Rand. That's a 42% year-on-year increase. The contribution
757 excluding Adumo and recharger from that is roughly speaking, a 25% year-on-year growth. Obviously,
758 we are expecting to include Recharger for about four months of this financial year and we've included
759 Adumo for nine months, and there's about ZAR 150 million attributable to the difference between their
760 expected contribution than in FY25 and FY26. I would like to say that I think that this exclusion in this
761 distinction is going to become increasingly artificial because the business, as Dan said, are integrating
762 into the collective. We're not running a collection of separate fintech companies. We're running an
763 integrated whole. And there's obviously synergies also associated with that. However, for the sake of
764 the question, it's a 25% year-on-year organic growth expectation. In terms of what is actually driving
765 that growth in our in our guidance, or as we articulated, we expect to be growing faster than the market.
766 So, there's a certain market growth there. And really the products that we're expecting to grow faster
767 than the market in the merchant division is the acquiring product. There we've got some cyclical drivers
768 through the digitization of the society and also the software, a product where we have a strong
769 leadership position. But the growth is also expected to come meaningfully from the consumer division

770 and a continuation as Lincoln has alluded to. There, it's quite balanced from a product perspective
771 between transactional accounts and lending and insurance.

772

773 Question 3: From Ross Krige at Investec Securities- Dan, can you please elaborate further on the
774 Group's debt position, outlook and refinancing as you referred to earlier? Additionally, could you also
775 provide some more colour on the cash outflows in the quarter

776

777 To our gross debt at the end of the quarter was ZAR 3.8 billion. Just unpack how that arose. Some of it
778 was from the acquisition of the Connect Group three years ago. Some of it arose from the acquisition
779 of the Adumo Group. Some of it relates to recent facilities we've put in place to enable growth in our
780 consumer loan book, and then there's an element of day-to-day banking, general working capital
781 facilities. An asset-backed facilities. There's a lot of detail in the in our 10Q, which unpacks the
782 different facilities, the tenor. And the rates we pay. So, I refer you to that. That's accessible on our
783 website. We are in the process of effecting a comprehensive refinance of our capital structure, our
784 debt facilities in particular. This will optimize the tenor. The repayment profile and the cost of our
785 facilities. And it will also help offset some of our interest costs against the significant cash power we
786 have in the group, so we achieve a netting effect. We're credit approved from our funding banks. And
787 we're deep into the legals. I expect us to complete this in the current quarter. We've highlighted that
788 our target debt to EBITDA ratio is roughly two times in the long term. If I take into account the readily
789 monetizable stake we have in non-core investment. And maybe quick, we should be able to reduce
790 our debt significantly to a leverage ratio of about 2.4 times. I note that this is based on last 12 months
791 of earnings. Which only includes three months of Adumo's earnings. If I were to annualize that and
792 bring in Adumo for a full 12 months into our earnings. Our net debt to EBITDA ratio would be
793 approximately 2.1 times. In other words, not very far from my target ratio. If I turn to our cash flows.
794 Appreciate that this quarter has been quite difficult to compare this quarter's cash flows to prior
795 quarter's cash flows. Largely a result of the inclusion of Adumo for the first time are key drivers of our
796 cash flows are strong underlying cash generation. Of roughly ZAR 270 million we do pay a high interest
797 charge, which comes off each quarter and addressed our desire to an ambition to reduce overall
798 gearing and interest, cash interest cost in the business. I do note we are an investing and growing
799 business, which does require funding. The Consumer loan book required ZAR 150 million for the last
800 quarter to enable the growth. We took advantage of a bulk ATM purchase. Which required additional
801 funding of roughly 70 million for the quarter. And then there is some seasonality in our working
802 capital, which largely plays through at the end of December, which is a traditional holiday period. So
803 there's some elevated receivables and debtors balances at this quarter end, which unwind or did
804 unwind over the coming days of the next quarter. Last point I wish to flag is in the capital markets day

805 that Ali outlined. We will look to unpack our working capital, our free cash flow generation and other
806 niche metrics of a business in more detail to the investor community.

807

808

809 Question 4: From Theo O'Neill at Litchfields Hills Research- In respect of Consumer growth specifically,
810 EBITDA has grown strongly year on year, is this sustainable - what is your outlook, and what are levers
811 from growth in Consumer. Touch on volumes and momentum seen post quarter end.

