Annual Report 2024

Agora Microfinance

BANKING FOR CHANGE

Mission

The Company's mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to its investors.

Pages 4 to 27 have been prepared by the Company's Management Board and have not been audited by the Company's Auditor. The Audited Financial Statements are included on pages 28 to 101, along with the Independent Auditor's Report which begins on page 102.

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Message from the Principals

Tanmay Chetan
Chairperson

Gerhard Bruckermann
Anchor Investor

Despite macro-economic stress in both Zambia and India, we are pleased to report a year of many positives. Firstly, the Group registered positive financial results despite a challenging year, largely due to the continued progress and stable operations at Moringaway, our institutional lending vehicle. Secondly, two of our start-ups began taking shape in Botswana and South Africa. And last but not the least, we decided to branch out into establishing a new technology company within the Group. 2024 was a year of many firsts.

Beginning with Zambia, the most consequential development of the year was the signing of a shareholding agreement with three new potential shareholders in AMZ. We are excited to have on board three hugely respected investors in the form of Abler Nordic, IDH-Farmfit Fund and EDFI (representing European Development Finance Institutions). This group of investors is backed by several European governments as well as some large private sector companies such as banks and pension funds, and we are keenly awaiting the start of our journey together.

Their participation will result in not only a strengthened governance structure, but also several new initiatives and perspectives, all while keeping the Zambian low income and less banked populations in the centre. As a result of this partnership, we expect to be able to do much more in Zambia, such as establishing new sectors for financing, offering new products and accelerating new technology channels.

In India, after two resurgent years post COVID, we began seeing some signs of stress in the financial sector in the country towards the end of 2024. While our subsidiary, AMIL had a good year in terms of growth and financial performance, we began encountering the effects of this stress in the last two months of the year, that have since worsened the outlook for 2025. We are currently in the process of honing in our niche in the busy microfinance markets in Maharashtra and evaluating opportunities for better financial inclusion in what seems to be a well-served market. We will have further updates on our evolving strategy next year, one from where we can continue building AMIL into a position of strength and sustainability.

The silent winner in our portfolio in 2024 was Moringaway, our institutional financing arm. Even though a small operation, Moringaway has thus far turned-out reliable levels of growth and profitability, validating the hypothesis of reaching less established (micro) finance companies who work with a social objective. Moringaway has established good presence in several African markets, in addition to working with Group companies. We have worked with new clients in several countries including the larger markets of Nigeria, Kenya, and Uganda in the year, in addition to existing institutions in other countries.

Overall, it will be fair to say that Moringaway has found its position in the market and is making a difference by supporting smaller, entrepreneurial financial institutions who have less established funding lines.

The exciting developments of the year were the creation and subsequent roll out of operations in our two new retail subsidiaries in Botswana and South Africa. Agora Microfinance Botswana (AMB) aims to work with SMEs and Co-operatives and provide structured financial products to such entities. Agora Microfinance South Africa (AMSA), on the other hand, aims to work with self-employed migrant and other communities in the country, beginning with the Western Cape region. The two institutions are entirely different in who they aim to serve; and yet will be striving to address their respective markets with the same social ethos, of bringing financial products where they are lacking.

Lastly, a heads up to look out for our 2025 developments, especially in the context of our recently established technology company, FinFlow Agora Analytics Limited. The agreements were concluded around the end of 2024, wherein we are aiming to build an analytics and machine learning based set of tools and solutions for microfinance institutions. We expect the tools to be available to the industry in 2026.

We extend our gratitude to our over 600 strong team in different countries who pursue the purpose behind Agora with diligence and passion.

In conclusion, 2024 was an exciting year of new launches and commitments, while our existing institutions solidified their presence in their markets. We are excited about the future of the new initiatives and look forward to strengthening our existing and new operations everywhere. We extend our gratitude to our over 600 strong team in different countries who pursue the purpose behind Agora with diligence and passion. Equally, to our countless clients, we hope that we make a small difference to your livelihoods and lives.

Corporate Structure

Investing companies:

Agora Microfinance N.V., Moringaway

Agora Microfinance N.V., a Dutch domiciled holding company invests in equity of financial institutions

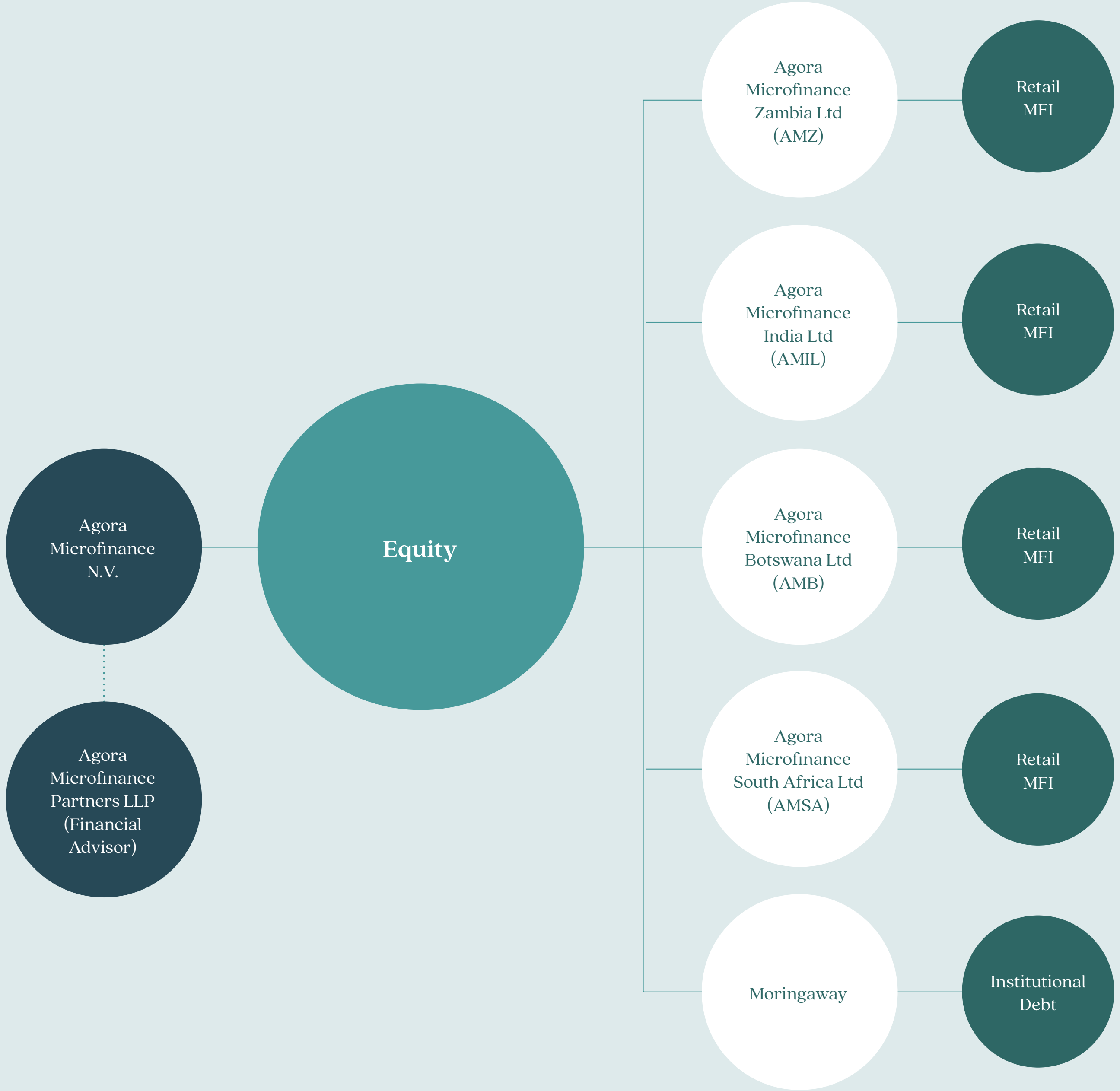
Moringaway, a Mauritius GBL Company, provides short-to-medium term debt to microfinance institutions

Equity investees:

Agora Microfinance Zambia Ltd, Agora Microfinance India Ltd, Agora Microfinance Botswana Ltd and Agora Microfinance South Africa Ltd.

Financial advisor:

Agora Microfinance Partners LLP, is a financial advisor registered with the Companies House and regulated by the Financial Conduct Authority in the United Kingdom



Operational & Financial Highlights

667
Staff

175,540
Total Active Clients

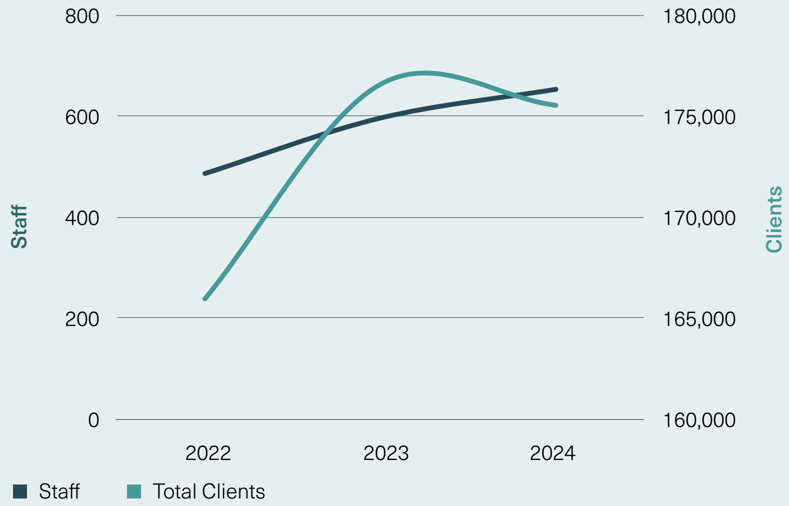
67
Branches

$113
Average loan size

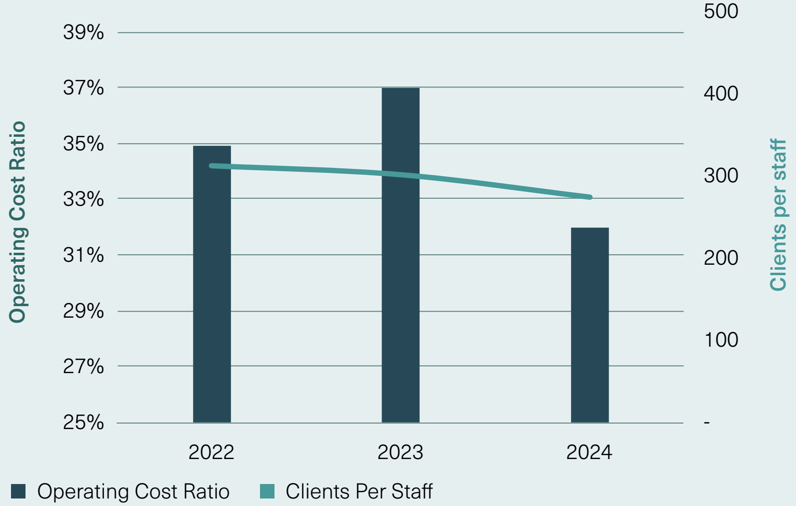
USD
$24m
Loan Portfolio

Retail Operations

Clients and staff



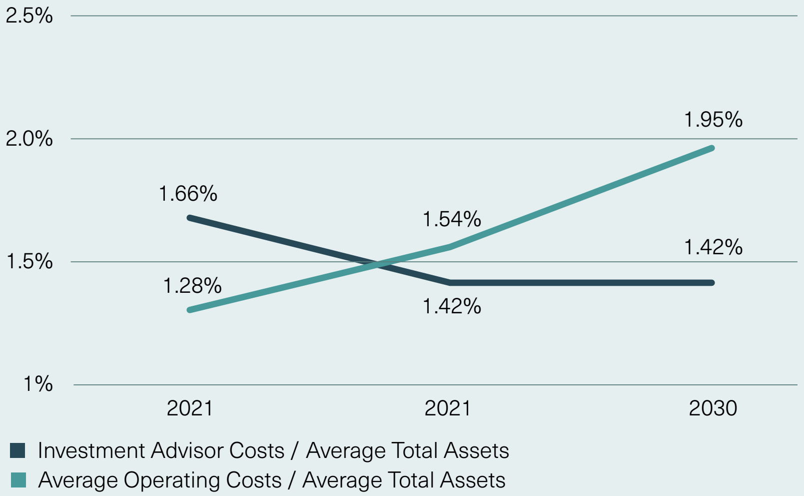
Operating costs and clients per staff



AMNV, Consolidated

Total equity & assets

Operating cost ratio



$34m
Total equity

1.42%
Investment Advisor Costs / Average Total Assets

1.95%
Direct Operating Costs / Average Total Assets

AMZ - Operational & Financial Highlights

60%
Women Borrowers

6,874
Village Banks

89%
Rural Borrowers

149,365
Active Clients

$86
Average Loan Size

Agora Microfinance Zambia Limited (AMZ), a company limited by shares, was licensed with the Bank of Zambia in 2011 as a non-deposit taking non-bank financial institution, with the objective of providing financial service to the financially excluded (largely rural) population of Zambia.

AMZ currently covers all parts of Zambia through its deep branch network and village banking methodology where transactions are taken to the clients' doorstep.
In addition to its geographic reach, AMZ is also a pioneer in the market for its wide range of financial products that includes loans, leases, insurance, and mobile money.

	2022	2023	2024
No of Branches	30	36	40
No of Village Banks	4,733	5,819	6,874
Number of Active Borrowers	131,847	152,197	149,365
• Women Borrowers (%)	54%	57%	60%
• No of Rural borrowers (%)	92%	93%	89%
Loan Portfolio (USD)	12,110,327	11,681,932	12,813,954
PAR 30 Days	1.95%	1.16%	2.56%
Average Loan Size (USD)	92	77	86

AMIL - Operational & Financial Highlights

98%
Women Borrowers

27
Number of Branches

$7m
Loan Portfolio

26,175
Active Clients

$270
Average Loan Size

Agora Microfinance India Ltd (AMIL) has been operating since 2011 and is registered with the Reserve Bank of India (RBI) as a Non Banking Finance Company (NBFC). AMIL plays a significant role in expanding financial services to the urban poor. Its vision is an urban society in which low-income communities have sufficient opportunities to improve their well-being.

AMIL currently operates in Maharashtra and Northern Karnataka in urban and peri-urban locations and aims to continue deepening its reach in the region through its range of affordable, convenient and timely financial services.

	2022	2023	2024
No of Branches	16	24	27
Number of Active Borrowers	17,576	24,382	26,175
• Women Borrowers (%)	96%	97%	98%
Loan Portfolio (USD)	4,908,421	6,434,195	7,068,370
PAR30 Days	15%	5%	9%
Average Loan Size (USD)	312	297	270
Return on Equity	-13.90%	17.77%	4%

Moringaway - Operational & Financial Highlights

Moringaway is a wholly owned subsidiary of AMNV based in Mauritius that operates as a microfinance debt facility. It acquired its Credit Finance Licence in 2020.

	2022	2023	2024
Total Clients	5	5	6
Total Countries	5	5	6
Total active clients, MFI partners	597,079	538,943	535,605
Women loan clients, MFI partners	74%	73%	74%
Loans Outstanding (USD)	$12.3m	$13.7m	$10m
Gross Interest Yield/Average Total Assets	8.81%	8.51%	10%
Return on Equity	14.84%	1.14%	10.22%
Equity/ Assets	38%	39%	51%

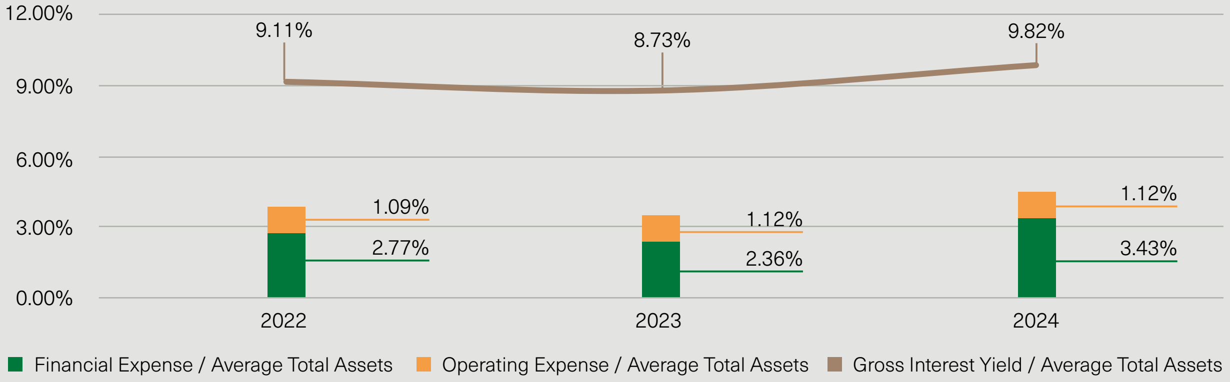
MORINGAWAY
RESPONSIBLE FINANCE

6
Countries

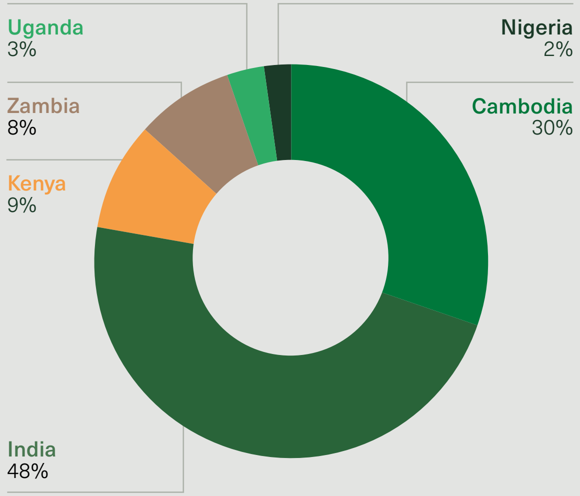
535,605
Active Clients

Moringaway's goal is to support socially responsible, financially stable MFIs in underserved microfinance markets to achieve optimum social and financial returns. It aims to make a considerable impact in financial inclusion by providing liquidity to institutions who work in the areas of rural finance and micro-insurance, with a focus on the use of technology to improve reach and efficiency in their work. The company operates predominantly in Africa but has some reach into Asia. Clients in these markets are mostly rural inhabitants dependent on subsistence and small farming.

