



SBC Limited and Subsidiaries

Reviewed Results for the six-month period ended 30 June 2026

(Incorporated in the Kingdom of Eswatini
Reg. No. 473 of 2011)
ISIN Code: SZE000331031 Share Code: SBC
Listed on the Eswatini Stock Exchange

HIGHLIGHTS (the 30 June 2026 highlights were compared against the comparable 30 June 2025 results)

Gross loan book decline of	6.2% ▼	Group revenue decline of	5.4% ▼	Earnings per share increase of	9.1% ▲	Residential occupancy levels reached of	99% ▲
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Figures in Emalangeni	6 months to 30 June 2026 Reviewed	12 months to 31 December 2025 Audited	6 months to 30 June 2025 Reviewed
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Revenue	218 833 280	460 733 930	231 373 885
Operating expenses	(82 062 840)	(190 303 320)	(95 963 553)
Impairment loss on loans and advances	(4 996 734)	863 255	(3 256 479)
OPERATING PROFIT	131 773 706	271 293 865	132 153 853
Investment income	54 630 972	91 471 777	43 631 444
Finance costs	(180 796 037)	(328 865 966)	(157 199 693)
Share of loss from joint venture	(241 496)	(306 903)	(20 375)
PROFIT BEFORE TAXATION	5 367 145	33 592 773	18 565 229
Taxation	6 648 701	(33 982 924)	(8 297 248)
PROFIT/ LOSS FOR THE PERIOD/YEAR	12 015 846	(390 151)	10 267 981
Other comprehensive gain/loss	864 844	(6 309 634)	-
TOTAL COMPREHENSIVE INCOME/LOSS	12 880 690	(6 699 785)	10 267 981

Earnings per share (cents)	12	(0)	11
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
ASSETS			
NON-CURRENT ASSETS			
Investment property	374 547 447	374 547 447	347 243 430
Property, plant and equipment	6 758 696	6 967 072	4 832 925
Goodwill	209 448 253	209 448 253	209 448 253
Intangible assets	3 604 468	3 813 427	3 946 152
Investment in joint ventures	1 952 101	2 193 097	2 479 625
Amounts owing by related parties	63 000 000	63 000 000	63 000 000
Other financial assets	271 697 288	261 351 414	261 351 414
Deferred tax asset	82 744 672	66 085 644	60 414 995
Work in progress	125 863 311	40 113 625	28 935 757
Loans and advances	927 624 549	967 220 431	1 004 980 420
Right of use assets	7 619 976	6 322 947	5 564 808
	2 074 860 761	2 001 063 357	1 992 177 779
CURRENT ASSETS			
Amounts owing by related parties	751 785 206	671 705 519	653 109 793
Other financial assets	-	1 101 227	1 034 315
Loan to contractor	13 795 098	13 233 290	12 781 660
Loans and advances	348 189 934	341 447 829	357 277 042
Trade and other receivables	41 270 391	40 223 188	34 359 280
Cash and cash equivalents	70 894 443	151 058 975	146 019 923
	1 225 935 072	1 218 770 028	1 204 582 013
TOTAL ASSETS	3 300 795 833	3 219 833 385	3 196 779 792
EQUITY AND LIABILITIES			
EQUITY			
Share capital	348 329 629	348 329 629	348 329 629
Cashflow hedging reserve	(5 444 790)	(6 309 634)	-
(Accumulated loss)/retained earnings	(29 112 473)	(54 873 030)	95 785 102
	313 772 366	287 146 965	444 114 731
NON-CURRENT LIABILITIES			
Amount owing to related parties	348 222 666	484 437 515	214 738 901
Other financial liabilities	1 096 139 703	1 135 388 202	1 042 413 994
Deferred income	2 034 608	4 823 374	10 972 120
Lease liabilities	6 115 863	5 025 787	4 307 144
	1 452 512 840	1 629 674 878	1 272 432 159
CURRENT LIABILITIES			
Amounts owing to related parties	702 293 015	643 923 724	769 927 925
Other financial liabilities	805 356 752	635 329 509	689 531 741
Current tax payable	4 005 348	5 370 373	5 931 879
Trade and other payables	19 963 228	16 738 752	9 508 518
Deferred income	678 202	1 607 792	3 657 373
Lease liabilities	2 214 082	1 841 392	1 675 466
	1 534 510 627	1 303 011 542	1 480 232 902
TOTAL LIABILITIES	2 987 023 467	2 932 686 420	2 752 665 061
TOTAL EQUITY AND LIABILITIES	3 300 795 833	3 219 833 385	3 196 779 792

