EXPRESSCREDIT PROPRIETARY LIMITED
BW00000115487
Financial Statements
For the year ended 31 December 2025

CONTENTS

CORPORATE INFORMATION

Statutory

Company name	ExpressCredit Proprietary Limited
Country of Incorporation	Republic of Botswana
Date of Incorporation	22 December 2015
Company number	BW00000115487
Nature of business	Microfinance

Directors

	Date of appointment	Date of resignation
Mabua Lesego Mabua	28 May 2023	-
Oskars Dzalbs	25 June 2024	-
Nicolaas Petrus Esterhuyse	8 August 2024	-
Keamogetse Letsididi	28 May 2023	30 September 2025
Lepata Nnago Mafa	28 May 2023	30 September 2025

Registered Office
Plot 67977, Ground Floor, KPMG Building, Showgrounds Close, Fairgrounds, Gaborone, Gaborone, Botswana

Bankers
First National Bank Botswana Limited
Access Bank Botswana Limited
Stanbic Bank Botswana Limited
ABSA Bank Botswana Limited

Auditors
BDO
Firm of Certified Auditors
Plot 113 Unit 28, Kgale Mews, Gaborone, Botswana
The auditor, BDO Botswana, has been appointed at the Annual General Meeting.

Secretary
Onneile Andrew Motsage

Legal Advisors
Moribame Matthews

Holding Company

Company Name	Eleving Consumer Finance Mauritius Ltd
Registration number	137426 C1/GBL
Registered Office	C/o: Stonehage Fleming (Mauritius) Limited, Rue des Fascines 1st Floor Les Fascines Building – Block B, Vivea Business Park, Moka, Mauritius

COMMENTARY OF THE DIRECTORS

The Directors have the pleasure in submitting their report on the financial statements of ExpressCredit Proprietary Limited for the year ended 31 December 2025.

Principal activity

The Company's principal business activity is consumer micro-lending activities. The company was incorporated in Botswana and operates in Botswana. It obtained its microlenders licence and is regulated by Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Chapter 42:01). The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

Stated capital

There was share capital redemption during the year ended 31 December 2025. The total stated capital is of BWP 43 579 484 (2024: BWP 83 579 484).

Events after the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2025.

Secretary

Onneile Andrew Motsage

Going Concern

The Directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The Directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

The list of the abbreviations used throughout the financial statements are presented on page 48, Note 31.

DIRECTORS' RESPONSIBILITIES AND APPROVAL STATEMENT

Directors' responsibilities in respect of the financial statements.

The Directors are required in terms of the Companies Act (Chapter 42:01) to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the 31 December 2025 and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company, and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on pages 8 to 48, which have been prepared on the going concern basis, were approved by the board on 31.03.2026. and were signed on their behalf by:

Director

Director

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Gaborone International Finance Park
PO Box 1839, Gaborone
Botswana

INDEPENDENT AUDITOR'S REPORT

To the shareholder of ExpressCredit Proprietary Limited

Opinion

We have audited the financial statements of ExpressCredit Proprietary Limited set out on pages 7 to 46, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ExpressCredit Proprietary Limited as at 31 December 2025, and its financial performance and its cashflows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with other ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

The key audit matter below relates to the financial statements:

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of loans and advances	
ExpressCredit Proprietary Limited has a portfolio of financial assets that fall within the scope of IFRS 9 Expected Credit Loss (ECL) impairment model. As at 31 December 2025 loans and advances amounted to P455 114 638 (2024: P260 419 820) net of expected credit losses of P53 164 279 (2024: P47 867 329). Loans and advances represent 87.1% (2024: 75.3%) of the company's total assets. Significant judgements and estimates are required in estimating the ECL against these assets mentioned above and include assessing: - i. Probability of default (PD), ii. Loss given default (LGD), iii. Exposure at default (EAD), iv. Credit risk profile changes and v. Macro-economic scenario assumptions.	We performed the following audit procedures among others: - ➢ Assessed the design, implementation and operating effectiveness of the key controls relating to the ECL model's validation and data governance. ➢ Performed controls testing over the origination, approval disbursement, credit monitoring and collection processes in terms of the company credit policy and processes to ensure compliance with the policies and relevant laws and regulations. ➢ With the involvement of our technical accounting and credit modelling specialists we completed an assessment over the methodologies and assumptions applied to ensure compliance with IFRS 9 including: -

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The company is required to recognize an allowance for either 12 months or lifetime ECLs depending on whether there has been a significant increase in the credit risk (SICR) or not since initial recognition. Due to the significance of the balance, high degree of estimation uncertainty and management judgement involved, impairment of loans and advances has been raised as a key audit matter. The relevant disclosures relating to the impairment of loans and advances have been provided in note 2 (Significant accounting policies) and note 7 to the financial statements.	• The determination of PD, EAD, LGD and discount rate, • Validation of the IFRS 9 staging and ageing assignments, • Management's calculation of ECL and • Consideration of forward-looking information in the calculation of ECL. • We confirmed the accuracy of ageing and staging; • We confirmed the completeness, accuracy and validity of data for the calculation of the inputs used in the credit impairment model. ➢ The credit modelling specialist recalculated the: - • Model inputs (PD, EAD, LGD and discount rate), • The allocation of staging per loan, and • ECL as at 31 December 2025. ➢ Evaluated the adequacy and appropriateness of the disclosures in the financial statements in line with IFRS 9: Financial Instruments, requirements.