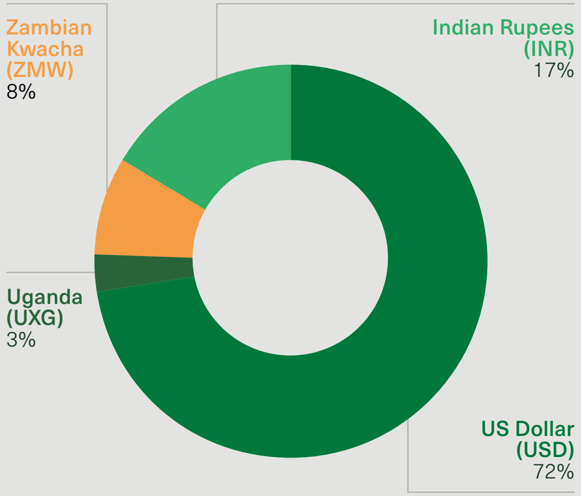
Financial Viability



Country Exposure



Currency Exposure



Building a sustainable ecosystem

Retail Finance, Institutional Debt and Technology for Financial Inclusion

In the last two years, we have taken significant new steps in our journey to foster better financial inclusion in the markets we touch. Beginning in 2012 with 3 portfolio companies (including two green fields/start-ups), we have come a long way since our inception, in both our understanding and our responses to the unique challenges and opportunities that exist in the world of financial inclusion. This learning has now led us to establish four further start-ups, of which three have been launched in the last year alone. This article attempts to unpack our thinking around these decisions and looks ahead at where we might be in 5 years' time.

Proof of concept 2012-2018

Our first goal in 2012 was to establish proof of concept for Agora's mission of establishing high quality financial institutions, especially in Sub-Saharan Africa. Our green field operations in Zambia and India were launched that year, with the goal of creating better financial opportunities for the excluded segments in a sustainable manner.

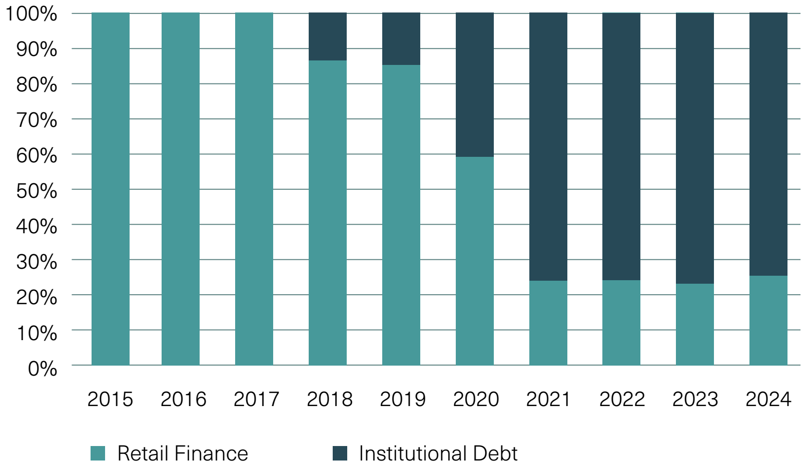
Alongside, we took on the role of propelling a large institution in Cambodia into becoming a full-service financial institution, to add to its impressive footprint in rural lending. In about 6-7 years, while we saw the fruits of success in these ventures, we also saw some systemic challenges that retail financial institutions had little influence over.

Therefore, we decided to try and address the challenge of debt funding for emerging microfinance institutions. In our operations in Zambia, India, as well as in Cambodia (to a lesser extent), we had experienced constraints in debt funding, mostly in the form of currency and price mismatches. We had also witnessed such constraints more widely in the market, and therefore launched a debt financing company, Moringaway, in 2018 to make a small difference to this market. The goal was, and is, to provide debt financing to early stage or established microfinance institutions at reasonable terms.

Thus began our diversification away from retail finance alone. As a result, over the past years, we can see an increased share of wholesale financing business in our portfolio.

A part of this institutional finance was directed towards our Group companies, to smoothen their own debt requirements and provide them with reasonable terms (and local currencies) when the markets were less responsive. At the same time, a big part of the debt was provided to 3rd party financial institutions in more than 6 other countries.

Asset Distribution

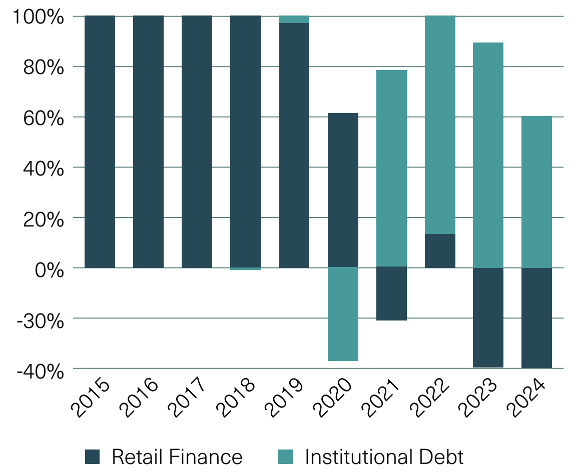


Diversification provides a natural hedge 2018-2024

While the initial goal was to solve an observed problem, as always with an eye on sustainability, Moringaway has surpassed our expectations and has become a strong foundation around which much of our retail business revolves. It has managed to do this in a couple of ways.

A. A boost to Group profits and liquidity

Share of Profit*



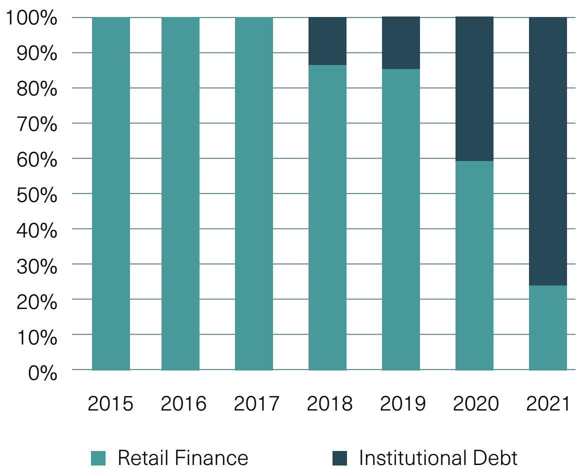
* Not including profit from sale of shares

As can be seen above, Moringaway's share of profits have increased substantially over the past five years, relative to the share of profits of our retail institutions. It is validating our strategy that building ecosystem enablers alongside grassroots brick-and-mortar structures can achieve the dual purpose of diversification while adding value to the overall industry structure. Indeed, Moringaway has acted like a hedge for our retail operations in more difficult years, such as during COVID.

This strategy of diversification into institutional financing, though motivated by an observed gap in the market, has been equally valuable for the prospects of the Group in this period.

B. Timely funding to Group Companies at market/competitive rates

Outstanding loans



Alongside supporting non-Group institutions, the availability of debt has also been a life saver for our retail operations. Availability of debt post COVID has been particularly valuable for our India operations where debt markets became challenging during 2020 and thereafter. Equally, our Zambia operation has benefited substantially from available debt and has continued its growth unimpeded by periodic lack of availability of capital in the past 5 years.

As seen above, even while diversifying its book, a decent share of Moringaway's funding has been directed to Group Companies at market rates (in Zambia and India). This has played an important part in our Group companies' ability to continue growing without liquidity gaps, which has been crucial during the COVID years, but also thereafter, as can be seen above.

Next stop – technology interventions

Taking this philosophy to its next logical stage, we have been contemplating the state of play in the financial inclusion space in the light of increased global technologicial advances (in the form of machine learning and AI) existing alongside limited capabilities of technology service providers in the industry, especially at a cost that microfinance companies can afford. We have observed that retail financial institutions are often constrained by archaic information systems unless they have scaled up sufficiently and are able to pay for more advanced technologies. Building a model such as this on the base of low value transactions does not seem easily feasible unless done at scale.

As a result of these deliberations, we are now working on a technology intervention and further diversifying our portfolio of investees. In the coming years, we will aim to build FinFlow Agora Analytics Limited (FAAL), a tech start-up, into a viable service provider to build for the financial inclusion industry.

The question is – with several technology companies already in this space, how would FAAL make a difference? It will aim to do so at two levels. First, it will aim to create a client journey with the use of advance machine learning and AI algorithms, which we see around us in other industries but do not see yet in financial inclusion. Second, it will aim to do this at an affordable cost. Perhaps the latter will be more challenging than the former goal, which is why other companies are not able to offer such tools at affordable cost.

By being ahead of the curve on the above two factors, it is our expectation that FAAL will be able to build scale that will provide it with the financial sustainability that it will seek.

In addition, it is imperative for Agora that we do not dilute our core business of building high quality retail financial institutions in markets where we identify a gap and believe that we can add value. In this regard, our two new start-ups in South Africa and Botswana will also grow and progress over the next five years. The ecosystem enablers will only add value when there are enough operators on the ground to leverage them. Indeed, there is no alternative to institutions that exist close to the clients and that contribute to their clients' financial solutions.

Team Profiles

Holding Company & Financial Advisor

Tanmay Chetan
Group CEO

Tanmay is one of the founding promoters of Agora, and oversees its operations as the Group CEO. In his current role he manages the equity investments (Chair of Boards of the four investees – AMZ, AMIL, AMB and AMSA) and also handles the Advisory Company as its Managing Partner. His additional roles include Chairing the Supervisory Board of AMNV and he is also a Director of Moringaway. In his role Tanmay focuses mainly on the development and execution of strategy at different levels of the structure. He brings considerable prior experience of microfinance operations, consulting and ratings.

Roanna Peat
Group CFO

Roanna is responsible for the financial control of AMNV as its Managing Director. She has been with Agora since 2017. She brings many years of international experience across a range of industries including Financial Services, Oil & Gas, Energy and Real Estate.

Roanna is a Chartered Accountant with the Institute of Chartered Accountants of Australia and New Zealand and holds a bachelor's in accounting and economics and Diploma for Graduates from the University of Otago, New Zealand.

Jitske Cnossen
Group COO

Jitske has been a member of Agora's team since 2019, serving as a director of the Board in Zambia. In February 2023, Jitske was appointed as the Chief Operating Officer for the Group. In this capacity, she will lead Agora's expansion in the Southern African region, while also providing support in other areas of work within the Group.

She brings considerable experience of financial inclusion in Africa. In the past she has worked in various roles with the Dutch Development Bank (FMO) including as an Investment Officer for Africa.

Valeria Pujia
Head of Research and Impact
Agora Microfinance N.V.

Valeria joined Agora's team in 2022 as Head of Research and Social Performance in Zambia. In June 2024, she was appointed as Head of Research and Impact at Group level. In her current role, she is responsible for establishing and overseeing social performance, research and impact frameworks across the Agora group and its subsidiaries.

Valeria brings a wealth of experience in the financial inclusion sector, having completed over 45 consulting assignments with 50 financial service providers, in various developing and emerging countries. Her skill set encompasses social performance and client protection, research, poverty and outcome measurement, program monitoring and evaluation.

Andrea Stellini
Financial Controller
Agora Microfinance N.V.

Andrea Stellini is a seasoned Financial Controller at Agora Microfinance N.V., handling financial statements, audits, and budgeting cycles since April 2024. He co-founded Co-Cooking LAB Impresa Sociale, organizing sustainable cooking workshops in Milan. Previously, he has worked as a Project Accountant, responsible for accounting reconciliation, project budgeting, and financial management, and as a Business Controller, where he managed budget analysis, month-end closing, and financial risk analysis. With a robust background in financial management, he holds a master's degree in Sustainable Development Jobs and another in Tourism Economy from Università degli Studi di Milano-Bicocca, along with a bachelor's degree in Tourism Economy.

Josue Iyempermall
Manager – Finance and Investment Portfolio

Josue joined Agora as the Finance Manager & Analyst of Moringaway and he was recently promoted to Manager – Finance and Investment Portfolio. In his capacity, he looks after the financial control, reporting and compliance of Moringaway and also monitors the debt and asset portfolio of the company.

Josue has over 22 years of experience in accounting. Prior to joining Agora, he has worked in project finance and transaction advisory, most recently with the Big 4/5 firms in Mauritius.

Team Profiles

Holding Company & Financial Advisor (continued)

Irshaad Mungloo

Investment Analyst Moringaway (Mauritius)

Irshaad joined Moringaway in the beginning of 2024 as Investment Analyst. Prior to Joining Moringaway he worked in the offshore financial sector in Mauritius. He also has worked in the telecom industry in a few Africa countries for a large Chinese telecom operator.

Over the years he has gained significant experience in different sectors such as Finance, accounting, marketing and procurement.

Sajia Alam

Management Accountant & Analyst, Agora Microfinance Partners LLP (London, UK)

As a Management Accountant & Analyst, Sajia joined Agora. She analyses key financial data in her current position to enhance financial planning. Sajia is responsible for Agora LLP's financial reporting and compliance.

Sajia has over 10 years of accounting expertise. She had worked in audit and consulting services for the Big 4 corporations in Bangladesh before joining Agora.

Monica Santos

Administrative Assistant, Agora Microfinance Partners LLP (London, UK)

Monica joined Agora in February 2019 as an Administrative Support Officer. She is responsible for the day-to-day running tasks of Agora, as well as directly supporting the CEO and partners of the company with all their secretarial & administrative requirements. Monica also provides support to the accounts, communications and compliance departments.

Team Profiles

Key Investee Leadership

Manoj Naval
CEO, AMIL

During his career spanning over 25 years, worked across Microfinance, Retail Financial Services, Banking Business Correspondent, Food and Agro Processing industries and has sound understanding of P&L Management, Strategy, Operations, Finance and Business Development. He joined Agora Microfinance India Ltd as Deputy CEO in Oct, 2019 and has been working as Chief Executive Officer since April, 2020.

Prior to joining Agora, Manoj was working as Vice President for the Payments and Remittance business of Manappuram Finance Ltd, a leading Non-Banking Finance Company with pan India operations through a network of more than 3000 branches.

He has completed his MBA and is a Member of All India Management Association.

Amandeep Singh
Head of Operations, AMIL

Amandeep is a seasoned management professional with over 13 years of diverse experience, currently serving as the Head of Operations at Agora Microfinance India Ltd. He is a results-oriented leader with a unique blend of skills that encompass leadership & people management, operations management, financial management, strategic business planning & implementation, risk management and internal audit.

Prior to joining AMIL, he worked with the Future Group, Fino Payments Bank and Morningstar in various positions within Business Operations, Strategy, Marketing and Risk.

Amandeep is a management graduate from IIFM, Bhopal (India).

Susan Chibanga
CEO, AMZ

Susan is a Chartered Accountant with 13 years of post-qualifying experience in Zambia, 8 years have been at management level in microfinance. She joined Agora Microfinance in 2016 as a Chief Financial Officer, a position she held till her appointment as Chief Executive Officer.

Prior to joining Agora, she worked with FINCA Zambia serving in various positions within the finance department and was responsible for influencing the implementation of the finance strategy.

Susan is a member of the Association of Chartered Certified Accountants (ACCA) and holds a Bachelor of Science degree from the University of Zambia.

Mwape Mwila
Deputy CEO, AMZ

Mwape has over 17 years' experience in Microfinance industry in Zambia. He started his career in Microfinance sector in 2001 as a Credit Officer with Care Pulse Zambia. He has worked in other institutions – Pride Zambia, Madison Finance and now Agora Microfinance Zambia. Mwape has been with Agora Microfinance Zambia since its inception. He has risen through the ranks from Branch Manager, Business Development Manager, Operations Manager and is currently Deputy CEO.

Mwape holds a Diploma in Marketing from Evelyn Hone College and a Bachelors of Arts Degree in Marketing from University of Lusaka.

Management Board's Report

for the year ended 31 December 2024

The Management Board of Agora Microfinance N.V. (hereinafter referred to as the ''Company'') herewith presents its Management Board report for the financial year ended on 31 December 2024.

General

The Company was incorporated on 9 December 2011 by the founding shareholders. The Company currently has three individual shareholders.

The Group consists of the following fully consolidated legal entities:

- **Agora Microfinance India Limited ("AMIL"), India** - direct ownership 99.7%
- **Agora Microfinance Zambia Limited ("AMZ"), Zambia** - direct ownership 89.8% and indirectly 98.6%
- **Agora Microfinance Botswana Proprietary Limited ("AMB"), Botswana** - direct ownership 100%
- **Agora Microfinance South Africa Limited ("AMSA"), South Africa** - direct ownership 100%
- **Moringaway, Mauritius** -direct ownership 100%

Mission

The Company's mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to its investors.

Principal objectives

The Company's objectives are:

A to make microfinance investments by:

i. establishing, acquiring and disposing of microfinance companies and enterprises, acquiring and disposing of interests in them and administering them or having them administered, conducting or having the management of companies and enterprises conducted and financing them or having them financed;

ii. acquiring, possessing, managing, selling, exchanging, transferring, alienating, issuing shares and other certificates of participation, bonds, funds, promissory notes, debentures, convertible loans, bills of exchange and other evidences of indebtedness and other securities;

B to contract, and to grant money loans and to give security for the fulfilment of the obligations of the corporation or of third parties;

C to enter into risk management transactions, including exchange traded and over the counter derivatives to hedge risks the Company or microfinance institutions affiliated with the Company are exposed to;

D the representation and the management of the interests of third parties;

E to act as principal agent, commission agent, manager and/or administrator, everything that is related to the foregoing.

Overview of core activities

The Company currently holds investments in two Microfinance Institutions (AMIL and AMZ) based in India and Zambia, as well as a dedicated facility for institutional debt (Moringaway) registered in Mauritius. The Company incorporated AMB on 23 February 2022 and AMSA on 18 August 2023 with the objective to further its microfinance activities in Botswana and South Africa.

AMZ's principle activity is to provide financial services to the rural un-banked population in Zambia. Almost 90% of its clients are rural, mostly small farmers, and its depth of reach is indicated by its average loan size of just USD 86. AMZ's product offerings further include farm equipment leasing and non-credit products such as micro insurance and mobile money transactions.

