



LETSHEGO HOLDINGS (NAMIBIA) LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2016/0145)
(the **Issuer**)

LETSHEGO MICRO FINANCIAL SERVICES (NAMIBIA) (PROPRIETARY) LIMITED

(Incorporated in the Republic of Namibia with limited liability under registration number 2016/0292)
(the **Guarantor**)

**Issue of NAD231,000,000 Senior Unsecured Floating Rate Notes due 17 May 2024,
irrevocably and unconditionally guaranteed by the Guarantor**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 4 May 2021, prepared by Letshego Holdings (Namibia) Limited in connection with the NAD2,000,000,000 Domestic Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

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|-------------------|---|
| 1. Issuer | Letshego Holdings (Namibia) Limited |
| Registered Office | 1st Floor, Letshego Place
18 Schwerinsburg Street
Windhoek
Namibia |
| 2. Guarantor(s) | Letshego Micro Financial Services (Namibia) (Proprietary) Limited |
| Registered Office | 18 Schwerinsburg Street
Windhoek
Namibia |
| 3. Dealers | FirstRand Bank Limited, acting through its Rand Merchant Bank division |

	Specified Address	1 Merchant Place Cnr Fredman Drive &, Rivonia Road Johannesburg South Africa
4.	Dealers	First National Bank of Namibia acting through its RMB Namibia Division (RMB Namibia)
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
5.	Managers	N/A
	Specified Address	N/A
6.	NSX Debt Sponsor	RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
7.	Paying Agent	RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
8.	Calculation Agent	RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
9.	Transfer Secretary	Transfer Secretaries (Proprietary) Limited
	Specified Address	4 Robert Mugabe Avenue Entrance from Dr. Theo-Ben Gurirab Street Windhoek Namibia
10.	Settlement Agent	RMB Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave Windhoek Namibia
	Specified Address	1st floor @Parkside 130 Independence Ave

Windhoek
Namibia

PROVISIONS RELATING TO THE NOTES

11. Status of Notes	Senior Unsecured however irrevocably and unconditionally guaranteed by the Guarantor
12. Form of Notes	The Notes in this Tranche are listed Notes issued in certificated form
13. Series Number	1
14. Tranche Number	1
15. Aggregate Nominal Amount:	
(a) Series	NAD231,000,000
(b) Tranche	NAD231,000,000
16. Interest	Interest-bearing
17. Interest Payment Basis	Floating Rate
18. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19. Issue Date	17 May 2021
20. Nominal Amount per Note	NAD1,000,000
21. Specified Denomination	NAD1,000,000
22. Specified Currency	NAD
23. Issue Price	100 percent
24. Interest Commencement Date	17 May 2021
25. Maturity Date	17 May 2024
26. Applicable Business Day Convention	Modified Following Business Day
27. Final Redemption Amount	100 percent of Nominal Amount
28. Last Day to Register	By 17h00 on 6 August, 6 November, 6 February and 6 May, of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period
29. Books Closed Period(s)	The Register will be closed from 7 August to 16 August, 7 November to 16 November, from 7 February to 16 February and from 7 May to 16 May of each year until the Maturity Date (all dates inclusive), or if any early redemption occurs, 10 Days prior to the actual Redemption Date
30. Default Rate	N/A

PROVISIONS RELATED TO INTEREST (IF ANY PAYABLE)

FIXED RATE NOTES Not Applicable

FLOATING RATE NOTES

31. (a) Floating Interest Payment Date(s)	17 August, 17 November, 17 February and 17 May of each year until the Maturity Date or, if such day is not a
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		Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention with the first Floating Interest Payment Date being 17 August 2021, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention
(b)	Interest Period(s)	From and including the applicable Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date, the first Interest Period commencing on the Interest Commencement Date and ending the day before the next Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)
(c)	Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
(d)	Minimum Rate of Interest	N/A
(e)	Maximum Rate of Interest	N/A
(f)	Day Count Fraction	N/A
(g)	Other terms relating to the method of calculating interest (e.g.: rounding up provision)	N/A
32.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination (Reference Rate plus Margin)
33.	Margin	355 basis points to be added to Reference Rate
34.	If ISDA Determination	N/A
35.	If Screen Rate Determination:	
(a)	Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 month ZAR-JIBAR-SAFEX
(b)	Interest Rate Determination Date(s)	17 August, 17 November, 17 February and 17 May (or the first Business Day of each Interest Period) of each year until the Maturity Date, with the first Interest Rate Determination Date being 7 May 2021
(c)	Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX
36.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A