Other Information

The directors are responsible for the other information. The other information comprises the corporate information set out on page 1, the commentary of the directors set out on page 2 and the directors' responsibility and approval statement set out on page 3. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and for the performance of the audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO
Firm of Certified Auditors

Gaborone
31 March 2026

Practicing Member: Christopher Matamande (CAP 0042 2026)
Partner

STATEMENT OF FINANCIAL POSITION

In BWP	Notes	31 December 2025	31 December 2024
ASSETS			
Non-current Assets			
Premises and equipment	5	2 089 368	2 689 138
Intangible assets	6	-	-
Right-of-use asset	13	5 695 394	3 662 365
Loans and advances to customers	7	380 192 966	180 202 626
Deferred tax asset	23	19 833 776	11 330 799
Other financial assets	8	-	1 287 264
		407 811 504	**199 172 192**
Current Assets			
Loans and advances to customers	7	74 921 672	80 217 194
Other financial assets	8	14 665 107	35 967 546
Other non-financial assets	9	9 982 357	5 770 618
Advances to related parties	10	162 916	146 138
Cash and cash equivalents	11	14 782 120	24 582 524
		114 514 172	**146 684 020**
TOTAL ASSETS		**522 325 676**	**345 856 212**
LIABILITIES			
Non-current Liabilities			
Borrowed funds	12	320 117 447	75 727 808
Lease liability	13	4 175 014	1 319 594
		324 292 461	**77 047 402**
Current liabilities			
Borrowed funds	12	59 079 374	110 485 911
Lease liabilities	13	1 796 242	2 663 810
Other financial liabilities	14	6 833 212	2 602 281
Trade and other payables	15	7 474 344	7 196 545
Deferred income	16	661 634	490 213
Corporate tax payable	23	6 716 133	9 608 904
		82 560 939	**133 047 664**
TOTAL LIABILITIES		**406 853 400**	**210 095 066**
EQUITY			
Stated capital	17	43 579 484	83 579 484
Retained earnings		71 892 792	52 181 662
TOTAL EQUITY		**115 472 276**	**135 761 146**
TOTAL LIABILITIES AND EQUITY		**522 325 676**	**345 856 212**

The financial statements have been approved for issue by the Directors on 31.03.2026 and signed on its behalf by:

Director

Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In BWP	**Notes**	**For the year ended 31 December 2025**	**For the year ended 31 December 2024**
Interest income	18	89 658 442	86 712 510
Other similar income	18	59 084 296	44 913 549
Interest expense	18	(41 332 625)	(25 336 758)
Net margin on interest and similar income		**107 410 113**	**106 289 301**
Credit loss allowance	19	(22 166 199)	(8 784 728)
Net margin on interest and similar income after credit loss allowance		**85 243 914**	**97 504 573**
Administrative and other operating expenses	20	(52 269 255)	(49 253 687)
Foreign exchange translation loss related to forward contract	21	(4 911 649)	1 031 631
Foreign exchange translation gains less losses	21	(2 125 213)	(2 921 332)
Lease interest expense	13	(514 575)	(564 137)
Other Income	22	296 627	1 128 233
Profit before tax		**25 719 849**	**46 925 281**
Income tax expense	23	(6 008 719)	(9 907 794)
Profit for the year		**19 711 130**	**37 017 487**
Other comprehensive income		-	-
PROFIT FOR THE PERIOD		**19 711 130**	**37 017 487**

STATEMENT OF CHANGES IN EQUITY

In BWP	Note	Stated Capital	Retained Earnings	Total
Balance at 31 December 2023	17	**83 579 484**	**15 164 175**	**98 743 659**
Profit for the year		**-**	37 017 487	**37 017 487**
Balance at 31 December 2024	17	**83 579 484**	**52 181 662**	**135 761 146**
Profit for the year		**-**	19 711 130	**19 711 130**
Share capital redemption	17	(40 000 000)	**-**	**(40 000 000)**
Balance at 31 December 2025	17	**43 579 484**	**71 892 792**	**115 472 276**

STATEMENT OF CASH FLOWS

In BWP	**Notes**	**2025**	**2024**
Cash flows from operating activities			
Profit before taxation		**25 719 849**	**46 925 281**
Adjustments for:			
Depreciation and amortisation	20	3 418 234	3 491 392
Disposals and write-offs of assets	5	245 982	64 893
Interest income from loans	18	(148 742 738)	(131 626 059)
Impairment losses on loans	19	27 760 671	10 245 779
Interest expense on leases	13	514 575	564 137
Interest expense on borrowings and leases	12	41 332 625	25 015 768
Foreign exchange loss on borrowings	12	1 050 963	3 896 642
Foreign exchange loss on cash and cash equivalents		(919 862)	(1 364 340)
Cash flows used in operating activities before changes in operating assets and liabilities		**(49 619 701)**	**(42 786 507)**
Net (increase)/decrease in:			
- loans and advances to customers		(73 712 751)	70 106 442
- other financial assets		22 572 926	13 967 157
- other non-financial assets		(4 211 739)	(892 092)
Net increase/(decrease) in:			
- other financial liabilities		4 230 932	350 967
- trade and other payables		449 220	(5 154 526)
- income tax paid	23	(17 404 467)	(5 984 708)
Net cash generated from operating activities		**(68 075 879)**	**72 393 240**
Cash flows from investing activities			
Acquisition of premises and equipment	5	(707 030)	(743 295)
Net cash used in investing activities		**(707 030)**	**(743 295)**
Cash flows from financing activities			
Proceeds from borrowed funds	12	301 004 508	156 640 290
Repayment of borrowed funds	12	(150 404 994)	(189 559 106)
Repayment of principal of lease liabilities	13	(2 917 168)	(2 937 256)
Share capital redemption	17	(40 000 000)	-
Net cash used in financing activities		**107 682 346**	**(35 856 072)**
Net movement in cash and cash equivalents		(10 720 266)	(6 992 634)
Cash and cash equivalents at the beginning of the year	11	24 582 524	30 210 818
Effect of foreign exchange rate changes		919 862	1 364 340
Cash and cash equivalents at the end of the year	11	**14 782 120**	**24 582 524**