812

813 Lincoln: Thanks, Theo. I think it is sustainable. Our first immediate opportunity is to continue to grow
814 our customer base. As we indicated earlier, we are only 12% market share in that base, so there's
815 opportunity to take on more customers from our competitors and from all indications, we are taking
816 more customers than our competitors from those competitors that are struggling. So, we are going to
817 grow our customer base. Secondly, we need to cross-sell into that base. We currently have a
818 penetration rate of 43% with our loans. We think we can do more in that base. And we can also
819 penetrate more from an insurance point of view where we're only penetrated by 35%. So, both
820 growing our customers will give us room to grow. All the investment we've made in our products.
821 Invested in our people, technology, distribution are all paying off. In the sense that we've seen
822 incredible growth in our account numbers, we think that's the first lever that we'll pull. We have a
823 sense that we will continue to grow our account numbers. Will be able to take more market share
824 from other market participants. And we think that that's the first lever of growth. And we can see a
825 runway on that. The second lever of growth that gives us confidence is our cross-sell ability. We've
826 seen ourselves growing in terms of our cross-sell. You've seen our ARPU grow now to ZAR 94. And it's
827 because of the strength of that cross-sell capability in our teams. We are only penetrated at 43% when
828 it comes to loans, which means that there is still room to grow. We are only penetrated at 35% when it
829 comes to insurance, which means there's still room to grow. The third lever is in the medium term. I
830 think Ali alluded to the fact that we'll start to think about other pockets of customers, of underserved
831 consumers beyond the social grant network. Our first area of that is with our Adumo payouts, where
832 we'll start to experiment about what is possible with that core customer base and then we'll start to
833 think of other underserved pockets of customers. So generally, I would say that there's still room for us
834 to grow in this business. So, there's still room to grow in the consumer business.

835

836

837

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839

840 Question 5: From Raj Sharma- Has growth slowed in the merchant division?

841

842 Steven: Thanks, Raj. Firstly, I think if you have a look at a FY26 guidance, it's indicative of considerable
843 growth in the merchant division. We are constructing a platform in the merchant division to take
844 advantage of a sizable opportunity that Ali communicated. And addressable revenue pool of north of
845 \$2.8 billion. In which we have a very small market share. This bodes well for growth. We will meet our
846 guided returns through both organic and inorganic levers.

847

848 Now, if you have a look at our performance over Q2 24 to Q2 25, we grew revenue by 68% to ZAR 854
849 million. And we grew EBITDA by 32% to ZAR 185 million. Now, this result was impacted positively by
850 the Adumo acquisition but at the same time, we invested significantly in our platform, in our Kazang
851 business. Where we incur operating expenditure. Which was significantly up based on these
852 investments. And these investments and initiatives will result in a pull-through in increased earnings in
853 quarters to come.

854

855 Question 6: From Ross Krige at Investec Securities- Enterprise not moved forward in past 18 months,
856 you say there is a clearer path looking forward, can you elaborate?

857

858 Naeem: Yeah, thanks, Bronwyn. Thanks, Ross, for the question. I think if you look at our enterprise
859 division, we've intentionally separated this into a separate division. Because we see the enterprise
860 division as strategic as well as it will become a material contributor to our EBITDA from FY26 onwards.
861 If you just look at FY25, it's been a year of investing into our technology platform. As well as our
862 product suite to service our customers better. We have also taken the decision to exit unprofitable
863 contracts and products. The cost overhang of this exit obviously impacts the FY25 results negatively.
864 But the investment in the platform is strategic and will help us grow our revenues going forward. I
865 think the key area to think about as well is that the recharger acquisition, we are super excited about
866 this acquisition. It basically moves us along the up above the electricity value chain. In addition, it
867 gives us around 460,000 customer touchpoints that we can leverage going forward. So overall, I think
868 we're investing in a platform to really grow revenues in the future. You know, we have not outlined in
869 the investment presentation the market opportunity and the competitive landscape. But as Ali has
870 indicated, we will be doing this in the capital markets as well.

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Question 7: Another one from Potamac Capital- Can you discuss any regulatory changes you see on the horizon and how they may help the fintech sector and Lesaka, specifically?

Ali: Thanks, Bronwyn. I mean, we see the potential for quite a lot of regulatory changes, especially as South Africa follows the path that Brazil and Europe and India have followed empowering non-bank fintechs to help drive digitization in those respective economies. The SARB has been pointing to that for some time. It's noteworthy that the ASAPP launch the SARB did commit to putting forward an exemption to the Banks Act. Which they are expecting to be gazetted in the coming months.

And that's a very, very meaningful evolution of the market. It would allow non-banks to be regulated by activity and remove the gatekeeping relationships that we currently have to endure with banks. This would substantially improve our ability to disrupt and also our ability to accelerate revenue and reduce cost. I should say that we would expect to be then regulated by activity rather than just the sort of blanket bank and TPPP environment that exists today. How much would that impact? It's really very difficult to say. And I think it will depend on the detail of what's evolved in that context. But we're hopeful and our engagement is through ASAPP with the SARB gives us confidence that the right thinking and the right type of decision making is happening there.

Question 8: From Bronwyn – Ali, you've now been here for a year, where do does the business go from here?

Ali: Thanks, Bronwyn. There's some things that I think we do well and we need to continue to do. You know, we've done well at keeping all commitments, at saying where we're going and then delivering on that and it's critically important that we maintain our commitments, that what we say, we deliver on. I think there's other things that we have not done so well. And one of them is telling our story in a simple way. And the truth is it is actually quite a simple story. We are not reinventing the wheel. We are just taking it to the frontier and the frontier reality of our business is if we have the right people in the right places. Gravity will take care of the rest. And that's what is both exciting and to be honest. I'm looking forward to the Capital Markets Day and giving us the opportunity to simplify the message for the investing community so they can really understand how we're positioning ourselves against the evolution of the market and the digitization of the economy.