AMIL's principle activity is to provide affordable, convenient & timely financial services to low income urban clientele in India in a financially sustainable manner. AMIL's products and services include micro credit products, other credit products and micro- insurance products.

AMB's principle activity is to provide financial services to the rural and urban un-banked population in Botswana. Following the establishment of its operations, the company commenced business activities in 2024.

AMSA's principle activity is to provide financial services to the rural and urban un-banked population in South Africa.

Moringaway was created to hold equity investments in microfinance companies and has since extended its business activities to include third party debt financing with a main focus on microfinancing entities in specific sectors of the economy and to create efficient funding sources for borrowing institutions. The longer-term goal of the facility is to extend its coverage to more (African) markets while achieving the twin objective of viability as well as lower cost of funds for microfinance institutions, especially those with a strong social footprint.

Corporate structure and staffing

The Company has a corporate governance structure that reflects and protects its mission and meets all relevant legal obligations. The two-tier governance structure of the Company comprises of a three-member Supervisory Board and a two-member Management Board.

At the year end 2024 the Group had a total staff strength of 667 employees (2023: 604 staff) spread over the Group as follows:

- 160 in AMIL (2023: 115 staff)
- 495 in AMZ (2023: 483 staff)
- 2 in Moringaway (2023: 1 staff)
- 6 in AMB (2023: 2 staff)
- 1 in AMSA (2023: nil)
- 3 staff members employed by the Company in the Netherlands (2023: 3 staff)

Investment and Management Policies

The Company pursues investment management policies based on its objective of balancing its social and financial goals. Its investment policy includes the maintenance of healthy solvency and adequate leverage levels in its Subsidiaries, and could include a mix of its own investments as well as facilitation of capital through new investors depending on the level of capital and expertise required. Any new investments are backed by detailed due diligence and valuations are carried out using DCF and/or Net Asset based valuation models.

Once an investment is made or a new company is incorporated, the Company assigns its key resources to the active management of the Subsidiaries through their role in the Boards and Committees of the Subsidiaries. The investment management is carried out through hands-on governance support and oversight on strategy development and execution, as well as on compliance, risk management, asset-liability management, nominations and remunerations management, social performance and other related aspects of the business.

AMIL and AMZ hold licences and are regulated by the Reserve Banks in their respective countries. Moringaway holds a Global Business Licence and was issued with a Credit Finance Licence on 2 December 2020. It is regulated by the Financial Services Commission in Mauritius. AMSA received its Credit License to act as a Credit Provider on 21 December 2023. In January 2024 AMB was granted permission to act as a Financing Company in Botswana.

Overview of financial information

The Group showed a Net profit after tax of USD 135,146 for the year 2024 (2023: a restated loss of USD 174,214) with a total debt to equity ratio of 0.41:1 (2023: 0.35:1), equity to asset ratio of 71% (2023: 74%) and liquidity ratio of 6.7 (2023: 10.66). Total Interest income for 2024 was USD 10,507,223 (2023: a restated amount of USD 10,565,306). AMIL's loan book grew by 8% and AMZ's by 4%, with AMZ receiving an equity investment of USD 238,000.

The positive result of the Company was driven by the individual profits in Moringaway and AMIL. Individually, AMIL realised an overall profit after tax of USD 68,107 (2023: USD 303,955), AMZ showed a loss of USD 488,730 (a restated loss in 2023: USD 297,034) and Moringaway realised a profit USD 798,536 (2023: a restated profit of USD 188,346). AMB started its operations during 2024 and showed a loss of USD 131,823 (a loss in 2023 of 60,934). AMSA is still not operational and showed a loss of USD 13,650 (a loss in 2023 of 1,308). Further details of each company are provided below.

Agora Microfinance Zambia (AMZ) remains the largest, most affordable, and most accessible financial institution in Zambia. In 2024, AMZ continued to expand its reach, opening four new branches nationwide. However, the year was marked by a severe drought beginning in January, which significantly impacted agriculture, water availability, and energy production—factors that in turn influenced AMZ's financial results. The adverse weather conditions led to increased loan provisioning and posed challenges to portfolio growth. Despite these headwinds, AMZ's client base held at 152,000 clients spread across the country. The institution provides a wide range of services to rural communities, including small loans, equipment leasing, mobile money, and various insurance products. AMZ's continued success is driven by its deep understanding of client needs and its commitment to developing tailored solutions at every level of the organization—an approach that has become embedded in its operations over recent years.

In India, AMIL experienced a positive year overall in 2024, marked by strong client outreach and portfolio growth; however, momentum slowed toward the end of the year as sector-wide increases in non performing loans led to a rise in loan losses. Towards the end of 2024, the microfinance industry in India started facing rising credit stress driven by inflationary pressures, over- indebtedness, and climate-related income disruptions—particularly in rural areas. Slower post-COVID recovery in informal sectors and aggressive lending practices have further contributed to a rise in delinquencies across the sector.

Our institutional lending arm, Moringaway also had a continued year of successful operations, with its financing being able to support institutions in Nigeria, Kenya, Uganda, Cambodia, Zambia and India, including our own Group companies. Moringaway continues to operate with a viable business model while offering tailor-made products to institutions and through a judicious mix of local currency as well as USD denominated lending. Moringaway is currently scaling its operations and we expect its reach to extend to new institutions as well as new markets in the coming year.

AMB has commenced operations with its first loans disbursed, currently focusing on lending to the business trade and services sector, while actively strengthening its credit review processes, expanding its team, and exploring opportunities to grow its footprint. As with the startup of any new operation, AMB is in the process of finding its place in the market—refining its value proposition, adapting to local client needs, and building trust within the communities it serves.

AMSA spent 2024 establishing its procedures and operational foundations, disbursing its first loan in early 2025. As it learns more about the local market around Cape Town, AMSA will continue its journey by gradually building its team, strengthening its operations, and refining its approach to better meet the needs of its clients. In the long term, AMSA aims to become a trusted financial partner for underserved communities in the Western Cape, supporting inclusive growth and sustainable livelihoods across the region. Over time, AMSA will seek to expand to other parts of the country, focusing on rural smallholders and other allied households.

Risks and Risk Management

The Company's activities are exposed to a variety of risks, the main ones being currency, political/regulatory, operational and market risks. In addition, capital and liquidity risks also have a bearing on the Company's ability to continue its investments. The Company monitors these risks as part of its core activity, and has various strategies in place to mitigate such risks. Further information relating specifically to Financial Instruments can be found in Note 11.

The Company's Directors are responsible for risk identification, monitoring and control. In particular the risks that arise within its Subsidiaries also have a direct bearing on the Company. Each of its Subsidiaries manages their risks through the involvement of staff and management, their Management Board and associated committees. As a Subsidiaries become more mature, separate risk departments are created, with each department having its own mandate to promptly identify and redress risks as and when they arise. In less mature Subsidiaries the identification and mitigation of risks usually lies within the mandate of the senior management and the internal audit/control departments, and is overseen by the Management Board and the Risk or Audit and Finance Committees.

Overall Risk Profile 2024

Strategic risks:

Economic uncertainty: Strategic risks arise when an initial business strategy fails to deliver the expected objectives, affecting the financial organization's progress and development. The onset of an economic slump may affect the demand for the Company's products and services which may turn out to be lower than anticipated.

Operational activities:

Operational & Credit Risks: These risks manifest mainly in the form of a reduced loan book or loan losses, as the loan book of the Subsidiaries is the main income-earning asset. Such risks are managed through the systems and structures at the Subsidiaries, overseen by their respective Boards and committees. The Company recognises loss allowances on its Loans and advances using Expected Credit Losses. The loan allowances as a percentage of the total loan book is 3.9% for the Group.

Geographical / Climate risks: Geographical and climate risks encompass events such as droughts, floods, and other severe weather conditions that can negatively impact clients' livelihoods, resulting in potential loan losses. To mitigate these risks, we maintain a diversified portfolio across various livelihoods and geographical regions and implement strategies to spread risk and enhance resilience. Additionally, some clients have access to weather index insurance for agriculture loans, providing further protection. This comprehensive approach helps safeguard against the economic impacts of climate events, ensuring greater stability for both our clients and our operations.

Laws and regulation:

Political & Regulatory Risks: The Corporate Sustainability Reporting Directive (CSRD) is a regulatory framework introduced by the European Union to improve and standardise how companies report sustainability-related information. The Company will most likely include its first CSRD report in the 2026 or 2027 Annual Accounts. The political and regulatory environments in the countries of operation remained stable during the year. However, election periods often bring an elevated level of uncertainty and potential instability in some regions. Zambia's next general elections are scheduled for 2026. The 2024 elections in both Botswana and India had minimal direct impact on our operations. However, in Botswana, the political landscape shifted significantly with Duma Boko being sworn in as President—the first opposition leader to assume the role since the country's independence in 1966.

Financial position:

Currency Risks: The Group is exposed to currency risk denominated in a currency other than the respective functional currencies of Group entities. The functional currencies in the Subsidiaries are their respective local currencies. The presentation currency of the Group is USD. Some of the Company's operating currencies showed volatility during the year. The Group manages risk by keeping funds as much as possible in USD and converting funds into local currencies only when necessary. Furthermore, AMIL has entered into a foreign exchange option to reduce its foreign currency exposure risk on USD denominated loans held. Further information can be found in Note 11 Financial Instruments.

Capital and Liquidity Risks: The Company's business depends on a mix of borrowings and equity capital raises to fund operations. The Company has sufficient liquidity for its short-to-medium term operational needs. The Company's Subsidiaries manage their liquidity through a range of instruments, including equity and borrowings.

Market Risks: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include deposits and loans and borrowings. While we discuss currency risks separately, interest-rate risks can potentially also create some uncertainty in the business. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. On the asset side, this relates to the loan pricing methods followed by the Group's Subsidiaries. On the liabilities within the Group, there is limited exposure to floating interest rates and the primary risk lies with interest rate movements for its Subsidiaries at the time of their renewal of existing borrowing lines. Such market risks can manifest themselves in the loss of clientele, downward pressure on pricing or in extreme cases to client over-indebtedness.

Risk Management Structure and Systems

Operational activities:

Operational and credit risks: The first line of defence within the Subsidiaries is their management supported by their respective second and third line risk management and internal audit departments. The management is regularly monitoring operational risks and discloses its risk profile and mitigation strategies to the board on an on-going basis.

The Management Board and their relevant committees, especially the Risk Committee, Audit and Finance Committee and the Asset-Liability Committee are tasked to provide oversight on the risk management practices of the management. AMZ's Board is supported by the Audit and Finance Committee, the Assets and Liabilities Committee, the Remuneration and Nomination Committee and the Research and Social Performance Committee and the Board of Directors appoints the Chief Executive Officer, who heads the management team, which includes five departments (Operations, Finance, Human Resources, Information Technology and Internal Audit). AMIL's Board is supported by the Audit and Finance Committee. The Board of Directors appoints the Chief Executive Officer (CEO), who heads the management team, which includes four departments (Operations, Finance, Human Resources, and Information Technology). Moringaway's Board is also supported by a Risk and Credit Committee. AMSA and AMB are currently in the process of building appropriate Corporate Structures to support operations.

Financial position:

Currency Risks: Due to the nature of its business the Company is exposed to currency risks in its investments. The Company monitors its currency exposure on a regular basis. For the time being, a large portion of the Company's assets are denominated in dollars and therefore its currency risks are limited. Moreover, strong operational results are also a way of compensating for potential currency losses.

Capital and Liquidity Risks: The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the balance sheet, the funding requirements of the Group and cash flows. In qualifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the Group and also from the available financial institution facilities.

Market & Interest rate risk: To manage the interest-rate risks arising on the asset side of the business, the Company's Subsidiaries keep a close watch on market developments and the interest-rate movements through their respective market research functions. In Zambia, AMZ remains a leader in pricing of small rural loans on account of its efficiency, increased scale and careful product design.

On the liability side of the Subsidiaries' balance sheet, interest rates are generally fixed, and therefore the fluctuations in interest rates manifest primarily at the time of loan renewals. While this can potentially be a real risk for Subsidiaries, our experience has shown that the movements are typically on account of hedging costs (FX risk) rather than significant changes to the underlying pricing mechanism used by lenders (SOFR + margin). Therefore at present the Subsidiaries' focus their efforts of managing hedging costs more carefully, staggering the maturity of debt and also by having a variety of lenders.

Risk Mitigation

Established microfinance strategy: The Group has been in the business of microfinance since 2011, and has an established and a proven track-record. Its operations are growing in Zambia and India, with operations beginning in Botswana and South Africa. The Group's approach to microfinance is to establish operating systems that mitigate risk exposure in operations. Its long-term loan losses as well as profitability profile confirms that its approach to microfinance is viable and is managed within acceptable risk levels.

Systems and processes: The Company ensures, through its role in the governance of the Subsidiaries that appropriate levels of risk management processes and systems are in place. The establishment of such systems is relevant to the context and complexity in each subsidiary but the focus on risk management remains important within these institutions. The Subsidiaries follow processes appropriate to their size, scale and complexity. The Company oversees this aspect closely through its representation on the governance of the Subsidiaries.

Operating policies: The Company ensures that its Subsidiaries follow responsible lending practices and thereby maintain the credit risk in their operations within acceptable limits. Each of the Subsidiaries work with established policies for lending, which includes amongst other things, a focus on geographical and market diversification, risk exposure limits by sector, cash-flow based loan assessments, checks and balances in lending decisions and ongoing monitoring/audits. These practices help in managing the credit risk inherent in the business.

Fraud risk analysis: In each of the Company's Subsidiaries the Management Board together with their relevant committees, especially the Risk Committee and Audit and Finance Committee are tasked to provide oversight on fraud risk governance practices. Both AMZ's and AMIL's Boards are supported in this regard by their Audit and Finance Committees whereas Moringaway's Board is supported by a Risk and Credit Committee.

Early 2024, a fraud incident of minor financial consequences was uncovered at one of AMIL's branches and was then followed up by AMIL's management, its Audit and Finance Committee, local auditors and finally by the Group auditors. The fraud involved approximately USD 48,000 and was spread across 233 loan accounts, with approximately 121 loan accounts found to be duplicates. During 2025, another fraud incident was uncovered.

The follow up by management was similar, with the fraud involved being approximately USD 9,000, affecting 193 loan accounts. The fraud involved misappropriation of client repayments which have now been corrected, provisioning made where appropriate and the follow up is ongoing.

After considering the fraud incident and the internal controls of the Subsidiaries the Management Board feels the internal controls are adequate. The Board of both AMIL and AMZ are very active in their oversite of the senior management teams and the audit and finance committees report directly to its board. If a similar type of fraud did occur again, the Management Board feels that current internal controls are adequate to identify the fraud in a timely manner. If fraud is identified, the response to such fraud would be adequate and timely and reduce the chances of any material risk for the Group.

Financial and Non-Financial (Social Performance) Indicators

The principal financial indicators relevant to the Company's operations relate to efficiency, portfolio quality, solvency and liquidity. Most of these indicators are applicable more to the Subsidiaries than to the Company itself. Through their reporting systems, the performance of the Subsidiaries on their key financial indicators is reviewed and monitored on a monthly basis. The Company monitors its own stand-alone performance on profitability and tracks indicators such as Return on Equity and Return on Assets. As at 31 December 2024, equity as a percentage of total assets was 69% for the Group.

Non-financial performance indicators play a crucial role in evaluating the overall health and impact of the Company and is at the core of the Company's mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to its investors.

AMZ is currently establishing a comprehensive research and impact assessment framework, focusing on the measurement of its strategic pillars. This framework includes client outreach, product suitability, financial sustainability, and other social impact metrics. Client outreach measures the number and demographics of clients served, highlighting AMZ's effectiveness in reaching underserved communities. Product suitability, assessed through satisfaction, and financial sustainability, defined as the ability of the company to achieve a balance between financial and social performance, are key indicators of the long-term financial health of the organization. Social impact metrics, such as improvements in clients' economic well-being, demonstrates the broader societal benefits of AMZ's microfinance initiatives.

Once the assessment framework for AMZ is completed and tested, the goal is to develop similar frameworks for AMIL, AMSA and AMB.

Result for the period

The Group showed a Net profit after tax of USD 135,146 for the year 2024 (2023: a restated loss of USD 174,214) with a total debt to equity ratio of 0.41:1 (2023: 0.35:1). The positive result was predominately driven by the individual profits of the Moringaway and AMIL.

The Company plans to invest its own equity and this, coupled with ongoing support from the Subsidiaries' Lenders, will enable the Group to expand its current operations and also make further inroads to its expansion. The Company itself does not carry borrowings on its balance sheet and the entire asset base is funded by shareholder capital and retained earnings.

Management opinion on going concern

The directors have assessed the ability of the Company to continue as a going concern and are confident that the business will continue to operate as such in the upcoming year.

The directors have concluded that no material uncertainty exists regarding the Group's ability to continue as a going concern; however, AMZ has obtained temporary waivers of certain covenant breaches, with further details provided in the Future Developments section on page 37.

Environmental Factors

The Company's Subsidiaries are signatories of environmental exclusion lists as part of their borrowing contracts with lenders. These exclusion lists usually prohibit lending to polluting industries. Since the typical customer of the Subsidiaries is a small farmer, there is little risk of the Company's investments leading to the financing of polluting industries. The Subsidiaries also pro-actively lend to clean energy related livelihoods when the opportunity arises. Other initiatives such as the installation of solar panels have been implemented by AMZ.

Information regarding financial instruments

Information relating specifically to Financial Instruments can be found in Note 11.

Research and development information

There was no expenditure incurred for research and development during the year (2023: Nil).

Codes of Conduct

The Company is governed by the Articles of Association. The 'Articles' define the corporate governance structure and mandate of directors. Furthermore, the Company is a signatory to the Universal Standards of the Social Performance Task Force.

In addition, AMIL is a signatory to the Fair Practices Code of the Microfinance Association of India (MFIN), a self-regulatory body recognised by the Reserve Bank of India. Each of the Subsidiaries also follow their own, voluntary code of conduct that guides their work.

Diversity policy board of management and supervisory board

The Group is dedicated to embracing diversity and aims to provide equal employment opportunities, career growth, and personal development to all staff members based on their abilities, qualifications, suitability for the work, and potential for further development in their roles. At all levels of management, there is a continuous focus on promoting diversity among staff, senior management, and each of the management boards. The belief is that individuals from diverse backgrounds bring fresh perspectives, ideas, and approaches, leading to more effective and efficient work practices.