NOTES TO THE FINANCIAL STATEMENTS

1 Introduction

ExpressCredit Proprietary Limited (the "Company") was incorporated as a private company limited by shares in Botswana on 22nd December 2015 under Botswana's Companies Act (Chapter 42:01) and holds a micro lender licence by the Non-Bank Financial Institutions Regulatory Authority (NBFIRA).

The Company's immediate parent company is Eleving Consumer Finance Mauritius, incorporated in the Republic of Mauritius, and its ultimate parent company is AS Eleving Consumer Finance AS, incorporated in the Republic of Latvia.

Principal activity The Company's principal business activity is consumer micro-lending activities.

Registered address of the Company. The Company's registered address is situated at Plot 67977, KPMG Building, Showgrounds, Fairgrounds, Gaborone, Botswana.

Basis of measurement. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Presentation currency. These financial statements are presented in Botswanan Pula ("BWP"), unless otherwise stated. The Company's functional currency is Botswana Pula ("BWP").

Abbreviations. A glossary of various abbreviations used in this document is included in Note 31.

Going concern. The financial statements were prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

2 Material accounting policies

Basis of preparation. The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Financial instruments – key measurement terms. *Fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity. This is the case even if a market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analysed by level in the fair value hierarchy as follows:

(i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,

(ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and

(iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. Refer to Note 27.

2. Material accounting policies (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Amortised cost (“AC”) is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortisation of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method. Accrued interest income and accrued interest expense, including both accrued coupon and amortised discount or premium (including fees deferred at origination, if any), are not presented separately and are included in the carrying values of related items in the statement of financial position.

***Financial instruments – key measurement terms (continued)*.**

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future credit losses) through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortised over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate. For assets that are purchased or originated credit impaired (“POCI”) at initial recognition, the effective interest rate is adjusted for credit risk, i.e. it is calculated based on the expected cash flows on initial recognition instead of contractual payments.

Financial instruments – initial recognition. Financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognised for financial assets measured at AC, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recorded at trade date, which is the date on which the Company commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

The Company uses discounted cash flow valuation techniques to determine the fair value of loans to related parties that are not traded in an active market. Differences may arise between the fair value at initial recognition, which is considered to be the transaction price, and the amount determined at initial recognition using a valuation technique with level 3 inputs. If any differences remain after calibration of model inputs, such differences are initially recognised within other assets or other liabilities and are subsequently amortised on a straight-line basis over the term of the loans to related parties. The differences are immediately recognised in profit or loss if the valuation uses only level 1 or level 2 inputs.

Financial assets – classification and subsequent measurement – measurement categories. The Company classifies financial assets at AC. The classification and subsequent measurement of debt financial assets depends on: (i) the Company’s business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

2. Material accounting policies (continued)

Financial assets – classification and subsequent measurement – business model. The business model reflects how the Company manages the assets in order to generate cash flows – whether the Company's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a Company of assets (on a portfolio level) based on all relevant evidence about the activities that the Company undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Company in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated. Refer to Note 3 for critical judgements applied by the Company in determining the business models for its financial assets.

Financial assets – classification and subsequent measurement – cash flow characteristics. Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the Company assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at AC. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed. Refer to Note 3 for critical judgements applied by the Company in performing the SPPI test for its financial assets.

Financial assets impairment – credit loss allowance for ECL. The Company assesses, on a forward-looking basis, the ECL for debt instruments measured at AC. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantees, a separate provision for ECL is recognised as a liability in the statement of financial position.

The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 24 for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in Note 24 For financial assets that are purchased or originated credit-impaired ("POCI Assets"), the ECL is always measured as a Lifetime ECL. Note 24 provides information about inputs, assumptions and estimation techniques used in measuring ECL, including an explanation of how the Company incorporates forward-looking information in the ECL models.

As an exception, for certain financial instruments, such as credit cards, that may include both a loan and an undrawn commitment component, the Company measures expected credit losses over the period that the Company is exposed to credit risk, that is, until the expected credit losses would be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. This is because contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to such contractual notice period.

2. Material accounting policies (continued)

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include absence of payments for more than 12 months, the death of borrower, fraud cases. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no expectation of recovery.

Financial assets – derecognition. The Company derecognises financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial assets – modification. The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset, significant change in interest rate that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets), and recognises a modification gain or loss in profit or loss.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC. The Company does not have financial liabilities measured at FVTPL.