37. Calculation Agent responsible for calculating amount of principal and interest	RMB Namibia 1st floor @Parkside 130 Independence Ave Windhoek Namibia
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ZERO COUPON NOTES Not Applicable

PARTLY PAID NOTES Not Applicable

INSTALMENT NOTES Not Applicable

MIXED RATE NOTES Not Applicable

INDEX-LINKED NOTES Not Applicable

DUAL CURRENCY NOTES Not Applicable

EXCHANGEABLE NOTES Not Applicable

OTHER NOTES Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

38.	Redemption at the Option of the Issuer pursuant to Condition 11.3 (<i>Redemption at the Option of the Issuer</i>):	No
39.	Redemption at the Option of the Senior Noteholders pursuant to Condition 11.4 (<i>Redemption at the Option of the Senior Noteholders</i>):	No
40.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes
41.	Redemption in the event of a failure to maintain NSX Listing and Rating at the election of the Noteholders pursuant to Condition 11.6 (<i>Redemption in the event of a failure to maintain NSX Listing and Rating</i>)	Yes
42.	Early Redemption Amount(s) payable on redemption for taxation reasons pursuant to Condition 11.2 (<i>Redemption for Tax Reasons</i>) on Event of Default pursuant to Condition 18 (<i>Events of Default</i>) or on a Change of Control pursuant to Condition 11.5 (<i>Redemption in the event of a Change of Control</i>) (if different from that set out in the relevant Conditions)	N/A

GENERAL

43. Financial Exchange	Namibian Stock Exchange
44. Additional selling restrictions	N/A

45. ISIN	NA000A3KQTT4
46. Stock Code	LHN01
47. Stabilising manager	N/A
48. Provisions relating to stabilisation	N/A
49. Method of distribution	Auction
50. Credit Rating assigned to both the Issuer and the Guarantor	A _(NA) Long Term National Scale Rating /Stable Outlook assigned on 01 April 2021. The credit rating will be reviewed from time to time
51. Applicable Rating Agency	Global Credit Rating (GCR)
52. Governing law (if the laws of Namibia are not applicable)	N/A
53. Use of proceeds	The proceeds of this Notes issuance will be used as a senior shareholder loan from the Issuer to Guarantor for the same nominal amount, maturity date and interest rate as the Notes.
54. Other provisions	See Schedule 1 headed " <i>Redemption in the event of a breach of a Financial Covenant</i> ". See Schedule 2 headed " <i>Redemption in the event of loss of Licence</i> ". See Schedule 3 headed " <i>Undertakings</i> ".

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with the Applicable Pricing Supplement contain all information required by law and the listing requirements of the NSX. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*").

The NSX takes no responsibility for the contents of the Programme Memorandum, the annual reports, which include the annual financial statements, this Applicable Pricing Supplement, and any amendments or supplements to the aforementioned documents. The NSX makes no representation as to the accuracy or completeness of the Programme Memorandum, the annual reports, which include the annual financial statements, this Applicable Pricing Supplement, and any amendments or supplements to the aforementioned documents. The NSX expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The NSX's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the NSX will not be liable for any claim whatsoever.

The authorised Programme Amount of NAD2,000,000,000 has not been exceeded.

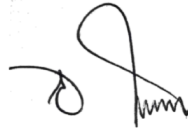
Application is hereby made to list this issue of Notes on 17 May 2021.

SIGNED at _____ on this 17th day of May 2021

For and on behalf of
LETSHEGO HOLDINGS (NAMIBIA) LIMITED



Name: Maryvonne Palanduz
Capacity: Director
Who warrants his/her authority hereto



Name: Ester Kali
Capacity: Director
Who warrants his/her authority hereto

SCHEDULE 1

1. Redemption in the event of a breach of Financial Covenant

The provisions of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*) shall apply the LHN01 Notes (the **Notes**).