As per the requirements under Dutch law, the Company shall set appropriate and ambitious targets in the form of a target to increase the ratio or balance of men and women on the management and supervisory boards as well as other categories of managerial positions. The Supervisory Board of the Company currently consists of one women and two men, while the Management Board consists of one women and one man. For those employed by the Company, 66% are women and 34% are men.

The Company has set goals in the form of a target with the target being that all levels of management should have at least 30% women or men. Currently these targets are being met.

The Company is committed to maintaining these targets and plans to maintain them through diverse job listings, active outreach, inclusive hiring practices, and following up on potential referrals, as well as having a workplace culture that encourages inclusiveness, a zero policy tolerance to discrimination and a leadership commitment to its current employees. Currently, the targets are being met. However, if anyone were to resign, maintaining these targets would become a primary focus.

Information supply and computerisation

The Group is continuously striving to strengthen its information supply and security and stay up to date with new technologies. With the broadening and increasing distribution channels, this is becoming an important emerging risk. The Group takes this threat seriously and has implemented a broad range of controls to identify and mitigate risk to its customer and business. AMZ's focus for 2025 will be to continue the implementation of an enhanced information system as well as building its research and social performance system.

Financing

The Group is financed with a combination of equity and debt. The debt held by the Subsidiaries includes financial products from local and international financial institutions. At year end the Company holds sufficient cash balances which will be utilised for future growth in both new and existing markets.

Subsequent events

On 28 February 2025, the Company incorporated a new entity in Mauritius under the name Finflow Agora Analytics Limited. The newly established company aims to develop technical solutions for financial inclusion and related services globally.

There are no other events after balance sheet that need to be included in these accounts.

Future developments

In December 2024, the Company, AMZ, and Moringaway entered into an agreement—subject to regulatory approvals in Zambia—to onboard three impact investors as new shareholders in AMZ. As part of the transaction, new shares will be issued to the incoming investors, and Moringaway will divest its holdings by selling its shares to the Company and the new shareholders, thereby exiting as a shareholder in AMZ. Regulatory approvals are currently being sought, with the transaction expected to close during 2025. Once approved the transaction will substantially enhance AMZ's capital position and enable it to reach more clients with an expanded product range, thereby enhancing the impact achieved by AMZ in rural Zambia. At the same time, AMZ will also be able to tap into the new investors' expertise in the areas of rural and impact finance.

At year end, AMZ had obtained temporary waivers for certain covenant breaches, including the Capital Adequacy Ratio. Management expects full compliance with all covenants in the medium to long term, but due to the above mentioned transaction and ongoing regulatory approval process, the Company is currently constrained in its ability to further capitalize AMZ.

Besides closing the above mention transaction, the Company intends to continue its microfinance investment activities, anticipating organic growth within its existing portfolio while remaining open to new opportunities as they arise. Key areas of focus for 2025 and beyond include:

- Additional equity investments in Subsidiaries to support growth
- Launch of operations in South Africa
- Potential acquisitions or incorporation of new entities
- Continued growth of Moringaway's debt portfolio
- Ongoing development and diversification of the overall portfolio
- Increased staffing levels aligned with subsidiary loan book expansion

The Corporate Sustainability Reporting Directive (CSRD) is a regulatory framework introduced by the European Union to improve and standardise how companies report sustainability-related information. The Company will most likely include its first CSRD report in the 2026 or 2027 Annual Accounts. By fostering consistent and reliable sustainability reporting, the CSRD aims to enhance corporate accountability and facilitate the transition to a more sustainable economy. The directive mandates that companies disclose detailed information about their sustainability practices, encompassing impacts on climate change, human rights, social and employee matters, and anti-corruption measures.

Management at all levels continue to pay close attention to the impact of external factors such as high inflationary pressure, the movement of some currencies and the unstable situation in the Middle East, along with the continuing war in Ukraine and the subsequent uncertainty relating to new tariffs and the affect it has on the financial position and operating results of the Company.

Amsterdam, 27 June 2025
Managing Directors:

Ms. R.J. Peat
Mr. R.W. van Hoof

Supervisory Board's Report

Governance

The Company has a corporate governance structure that reflects and protects its mission and meets all relevant legal obligations. The two-tier governance structure of the Company comprised of a three-member Supervisory Board and a two-member Management Board.

Supervisory Board

The Supervisory Board supervises and reviews the activities and the decisions of the Management Board and the functioning of the organisation's operations. In addition, the Supervisory Board provides advice and guidance to the Management Board. In formulating the strategy for realising Agora Microfinance's mission, the Management Board engages the Supervisory Board at an early stage. Its supervision is based on internal and external reports on, amongst others, the Company's business, operations, impact, risks and financial performance, augmented by presentations, conversations and visits.

Members of the Supervisory Board are appointed and reappointed by a General Meeting, based on the recommendations of the Supervisory Board.

Management Board

The members of the Management Board have a shared overall responsibility for the management of the Company. Members of the Management Board oversee the overall operations, and their investments are advised by the Financial Advisor (Agora Microfinance Partners LLP). There were no changes to the Management Board during the year. The Management Board members are accountable to the Supervisory Board on who's recommendation they have been appointed by the General meeting of the Company.

Meetings of the Supervisory Board

All regular meetings of the Supervisory Board are held jointly with the Management Board. The Supervisory Board met a total of two times during the current year. The Supervisory Board regularly reviews the financial and operational performance of the Company, business and strategic plans, performance of the Management Board, identified and/or emerging risks, and approves proposals for new investments that the Company intends to make.

The Supervisory Board followed closely the impact of factors such as high inflationary pressure, continued devaluation of some currencies and the unstable situation in the Middle East, along with the continuing war in Ukraine and the subsequent uncertainty relating to new tariffs and the affect the these factors may have on the Company. Together with the Management Board, we considered short- and mid-term plans for continued support of our Subsidiaries, and through them the populations that we serve.

Conclusion

The Supervisory Board reviewed and approved the 2024 Audited Financial Statements and the Management Board report. These documents were evaluated by and discussed with the Management Board and the independent auditor. The Supervisory Board has advised the shareholders to adopt the 2024 Audited Financial Statements at the Annual General meeting and discharged the members of the Management Board for their management of the Company during 2024 and the members of the Supervisory Board for their supervision.

The Supervisory Board would like to thank all stakeholders and the Management Board for their efforts. The Supervisory Board supports the Management Board and in their continuing efforts to make a positive difference to the communities that we serve.

The Supervisory Board is confident that the Company will be able to meet the challenges in the coming years and will continue to be a frontrunner in the development of frontier markets.

Amsterdam, 27 June 2025
Supervisory Board:

Mr. T. Chetan
Ms. M.S. Mungra
Mr. G.E. Bruckermann

Consolidated Financial Statements 2024

Consolidated balance sheet

as at 31 December 2024 (before proposed appropriation of net result and expressed in USD)

	Notes	31-Dec-24 USD	31-Dec-23 * USD
Assets			
Fixed Assets			
Intangible fixed assets	2	573,255	588,882
Tangible fixed assets	3	1,873,676	2,088,839
Financial fixed assets	4	4,568,089	5,622,275
Total fixed assets		7,015,020	8,299,996
Current Assets			
Short term loans and advances	5	17,888,637	18,708,318
Interest receivable		738,377	653,601
Trade and other receivables	6	18,495,028	7,948,979
Cash and cash equivalents	7	3,232,964	10,163,455
Total current assets		40,355,006	37,474,353
Total Assets		47,370,026	45,774,349
Equity and Liabilities			
Group Equity	8		
Shareholders' equity		33,661,763	33,841,176
Minority interests		36,569	46,083
Total group equity		33,698,332	33,887.259
Non-Current Liabilities			
Non-current borrowings	9	7,617,181	8,373,316
Total non-current liabilities		7,617,181	8,373,316
Current Liabilities			
Interest payable		515,340	373,722
Current part of borrowings	10	4,916,228	2,370,227
Accrued expenses and other liabilities	13	622,945	769,825
Total current liabilities		6,054,513	3,513,774
Total Equity and Liabilities		47,370,026	45,774,349

* Adjusted for comparison purposes, refer to page 50 & 51.
The notes on pages 46 to 87 are an integral part of these consolidated financial statements.

Consolidated profit and loss account

for the year ended 31 December 2024

	Notes	2024 USD	2023* USD
Interest income	14	10,507,223	10,565,306
Interest expense	15	(2,760,696)	(2,563,900)
Net interest income		7,746,527	8,001,406
Other financial income	16	1,163,069	875,496
Other financial expenses	17	(286,537)	(979,007)
Net other finance income		876,532	(103,511)
Net margin		8,623,059	7,897,895
Total operating expenses			
General and administrative expenses	18	(7,663,108)	(7,966,397)
Impairment of loans & advances		(1,028,073)	(191,118)
Releases of write-offs		86,883	78,921
		(8,604,298)	(8,078,594)
Result before tax		18,761	(180,699)
Income tax credit	22	116,386	6,485
Result after tax		135,147	(174,214)
Minority Interest			
Result Minority Interest on investments	25	(6,734)	(3,807)
Group Net Result		141,881	(170,407)

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

	Notes	2024 USD	2023* USD
Group Net Result		141,881	(170,407)
Translation differences on foreign operations	31	(269,577)	(1,295,529)
Total of items recognised directly in shareholders' equity		(269,577)	(1,295,529)
Total Comprehensive income of the legal entity		(127,696)	(1,465,936)

* Adjusted for comparison purposes, refer to page 50 & 51.
The notes on pages 46 to 87 are an integral part of these consolidated financial statements.

Consolidated statement of cashflows

for the year ended 31 December 2024

	Notes	2024 USD	2023 * USD
Operating Activities			
Result before tax		18,761	(180,699)
Adjusted for:			
Depreciation and amortisation	18	984,115	1,105,475
Impairments (loan losses)		1,028,073	191,118
Interest expenses	15	2,760,696	2,563,900
Interest income	14	(10,507,223)	(10,565,306)
Foreign Exchange (Gain) / Loss		(553,941)	255,228
Operating cashflows before changes in operating assets and liabilities		(6,269,519)	(6,630,284)
Changes in operating assets and liabilities			
Loans to customers	4	2,699,931	92,009
Other assets		(1,029,942)	(582,419)
Other liabilities		(85708)	479104
		(4,685,238)	(6,641,591)
Income tax paid		(61,172)	(321,783)
Interest received		10,422,447	10,420,714
Interest paid		(2,619,078)	(2,593,843)
Cash from operating activities		3,056,959	863,498
Investing Activities			
Investment in group companies	27	(595,772)	(1,154,652)
Investment in deposits	6	(10,342,171)	(3,604,462)
Investments in property and equipment	3	(706,498)	(1,204,311)
Investment in software	2	(167,316)	(11,529)
Cash from investing activities		(11,811,757)	(5,974,954)

Consolidated statement of cashflows

for the year ended 31 December 2024 (continued)

	Notes	2024 USD	2023 * USD
Financing Activities			
Proceeds from borrowings	9	3,364,161	2,944,741
Repayment of borrowings	9	(1,278,902)	(2,578,256)
Payment of lease liabilities	20	(217,775)	(125,230)
Cash from financing activities		1,867,485	241,255
Net (decrease) / increase in cash and cash equivalents		(6,887,313)	(4,870,201)
Cash and cash equivalents at the beginning of the year	7	10,163,455	15,225,361
Exchange rate & translation differences on cash and cash equivalents		(43,178)	(191,705)
Cash and cash equivalents at the end of the year		3,232,964	10,163,455

* Adjusted for comparison purposes, refer to page 50 & 51.
The notes on pages 46 to 87 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

The notes to the consolidated financial statements are numbered i) to xi), followed by 1 to 26.

General

i) Group affiliation and principal activity

Agora Microfinance N.V. (hereinafter referred to as the "Company") was incorporated under Dutch law on 9 December 2011 and is registered under number 54114268 in the Trade Register, having its legal address in Strawinskylaan 4117, 1077 ZX Amsterdam, The Netherlands. The principal activity of the Company is to make microfinance investments. The Company's shareholders are individual investors. These financial statements contain the financial information of both the Company and the consolidated Subsidiaries of the Company ('the Group').

The Company currently holds investments in four Microfinance Institutions (AMIL, AMZ, AMB and AMSA), as well as a dedicated facility for institutional debt (Moringaway). The Company incorporated AMB on 23 February 2022 and AMSA on 18 August 2023 with the objective to further its microfinance activities in Botswana and South Africa. The activities of the Group are carried out primarily in Zambia, India and Mauritius and more recently Botswana and South Africa.

ii) Financial reporting period

These financial statements cover the year 2024, which ended at the balance sheet date of 31 December 2024.

iii) Basis of presentation

The consolidated financial statements of the Company are part of the statutory financial statements of the Company and are in compliance with the provisions of the Netherlands Civil Code, Book 2, Part 9. The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

iv) Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

Accounting policies for the measurement of assets and liabilities and the determination of the result.

v) General

Prior year misstatement and reclassification

Along with a Prior year misstatement, where more detail can be found under ix) Changes in accounting policy, Prior year misstatement (page 50), some figures for 2023 have been reclassified for comparison purposes. The reclassifications are as follows:

- In 2023 Interest income of USD 303,948 which related to interest earned from Deposits with financial institutions has been reclassified to Other financial income.

Assets and liabilities are measured at historical cost, unless otherwise stated in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

v) General (continued)

Prior year misstatement and reclassification (continued)

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability. Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership to the buyer.

Functional and presentation currency

The financial statements are presented in United States Dollars ('USD'), which is the Company's functional currency. The functional currency diverges from the local currency employed within the Netherlands due to the Group's multinational operational footprint, wherein the USD is adopted as the industry standard currency.

vi) Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The following accounting policies are in the opinion of management the most critical in preparing the financial statements and require judgements, estimates and assumptions: Financial instruments and the related Expected Credit Losses assessment. For further information refer to note x) a).

vii) Consolidation principles

Consolidation scope

The consolidated financial statements include the financial data of the Company and its group companies as at 31 December 2024. Group companies are legal entities and are fully consolidated as from the date on which control is obtained and until the date that control no longer exists.

Group companies are participating interests in which the Company has a majority interest, or in which it can exercise decisive influence (control) by other means. In assessing whether the Company has control, potential voting rights are taken into account that can be exercised in such a way that they will provide the Company with more or less influence. For an overview of the consolidated group companies, refer to note 27.

Notes to the Consolidated Financial Statements (continued)

vii) Consolidation principles (continued)

Consolidation scope (continued)

Newly acquired participating interests are consolidated as from the date that decisive influence (control) can be exercised. Participating interests disposed of remain included in the consolidation until the date of loss of this influence.

Minority interests in group equity and group net income are disclosed separately. Prior year data is presented as per audited accounts.

Business combinations

A business combination is a transaction whereby the group obtains control over the assets and liabilities and the activities of the acquired party. Business combinations are accounted for using the 'purchase accounting' method on the date that control is transferred to the group (the acquisition date). The transaction price is the cash consideration or equivalent agreed as part of the acquisition, or the fair value of the consideration transferred at the acquisition date. Transaction costs that are directly attributable to the business combination are allocated to the transaction price. In case of deferred payment of the consideration, the transaction price is the discounted value of the consideration.

The group recognises the identifiable assets and liabilities of the acquiree at the acquisition date. These assets and liabilities are recognised individually at their fair values, provided that it is probable that future economic benefits will flow to the group (assets) or settlement will result in an outflow of resources embodying economic benefits (liabilities), and the cost or fair value of it can be measured with reliability. Refer to the accounting policy under the heading 'Intangible fixed assets' for the recognition of positive or negative goodwill resulting from a business combination.

An agreed possible adjustment to the purchase price that is contingent on future events is included in the purchase price if the adjustment is probable and the amount can be measured reliably. It is also possible that a previous estimate of the adjustment to the purchase price must be revised. Such adjustments to the purchase price, that are recorded as changes in estimates, will also result in an adjustment to (positive or negative) goodwill. The adjusted goodwill is amortised prospectively from the date of the adjustment of the purchase price. Comparative figures are not adjusted.

Consolidation method

The consolidated financial statements are prepared by using uniform accounting policies for measurement and determination of result of the group. In the consolidated financial statements, intragroup shareholdings, liabilities, receivables and transactions are eliminated. Also, the results on transactions between group companies are eliminated to the extent that the results are not realised through transactions with third parties outside the group and no impairment loss is applicable. For a transaction whereby the Company has a less than a 100% interest in the selling group company, the elimination from the group result is allocated pro rata to the minority interest based on the interest of the minority in the selling group company. Subsidiaries are consolidated in full, whereby minority interest is presented separately within group equity. If losses to be allocated to the minority interest exceed the minority interest within equity of the consolidated entity, the difference, including any further losses, is fully charged to the majority shareholder, except to the extent that the minority shareholder has the obligation to, and is able to, compensate for the losses. The minority interest in the result is deducted from group result on a separate line item in the consolidated profit and loss account.

viii) Principles for the translation of foreign currencies

Transaction in foreign currencies

At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in profit and loss in the period in which the exchange difference arise.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into the functional currency at the exchange rates at the date of the transactions.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at current value, are translated into the functional currency at the exchange rates when the current value is determined. Exchange rate differences that arise from this translation are directly recognised in equity as part of the revaluation reserve.

Foreign operations

The assets and liabilities that are part of the net investment in a foreign operation are translated to the presentation currency at the exchange rate on the reporting date. The revenues and expenses of such a foreign operation are translated to the presentation currency at the exchange rate on the transaction date. Currency translation differences are directly recognised in the translation reserve within equity. Goodwill resulting from the acquisition of a foreign operation and fair value adjustments made at the acquisition date are translated to the presentation currency at the exchange rate at the transaction date. When a foreign operation is fully or partially sold, the cumulative amount that relates to that foreign operation is transferred from the translation reserve to the profit and loss account.

ix) Changes in accounting policy

Prior period restatement

Following a reassessment of accounting policies in light of evolving industry practice, a material prior year misstatement has been restated. This change has been applied retrospectively and prior period figures have been restated where applicable.