Financial liabilities – derecognition. Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch-up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners.

Derivative financial instruments. The Company enters into foreign exchange forward contracts to manage its exposure to foreign currency risk arising from EUR-denominated borrowings. Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Derivatives are classified as financial assets or financial liabilities at fair value through profit or loss. Changes in fair value are recognised in profit or loss in the period in which they arise.

2. Material accounting policies (continued)

Trade and other payables. Trade payables are accrued when the counterparty has performed its obligations under the contract and are carried at AC.

Cash and cash equivalents. Cash and cash equivalents are items which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include all interbank placements with original maturities of less than three months. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents, both in the statement of financial position and for the purposes of the statement of cash flows. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

The payments or receipts presented in the statement of cash flows represent transfers of cash and cash equivalents by the Company, including amounts charged or credited to current accounts of the Company's counterparties held with the Company, such as loan interest income or principal collected by charging the customer's current account or interest payments or disbursement of loans credited to the customer's current account, which represents cash or cash equivalent from the customer's perspective.

Loans and advances to customers. Loans and advances to customers are recorded when the Company advances money to originate a loan due from a customer. Based on the business model and the cash flow characteristics, the Company classifies loans and advances to customers AC category loans that are held for collection of contractual cash flows and those cash flows represent SPPI and loans that are not voluntarily designated at FVTPL. Impairment allowances are determined based on the forward-looking ECL models.

Premises and equipment. Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, where required.

Costs of minor repairs and day-to-day maintenance are expensed when incurred. Costs of replacing major parts or components of premises and equipment items are capitalised, and the replaced part is retired.

At the end of each reporting period management assesses whether there is any indication of impairment of premises and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognised in profit or loss for the year. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Gains and losses on disposals determined by comparing proceeds with carrying amount are recognised in profit or loss for the year (within other operating income or expenses).

Depreciation. Depreciation of items of equipment commences one month after an asset is put in use and is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	Useful lives in years
Computer equipment	3
Leasehold improvements	(Shorter of lease period and useful life) 5
Office equipment	3
Furniture and fixtures	4 – 5
Motor vehicles	5

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Company will dispose assets, if an asset is damaged, cannot be repaired and/or redeployed, and if assets excess to the requirements of the Company, e.g. due to acquisition of replacement assets, restructuring or closure of branches.

Work in progress items are not depreciated until the month when they are put in use.

2. Material accounting policies (continued)

Intangible assets. The Company's intangible assets have a definite useful life and primarily include capitalised computer software. Capitalised computer software is amortised on a straight-line basis over expected useful lives of 3 to 5 years.

Accounting for leases by the Company as a lessee. The Company leases office premises and equipment. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recognised at cost and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

As an exception to the above, the Company accounts for short-term leases and leases of low value assets by recognising the lease payments as an operating expense on a straight-line basis.

In determining the lease term, management of the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

For the Company as a lessee, the major class of right-of-use assets are rent agreements for the branch network and the head office used for the operating needs of the Company. Most lease contracts may be early terminated by both the Company and the lessor. Many contracts may be extended beyond their current term at discretion of the Company. Thus, if there is an extension clause or early termination clause a lease term equal to the planning horizon of three years is often applied unless the lease term is shorter already. The incremental borrowing rate at the date of initial application was set at 12.50% and was based on the Company's nominal borrowing rate for loans previously obtained from the shareholders.

Accounting for leases by the Company as a lessor. When assets are leased, the lease payments receivable are recognised as rental income on a straight-line basis over the lease term.

Borrowed funds*.* Borrowed funds include shareholder loans, loans obtained from unrelated non-financial institutions and funding obtained from peer-to-peer financing platform. Borrowings are carried at AC.

Subordinated debt. Subordinated debt can only be paid in the event of a liquidation after the claims of other higher priority creditors have been met. Subordinated debt is carried at AC.

Income taxes. Income taxes have been accounted for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax for credit comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

2. Material accounting policies (continued)

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxes other than on income are recorded within administrative and other operating expenses. Deferred income tax is provided using the statement of financial position method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Uncertain tax positions. The Company's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes other than on income are recognised based on management’s best estimate of the expenditure required to settle the obligations at the end of the reporting period.

Provisions and charges. Provisions and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Levies and charges, such as taxes other than income tax or regulatory fees based on information related to a period before the obligation to pay arises, are recognised as liabilities when the obligating event that gives rise to pay a levy occurs, as identified by the legislation that triggers the obligation to pay the levy. If a levy is paid before the obligating event, it is recognised as a prepayment.

Stated capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Interest income and expense recognition. Interest income and expense are recorded for all debt instruments an accrual basis using the effective interest method. This method defers, as part of interest income or expense, all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fees integral to the effective interest rate include origination fees received or paid by the entity relating to the creation or acquisition of a financial asset or issuance of a financial liability, for example fees for evaluating creditworthiness.

For financial assets that are originated or purchased credit-impaired, the effective interest rate is the rate that discounts the expected cash flows (including the initial expected credit losses) to the fair value on initial recognition (normally represented by the purchase price). As a result, the effective interest is credit-adjusted.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for (i) financial assets that have become credit impaired (Stage 3), for which interest revenue is calculated by applying the effective interest rate to their AC, net of the ECL provision, and (ii) financial assets that are purchased or originated credit impaired, for which the original credit-adjusted effective interest rate is applied to the AC.