- 1.1. The Issuer shall, for as long as the Notes remain Outstanding and during each Measurement Period, ensure that:
 - 1.1.1. the Letshego Namibia Group Capital Adequacy Ratio is greater than 30% (thirty percent);
 - 1.1.2. the Guarantor Cash Collection Ratio is not less than 85% (eighty five percent); and
 - 1.1.3. the Guarantor Asset Cover Ratio is greater than 1.3:1 (one point three to one),
(each a **Financial Covenant** and collectively, the **Financial Covenants**).
- 1.2. The Issuer shall within 90 (ninety) Days after each Quarter Date:
 - 1.2.1. test the Financial Covenants as at each Quarter Date; and
 - 1.2.2. make available for inspection by the Noteholders, at its registered office, during normal office hours, a certificate signed by any two directors of the Issuer setting out each Financial Covenant together with the calculations thereof (a **Compliance Certificate**).
- 1.3. Notwithstanding paragraph 1.2 above, in the event that Issuer and/or Guarantor, as the case may be, ceases to deduct, or is prevented from deducting, payments contractually due and payable to it directly from the payroll system of any participating employer, then the Issuer shall be required to test the Cash Collection Ratio on each Quarterly Measurement Date and shall publish a notice of availability of the Cash Collection Ratio compliance certificate via NENS, which certificate will be signed by any two directors of the Issuer (**Cash Collection Ratio Compliance Certificate**) with respect to the Cash Collection Ratio together with calculations thereof within 15 (fifteen) Business Days after the Quarterly Measurement Date.
- 1.4. If a breach of any Financial Covenant occurs while any Note remains Outstanding, then the Issuer shall within 20 (twenty) Days after the Issuer becomes aware of a breach of Financial Covenant take reasonable steps to remedy such breach of Financial Covenant, failing which, the Issuer shall promptly give notice to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the breach of Financial Covenant and the circumstances giving rise to it and the procedure for exercising the Redemption Option (as defined below) (**Breach of Financial Covenant Notification**).
- 1.5. Upon receipt by the Noteholders of the Breach of Financial Covenant Notification, the Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in paragraph 1.6 below (**Redemption Option**).
- 1.6. Such Redemption Option shall be exercisable by the Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) Days after the receipt by the Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 1.7. Subject to paragraph 1.6, the Issuer shall redeem all Notes held by the Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a Breach of Financial Covenant Redemption Notice from the Noteholders to redeem such Notes.
- 1.8. In the event of any dispute in respect of any calculation relating to any Financial Covenant referred to in paragraph 1.9 below, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.
- 1.9. For the purposes of this Schedule 1 (*Redemption in the event of a breach of Financial Covenant*):
 - 1.9.1. **Asset Cover Ratio** means, in respect of the Guarantor, for each Measurement Period, the

Net Loan Advances (Gross Loan Advances less Provisions) divided by the Net Debt (Gross Debt less Cash);