AMZ's loan processing fees directly attributable to the issuance of loans and advances to customers are to be recognised Over Time in accordance with the requirements of IFRS 9, Financial instruments as opposed to Point in Time in accordance with IFRS 15. In addition, transactional costs directly attributable to the issuance of loans and advances is to be accounted for in accordance with the requirements of IFRS 9, Financial instruments. The revised approach is expected to provide consistent and relevant information to users of the financial statements.

The following rates have been applied for the various currencies:

	2024	2023
USD/EUR	0.97	0.90
USD/KHR	4,109	4,085
USD/INR	85.6	83.3
USD/KES	130.4	158.0
USD/BWP	14.0	13.4
USD/ZMW	27.9	25.7
USD/ZAR	18.7	18.4
USD/UGX	3,690	3,803

USD: United States Dollar; EUR: Euro; KHR: Khmer Riel; INR: Indian Rupees; KES: Kenya Shilling; BWP: Botswana Pula; ZMW: Zambian Kwacha; ZAR: South African Rand; UGX: Uganda Shilling

Notes to the Consolidated Financial Statements (continued)

ix) Changes in accounting policy (continued)

Prior period restatement (continued)

The following tables summarise the impact of the restatement on the Company's financial statements.

Consolidated Balance Sheet as at 31 December 2023

	As previously reported	Adjustments	As restated
Trade and other receivables	7,945,581	3,398	7,948,979
Total current assets	38,133,407	(659,054)	37,474,353
Total Assets	46,433,403	(659,054)	45,774,349
Shareholders' equity	34,489,971	(648,795)	33,841,176
Minority interests	56,342	(10,259)	46,083
Total group equity	34,546,313	(659,054)	33,887,259
Total Equity And Liabilities	46,433,403	(659,054)	45,774,349

ix) Changes in accounting policy (continued)

Prior period restatement (continued)

Consolidated Profit and Loss and Statement of Comprehensive Income for the year ended 31 December 2023

	As previously reported	Adjustments	Reclassification	As restated
Interest income	7,963,543	2,905,711	(303,948)	10,565,306
Other financial income	3,834,817	(3,263,269)	303,948	875,496
General and administrative expenses	(8,142,121)	175,724	-	(7,966,397)
Result before tax	1,135	(181,834)	-	(180,699)
Income tax credit	4,861	1,624	-	6,485
Result after tax	5,996	(180,210)	-	(174,214)
Result Minority Interest on investments	(1,002)	(2,805)	-	(3,807)
Group Net Result	6,998	(177,405)	-	(170,407)
Translation differences on foreign operations	(1,333,315)	37,786	-	(1,295,529)
Total Comprehensive income of the legal entity	**(1,326,317)**	(139,619)	-	(1,465,936)

Consolidated Statement of Cashflows for the year ended 31 December 2023

	As previously reported	Adjustments	Reclassification	As restated
Result before tax	1,135	(181,834)	-	(180,699)
Interest income	(7,963,543)	(2,905,711)	303,948	(10,565,306)
Operating cashflows before changes in operating assets and liabilities	(3,846,687)	(3,087,545)	303,948	(6,630,284)
Loans to customers	(93,038)	185,047	-	92,009
Other assets	(579,207)	(3,212)	-	(582,419)
Interest received	7,818,952	2,905,710	(303,948)	10,420,714
Cash from operating activities	863,498	-	-	863,498

There have been no other changes to accounting policies for the year under review.

Notes to the Consolidated Financial Statements (continued)

x) Accounting policies

a) Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: financial instruments held for trading (financial assets and liabilities), loans and receivables (both purchased and issued), equity instruments, other financial liabilities and derivatives. The Company does not hold a trading portfolio.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party. Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial and non-financial contracts may contain terms and conditions that meet the definition of derivative financial instruments. Such an agreement is separated from the host contract if its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms and conditions as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value with changes in fair value recognised in the profit and loss account. Financial instruments embedded in contracts that are not separated from the host contract are recognised in accordance with the host contract. Derivatives separated from the host contract are, in accordance with the measurement policy for derivatives for which no cost price hedge accounting is applied, measured at cost or lower fair value.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Loans granted and other receivables

Loans granted and other receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account. Purchases and sales of financial assets that belong to the category loans granted and other receivables are accounted for at the transaction date.

Non-current and current liabilities and other financial commitments

Non-current and current liabilities and other financial commitments are stated after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account. Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

Derivatives

Derivatives are carried after their initial recognition at the lower of cost or fair value, except if the cost model for hedge accounting is applied. Purchases and sales of financial assets that belong to the category derivatives are accounted for at the transaction date.

x) Accounting policies (continued)

a) Financial instruments

Impairment of financial assets

The Company has opted to determine and account for impairments and bad debts regarding financial instruments based on the 'expected credit loss' model from IFRS 9 Financial Instruments as endorsed by the European Union and hence management has decided to use this option in this financial statements as permitted by RJ 290.

Financial instruments

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

The Company computes the ECL as follows:

Expected Credit loss = Probability of Default **X** Loss given Default **X** Exposure at Default.

With the definitions for each input being:

Probability of Default: The Company uses the industry default rate applicable at the point in time of computing the impairment. The rate can be adjusted depending on Management's judgment on the performance of the Company compared to the sector.

Loss given default: This rate is determined based on historical performance of the loan book. A five-year period is considered retrospectively in order to obtain an average of the risk migrations of the individual loans and to determine any significant increase in credit risk for each loan. This allows the Company to obtain a product risk profile that can be applied to new disbursements.

Exposure at default: This is considered as the actual portfolio expected to be lost once default occurs. This has been taken as the actual outstanding portfolio as at a particular review date.

Notes to the Consolidated Financial Statements (continued)

x) Accounting policies (continued)

a) Financial instruments

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

b) Intangible fixed assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortisation and impairment losses.

Expenditures made after the initial recognition of an acquired intangible fixed asset are included to the acquisition or construction cost if it is probable that the expenditures will lead to an increase in the expected future economic benefits, and the expenditures and the allocation to the asset can be measured reliably. If expenditures do not meet these conditions, they are recognised as an expense in the profit and loss account.

The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

x) Accounting policies (continued)

b) Intangible fixed assets (continued)

Goodwill

Goodwill represents the excess of the cost of the acquisition of the participating interest (including transaction costs directly related to the acquisition) over the Company's interest in the net realisable value of the assets acquired and the liabilities assumed of the acquired entity, less cumulative amortisation and impairment losses. Internally generated goodwill is not capitalised. Goodwill paid upon the acquisition of foreign group companies and subsidiaries is translated at the exchange rates at the date of acquisition. The capitalised positive goodwill is amortised on a straight-line basis over the estimated useful life, determined at 10 years. In case of a full or partial sale of a participating interest, the positive goodwill that can be allocated to the sold part is written off proportionally (in case of capitalised goodwill).

Software

Software acquired by the Company is measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits of the asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Software is amortised on a straight-line basis in the profit or loss over its useful life, from the date on which it is available for use. The estimated useful life of software is between three to six years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

c) Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Leasehold improvements, land, right-of-use assets, motor vehicles & bikes, computer and office equipment and tangible fixed assets under construction are measured at cost, less accumulated depreciation and impairment losses. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use.

Expenditure is only capitalised when it extends the useful life of the asset. The cost of self-constructed assets includes the cost of materials and consumables and other costs that can be directly attributed to the construction. In addition, the cost of construction includes a reasonable part of the indirect costs and interest on loans for the period attributable to the construction of the asset.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets. No depreciation is recognised on land and tangible fixed assets under construction. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

The following rates of depreciation are applied:

• Leasehold improvements	Length of the lease
• Motor vehicles & Bikes	3 to 8 years
• Computer and Office Equipment	2 to 5 years

Tangible fixed assets, for which the Company and its Group companies possess the economic ownership under a finance lease, are capitalised. The obligation arising from the finance lease contract is recognised as a liability. The interest included in the future lease instalments is charged to the profit and loss account during the term of the finance lease contract.

Notes to the Consolidated Financial Statements (continued)

x) Accounting policies (continued)

d) Financial fixed assets - Participating interests with significant influence

Participating interests over whose financial and operating policies the Group exercises significant influence are valued using the net asset value method. Under this method, participating interests are carried at the Group's share in their net asset value plus its share in the results of the participating interests and its share of changes recognized directly in the equity of the participating interests as from the acquisition date, determined in accordance with the accounting policies disclosed in these financial statements, less its share in the dividend distributions from the participating interests. The Group's share in the results of the participating interests is recognized in the Profit & Loss statement. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil if the circumstances are unchanged. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest, are included.

A provision is formed if and to the extent the company stands surety for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts.

A subsequently acquired share of the profit of the participating interest is recognized only if and to the extent that the accumulated share of the previously unrecognized loss has been reversed.

e) Impairments of fixed assets

Tangible and intangible fixed assets are assessed at each reporting date whether there is any indication of an impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount is assessed for the cash-generating unit to which the asset belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash-generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash- generating unit is estimated. Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash- generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit). An impairment loss of goodwill is not reversed in a subsequent period. Contrary to what is stated before, at each reporting date the recoverable amount is assessed for the following assets (irrespective of whether there is any indicator of an impairment):

- intangible assets that have not been put into use yet.

x) Accounting policies (continued)

f) Disposal of fixed assets

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

g) Cash and cash equivalents

Cash at bank and in hand are carried at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies. Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

h) Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution. Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

i) Share premium

Amounts contributed by the shareholders of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing shareholders without the issue of shares or issue of rights to acquire shares of the Company. Costs and capital taxes associated with the issue of shares that are not capitalized are deducted from share premium, after taking into account tax effects. If the share premium is insufficient for such deductions, the amounts are deducted from Other reserves.

j) Minority interest

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities of a consolidated entity, determined in accordance with the Company's accounting policies.

Notes to the Consolidated Financial Statements (continued)

x) Accounting policies (continued)

k) Provisions:

A provision is recognised if the following applies:

- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the nominal value of the best estimate of the expenditures that are expected to be required to settle the liabilities and losses.

l) Non-current liabilities

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

m) Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

xi) Principles of determination of result

a) Interest income and similar income and interest expenses and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Premium, discount and redemption premiums are recognised as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the debt(s) is recognised (on balance).

The amounts of the premium that are not yet recognised in the profit and loss account and the redemption premiums already recognised in the profit and loss account, are recognised as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognised in the profit and loss account are recognised as a reduction of the debt(s) to which they relate.

b) Employee benefits/ pensions

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

The Company does not arrange for a pension scheme for its employees in the Netherlands. AMZ, AMIL and Moringaway pay into National Pension Schemes or Private Pension Schemes on behalf of their employees but have no obligation other than the contribution payable and there are no liabilities for post-employment (pension) benefits.

xi) Principles of determination of result (continued)

c) Leasing

The Company has opted to determine and account for Leasing based on the IFRS 16 as endorsed by the European Union as permitted by RJ 292. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessee, at commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a Right-of-use asset and a Lease liability at the lease commencement date. The Right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the Right-of-use asset reflects that the Company will exercise a purchase option. In that case the Right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the Right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Company has elected not to recognise Right-of-use assets and Lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

d) Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity, or to business combinations.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation.

Notes to the Consolidated Financial Statements (continued)

xi) Principles of determination of result (continued)

d) Corporate income tax (continued)

For deductible temporary differences regarding Group companies, a deferred tax asset is only recognised in so far as it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available to offset the temporary difference can be utilised. Deferred tax assets and deferred tax liabilities are offset in the balance sheet if the company has a legally enforceable right to offset current tax assets against current tax liabilities, insofar as they relate to the same financial year and deferred tax assets relate to income taxes levied by the same tax authority on the same taxable Company, or the same fiscal unity.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities.

e) Share in result of participating interests

The share in the result of participating interests consists of the share of the Group in the results of these participating interests, determined on the basis of the accounting principles of the Group.

Results on transactions, where the transfer of assets and liabilities between the Group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised. The results of participating interests acquired or sold during the financial year are measured in the Group result from the date of acquisition or until the date of sale respectively.

f) Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value. Cash flows in foreign currency are translated into USD using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

The consideration of acquired Group companies is presented under the cash flows from investment activities, for the considerations paid in cash and cash equivalents. The cash and cash equivalents obtained through the acquired Group companies at the acquisition date, are deducted from the consideration paid.

Transactions that do not include an exchange of cash and cash equivalents, such as finance leases, are not included in the cash flow statement. The payment of finance lease terms is allocated for the part related to the repayment of the lease obligation to the cash flows from financing activities and is allocated for the part related to the interest component to the cash flows from operational activities.

g) Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

xi) Principles of determination of result (continued)

g) Determination of fair value (continued)

As at 31 December 2024 the carrying amounts of all financial assets and financial liabilities represented a reasonable approximation of their fair value.

h) Related parties

The nature and amounts involved in related party transactions have been disclosed, along with other information necessary to provide insight into these transactions.

i) Commission income

Income from commission is recognized as and when the services are rendered as per agreed terms and conditions of the contract.

j) Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Notes to the Consolidated Financial Statements (continued)

1 Acquisitions and Disposals

AMZ

During the year the Company invested in an additional 625,000 newly issued shares in AMZ for USD 238,000 (ZMW 6,250,000). At year end the Company now holds 89.80% of issued share capital in AMZ.

AMB

During the year the Company invested in an additional 4,410,000 newly issued shares in AMB for USD 329,087 (BWP 4,410,000). At year end the Company now holds 100% of issued share capital in AMB.

AMSA

During the year the Company invested in an additional 500,000 newly issued shares in AMSA for USD 28,685 (ZAR 500,000). At year end the Company now holds 100% of issued share capital in AMSA.

2 Intangible fixed assets

Summary

	2024 USD	2023 USD
Intangible fixed assets consists of:		
Goodwill	353,603	503,859
Software	219,652	85,023
Total Intangible fixed assets	573,255	588,882

2 Intangible fixed assets (continued)

Movements in intangible fixed assets were as follows:

Goodwill

	AMIL USD	AMZ USD	Moringaway USD	Total USD
Cost				
At 1 Jan. 2024	939,167	135,649	760,758	1,835,574
At 31 Dec. 2024	939,167	135,649	760,758	1,835,574
Accumulated Amortisation				
At 1 Jan. 2024	836,587	95,732	399,396	1,331,715
Amortisation	60,615	13,565	76,076	150,256
At 31 Dec. 2024	897,202	109,297	475,472	1,481,971
Net Book Value				
At 31 Dec. 2024	41,965	26,352	285,286	353,603

Goodwill

	AMIL USD	AMZ USD	Moringaway USD	Total USD
Cost				
At 1 Jan. 2023	939,167	135,649	760,758	1,835,574
At 31 Dec. 2023	939,167	135,649	760,758	1,835,574
Accumulated Amortisation				
At 1 Jan. 2023	775,972	82,167	323,323	1,181,462
Amortisation	60,615	13,565	76,073	150,253
At 31 Dec. 2023	836,587	95,732	399,396	1,331,715
Net Book Value				
At 31 Dec. 2023	102,580	39,917	361,362	503,859

Notes to the Consolidated Financial Statements (continued)

2 Intangible fixed assets (continued)

Software

	AMIL USD	AMZ USD	Total USD
Cost			
At 1 Jan. 2024	18,250	170,336	188,586
Additions	1,114	166,202	167,316
Translation	(501)	(13,260)	(13,761)
At 31 Dec. 2024	18,863	323,278	342,141
Accumulated Amortisation			
At 1 Jan. 2024	9,795	93,768	103,563
Amortisation	3,380	23,115	26,495
Translation	(270)	(7,299)	(7,569)
At 31 Dec. 2024	12,905	109,584	122,489
Net Book Value			
At 31 Dec. 2024	5,958	213,694	219,652

2 Intangible fixed assets (continued)

Software

	AMIL USD	AMZ USD	Total USD
Cost			
At 1 Jan. 2023	11,623	235,412	247,035
Additions	6,683	4,846	11,529
Translation	(56)	(69,922)	(69,978)
At 31 Dec. 2023	18,250	170,336	188,586
Accumulated Amortisation			
At 1 Jan. 2023	6,644	97,060	103,704
Amortisation	3,183	25,531	28,714
Translation	(32)	(28,823)	(28,855)
At 31 Dec. 2023	9,795	93,768	103,563
Net Book Value			
At 31 Dec. 2023	8,455	76,568	85,023

There are no limited property rights to the intangible fixed assets nor are there any obligations relating to the acquisition of intangible fixed assets. The useful life of software is between 3-6 years. Amortization is charged on a straight-line basis.

Notes to the Consolidated Financial Statements (continued)

3 Tangible fixed assets

Fixed Assets

	Leasehold Improvements	Land	Right-of-use Assets	Motor Vehicles & Bikes	Computer and Office Equipment	Construction in Progress	Total USD
Cost							
At 1 Jan. 24	450,587	308,728	857,270	1,170,642	1,424,060	213,209	4,424,496
Additions	30,507	-	351,158	110,334	207,038	7,461	706,498
Disposals	-	-	(53,740)	(36,916)	(2,459)	-	(93,115)
Transfers	20,885	-	-	115,994	59,731	(196,610)	-
Translation	(18,854)	(24,033)	(19,471)	(29,772)	(49,211)	(16,597)	(157,938)
At 31 Dec. 24	483,125	284,695	1,135,217	1,330,282	1,639,159	7,463	4,879,941
Accumulated Depreciation							
At 1 Jan. 24	207,698	-	553,511	788,193	786,255	-	2,335,657
Depreciation	78,309	-	217,703	166,437	280,169	-	742,618
Disposals	-	-	(51,051)	(20,612)	(347)	-	(72,010)
At 31 Dec. 24	286,007	-	720,163	934,018	1,066,077	-	3,006,265
Net Book Value							
At 31 Dec. 24	197,118	284,695	415,054	396,264	573,082	7,463	1,873,676

3 Tangible fixed assets (continued)

Fixed Assets (continued)

	Leasehold Improvements	Land	Right-of-use Assets	Motor Vehicles & Bikes	Computer and Office Equipment	Construction in Progress	Total USD
Cost							
At 1 Jan. 23	437,608	439,170	767,327	938,269	1,215,478	125,067	3,922,919
Additions	101,437	-	225,485	271,361	392,829	213,199	1,204,311
Disposals	-	-	(57,752)	-	-	-	(57,752)
Transfers	-	-	-	81,569	12,734	(87,910)	6,393
Translation	(88,458)	(130,442)	(77,790)	(120,557)	(196,981)	(37,147)	(651,375)
At 31 Dec. 23	450,587	308,728	857,270	1,170,642	1,424,060	213,209	4,424,496
Accumulated Depreciation							
At 1 Jan. 23	139,091	-	415,702	532,384	543,726	-	1,630,903
Depreciation	68,607	-	167,716	255,809	242,529	-	734,661
Disposals	-	-	(29,907)	-	-	-	(29,907)
At 31 Dec. 23	207,698	-	553,511	788,193	786,255	-	2,335,657
Net Book Value							
At 31 Dec. 23	242,889	308,728	303,759	382,449	637,805	213,209	2,088,839

The Group leases office space which typically run for a period of 1 year to 3 years with an option to renew the lease after that date. Lease payments are renegotiated every time after the lease term to reflect market rentals. The useful life of Right-of-use assets is the length of the lease.