Foreign currency translation. The functional currency of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and the Company’s presentation currency is the national currency of Botswana, Botswana Pula (‘BWP’).

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into each entity's functional currency at the official exchange rate of the national banks of the respective countries at the end of the respective reporting period. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the national banks of the respective countries, are recognised in profit or loss for the year (as foreign exchange translation gains less losses). Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

The results and financial position of the Company are translated into the presentation currency as follows:
(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
(ii) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
(iii) components of equity are translated at the historic rate; and
(iv) all resulting exchange differences are recognised in other comprehensive income.

Foreign currency translation (continued).

The principal rate of exchange used for translating foreign currency balances was as follows:

	2025	**2024**
EUR/BWP	15.3374	14.5138
USD/BWP	13.0719	13.9470

Rates of exchange used were obtained from Bank of Botswana published information.

Staff costs and related contributions. Wages, salaries, contributions to the Company jurisdictions state pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar benefit payments beyond the payments to the statutory defined contribution scheme.

Capital Management Disclosure. As a regulated consumer micro-lender, the Entity is subject to externally imposed capital requirements under the Non-Bank Financial Institutions Regulatory Authority (NBFIRA) (Micro-Lending) Regulations, 2012. In accordance with IAS 1 paragraph 135(a)(ii), the Entity discloses the following:

- Externally Imposed Capital Requirements - The Company is required by Regulation 6(1) of the NBFIRA (Micro-Lending) Regulations, 2012, to maintain a minimum financial balance of P20,000 at all times. This requirement ensures that the Company maintains adequate capital to support its micro-lending operations.
- Compliance with Capital Requirements - During the reporting period, the Company has complied with the externally imposed capital requirements. The management continuously monitors compliance with these regulations and ensures that the minimum capital balance is maintained as required.
- Capital Management Approach - The Company actively manages its capital to ensure financial stability, regulatory compliance, and operational efficiency. This includes regular monitoring of capital levels, financial forecasting, and maintaining sufficient reserves to meet regulatory requirements.

***Prudential Rules Disclosure*:** As per the NBFIRA Prudential Rules for Systemically Important Micro Lenders, 2018 Pursuant to the provisions of Section 4 of the NBFIRA Act 2016, the entity is required to comply with the act on capital adequacy and liquidity risk management.

Capital Adequacy Ratio: The resultant CAR is 23% (2024: 42%) against a minimum requirement of 5% as per the Prudential rules on Capital Adequacy.

Liquidity Ratio: The resultant ratio is 43% (2024: 103%) against a minimum requirement of 3% as per the Prudential rules on Liquidity risk management.

3 Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the amounts recognised in the financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

CL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. Details of ECL measurement methodology are disclosed in Note 24. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the Company compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Company considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios.

Should ECL on all loans and advances to customers be measured at lifetime ECL (that is, including those that are currently in Stage 1 measured at 12-months ECL), the expected credit loss allowance would be BWP 49 987 073 as of 31 December 2025 and BWP 47 867 329 as of 31 December 2024.

Write-off policy. Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Determining the cash flows for which there is no reasonable expectation of recovery requires judgement. Management considered the following indicators that there is no reasonable expectation of recovery: loans being past due over 720 days, death of the borrower, proved fraud cases. Management also considers, based on past practices, that contractual default interest is not collectible for loans overdue over 720 days. Therefore, the default interest was written-off from the gross carrying amounts of the respective loans.

Unallocated/unidentified deposits. Unallocated/unidentified deposits are temporarily posted in a separate control account as a liability until they are allocated/identified to the concerned loan.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in performing the business model assessment to determine which business model best reflects how the group of financial assets are managed to achieve a particular objective. The Company's business model is to hold loans and advances to customers in order to collect contractual cash flows. The contractual cash flows represent solely payments of principal and interest.

Initial recognition of related party transactions. In the normal course of business, the Company enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis.

Lease classification. The company is party to leasing arrangements and contracts, as a lessee. The treatment of leasing transactions in the financial statements is mainly determined by whether the arrangement or contract is considered a lease and if it's a lease whether or not the lease is a short term or long term, low value or high value lease. In making these assessments, management considers the substance of the lease, the lease term, the lease value as well as the legal form of the lease. Discount rate applied indicates the Company's effective interest rate of the borrowed funds.

3. Critical accounting estimates, and judgements in applying accounting policies (continued)

Impairment of non-financial assets. The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful life of Premises and equipment. Management assesses the appropriateness of the useful lives of premises and equipment at the end of each reporting period. The useful lives of furniture and fixtures, leasehold improvements, buildings, office equipment and IT equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

4 Application of new and revised international financial reporting standards (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”), the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB and International Sustainability Standards Board (ISSB) of the IASB that are relevant to its operations and effective for accounting beginning on 1 January 2025.

4.1 New and amended IFRS Standards that are effective for the current year

i) Effective from 1 January 2025

The following amendments are effective for accounting periods beginning on or after 1 January 2025:

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). On 15 August 2023, the IASB issued amendments to IAS 21 - Lack of Exchangeability (the Amendments). The Amendments clarify how an entity determines the exchange rate to apply when a currency is not exchangeable and require additional disclosures in such circumstances.