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY			
SHARE CAPITAL	9 649	9 649	9 649
Balance at the beginning of the period/year	9 649	9 649	9 649
SHARE PREMIUM	348 319 980	348 319 980	348 319 980
Balance at the beginning of the period/year	348 319 980	348 319 980	348 319 980
CASH FLOW HEDGING RESERVE	(5 444 790)	(6 309 634)	-
Balance at the beginning of the period/year	(6 309 634)	-	-
Other comprehensive gain/(loss)	864 844	(6 309 634)	-
(ACCUMULATED LOSS)/RETAINED EARNINGS	(29 112 473)	(54 873 030)	95 785 102
Balance at the beginning of the period/year	(54 873 030)	85 517 121	85 517 121
Dividends declared	-	(140 000 000)	-
Profit for the period/year	12 015 846	(390 151)	10 267 981
Other movement	13 744 711	-	-
TOTAL EQUITY	313 772 366	287 146 965	444 114 731

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	209 276 941	378 889 357	127 055 831
Interest income	2 068 730	6 715 135	35 404
Interest paid	(163 398 612)	(314 654 596)	(95 574 889)
Tax paid	(8 556 141)	(21 177 947)	(5 661 697)
NET CASH GENERATED FROM OPERATING ACTIVITIES	39 390 918	49 771 949	25 854 649
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1 080 556)	(4 566 434)	(1 481 466)
Proceeds from the sale of property, plant and equipment	160 150	160 433	152 432
Decrease/(increase) in other financial assets	1 101 227	(1 101 227)	(1 034 315)
Expenditure incurred for investment property	(91 109 446)	(76 843 131)	(85 905)
Purchase of other intangible assets	(1 058 123)	(2 439 378)	(1 257 114)
NET CASH USED IN INVESTING ACTIVITIES	(91 986 748)	(84 789 737)	(3 706 368)

CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans from group and related party companies	(187 651 425)	(52 901 179)	(92 970 135)
Proceeds from loans from group and related party companies	64 732 479	156 360 000	61 366 321
Repayment of other financial liabilities	(111 196 173)	(193 720 863)	(124 446 890)
Proceeds from other financial liabilities	208 153 398	292 076 447	154 221 978
Repayment of lease liabilities	(1 606 981)	(2 765 968)	(1 327 958)
Dividends paid	-	(140 000 000)	-
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(27 568 702)	59 048 437	(3 156 684)

Figures in Emalangeni	6 months to 30 June 2026 Reviewed	12 months to 31 December 2025 Audited	6 months to 30 June 2025 Reviewed
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT.)			
TOTAL CASH MOVEMENT FOR THE PERIOD/ YEAR	(80 164 532)	24 030 649	18 991 597
Cash at the beginning of the period/year	151 058 975	127 028 326	127 028 326
TOTAL CASH AT END OF THE PERIOD/YEAR	70 894 443	151 058 975	146 019 923

NOTES

1. STATEMENT OF COMPLIANCE

The interim financial results have been prepared in accordance with IFRS Accounting Standards (IFRS) and IAS 34, in the manner required by the Companies Act of Eswatini. The accounting policies and methods of compilation applied in these financial results are consistent with those applied in the preparation of the prior year annual financial statements for the year ended 31 December 2025. The financial results have been prepared under the supervision of the Group Chief Financial Officer, Mr C. Moore CA (SA).