The construction in progress amount of USD 7,463 (2023: USD 213,209) relates to AMZ and includes the ongoing costs relating to the installation of solar panels still to be completed and purchase of property and equipment for new branches yet to be opened.

There are no limited property rights to the tangible fixed assets and no security in the form of tangible fixed assets has been provided for. Nor are there any obligations relating to the acquisition of tangible fixed assets and the market value does not significantly differ from the carrying value of the Tangible fixed assets. The useful life of the fixed assets is as below.

Leasehold improvements	Length of the lease
Motor vehicles & Bikes	3 to 8 years
Computer and Office Equipment	2 to 5 years

Notes to the Consolidated Financial Statements (continued)

4 Financial fixed assets

Summary

	2024 USD	2023 USD
Financial fixed assets consists of:		
Loans and advances	4,451,894	5,455,486
Derivative financial assets	74,466	129,214
Deposits with banks	41,729	37,575
Total Financial fixed assets	4,568,089	5,622,275

Deposits with banks are deposits held by the Company that are not readily available within 12 months.

Derivative financial assets relate to a foreign exchange option entered into by AMIL to reduce its foreign currency exposure risk on USD denominated loans held.

Movements in Loans and advances were as follows:

Loans and advances

	2024 USD	2023 USD
Long term loans and advances		
Balance as at 1 January	24,982,546	25,183,971
Movement during the year	(884,474)	(201,425)
Gross advance to customers	24,098,072	24,982,546
Less provision for expected credit losses		
Balance as at 1 January	(156,290)	(641,871)
Movements during the period	(787,384)	485,581
Total provision for expected credit losses	(943,674)	(156,290)
Balance as at 31 December	23,154,398	24,826,256
Less: Current portion of borrowings	(18,702,504)	(19,370,770)
	4,451,894	5,455,486

AMIL wrote-off a total of USD 59,774 (2023: USD 406,723) loan balances in 2024 which were mainly made up of non-performing portfolio over 365 days. The amount was reduced from the provision for expected credit losses.

4 Financial fixed assets (continued)

Loans and advances (continued)

AMZ wrote-off a total of USD 169,888 (2023: USD 161,874) loan balances in 2024 which were mainly made up of non- performing portfolio over 365 days. The amount was reduced from the provision for expected credit losses.

Loans and advances with a maturity of greater than one year are shown as Long term loans and advances while those with a maturity of less than one year are shown in Note 5 Short term loans and advances.

AMIL offers a range of microfinance products including Group Business Loans, Group Housing Loans, Group Education Loans, Group Emergency Loans, Group Top up Loans, Individual Loans and Small Medium Enterprise Loans. The duration of the loans range from 6 to 48 months, with the most common term being between 12 and 24 months. At year end the average loan outstanding per client amounted to INR 22,614 (USD: 264).

AMZ offers a range of microfinance products including Village Bank Loans, Small Group Business Loans, Small Group Agriculture Loans, Individual Agriculture Loans, Individual Micro Business Loan and Small Medium Enterprise Loans. The duration of the loans range from 6 to 36 months, with the most common term being between 12 and 24 months. At year end the average loan outstanding per client amounted to ZMW 2,386 (USD: 86).

At the year end Moringaway had four loans outstanding with corporate clients in Africa and Cambodia. The loans vary in term from 2-5 years and are repayable over the term of the loan. The currencies are either local currency or USD with the interest rate ranging from 8% to 19%.

5 Short term Loans and advances

	2024 USD	2023* USD
Balance as at 1 January	19,521,917	18,194,875
Movement during the year	68,883	1,327,042
Gross advance to customers	19,590,800	19,521,917
Less provision for bad debts	(888,296)	(151,147)
Net Short term Loans and advances	18,702,504	19,370,770
Deferred costs	392,636	370,778
Deferred loan fees	(1,206,503)	(1,033,230)
Closing balance 31 December	17,888,637	18,708,318

* Adjusted for comparison purposes, refer to page 50.

For the conditions relating to the Short term Loans and advances reference is made to Note 4 - Financial Fixed Assets.

Notes to the Consolidated Financial Statements (continued)

6 Trade and other receivables

	2024 USD	2023* USD
VAT receivable	2,841	8,086
Deposits with financial institutions	17,184,613	6,846,596
Prepayments	262,923	222,138
Derivative financial assets	5,921	6,088
Income tax paid in advance	137,428	132,888
Other receivables	901,302	733,183
Balance as at 31 December	18,495,028	7,948,979

* Adjusted for comparison purposes, refer to page 51.

Deposits with financial institutions represent funds held by the Company that are accessible within 12 months. The significant increase during the year is primarily due to the placement of surplus cash into short-term term deposits, previously reported under Cash and cash equivalents.

Other receivables include staff advances, tax receivable, accruals and statutory advanced payments. The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

As at 31 December 2024 all amounts included under trade and other receivables have an estimated maturity of shorter than one year.

7 Cash and cash equivalents

	2024 USD	2023 USD
Cash at banks	3,232,964	10,163,455
Balance as at 31 December	3,232,964	10,163,455

The significant decrease during the year is due to the placement of surplus cash into Deposits with financial institutions, which are shown under Note 6. Cash and cash equivalents is available on demand and is held in current accounts or savings accounts. Cash and cash equivalents that are not readily available to the Company are presented under Trade and other receivables or Financial fixed assets, depending on their maturity date.

8 Group equity

For a detailed explanation of the share of the Company in group equity, reference is made to note 31 Shareholders' equity in the separate financial statements.

Minority interest

	2024 USD	2023* USD
AMIL	7,952	7,992
AMZ	28,617	38,091
Balance as at 31 December	36,569	46,083
The movements in minority interests are as follows:		
Balance as at 1 January	46,083	77,730
Minority share in result	(6,734)	(3,807)
Other movements	(2,780)	(27,840)
Balance as at 31 December	36,569	46,083

* Adjusted for comparison purposes, refer to page 51.

The Company acquired majority (controlling) stake in AMIL in 2013. During 2023 the Company acquired a further 0.23% ownership in AMIL, increasing its equity stake to 99.73%.

AMZ operates an Employee Share Ownership Plan (ESOP), under which shares were issued through the Zambian Co-operative during 2021 and 2022. These shares have been recognised as a minority interest. As at year-end, the Company and Moringaway collectively held 98.6% of AMZ's total share capital (2023: 98.4%).

Other movements relate to foreign exchange differences on the revaluation of minority interests as well as changes in shareholding relating to transactions with minority shareholders as detailed above.

Notes to the Consolidated Financial Statements (continued)

9 Non-current Borrowings

	2024 USD	2023 USD
Borrowings	12,533,409	10,743,543
Less: Current portion of borrowings	(4,916,228)	(2,370,227)
Non-current borrowings	7,617,181	8,373,316

Borrowings carry customary covenants including solvency ratios, debt to equity ratios, return on assets, write-off ratios and unhedged foreign exchange positions. The Company is guarantor to two third party loans, relating to loans made to AMZ. More detail is give in Note 12 Off-balance sheet assets and liabilities. No assets have been pledged in relation to Non-current or Current Borrowings. Lease liabilities amounting to USD 455,061 (2023: USD 328,848) are included under Borrowings.

As at year end, AMZ and AMIL carried third party debt. AMZ has secured (by guarantee) and unsecured third party debt denominated in ZMW, with interest rates ranging from 8% to 24% per annum. The borrowings are due within 1 - 4 years. AMIL has a 24-month unsecured third party loan, denominated in INR, bearing an interest rate of 15% per annum, with monthly instalments of interest and principal. Any borrowings due within one year are shown in Note 10 Current part of borrowings.

Changes in borrowings

	Borrowings	Lease liabilities	Non-current borrowings
Balance as at 1 January 2024	8,146,276	227,040	**8,373,316**
Movement during the year:			
Proceeds from/Increase in borrowings and lease liabilities	3,732,287	35,323	**3,767,610**
Transfer to Current part of borrowings	(3,880,844)	-	**(3,880,844)**
Other movements	(642,901)	-	**(642,901)**
Balance as at 31 December 2024	7,354,818	262,363	**7,617,181**
Balance as at 1 January 2023	4,886,980	179,550	5,066,530
Movement during the year:			
Proceeds from/Increase in borrowings and lease liabilities	5,457,462	47,490	5,504,952
Transfer to Current part of borrowings	(748,274)	-	(748,274)
Other movements	(1,449,892)	-	(1,449,892)
Balance as at 31 December 2023	8,146,276	227,040	8,373,316

10 Current part of borrowings

	2024 USD	2023 USD
Current portion of borrowings	4,916,228	2,370,227
Balance as at 31 December	4,916,228	2,370,227

For the conditions relating to the Current portion of borrowings, reference is made to Note 9 - Non-current Borrowings.

11 Financial instruments

General

During the normal course of business, the Company uses various financial instruments that expose it to credit risk and other risks such as market, currency, interest, cash flow and liquidity risks. To control these risks, the Company has risk management structures and systems in place that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Company makes allowance for impairment in line with the requirement of IFRS 9. Management evaluates credit risk relating to customers on an on-going basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering their financial position, past experience and other factors.

Collateral held and other credit enhancement

In order to determine the credit worth of a particular client, AMZ and AMIL have established a robust system for client assessment which includes determination of the cashflows of the business, determination of the value of collateral as well as the financial capability of the guarantor. In the case of group lending a three-tier guarantee is applied. All these factors help to determine the credit quality of the loan extended to the clients.

AMZ ensures that the collateral pledged for Small and Medium Size Entities (SMSE) loans have a value that is at least 150% of the value of the loan facility requested by the client. This helps to mitigate the credit risk and, in the event that the collateral has to be liquidated, there is surety that the loan will be recovered. As at 31 December 2024 their non-performing loans value was equivalent to USD 170,315 (2023: USD 56,836) and the collateral pledged against it amounted to USD 176,742 (2023: USD 61,298).

AMIL's focus is on individual lending, however it is also involved in group lending with a minimum of three participants in each group. The group lending structure enables group members to cross-guarantee one another's loans. Loan amounts for each individual in the group are determined following a robust cash flow assessment of the client's household and business. AMIL held no collateral as at 31 December 2024 (2023: nil).

The Company and Moringaway carry out robust due diligence on each new Borrower, which includes desk top reviews and on- site due diligence visits. Any collateral or credit enhancement takes the form of corporate guarantees, shareholder guarantees or letters of comfort. The Company and Moringaway held no collateral as at 31 December 2024 (2023: nil).

Notes to the Consolidated Financial Statements (continued)

11 Financial instruments (continued)

Credit quality analysis

The table below sets out information about the credit quality of loans and advances to customers and the allowance for impairment/loss held by the Company against those assets. The carrying amount of loans and advances to customers represents the main credit exposure. The maximum exposure to credit risk on these assets at the reporting date was:

	2024 USD Gross Carry Amount	2024 USD Loss allowance	2024 USD Net	2023 USD Gross Carry Amount	2023 USD Loss allowance	2023 USD Net
Stage 1 – Performing	23,169,604	601,390	22,568,214	24,703,558	57,481	24,646,077
Stage 2 – Not late	325,736	47,767	277,969	109,493	19,709	89,784
Stage 3 – Late	602,732	294,517	308,215	169,495	79,100	90,395
Total	24,098,072	943,674	23,154,398	24,982,546	156,290	24,826,256

11 Financial instruments (continued)

Impairment losses

Impaired loans and advances are loans and advances for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreements. The aging of loans and advances to customers at reporting date was:

	2024 USD	2023 USD
Neither past due nor impaired	22,581,956	24,354,258
Past due 1-29 days	587,648	349,300
Past due 30-59 days	204,085	72,918
Past due 60-89 days	121,651	36,575
Past due 90-180 days	245,065	49,036
Past due >180 days	357,667	120,459
Gross	24,098,072	24,982,546
Provision for impairment	(943,674)	(156,290)
Total	23,154,398	24,826,256

Concentration of risk of financial assets with credit risk exposure

Industry sector risk concentrations within customer loan portfolio was as follows:

	2024 USD	2024 % of total portfolio	2023 USD	2023 % of total portfolio
Corporate customers	3,873,282	16%	6,654,261	27%
Agriculture and allied	1,870,380	8%	1,369,109	5%
Manufacturing, mining and production	5,374	0.0%	21,951	0.1%
Trade and services	16,937,614	70%	15,654,260	63%
Other sectors	1,411,422	6%	1,282,965	5%
Total	24,098,072		24,982,546	

The majority of the AMIL and AMZ's customers are individuals, who access financial services, either in community bank, solidarity groups, or as individuals. Moringaway holds corporate loans with corporations working within the Microfinance industry.

Notes to the Consolidated Financial Statements (continued)

11 Financial instruments (continued)

Capital and Liquidity Risks: The Company's business depends on a mix of dividends, borrowings and equity capital raises to fund operations. The Company has sufficient liquidity for its short-to-medium term operational needs. The Company's Subsidiaries manage their liquidity through a range of instruments, including equity and external borrowings. The undiscounted contractual financial obligations and rights is presented below:

	Carrying Amount USD	Less than 3 Months USD	3 months to 1 year USD	1 year to 5 years USD
31 December 2024				
Financial liabilities				
Borrowings and Interest payable	12,593,688	916,095	4,322,775	7,354,818
Lease liabilities	455,061	61,853	130,845	262,363
Trade and other payables	622,945	622,945	-	-
Total	13,671,694	1,600,893	4,453,620	7,617,181
Financial assets				
Loans and advances	22,340,531	3,296,866	14,591,771	4,451,894
Derivative financial assets	80,387	1,480	4,441	74,466
Deposit with financial institutions	17,226,342	12,036,912	5,147,701	41,729
Interest receivable	738,377	738,377	-	-
Trade and other receivables	1,304,494	326,124	978,371	-
Cash and cash equivalents	3,232,964	3,232,964	-	-
Total	44,923,095	19,632,723	20,722,283	4,568,089
Net amount as at 31 December:	31,251,401	18,031,830	16,268,663	(3,049,092)

11 Financial instruments (continued)

	Carrying Amount USD	Less than 3 Months USD	3 months to 1 year USD	1 year to 5 years USD
31 December 2023				
Financial liabilities				
Borrowings and Interest payable	10,788,417	787,986	1,854,155	8,146,276
Lease liabilities	328,848	27,427	74,381	227,040
Trade and other payables	769,825	769,825	-	-
Total	11,887,090	1,585,238	1,928,536	8,373,316
Financial assets				
Loans and advances*	24,163,804	4,068,924	14,639,394	5,455,486
Derivative financial assets	135,302	1,522	4,566	129,214
Deposit with financial institutions	6,884,171	-	6,846,596	37,575
Interest receivable	653,601	653,601	-	-
Trade and other receivables*	1,096,295	274,074	822,221	-
Cash and cash equivalents	10,163,455	10,163,455	-	-
Total	43,096,628	15,161,576	22,312,777	5,622,275
Net amount as at 31 December:	31,209,538	13,576,338	20,384,241	(2,751,041)

* Adjusted for comparison purposes, refer to page 50.

Revenue per Geographical Segment: The Company's revenue can be broken down into geographical segments and is presented below:

	2024 Revenue USD	2023* Revenue USD
Zambia	8,337,137	8,613,600
India	1,608,596	1,325,242
Mauritius	558,002	800,654
Botswana	3,488	-
The Netherlands	377,176	129,757
Total	10,884,399	10,869,253

* Adjusted for comparison purposes, refer to page 50.

Notes to the Consolidated Financial Statements (continued)

11 Financial instruments (continued)

Currency Risks: The Group is exposed to currency risk denominated in a currency other than the respective functional currencies of Group entities. The functional currencies in the Subsidiaries are their respective local currency. Some of the Company's operating currencies showed volatility during the year. The presentation currency of the Group is USD. The Group manages risk by keeping funds as much as possible in USD and converting funds into local currency only when necessary. The net currency position in USD is presented below:

	2024 Assets USD	2024 Liabilities USD	2024 Net position USD	2023* Assets USD	2023 Liabilities USD	2023* Net position USD
USD	22,785,017	(144,888)	22,640,129	21,115,045	(66,134)	21,048,911
ZMW	15,407,383	(12,821,542)	2,585,841	14,933,759	(11,496,720)	3,437,039
INR	8,559,227	(648,743)	7,910,484	7,795,600	(279,574)	7,516,026
KHR	1,522	-	1,522	1,495,216	-	1,495,216
KES	-	-	-	365,833	-	365,833
UGX	316,618	-	316,618	-	-	-
BWP	203,469	(9,765)	193,704	33,705	(8,765)	24,940
EUR	77,920	(45,262)	32,658	29,994	(34,818)	(4,824)
ZAR	18,870	(1,494)	17,376	5,197	(1,079)	4,118
Total	47,370,026	(13,671,694)	33,698,332	45,774,349	(11,887,090)	33,887,259

* Adjusted for comparison purposes, refer to page 50.

The pre-tax result as of 31 December 2024 would be USD 48,873 higher/lower, in case the exchange rate of the ZMW against USD would increase/decrease by 10 percent, leaving all other variables constant.

The pre-tax result as of 31 December 2024 would be USD 6,811 higher/lower, in case the exchange rate of the INR against USD would increase/decrease by 10 percent, leaving all other variables constant.