The Amendments introduce guidance on determining whether a currency is exchangeable into another currency and specify how to estimate the spot exchange rate when exchangeability is lacking. The Amendments also require entities to provide disclosures that enable users of financial statements to understand the impact of a currency not being exchangeable.

The Amendments did not have a material impact on the Company’s financial statements. The Company’s transactions are primarily denominated in currencies that are readily exchangeable, including BWP, EUR and USD.

4.2 New and revised Standards and Interpretations in issue but not yet effective

ii) Effective from 1 January 2026

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7).
On 30 May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments in response to feedback received as part of the post-implementation review of the classification and measurement requirements in IFRS 9 Financial Instruments and related requirements in IFRS 7 Financial Instruments: Disclosures.
The IASB amended the requirements related to:

- settling financial liabilities using an electronic payment system; and
- assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

4. Application of new and revised international financial reporting standards (IFRS) (continued)

The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs.
The Company is currently assessing the effect of these amendments and does not expect them to have a material impact on the recognition and measurement of its financial instruments. Additional disclosures may be required in future reporting periods.

Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). On 19 December 2024 the IASB issued Contracts Referencing Nature-dependent Electricity to require a company to provide additional disclosures about its contracts referencing nature-dependent electricity.
The Company does not have contracts referencing nature-dependent electricity and therefore does not expect these amendments to have any impact on its financial statements.

Annual Improvements to IFRS Accounting Standards Volume 11. The IASB issued Annual Improvements to IFRS Accounting Standards Volume 11, which include narrow-scope amendments and clarifications to various IFRS Standards. The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.
The Company is currently assessing the effect of these new accounting standards and amendments and does not expect them to have a material impact on its financial statements.

iii) Effective from 1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024, supersedes IAS 1 Presentation of Financial Statements and will result in consequential amendments to other IFRS Accounting Standards, including IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Although IFRS 18 will not affect the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include new requirements for categorisation and sub-totals in the statement of profit or loss, aggregation and disaggregation of information, and the disclosure of management-defined performance measures.
The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 19 Subsidiaries without Public Accountability: Disclosures. On 9 May 2024, the IASB issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which permits eligible subsidiaries to apply reduced disclosure requirements when reporting under IFRS Accounting Standards. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

In August 2025, the IASB issued amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures to update the reduced disclosure requirements following the issuance of new and amended IFRS Accounting Standards. These amendments ensure that the disclosure requirements in IFRS 19 remain aligned with other IFRS Accounting Standards.
The Company does not expect to be eligible to apply IFRS 19.

Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). In November 2025, the IASB issued amendments to IAS 21 titled Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). The amendments aim to reduce diversity in practice and provide clearer requirements for translating financial information when the presentation currency is that of a hyperinflationary economy.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. The Company does not expect these amendments to have an impact on its financial statements as the Company's functional and presentation currencies are not those of a hyperinflationary economy.

The Company does not expect that any other standards, interpretations or amendments issued by the IASB but not yet effective will have a material impact on its financial statements.

5 Premises and equipment

In BWP	**Computer equipment**	**Leasehold improvements**	**Office equipment**	**Furniture and Fixtures**	**Motor vehicles**	**Total**
Carrying amount at 31 December 2024	**809 147**	**1 083 750**	**127 040**	**524 657**	**144 544**	**2 689 138**
Additions	172 775	-	104 431	-	429 824	**707 030**
Disposals	(2 129)	(165 744)	(58 940)	(19 169)	-	**(245 982)**
Depreciation and amortisation charge	(440 258)	(305 249)	(125 605)	(108 140)	(81 566)	**(1 060 818)**
Carrying amount at 31 December 2025	**539 535**	**612 757**	**46 926**	**397 348**	**492 802**	**2 089 368**
Cost at 31 December 2025	3 688 824	4 529 629	449 664	1 009 201	777 953	**10 455 271**
Accumulated depreciation and amortisation	(3 149 289)	(3 916 872)	(402 738)	(611 853)	(285 151)	**(8 365 903)**
Carrying amount at 31 December 2025	**539 535**	**612 757**	**46 926**	**397 348**	**492 802**	**2 089 368**

6 Intangible Assets

	Computer Software	
In BWP	**For the year ended 31 December 2025**	**For the year ended 31 December 2024**
Cost		
Opening balance:	199 935	199 935
Cost at 31 December	**199 935**	**199 935**
Accumulated depreciation and amortization		
Opening balance:	(199 935)	(199 935)
Accumulated depreciation and amortization as at 31 December	**(199 935)**	**(199 935)**
Carrying amount at 31 December	**-**	**-**

7 Loans and advances to customers

Breakdown of Loans and advances to customers:

In BWP	**2025**	**2024**
Gross carrying amount of loans and advances to customers	600 547 256	357 015 676
Deferred protection fee	(92 268 339)	(48 728 527)
Gross carrying amount	**508 278 917**	**308 287 149**
Less credit loss allowance	(53 164 279)	(47 867 329)
Total carrying amount of loans and advances to customers	**455 114 638**	**260 419 820**
Non-current	380 192 966	180 202 626
Current	74 921 672	80 217 194
Total carrying amount of loans and advances to customers	**455 114 638**	**260 419 820**

NOTES TO THE FINANCIAL STATEMENTS

The following tables disclose the change in the credit loss allowance and gross carrying amount for loans and advances to customers carried at AC between the beginning and the end of the reporting and comparative periods:

