



Governor & MSM CEO's Talking Points

09 APRIL 2025

Governor, Dr. E.M. Letete's Key talking Points on Admitting Lesana to Maseru Securities Market (MSM).

1. Compliance & Regulatory Approval

- Lesana met listing requirements, including financial disclosures, governance standards, and regulatory compliance.
- Ongoing requirements are however critical for Lesana to maintain its listing.

2. Market Growth & Investment Opportunities

- Since the establishment of MSM in 2014, this is the second listing after RNB Properties Ltd, but the first for a corporate bond,
- The listing contributes to the exchange's ecosystem, bringing new investment opportunities for institutional and retail investors, while reaffirming the fact that capital markets have the capacity to fund unlock economic growth for the country.
- Lesana needed to raise a total of M160 million from the two bonds (3 year and 5 year bonds) and managed to raise a total of M87.8 million.
- Given that this was its initial public offer, a subscription of 54.9% is regarded as a success.
- Lesana is expected to build on this foundation by honouring its obligations until maturity of these instruments and set a good example for others to follow bonds
- We expect the company to maintain and improve its financial position for both the prudential requirements and to provide value to its shareholders and investors into the issued instruments
- Lesana generated profits worth M 27 904 657 in 2020; M 26 566 759 in 2021; M 40, 644 039 in 2022 and M42 581 328 in 2023 indicating of a positive growth trajectory, and this is an indication of the expected performance of its issued bonds.

3. Market Confidence & Integrity

- MSM is commitment to transparency and credible marketplace by adhering to the best international standards.
- Our market infrastructure, CSD and settlement systems are robust and integrate seamlessly with the banking systems.
- More companies are encouraged to come forward and raise capital through the Maseru Securities Market, tapping on the potential that this platform has to offer.

- Our economy is characterised by the excess liquidity and commercial banks alone cannot intermediate fully across all spectrums for the current available demand of capital.
- As a country we should strive to create funding solutions for our own funding needs and reduce reliance on international donors, especially in light of the ongoing global events.
- Further invite investors to explore the opportunities that Lesana presents and welcoming them to consider Lesana's listed instrument as part of their portfolios.

Director of Financial Markets (Interim MSM CEO, Mr. Matsabisa Thamae) key points – Lesana Lesotho Listing Ceremony

1. In 2014, through CBL, the Government of Lesotho made deliberate effort to develop capital markets in Lesotho. Four key pillars were identified for the intervention, which were :
 - (a) Need for market infrastructure,
 - (b) Need for key institutions,
 - (c) Legal framework,
 - (d) Demand and supply (issuers and investors)
2. Under the market infrastructure, CBL acquired the state-of-the-art technology, Central Securities Depository or CSD as it is known, which interfaces with payments systems for real-time transfer of monies,
3. Under the institutional framework- we identified required players such as brokers, dealers, sponsors, settlement agents etc, to intermediate in the capital markets processes were identified and licensed accordingly,
4. The legal framework gave birth to Capital Markets Regulations of 2014, under which Lesana's debt instruments were approved by the Registrar of Capital Markets.
5. The same regulations established Maseru Securities Markets and gave the CBL powers to operate it,
6. Demand and supply- We have been running campaigns to lobby companies and Government to issue,
7. Government took a lead to issue its first debt instruments across multiple maturities,
8. There are currently 9 active Government bonds on Maseru Securities Markets and CBL has run an estimated 75 government bonds auctions since 2014 to date,
9. From the debt portfolio of around M300 million at inception of capital markets, to the current level of about M4 billion, it shows there is a huge potential for the capital markets to raise funding for entities,
10. Not that we are boasting about debt, but this is an emphasis on the potential for our capital markets in financing big projects,
11. On the demand side, CBL has been carrying aggressive public education campaigns to sensitise

people about available opportunities on MSM.

12. This has led to the investor base, growing from few individuals in ranges of hundreds to 10 thousand registered participants today,
13. These figures reflect the potential presented by MSM and therefore our capital markets, in solving the financing gap in the country,
14. In 2021, after almost a decade, the first security by RNB Properties Ltd was listed on MSM and today we have the second listed set of securities, but the first corporate bonds by Lesana Lesotho,
15. This is the key achievement that is worth celebrating indeed and we hope that very soon, we shall be gathered here again to celebrate another listing by another company.