11 Financial instruments (continued)

Market Risks: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and deposits. While we discuss currency risks separately, interest-rate risks can potentially also create some uncertainty in the business. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. On the asset side, this relates to the loan pricing methods followed by the Group's Subsidiaries. On the third party liabilities within the Group, there is limited current exposure to floating interest rates and the primary risk lies with interest rate movements for its Subsidiaries at the time of their renewal of existing borrowing lines. Such market risks can manifest themselves in the loss of clientele, downward pressure on pricing or in extreme cases to client over-indebtedness.

Risk Management Structure and Systems

Operational and credit risks:
The first line of defence within the Subsidiaries is their management supported by their respective second and third line risk management and internal audit departments. The management is regularly monitoring operational risks and discloses its risk profile and mitigation strategies to the board on an on-going basis. The Management Board and their relevant committees, especially the Risk Committee, Audit and Finance Committee and the Asset-Liability Committee are tasked to provide oversight on the risk management practices of the management. AMZ's Board is supported by the Audit and Finance Committee, the Assets and Liabilities Committee, the Remuneration and Nomination Committee and the Research and Social Performance Committee and the Board of Directors appoints the Chief Executive Officer, who heads the management team, which includes five departments (Operations, Finance, Human Resources, Information Technology and Internal Audit). AMIL's Board is supported by the Audit and Finance Committee. The Board of Directors appoints the Chief Executive Officer (CEO), who heads the management team, which includes four departments (Operations, Finance, Human Resources, and Information Technology). Moringaway's Board is also supported by a Risk and Credit Committee. AMSA and AMB are currently in the process of building appropriate Corporate Structures to support operations.

Currency Risks: Due to the nature of its business the Company is exposed to currency risks in its investments. The Company monitors its currency exposure on a regular basis. For the time being, a large portion of the Company's assets are denominated in dollars and therefore its currency risks are limited. Moreover, strong operational results are also a way of compensating for potential currency losses.

Capital and Liquidity Risks: The risk arises from both the difference between the magnitude of assets and liabilities and the disproportion in their maturities. Liquidity risk management deals with the overall profile of the balance sheet, the funding requirements of the Group and cash flows. In qualifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place in order to ensure that all future cash flow commitments are met from the working capital generated by the Group and also from the available financial institution facilities.

Notes to the Consolidated Financial Statements (continued)

11 Financial instruments (continued)

Risk Management Structure and Systems (continued)

Market & Interest rate risk: To manage the interest-rate risks arising on the asset side of the business, the Company's Subsidiaries keep a close watch on market developments and the interest-rate movements through their respective market research functions. In Zambia, AMZ remains a leader in pricing of small rural loans on account of its efficiency, increased scale and careful product design.

On the liability side of the Subsidiaries' balance sheet, floating interest rates are limited on any of the borrowings, and therefore the fluctuations in interest rates manifest primarily at the time of loan renewals. While this can potentially be a real risk for Subsidiaries, our experience has shown that the movements are typically on account of hedging costs (FX risk) rather than significant changes to the underlying pricing mechanism used by lenders (SOFR + margin). Therefore at present the Subsidiaries' focus their efforts of managing hedging costs more carefully, staggering the maturity of debt and also by having a variety of lenders.

Risk Mitigation

Established microfinance strategy: The Group has been in the business of microfinance since 2011, and has an established and a proven track-record. Its operations are growing in Zambia and were seeing growth in India before the onset of the pandemic. The Group's approach to microfinance is to establish operating systems that mitigate risk exposure in operations. Its long-term loan losses as well as profitability profile confirms that its approach to microfinance is viable and is managed within acceptable risk levels.

Systems and processes: The Company ensures, through its role in the governance of the Subsidiaries that appropriate levels of risk management processes and systems are in place. The establishment of such systems is relevant to the context and complexity in each subsidiary but the focus on risk management remains important within these institutions. The Subsidiaries follow processes appropriate to their size, scale and complexity. The Company oversees this aspect closely through its representation on the governance of the Subsidiaries.

Operating policies: The Company ensures that its Subsidiaries follow responsible lending practices and thereby maintain the credit risk in their operations within acceptable limits. Each of the Subsidiaries work with established policies for lending, which includes amongst other things, a focus on geographical and market diversification, risk exposure limits by sector, cash-flow based loan assessments, checks and balances in lending decisions and ongoing monitoring/audits. These practices help in managing the credit risk inherent in the business. The pandemic brought new challenges with the introduction of lockdowns and moratoriums which has had adverse effects on the loan losses for AMIL. In reaction, AMIL is pushing to diversify its loan book by focusing on geographical expansion and growth in new areas on operation.

Fraud risk Analysis: In each of the Company's Subsidiaries the Management Board together with their relevant committees, especially the Risk Committee and Audit and Finance Committee are tasked to provide oversight on fraud risk governance practices. Both AMZ's and AMIL's Boards are supported in this regard by their Audit and Finance Committees whereas Moringaway's Board is supported by a Risk and Credit Committee. AMSA and AMB are currently in the process of building appropriate Corporate Structures to support operations.

12 Off-balance sheet assets and liabilities

Guarantees

The Company is guarantor to two third party loans, relating to loans made to AMZ. As at 31 December 2024 the outstanding balance on these loans were ZMW 20,000,000 (USD: 717,342), ZMW 40,000,000 (USD: 1,434,683).

Contingent liability

As at 31 December 2018, AMIL recorded a contingent tax liability in regards to a demand from India's Tax Authorities. The demand is for USD 147,040. Furthermore, as at 31 December 2022 an additional contingent tax liability was recorded in AMIL in regards to a demand from India's Tax Authorities relating to the 2016-2017 financial years for USD 109,608. AMIL is in the process of disputing these amounts. Management believes that it is unlikely that the amounts will need to be paid.

Commitments

There were no capital commitments as at 31 December 2024 (2023: nil).

13 Accrued expenses & other liabilities

	2024 USD	2023 USD
Accrued expenses & other liabilities	463,300	537,194
Current income tax payable	3,898	10,417
Other statutory obligations	155,747	222,214
Total	622,945	769,825

Accrued expenses & other liabilities includes audit fees, staff welfare and other general expenses.

14 Interest income

	2024 USD	2023* USD
Interest income	10,507,223	10,565,306
Total	10,507,223	10,565,306

* Adjusted for comparison purposes, refer to page 50.

In the context of financial instruments such as loans, interest income is recognised not based on performance obligations, but rather through accrual basis, using the effective interest rate method. In 2023 Interest income of USD 303,948 which related to interest earned from Deposits with financial institutions has been reclassified to Other financial income.

Notes to the Consolidated Financial Statements (continued)

15 Interest expense

	2024 USD	2023 USD
Interest expense	(2,760,696)	(2,563,900)
Total	(2,760,696)	(2,563,900)

16 Other financial income

	2024 USD	2023* USD
115.25	129,984	123,877
Interest income from Deposits with financial institutions	645,527	317,958
Insurance brokerage and commission	309,309	334,947
Mobile Money Commissions	64,120	70,887
Other income	14,129	27,827
Total	1,163,069	875,496

* Adjusted for comparison purposes, refer to page 51.

Loan processing fees include transaction and service fees which are accounted for as the services are received. The primary performance obligation for loan processing fees is the service of processing the loan application. This includes evaluating the creditworthiness of the applicant, preparing and reviewing necessary documents, and managing the administrative aspects of setting up the loan.

Insurance brokerage fees relate to commissions earned on the sale of insurance products on behalf of third party insurance providers. AMIL and AMZ act as agents and therefore have no obligation to underwrite the insurance products sold. The primary performance obligation for insurance brokerage fees relate to advising clients on the relevant products, helping the client fill in the application and submitting to the third party insurance providers. The primary performance obligation for Mobile money income relate to advising clients on the process and helping the client through the process.

17 Other financial expense

	2024 USD	2023 USD
FX Results	(215,925)	(916,839)
Bank charges	(70,612)	(62,168)
Total	(286,537)	(979,007)

18 General and administrative expenses

	2024 USD	2023* USD
Salaries and wages	(3,266,864)	(3,630,076)
Social security charges	(172,946)	(174,236)
Pension Charges	(101,911)	(93,552)
Investment advisor fee	(497,651)	(515,778)
Other premises costs	(238,065)	(255,859)
General Administration	(1,254,831)	(1,301,261)
Depreciation & amortization	(984,115)	(1,105,475)
Travel costs	(750,627)	(551,722)
Consultancy, legal and audit	(396,098)	(338,438)
Total General and administrative expenses	(7,663,108)	(7,966,397)

* Adjusted for comparison purposes, refer to page 51.

The total amount of personnel expenses,depreciation and amortisation is shown below:

	2024 USD	2023 USD
Salaries and wages	(3,266,864)	(3,630,076)
Social security charges	(172,946)	(174,236)
Pension Charges	(101,911)	(93,552)
Depreciation and amortisation	(984,115)	(1,105,475)
	(4,525,836)	(5,003,339)

Notes to the Consolidated Financial Statements (continued)

19 Personnel

At the year end 2024 the Group had a total staff strength of 667 employees (2023: 604 staff) spread over the Group as follows:

- 160 in AMIL (2023: 115 staff)
- 2 in Moringaway (2023: 1 staff)
- 1 in AMSA (2023: nil)
- 495 in AMZ (2023: 483 staff)
- 6 in AMB (2023: 2 staff)
- 3 staff members employed by the Company in the Netherlands (2023: 3 staff)

20 Leases as lessee

The Group leases office space. The leases typically run for a period of 1 year to 3 years with an option to renew the lease after that date. Lease payments are renegotiated every after the lease term to reflect market rentals. Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

	2024 USD	2023 USD
Balance as at 1 January	303,759	351,625
Additions to Right-of-use assets	351,158	225,485
Depreciation charge for the year	(217,703)	(167,716)
Derecognition to right-of-use assets	(2,689)	(27,845)
Translation	(19,471)	(77,790)
Balance as at 31 December	415,054	303,759

Lease liability

	2024 USD	2023 USD
Less than 12 Months	244,728	101,808
1 years to 2 years	140,657	173,186
2 years to 3 years	53,816	53,854
3 years to 4 years	14,675	-
4 years to 5 years	1,185	-
Balance as at 31 December	455,061	328,848

20 Leases as lessee (continued)

Amounts recognised in profit or loss

	2024 USD	2023 USD
Interest on Lease liabilities	77,619	73,275
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	11,896	10,811
Total amount recognised in profit and loss	89,515	84,086

Amounts recognised in cashflow statement

	2024 USD	2023 USD
Total cash outflow for leases	295,394	198,505

21 Governance

The two-tier governance structure of the Company comprised of a three-member Supervisory Board and a two-member Management Board. Members of the Management Board oversee the overall operations, and their investments are advised by the Financial Advisor (Agora Microfinance Partners LLP). The Supervisory Board supervises, provides advice and guidance and reviews the activities and the decisions of the Management Board and the functioning of the organisation's operations. There were no changes to the Management Board or the Supervisory Board during the year.

Notes to the Consolidated Financial Statements (continued)

22 Tax on result

The tax amount recognised in the profit and loss account for 2024 was a movement of USD 116,385 (2023 a restated movement: USD 6,485).

The numerical reconciliation between the applicable and the effective tax rate is as follows:

	%	2024 USD	%	2023* USD
Result before tax		18,761		(180,699)
Income tax using the applicable tax rate in the Netherlands	25.8%	4,840	-248.5%	(46,620)
Tax effect of:				
- Other applicable tax rates abroad	36%	(98,497)	9%	(24,884)
- Non-deductible expenses	-77%	213,162	-73%	200,796
- Tax exempt income	-1472%	(276,113)	-476%	(89,392)
Recognition of previously not recognised tax losses	332%	62,362	0%	-
Tax losses not recognised	174%	32,687	1%	230
Other	-292%	(54,827)	-248%	(46,615)
Tax (income)/expense	-620%	(116,386)	-35%	(6,485)

* Adjusted for comparison purposes, refer to page 51.

The Holding Company has carry-forward tax losses of USD 5,935,528 as at 31 December 2024 (2023: USD 5,966,911) for which no deferred tax asset for unused tax loss carry-forward has been recognised.

23 Audit fees

	Mazars Accountants N.V. 2024 USD	Other Mazars network 2024 USD	Total Mazars 2024 USD
Audit of the financial statements	64,698	18,382	**83,081**
Tax advisory services	-	1,500	**1,500**
	64,698	19,882	**84,581**

Audit fees paid to auditors other than the Group auditor include KPMG Chartered Accountants, Zambia of USD 58,430 for the audit of AMZ and Shah Taparia Chartered Accountants, India of USD 8,629 for the audit of AMIL.

23 Audit fees (continued)

	Mazars Accountants N.V. 2023 USD	Other Mazars network 2023 USD	Total Mazars 2023 USD
Audit of the financial statements	55,450	13,800	69,250
Tax advisory services	-	-	-
	55,450	13,800	69,250

The fees were charged by Mazars to the Company, its Subsidiaries and other consolidated companies, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil Code.

24 Transactions with related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its Subsidiaries, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless whether anything has been charged. There have been no transactions with related parties that were not on a commercial basis. Refer to note 37 for further information on the remuneration of managing and supervisory directors.

The Company and its subsidiary, Moringaway, pay an Investment advisor fee to Agora Microfinance Partners LLP. The amounts paid during the year amounted to a total of USD 497,651 (2023: 515,778). All transactions between the Group and Agora Microfinance Partners LLP during the year took place at arms length.

25 Result Minority interest

	2024 USD	2023* USD
(Profit)/ Loss at AMIL	(183)	(817)
Loss/ (Profit) at AMZ	6,917	4,624
	6,734	3,807

* Adjusted for comparison purposes, refer to page 51.

The Company acquired majority (controlling) stake in AMIL in 2013. During 2023 the Company acquired a further 0.23% ownership in AMIL, increasing its equity stake to 99.73%.

AMZ operates an Employee Share Ownership Plan (ESOP), under which shares were issued through the Zambian Co-operative during 2021 and 2022. These shares have been recognised as a minority interest. As at year-end, the Company and Moringaway collectively held 98.6% of AMZ's total share capital (2023: 98.4%).

26 Subsequent events

On 28 February 2025, the Company incorporated a new entity in Mauritius under the name Finflow Agora Analytics Limited. The newly established company aims to develop technical solutions for financial inclusion and related services globally.

There are no other events after balance sheet that need to be included in these accounts.

Separate Financial Statements

Balance Sheet as at 31 December 2024

(before proposed appropriation of net result and expressed in USD)

	Notes	31-Dec-24 USD	31-Dec-23 * USD
Assets			
Fixed assets			
Intangible fixed-assets	2	353,603	503,859
Financial fixed-assets	27	19,264,274	22,070,125
Total fixed assets		19,617,877	22,573,984
Current assets			
Interest receivable	28	286,981	175,511
Trade and other receivables	29	13,069,008	3,721,431
Cash and cash equivalents	30	733,157	7,327,897
Total current assets		14,089,146	11,224,839
Total assets		33,707,023	33,798,823
Equity and liabilities			
Capital and reserves	31		
Issued and paid-up share capital		297,739	318,007
Share premium		6,450,525	6,450,525
Currency translation reserve		(4,356,228)	(4,086,651)
Other reserves		31,127,846	31,329,722
Unappropriated result for the year		141,881	(285,382)
Shareholders' equity		33,661,763	33,726,221
Current liabilities			
Accrued expenses	32	45,260	72,602
Total current liabilities		45,260	72,602
Total equity and liabilities		33,707,023	33,798,823

* Adjusted for comparison purposes, refer to page 91.
The notes on pages 91 to 100 are an integral part of these separate financial statements.

Separate Profit and Loss Account for the year end 31 December 2024

	Notes	2024 USD	2023 * USD
Interest income	33	918,984	532,249
Net interest income		918,984	532,249
Other financial expenses	34	(29,189)	(17,485)
Other operating income	35	99,002	110,784
Net other finance income		69,813	93,299
Net margin		988,797	625,548
Total operating expenses			
General and administrative expenses	36	(1,137,624)	(1,040,591)
Impairment of loans & advances		4,891	(35,855)
		(1,132,733)	(1,076,446)
Share of result from participating interests			
AMIL	27	67,924	303,138
AMZ	27	(435,170)	(263,727)
AMB	27	(131,823)	(60,934)
AMSA	27	(13,650)	(1,308)
Moringaway	27	798,536	188,347
		285,817	165,516
Result before tax		141,881	(285,382)
Tax on result	22	-	-
Result after tax		141,881	(285,382)

* Adjusted for comparison purposes, refer to page 91.
The notes on pages 91 to 100 are an integral part of these separate financial statements.

Notes to the Separate Financial Statements

General

The separate financial statements are part of the 2024 statutory financial statements of the Company. The financial information of the Company is included in the Company's consolidated financial statements.

In so far as no further explanation is provided of items in the separate balance sheet and the separate profit and loss account, we refer you to the notes to the consolidated balance sheet and profit and loss account.

Restatement of comparative figures

As explained further in the Consolidated accounts under ix) Changes in accounting policy (page 50), a material prior year misstatement has been restated and this change resulted in the revised net asset values for both AMZ and Moringaway.

This change has been applied retrospectively and prior period figures have been restated where applicable. The following tables summarise the impact of the restatement on the Company's Separate Financial Statements.

Separate Balance Sheet as at 31 December 2023

	As previously reported	Adjustments	As restated
Financial fixed-assets	22,718,922	(648,797)	22,070,125
Total fixed assets	**23,222,781**	**(648,797)**	**22,573,984**
Total Assets	**34,447,620**	**(648,797)**	**33,798,823**
Capital and Reserves			
Currency translation reserve	(4,124,437)	37,786	(4,086,651)
Other reserves	31,838,877	(509,155)	31,329,722
Unappropriated result for the year	(107,954)	(177,428)	(285,382)
Shareholders' equity	**34,375,018**	**(648,797)**	**33,726,221**
Total Equity and Liabilities	**34,447,620**	**(648,797)**	**33,798,823**

Notes to the Separate Financial Statements (continued)

Separate Profit and Loss Account for the year ended 31 December 2023

	As previously reported	Adjustments	As restated
Share of result from participating interests	342,944	(177,428)	165,516
Result before tax	(107,954)	(177,428)	(285,382)
Result after tax	(107,954)	(177,428)	(285,382)

Accounting policies

The principles for the valuation of assets and liabilities and the determination of the result are the same as those applied to the consolidated profit and loss account.