2. HEADLINE EARNINGS

2.1 EARNINGS PER SHARE (CENTS)

Earnings per share (cents)

12	(0)	11
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2.2 NUMBER OF ORDINARY SHARES OF E0.0001 EACH IN ISSUE			
Actual	96 490 000	96 490 000	96 490 000
Weighted average	96 490 000	96 490 000	96 490 000
Diluted	96 490 000	96 490 000	96 490 000

3. LOANS AND ADVANCES			
Advances	1 320 616 378	1 349 113 055	1 407 585 318
Impairment for credit losses of loans and advances	(44 801 895)	(40 444 795)	(45 327 856)
	1 275 814 483	1 308 668 260	1 362 257 462

4. CASH AND CASH EQUIVALENTS			
	70 894 443	151 058 975	146 019 923

5. OTHER FINANCIAL LIABILITIES			
5.1 HELD AT AMORTISED COST			
Medium term notes - Private unlisted	150 816 663	150 606 941	117 228 828
Medium term notes - Listed	1 125 026 852	1 010 984 133	980 380 474
Promissory notes	486 071 080	523 605 156	567 300 903
Bank facility	139 581 860	85 521 481	67 035 530
	1 901 496 455	1 770 717 711	1 731 945 735

5.2 MEDIUM TERM NOTE PROGRAMME

The Group raises funds through Promissory Notes and Medium Term Note Programmes (MTNs). The Eswatini MTNs are listed on the Eswatini Stock Exchange as follows:

- Select Limited with an available facility of E 95 254 917 at 30 June 2026 (December 2025: E 334 337 836); and
- SBC Limited with an available facility of E 153 640 000 at 30 June 2026 (December 2025: E 193 640 000)

The Lesotho MTNs are as follows:

- Lesana Lesotho Private Placement Unlisted MTN with an available facility of M 26 200 000 at 30 June 2026 (December 2025: M 54 200 000); and
- Lesana Lesotho Listed MTN with an available facility of M 96 399 900 at 30 June 2026 (December 2025: M 112 250 000).

6. RELATED PARTY TRANSACTIONS			
Transactions with holding company and fellow subsidiaries:			
Administration and management fees	(39 268 552)	(64 335 022)	(32 345 501)
IT infrastructure	(3 024 848)	(5 081 985)	(2 319 529)
Net interest expense	(23 692 001)	(39 883 057)	(17 748 968)
Consulting fees	-	(1 950 000)	-
Rental income	2 326 775	4 717 644	2 438 102

In June 2024, SBC Limited provided an irrevocable guarantee to Nedbank Limited in respect of a loan facility granted to Osmaza SA Properties Proprietary Limited. The guarantee was issued for 60 months, covering E47 million for the first 24 months and E42 million for the remaining 36 months. As at the reporting date, E42 million remains guaranteed.

7. CASH GENERATED FROM OPERATIONS			
Profit before tax	5 367 145	33 592 773	18 565 229
Adjustments for:			
Depreciation, amortisation and impairments	8 929 706	6 511 045	6 881 260
Write-offs	2 326 295	10 520 258	7 407 627
Interest income	(54 630 972)	(91 471 777)	(43 631 444)
Finance costs	180 796 037	328 865 966	157 199 693
Straight-lining of lease	(172 705)	(482 810)	-
Gain on termination of lease	-	(61 137)	-
Loss on disposal of assets	(113 829)	(114 391)	(147 153)
Loss on investment in joint venture	241 496	306 903	20 375
Gains on exchange differences	(5 995 912)	(9 275 649)	(2 008 518)
Fair value gains	(10 345 874)	-	-
Changes in working capital:			
Increase in work-in-progress	-	-	(19 154 767)
Increase in trade and other receivables	(1 047 203)	(8 727 922)	(3 308 279)
Increase in trade and other payables	3 224 476	12 420 233	5 251 133
Decrease in loans and advances	26 170 381	108 937 988	42 293 046
Decrease in deferred income	(3 718 356)	(16 577 581)	(8 379 254)
Movement from other financial and related party loans	58 246 256	4 445 458	(33 933 117)
	209 276 941	378 889 357	127 055 831

COMMENTARY

1. OPERATIONAL REVIEW

For the six months ended 30 June 2026, the SBC Group faced a continued challenging operating environment, which affected operating profit compared to the prior period.

The Eswatini consumer lending operation grew its total loan book. Payroll lending increased, supported by disbursements of E69.3 million, up 11.1% on the comparative period. While this growth was welcomed, the payroll book closed below expectations at 30 June 2026 due to inbound competitor settlements. Debit order disbursements also rose by 25.2% to E43.5 million, while collections increased by 89.8% to E12.6 million. Payday short-term lending was the only product to decline, closing 19.6% below the prior period, but represented only 0.1% of total net book value at 30 June 2026.