In BWP	**Credit Loss Allowance** Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total	**Gross Carrying Amount** Stage 1 (12-months ECL)	Stage 2 (lifetime ECL for SICR)	Stage 3 (lifetime ECL for credit im-paired)	Total
At 31 December 2024	(7 342 314)	(4 213 050)	(36 311 965)	**(47 867 329)**	257 326 132	9 259 088	41 701 929	**308 287 149**
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to 12-months ECL (to Stage 1 from Stage 2 and Stage 3)	(112 072)	93 674	18 398	-	476 511	(428 198)	(51 236)	(2 923)
- to lifetime (to Stage 2 from Stage 1 and Stage 3)	366 090	(366 090)	-	-	(3 536 055)	3 536 055	-	-
- to credit-impaired (to Stage 3 from Stage 1 to Stage 2)	1 561 245	3 330 109	(4 891 354)	-	(12 912 579)	(6 573 455)	19 486 034	-
Net remeasurement of credit loss allowance	250 208	(1 132 249)	(11 108 617)	**(11 990 658)**	(347 291)	(982 306)	(6 184 938)	**(7 514 535)**
New originated	(9 685 227)	(3 712 370)	(3 862 600)	**(17 260 197)**	340 237 911	7 722 021	4 997 693	**352 957 625**
Loan repayments	2 924 415	717 385	2 470 084	**6 111 884**	(123 966 425)	(1 733 028)	(1 906 926)	**(127 606 379)**
Total movements with impact on credit loss allowance charge for the period	(4 695 341)	(1 069 541)	(17 374 089)	**(23 138 971)**	199 952 072	1 541 089	16 340 628	**217 833 788**
Movements with impact on credit loss allowance charge for the period:								
Write-offs	-	-	17 842 020	**17 842 020**	-	-	(17 842 020)	**(17 842 020)**
At 31 December 2025	**(12 037 654)**	**(5 282 591)**	**(35 844 034)**	**(53 164 279)**	**457 278 205**	**10 800 176**	**40 200 536**	**508 278 917**

NOTES TO THE FINANCIAL STATEMENTS

	Credit Loss Allowance				Gross Carrying Amount			
In BWP	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**Total**	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**Total**
At 31 December 2023	(7 399 671)	(4 480 362)	(41 953 117)	**(53 833 150)**	206 850 119	11 102 133	47 873 083	**265 825 335**
Movements with impact on credit loss allowance charge for the period:								
Transfers:								
- to 12-months ECL (to Stage 1 from Stage 2 and Stage 3)	(169 858)	151 999	17 859	**-**	772 879	(749 387)	(23 492)	**-**
- to lifetime (to Stage 2 from Stage 1 and Stage 3)	251 852	(251 852)	-	**-**	(2 552 696)	2 552 696	-	**-**
- to credit-impaired (to Stage 3 from Stage 1 to Stage 2)	1 113 132	2 856 020	(3 969 152)	**-**	(8 723 192)	(6 103 142)	14 826 334	**-**
Net remeasurement of credit loss allowance	861 987	(643 416)	(4 975 607)	**(4 757 036)**	(37 859 242)	(409 372)	(6 613 214)	**(44 881 828)**
New originated	(5 883 350)	(3 246 149)	(4 606 762)	**(13 736 261)**	215 083 116	6 944 489	5 456 577	**227 484 182**
Loan repayments	3 883 595	1 400 710	2 826 429	**8 110 734**	(116 244 851)	(4 078 329)	(3 468 974)	**(123 792 154)**
Total movements with impact on credit loss allowance charge for the period	57 358	267 312	(10 707 233)	**(10 382 563)**	50 476 014	(1 843 045)	10 177 231	**58 810 200**
Movements with impact on credit loss allowance charge for the period:								
Write-offs	-	-	16 348 385	**16 348 385**	-	-	(16 348 385)	**(16 348 385)**
At 31 December 2024	(7 342 313)	(4 213 050)	(36 311 965)	**(47 867 328)**	257 326 133	9 259 088	41 701 929	**308 287 150**

The credit loss allowance for loans and advances to customers recognised in the period is impacted by a variety of factors, details of ECL measurement are provided in Note 24. Below main movements in the table are described:

Transfers between Stage 1, 2 and 3 due to balances experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;

Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;

Impact on the measurement of ECL due to changes to model assumptions, including changes in PDs, EADs and LGDs in the period, arising from update of inputs to ECL models;

Unwinding of discount due to the passage of time because ECL is measured on a present value basis;

Write-offs of allowances related to assets that were written off during the period.

The following tables contain analyses of the credit risk exposure of loans and advances to customers measured at AC and for which an ECL allowance is recognised. The carrying amount of loans and advances to customers below also represents the Company's maximum exposure to credit risk on these loans.