- 1.9.2. **Book Debts** means any claim of any nature which the Guarantor has in respect of any indebtedness against any debtor of such Guarantor;
- 1.9.3. **Capital Adequacy Ratio** means, in respect of Letshego Namibia Group, for each Measurement Period, the Total Equity of the Letshego Namibia Group (including subordinated shareholder loans) divided by the Total Assets of the Letshego Namibia Group;
- 1.9.4. **Cash Collections Ratio** means in respect of the Guarantor, for each Quarterly Measurement Period or Measurement Period, as the case may be, the ratio between:
 - 1.9.4.1. the value of payments actually received by the Guarantor during the Quarterly Measurement Period or Measurement Period, as the case may be; and
 - 1.9.4.2. the value of payments contractually due and payable to the Guarantor during the Quarterly Measurement Period or Measurement Period, as the case may be, but excluding any payments due on loans written off,from third parties indebted to such Guarantor in respect of Book Debts during each Quarterly Measurement Period or Measurement Period, as the case may be, and expressed as a percentage;
- 1.9.5. **Letshego Namibia Group** means the Issuer and its subsidiaries on a consolidated basis;
- 1.9.6. **Measurement Period** means each period of 12 (twelve) months ending on a Quarter Date;
- 1.9.7. **Net Loan Advances** means in respect of the Guarantor, the gross advances to customers less any relevant provisions and excludes loans to Letshego Bank (Namibia) Limited;
- 1.9.8. **Net Debt** means, at any time, the aggregate amount of borrowings (including any intercompany debt and any amount guaranteed by the Guarantor, without double counting) deducting any cash available;
- 1.9.9. **Quarter Date** means the last day of March, June, September and December of each year, with the first Quarter Date being 30 June 2021;
- 1.9.10. **Quarterly Measurement Period** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date;
- 1.9.11. **Total Assets** means the aggregate of Asset of the Letshego Namibia Group; and
- 1.9.12. **Total Equity** means the total shareholders' equity, including any subordinated shareholder loans and retained earnings in respect of the Letshego Namibia Group.

SCHEDULE 2

1. Redemption in the event of loss of Licence

The provisions of this Schedule 2 (*Redemption in the event of loss of Licence*) shall apply the LHN01 Notes (the **Notes**).

- 1.1. For as long as the Notes remain Outstanding, the Issuer and the Guarantor(s) shall, and shall procure that each Material Subsidiaries shall, maintain its respective microfinance licence or banking licence, as the case may be, and that such licence is not revoked, withdrawn or withheld or ceases to be in full force and effect (the **Banking Licence**).
- 1.2. If the Issuer, the Guarantor(s) or any of their Material Subsidiaries fails to maintain their respective Banking Licence in accordance with clause 1.1 above, then the Issuer shall within 20 (twenty) Days after the Issuer becomes aware of such breach give notice to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the breach and the circumstances giving rise to it and the procedure for exercising the Redemption Option (as defined below) (**Loss of Banking Licence Notification**).
- 1.3. Upon receipt by the Noteholders of the Loss of Banking Licence Notification, the Noteholders shall have the option to require the redemption of the Notes in the manner contemplated in paragraph 1.4 below (**Redemption Option**).
- 1.4. Such Redemption Option shall be exercisable by the Noteholders by the delivery of a written notice (a **Loss of Banking Licence Redemption Notice**) to the Issuer at its registered office within 30 (thirty) Days after the receipt by the Noteholders of the Loss of Banking Licence Notification, unless prior to the delivery by that Noteholder of its Loss of Banking Licence Redemption Notice the Issuer gives notice to redeem the Notes.
- 1.5. The Issuer shall redeem all Notes held by the Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a Loss of Banking Licence Redemption Notice from the Noteholders to redeem such Notes.

SCHEDULE 3

1. Undertakings

The provisions of this Schedule 3 (*Undertakings*) shall apply the LHN01 Notes (the **Notes**).

- 1.1. The Issuer and Guarantor shall, for as long as the Notes remain Outstanding and during each Measurement Period, ensure that:

1.1.1. notwithstanding Condition 7 (*Negative Pledge*) of the Terms and Conditions and Condition 5 of the Guarantee, each of the Issuer and the Guarantor(s) undertakes that it shall not, and shall procure that no Material Subsidiary shall, create or permit the creation of any Encumbrances over Book Debts (defined below); and

1.1.2. following the occurrence of an Event of Default under Condition 18 (*Events of Default*) of the Terms and Conditions, no distributions, payments of dividends or loans are made to the shareholders of the Issuer or the Guarantor(s).

(each an **Undertaking** and collectively, the **Undertakings**)

- 1.2. A breach of any of the Undertakings shall constitute an Event of Default under Condition 18.1.12 (*Other*) of the Programme Memorandum.

- 1.3. For the purposes of this Schedule 3 (*Undertakings*):

1.3.1. **Book Debts** means any claim of any nature which the Guarantor has in respect of any indebtedness against any debtor of such Guarantor.