Collections remained strong, with payroll and debit order lending improving by 2.5% and 3.2% to E130.6 million and E52.6 million, respectively. Total provisions decreased to 3.0%, a 0.6 percentage-point improvement on the comparative period. Management remains comfortable that the Group is adequately provided for arrears.

In Lesotho, Lesana Ltd continued to face aggressive competition from banks and non-bank microfinance institutions offering lower rates and longer loan terms.

Competitor settlements of L104.3 million drove a 17.9% reduction in the gross loan book to L481.6 million, although settlements were 11.8% lower than the comparative period. Management prioritised its competitive response, increasing disbursements by 19.7% to L110.3 million. The June 2026 launch of a longer-term

product restored competitiveness, recaptured market share, and continued to gain traction after 30 June 2026.

Lesana provisions increased by 1.4 percentage points to 4.1%, mainly due to the debit order book tripling to 7.6% of the total book, an increase of 5.1 percentage points.

The Pine Acres residential portfolio maintained strong tenancy, achieving 99% occupancy over the period while continuing to attract demand.

Portfolio additions include residential phase 2, comprising 147 apartments, with the first 51 units underway and expected to be completed by 30 September 2026.

The Malkerns Parkview Retail Centre development is progressing, with completion expected by 31 August 2026 and a promising tenant mix anticipated.

In conclusion, the SBC Group remains committed to creating shareholder value through long-term strategic initiatives, including expanding its residential and commercial property portfolios, developing mortgage-type offerings, strengthening its loan book business, and diversifying its product offering.

2. FINANCIAL REVIEW

Eswatini and Lesotho both saw inflation ease, with average headline inflation declining to 2.2% and 3.1% from 2.9% and 4.1%, respectively. Interest rates in both territories remained unchanged at 10.3%.

Eswatini payroll demand remained below management expectations, despite improving on the prior period, as competitors offered longer tenures at lower rates. In Lesotho, inbound settlements continued but were curbed by the June 2026 launch of a longer-term product, which has supported market share recovery beyond 30 June 2026. Management remains focused on diversifying distribution channels for shorter-term products, including digital access, to reduce payroll dependency and improve turnaround times. Despite sector headwinds, SBC maintained disciplined execution and delivered a reasonable interim result.

The SBC Group's gross loan book declined by 6.2% from E1.4 billion to E1.3 billion, prompting management to implement initiatives to limit further settlements. Revenue decreased from E231.4 million to E218.8 million, but operating profit margin improved from 57.1% to 60.2%, reflecting disciplined execution. Overall yield margin improved by 0.9%, although Select Limited and Lesana recorded movements of +0.9% and -0.5%, respectively, driven by product mix and early settlement interest in Lesotho.

Direct operating expenses were well managed, with the expense-to-revenue ratio improving from 41.5% to 37.5%.

The book profit margin declined by 1.2% in Eswatini and 4.0% in Lesotho, driven by higher net interest expense for the period. Bad debt provisions increased slightly by 0.2% of the gross loan book, while management remained comfortable with collection rates in both countries.

The strategic investment in Ezabeni Property Holdings was revalued, generating a fair value gain of E10.3 million. For the six months ended 30 June 2026, the SBC Group delivered profit before tax of E5.4 million, despite pressure from revenue and finance costs. Management remains focused on restoring profitability and increasing trading activity. Although profit before tax declined, profit after tax improved by E1.7 million, with the profit-after-tax margin up 1.1 percentage points.

Overall, the results demonstrate the Group's disciplined operations, strategic investment focus, and positioning for sustainable growth.

3. OUTLOOK

Property portfolio outlook:

Following the strong performance of the property portfolio, management has advanced residential phase 2, comprising 147 units, with the first 51 expected to reach practical completion by 30 September 2026. This will complement the existing 147 apartments, 8 Embassy Town Houses and 10 Town Houses. The Select Home concept provides a potential ownership solution across the portfolio.

The Rent to Own initiative is unprecedented in Eswatini and aims to expand home ownership to customers previously excluded by traditional bank financing.

The second phase of the Malkerns Parkview Retail Centre is progressing toward expected completion by 31 August 2026. The 6,129 m² GLA space will target quality brand tenants, supporting Pine Acres' focus on high-standard developments and long-term tenant retention.