Participating interests in group companies

Participating interests in group companies are accounted for in the separate financial statements according to the equity accounting method on the basis of net asset value. For details we refer to the accounting policy for financial fixed assets in the consolidated financial statements.

Share of result of participating interests

This item concerns the Company's share of the profit or loss of these participating interests. Results on transactions involving the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests themselves, are eliminated to the extent that they can be considered as not realized.

27 Financial fixed assets

	2024 USD	2023* USD
Consolidated participating interest		
AMIL - Equity	2,949,482	2,964,479
AMZ - Equity	1,815,769	2,172,748
AMB - Equity	199,225	13,027
AMSA - Equity	17,376	4,118
Moringaway - Equity	7,413,373	6,565,602
Loans and advances	6,869,049	10,350,151
Balance as at 31 December	19,264,274	22,070,125

* Adjusted for comparison purposes, refer to page 91.

27 Financial fixed assets (continued)

Details of each investment are shown below.

AMIL - Equity

	2024 USD	2023 USD
Opening balance	2,964,479	1,599,677
Acquisition of new shares	-	1,088,271
Share of result in participating interest - AMIL	67,924	303,138
Revaluation	(82,921)	(26,607)
Balance as at 31 December	2,949,482	2,964,479

During 2023, the Company made a further equity investment into AMIL to the value of USD 1,088,271 (INR 90,000,000) for the purchase of 7,894,737 shares at par value of INR 10 per share. The investment increased the Company's direct equity stake in AMIL from 99.5% to 99.73%. The legal address of AMIL is Office No.404, 4th Floor A wing, Technocity Premises Co-op Society Ltd, Plot No.X-4/1 & X-4/2, Shil Phata Mahape Road, Navi Mumbai-400709, India.

AMZ - Equity

	2024 USD	2023* USD
Opening balance	2,172,748	4,039,257
Adjustment to opening balance *	-	(459,210)
Acquisition of new shares	238,000	-
Share of result in participating interest - AMZ	(435,170)	(263,727)
Revaluation	(159,809)	(1,143,572)
Balance as at 31 December	1,815,769	2,172,748

* Adjusted for comparison purposes, refer to page 91.

During 2024 the Company made an additional investment into AMZ, with 625,000 shares being issued for ZMW 6,250,000 (USD 238,000). The new investment increased the Company's direct equity stake in AMZ from 88.79% to 89.80%. At year end the Company and Moringaway held 98.6% of the total share capital in AMZ (2023: 98.4%). The legal address of AMZ is Plot 57A, Lukanga Road, Roma Township, Lusaka, Zambia.

In December 2024, the Company, AMZ, and Moringaway entered into an agreement—subject to regulatory approvals in Zambia—to onboard three impact investors as new shareholders in AMZ. As part of the transaction, new shares will be issued to the incoming investors, and Moringaway will divest its holdings by selling its shares to the Company and the new shareholders, thereby exiting as a shareholder in AMZ. Regulatory approvals are currently being sought, with the transaction expected to close during 2025. Once approved the transaction will substantially enhance AMZ's capital position and enable it to reach more clients with an expanded product range, thereby enhancing the impact achieved by AMZ in rural Zambia. At the same time, AMZ will also be able to tap into the new investors' expertise in the areas of rural and impact finance.

Notes to the Separate Financial Statements (continued)

27 Financial fixed assets (continued)

AMB - Equity

	2024 USD	2023 USD
Opening balance	13,027	13,983
Acquisition of new shares	329,087	60,799
Share of result in participating interest - AMB	(131,823)	(60,934)
Revaluation	(11,066)	(821)
Balance as at 31 December	199,225	13,027

The Company incorporated AMB on 22 March 2022 and holds 100% of the share capital. During 2024 two separate equity investments were made for a total amount of USD 329,087 (2023: four separate equity investments totalling USD 60,799). All new shares were issued to the Company. The legal address of AMB is Plot 203, Independence Avenue, Gaborone, Botswana.

AMSA - Equity

	2024 USD	2023 USD
Opening balance	4,118	-
Acquisition of new shares	28,685	5,582
Share of result in participating interest - AMSA	(13,650)	(1,308)
Revaluation	(1,777)	(156)
Balance as at 31 December	17,376	4,118

The Company incorporated AMSA on 22 August 2023 by issuing 100,000 shares for ZAR 100,000 (USD 5,582). During 2024 the Company made an additional investment into AMSA, with 500,000 shares being issued for ZAR 500,000 (USD 28,685). The Company holds 100% of the share capital. The legal address of AMSA is Devonport Road 25, Tamboerskloof, Cape Town, Western Cape, 8001, South Africa.

27 Financial fixed assets (continued)

Moringaway - Equity

	2024 USD	2023* USD
Opening balance	6,565,602	6,551,575
Adjustment to opening balance *	-	(49,945)
Share of result in participating interest - Moringaway	798,536	188,347
Revaluation	49,235	(124,375)
Balance as at 31 December	7,413,373	6,565,602

* Adjusted for comparison purposes, refer to page 91.

The Company holds 100% of the shares in Moringaway. The legal address of Moringaway is 11th Floor, Tower 1, NeXTeracom Building, Cybercity, Ebene, Mauritius.

Loans and advances

	2024 USD	2023 USD
Loan to subsidiary	6,915,582	10,401,575
Loan Loss Reserve	(46,533)	(51,424)
Balance as at 31 December	6,869,049	10,350,151

On 13 May 2020 the Company entered into an unsecured USD 2,000,000 Line of Credit Agreement with Moringaway, which was amended on 2 November 2021 to increase the maximum amount of the facility to USD 5,000,000. The principal amount outstanding at year end is USD 3,440,000 (2023: 3,440,000). The Interest rate is reset at the beginning of each year, with the interest rate for 2024 being 5.05% per annum (2023: 3%). Interest is payable at the end of each quarter. The facility is repayable on 30 September 2027.

On 27 September 2021 the Company entered into an unsecured USD 7,000,000 Senior Debt term facility agreement with Moringaway. In December of 2024, USD 3,500,000 was repaid, with the remaining amount due for repayment on 30 September 2026. The Interest rate is reset at the beginning of each year, with the interest rate for 2024 being 5.05% per annum (2023: 4%). Interest is payable at the end of each quarter.

Notes to the Separate Financial Statements (continued)

28 Interest receivable

	2024 USD	2023 USD
Accrued interest income	286,981	175,511
Balance as at 31 December	286,981	175,511

29 Trade and other receivables

	2024 USD	2023 USD
VAT receivable	2,841	8,086
Other receivables and prepayments	263,585	158,499
Deposits with financial institutions	12,802,582	3,554,846
Balance as at 31 December	13,069,008	3,721,431

Deposits with Financial institutions are deposits held by the Company that are readily available within 12 months. As at 31 December 2024 all amounts included under trade and other receivables have an estimated maturity of shorter than one year.

30 Cash and cash equivalents

	2024 USD	2023 USD
Cash and cash equivalents	733,157	7,327,897
Balance as at 31 December	733,157	7,327,897

The significant decrease during the year is due to the placement of surplus cash into Deposits with financial institutions, which are shown under Note 29. Cash and cash equivalents is available on demand and is held in current accounts or savings accounts. Cash and cash equivalents that are not readily available to the Company are presented under Trade and other receivables or Financial fixed assets, depending on their maturity date.

31 Shareholders' equity

The Company's authorised capital, amounting to EUR 1,000,000 (2021: EUR 1,000,000), consists of 10,000,000 shares of EUR 0.10 each, of which 2,876,692 shares have been issued. The issued and paid up capital as at 31 December 2024 amounts to 2,876,692 shares valued at EUR 287,670 (the equivalent of USD 297,739 at the year end exchange rate).

	Issued and paid-up share capital USD	Share premium USD	Currency translation reserve USD	Other reserves USD	Un-appropriated result for the year USD
Balance as at 1 January 2023 as previously reported	**308,575**	6,450,525	(2,791,122)	31,326,995	521,314
Impact of prior period restatement*		-	37,786	(509,155)	-
Restated balance as at 1 January 2023	**308,575**	6,450,525	(2,753,336)	30,817,840	521,314
Profit appropriation 2022	-	-	-	521,314	(521,314)
FX Translation	-	-	(1,333,315)	-	-
Revaluation share capital	9,432	-	-	(9,432)	-
Result for the period *	-	-	-	-	(285,383)
Restated balance as at 31 December 2023	**318,007**	6,450,525	(4,086,651)	31,329,722	(285,383)
Profit appropriation 2023 *	-	-	-	(285,383)	285,383
FX Translation	-	-	(269,577)	63,239	-
Revaluation share capital	(20,268)	-	-	20,268	-
Result for the period	-	-	-	-	141,881
Closing balance at 31 December 2024	**297,739**	6,450,525	(4,356,228)	31,127,846	141,881
Total Shareholders' equity 31 December 2024					33,661,763
Total Shareholders' equity 31 December 2023 *					33,726,220

* Adjusted for comparison purposes, refer to page 91.

Notes to the Separate Financial Statements (continued)

31a) Appropriation of result of 2023

The financial statements for the reporting year 2023 have been adopted by the General Meeting on 16 July 2024. The General Meeting has adopted the appropriation of profit after tax as proposed by the Management Board.

31b) Proposal for profit appropriation of 2023

The Management Board proposes, with consent of the Supervisory Board, to the General Meeting to appropriate the profit after tax for 2024 amounting to USD 141,880 to the Other reserves. The 2024 result after tax is presented as unappropriated result in shareholders' equity. The Company can only make payments to the shareholders and other parties entitled to the distributable profit in so far as the shareholders' equity exceeds the paid-up and called-up part of the capital plus the legal reserves and statutory reserves under the articles of association to be maintained.

32 Accrued expenses

	2024 USD	2023 USD
Accrued expenses	45,260	72,602
Balance as at 31 December	**45,260**	72,602

Accrued expenses includes legal fees, tax advisory fees and audit fees.

33 Interest income

	2024 USD	2023 USD
Interest income	541,808	413,243
Interest income on Term Deposits	377,176	119,006
Total	**918,984**	532,249

34 Other financial expenses

	2024 USD	2023 USD
Bank charges	(16,211)	(14,431)
FX Results	(12,978)	(3,054)
Total	**(29,189)**	(17,485)

35 Other operating income

	2024 USD	2023 USD
Service fees	52,500	52,500
Guarantee fees	46,502	58,284
Total	**99,002**	110,784

Other operating income include fees charged to Group Companies.

The Company is guarantor to two third party loans made to AMZ. In consideration of the Company providing a guarantee for these Loans, AMZ is obliged to pay an annual fee of 3% (the 'Guarantee Fee') with respect to the outstanding principal amount pursuant to the loan agreement.

36 General and administrative expenses

	2024 USD	2023 USD
Investment advisor fee	(478,310)	(497,586)
Salaries and wages	(192,185)	(176,628)
Wage tax and social security charges	(88,687)	(78,037)
Depreciation & amortization	(150,255)	(150,256)
Auditor's fees	(84,150)	(75,079)
Legal and professional fees	(54,911)	(14,303)
Travel costs	(34,448)	(15,106)
Website and publication expenses	(32,533)	(14,612)
Premises costs	(8,535)	(8,411)
General and administration fees	(7,398)	(10,573)
Insurance	(6,212)	-
Total	**(1,137,624)**	(1,040,591)

The Company has 3 employees (2023: 3) with one being located in The Netherlands.

37 Remuneration of managing and supervisory directors

The Company has three Supervisory Directors (2023: 3) and two Managing Directors (2023: 2). The Supervisory Directors received remuneration of USD 2,647 (2023: USD 2,677) and Managing Directors received USD 101,987 (2023: 89,465) in respect of their services as Directors. All remuneration relates to periodically recurring remuneration.

Notes to the Separate Financial Statements (continued)

38 Financial instruments

The risks relating to financial instruments relate predominantly to the subsidiaries. Refer to note 11 for further details.

39 Off-balance sheet assets and liabilities

Guarantees

The Company is guarantor to two third party loans, relating to loans made to AMZ. As at 31 December 2024 the outstanding balance on these loans were ZMW 20,000,000 (USD: 717,342), ZMW 40,000,000 (USD: 1,434,683).

Commitments

There were no capital commitments as at 31 December 2024 (2023: nil).

40 Subsequent events

On 28 February 2025, the Company incorporated a new entity in Mauritius under the name Finflow Agora Analytics Limited. The newly established company aims to develop technical solutions for financial inclusion and related services globally.

There are no other events after balance sheet that need to be included in these accounts.

Amsterdam, 27 June 2025

Managing Directors:

Ms. R.J. Peat

Mr. R.W. van Hoof

Supervisory Board:

Mr. T. Chetan

Ms. M.S. Mungra

Mr. G.E. Bruckermann

Other Information

Auditor's report

The Auditor's report is included on page 102

Provisions in the Articles of Association governing the appropriation of profit

In accordance with Article 23 of the Articles of Association, Distribution of Profits:

The amount of distributable profits shall be at the unrestricted disposal of the General Meeting, to be used for distribution of dividends, to be carried to reserves or to be used for such other ends fitting the Company's objects as that meeting may resolve. From the profits shown in the Company's adopted annual accounts any amount as the Supervisory Board may diem necessary may be added to the Company's general reserves of the Company. In calculating the amount of profits to be distributed on each Share, only the amount of the compulsory payments on the nominal amount of the Shares shall be regarded.

The Company shall only be capable of making distributions to Shareholders and other persons who are entitled to profits that qualify for distribution up to a maximum of the Distributable Reserves. In the calculation of the distribution of profits the Shares which the Company holds in its own Share capital shall be disregarded.

Distribution of profits shall take place after confirmation and adoption of the Annual Accounts showing that this is allowed.

The Supervisory Board shall have power to make one or more interim dividends payable and/or to make one or more distributions out of a reserve of the Company payable up to a maximum of the Distributable Reserves.

Independent Auditor's Report

To the General Meeting and the Supervisory Board of Agora Microfinance N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Agora Microfinance N.V. based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Agora Microfinance N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2024;
2. the consolidated and company profit and loss account for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Agora Microfinance N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance- opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit response to the risks of fraud and non-compliance with laws and regulations

As part of our audit, we have obtained an understanding of the company and its environment. This includes obtaining an understanding of management's processes for identifying and responding to the risks of fraud and non-compliance in the company, and how management exercises oversight over these processes, as well as the outcomes. We refer to section 'Fraud risk analysis of the Directors' Report for management's fraud risk assessment.

Our fraud risk assessment

We identified fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors indicate that a risk of material misstatement in the financial statements is present.

We had special attention for the fraud risk in revenue recognition and the risk of management override of controls. We identified this risk primarily in the area where journal entries are recorded in the general ledger and other adjustments are made in the preparation of the financial statements and where judgement is involved.

Our specific response to the identified and assessed fraud risks

Fraud risk:	Our specific audit response
Corruption & Bribery We have identified a fraud risk due to Corruption & Bribery for subsidiaries that are based in countries with elevated perceived country risks. For the consolidated financial statements 2024 of Agora Microfinance N.V., that includes the subsidiaries based in India, Zambia and Mauritius.	We have performed the following procedures: • We have obtained and reviewed the screening procedures for the employees that are involved with the activities that are susceptible for misappropriation or kickbacks. • We have obtained and reviewed the process for the distribution of cash outflows and confirmed appropriate segregation of duties is implemented. • We have obtained and reviewed the process for the collection of cash inflows and confirmed appropriate segregation of duties is implemented. • We have identified expense categories that involve a higher risk for error, fraud or corruption and tested a selection of invoices. • We have reviewed the loan portfolio for loans distributed to employees and reviewed for any indications of misappropriation of assets
Management Override Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively	We have performed the following procedures: • We have evaluated the design and the implementation of internal controls that mitigate fraud risks. • We have tested journal entries and other adjustments made in preparing the financial statements based on both qualitative and quantitative criteria. • We have evaluated the design and implementation of internal controls in the financial reporting cycle. • We have reviewed accounting estimates for potential indications of management bias. • We have incorporated elements of unpredictability in our audit.

Our specific response to the identified and assessed fraud risks (continued)

Fraud risk:	Our specific audit response
Revenue Recognition (Interest income and Loan processing fees over Microcredit loans) We have identified a risk of fraud due to the presumption that revenue recognition is inherently related to fraud risks. We consider the fraud risk primarily exists in relation to the risk of existence of loans (revenue does not exist as the underlying asset does not exist).	We have performed the following procedures: • We have evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to the disbursement and recognition of interest income and loan fees. • We have performed detailed testing to determine loans recorded in the system exist and parameters are consistent with underlying documentation. • We have performed detailed testing to determine the accuracy of redemptions and remaining loan balances recorded in the system. • We have performed a recalculation of interest income and loan processing fees.

Our observations

We refer to section 'Fraud Risk Analysis of the Directors' Report for management's disclosure of an alleged (immaterial) fraud uncovered in one of the group's subsidiaries. Our audit procedures did not reveal other indications ad/or reasonable suspicion of fraud.

Audit approach going concern

In preparing the financial statements, management must consider whether the company is able to continue as a going concern. Management must prepare financial statements on the going concern basis unless management intends to liquidate the company or cease operations or if termination is the only realistic alternative.

Management has not identified any circumstances that could threaten the continuity of the company and thus concludes that the going concern assumption is appropriate for the company.

Our audit of the financial statements requires us to determine that the going concern assumption used by management is acceptable. In doing so, based on the audit evidence obtained, we must determine whether there are any events or circumstances that might cast reasonable doubt on whether the company can continue as a going concern. We have, among other procedures, verified management's going concern assessment and the financial position of the company.

Our observation

Based on the procedures performed by us, we are of the opinion that the financial statements have been properly prepared on the going concern basis. However, future events or circumstances could cause the company to be unable to continue as a going concern.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 27 June 2025
Forvis Mazars Accountants N.V.

Original was signed by
J.C. van Oldenbeek MSc RA

In the event of any differences and inconsistencies between the text and quantitative information in these Financial Statements from pages 28 to 107 and that in the original, as filed at the trade register of the Chamber of Commerce (Kamer van Koophandel), the latter shall prevail.

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