The credit quality of loans to customers carried at amortised cost is as follows as at 31 December 2024 and 31 December 2025:

In BWP	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**Total**
At 31 December 2025				
- Current	430 813 645	-	42 273	**430 855 918**
- 1-30 days past due	26 464 560	-	-	**26 464 560**
- 31-60 days past due	-	7 097 948	-	**7 097 948**
- 61-90 days past due	-	3 702 228		**3 702 228**
- Default	-	-	40 158 263	**40 158 263**
Gross amount of loans and advances to customers at AC	**457 278 205**	**10 800 176**	**40 200 536**	**508 278 917**
Credit loss allowance	(12 037 654)	(5 282 591)	(35 844 034)	**(53 164 279)**
Carrying amount	**445 240 551**	**5 517 585**	**4 356 502**	**455 114 638**

In BWP	**Stage 1 (12-months ECL)**	**Stage 2 (lifetime ECL for SICR)**	**Stage 3 (lifetime ECL for credit im-paired)**	**Total**
At 31 December 2024				
- Current	254 738 881	353 715	48 818	**255 141 414**
- 1-30 days past due	2 587 252	-	7 586	**2 594 838**
- 31-60 days past due	-	4 670 896	-	**4 670 896**
- 61-90 days past due	-	4 234 477	-	**4 234 477**
- Default	-	-	41 645 524	**41 645 524**
Gross amount of loans and advances to customers at AC	**257 326 133**	**9 259 088**	**41 701 928**	**308 287 149**
Credit loss allowance	(7 342 314)	(4 213 050)	(36 311 965)	**(47 867 329)**
Carrying amount	**249 983 819**	**5 046 038**	**5 389 963**	**260 419 820**

The outstanding contractual amounts of loans and advances to customers written off that are still subject to enforcement activity was as follows at 31 December 2024 and 31 December 2023:

In BWP	**2025**	**2024**
Loans and advances to customers written off	17 842 020	16 348 385

The Company's policy is to complete legal enforcement steps under certain conditions that were initiated even though the loans were written off as there is no reasonable expectation of recovery.

8 Other financial assets

In BWP	**2025**	**2024**
Other financial assets at AC		
Currency hedging deposits	9 564 627	-
Collections receivables	4 593 001	5 382 419
Other receivables	684 166	511 576
Loan to related parties	-	31 537 503
Less allowance for doubtful receivables	(176 687)	(176 687)
Other total financial assets	**14 665 107**	**5 717 307**
Total other financial assets at AC	**14 665 107**	**37 254 810**
Non-current	-	1 287 264
Current	14 665 107	35 967 546
Total other financial assets at AC	**14 665 107**	**37 254 810**

Amount due from related parties

In BWP	**2025**	**2024**
Express Credit Cash Advance Proprietaty Limited	-	1 463 952
Eleving Consumer Finance Mauritius	-	30 073 551

As at 31 December 2025, the Company had no outstanding balances due from related parties (2024: BWP 31 537 503). Accordingly, no expected credit loss allowance was recognised at year end.

9 Other non-financial assets

In BWP	**2025**	**2024**
Other non-financial assets at AC		
Deferred direct sales agents commission	7 624 476	2 480 032
Deferred funding fees	1 396 146	2 470 835
Security deposits	643 781	241 618
Prepayments for services	317 954	578 133
Total other non-financial assets at AC	**9 982 357**	**5 770 618**

10 Advances to related parties

Advances paid to related parties represents payments mainly for marketing invoices which initially will be paid by the ultimate parent entity due to centralised purchases and subsequently will be recharged to its subsidiaries. Advances paid do not attract any interest income.

In BWP	2025	2024
Advances paid for marketing services to EC Finance Group Ltd.	162 916	146 138
Total advances paid to related parties	**162 916**	**146 138**

11 Cash and cash equivalents

In BWP	2025	2024
Cash at bank	14 782 120	24 582 524
Total other non-financial assets at AC	**14 782 120**	**24 582 524**

For the purpose of ECL measurement cash and cash equivalents balances are included in Stage 1. The ECL for these balances represents an insignificant amount, therefore the Company did not recognise any credit loss allowance for cash and cash equivalents. Refer to Note 24 for the ECL measurement approach.

12 Borrowed funds

Related party debt of BWP 278 882 221 (2024: BWP 37 501 997) is denominated in EUR and carries an interest rate of 14% (2024: 14%) per annum. The maturity date of the debt is 31 December 2030.

Unsecured financial institutions' debt in the amount of BWP 87 837 575 (2024: BWP 119 827 856) carries an interest rate that ranges between 15.5% and 16.5% (2024: 15% and 17.5%) and secured debt of BWP 12 500 000 (2024: BWP 25 000 000) – which carries an interest rate 14.51% (2024: 15.50% and 17.25%) per annum for 31 December 2025.

As of 31 December 2025, the Company had no outstanding borrowings from the Mintos peer-to-peer lending platform (2024: BWP 3 883 866).

In BWP	2025	2024
Non-current		
Borrowings from related financial institutions	266 947 447	37 010 190
Borrowings from unrelated financial institutions	53 170 000	38 717 619
Total non-current borrowed funds	**320 117 447**	**75 727 808**
Current		
Borrowings from related financial institutions	11 934 774	491 807
Borrowings from unrelated financial institutions	47 144 600	106 110 238
Borrowings from peer-to-peer lending platform	-	3 883 866
Total current borrowed funds	**59 079 374**	**110 485 911**
Total borrowed funds at AC	**379 196 821**	**186 213 719**

The table below sets out movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

in BWP	Borrowings from peer-to-peer lending platform	Borrowings from unrelated financial institutions	Borrowings from related parties	Total
Carrying amount at 31 December 2023	**41 856 675**	**148 246 296**	**117 154**	**190 220 125**
Cash inflows	27 670 775	79 850 000	49 119 515	**156 640 290**
Cash outflows	(68 179 804)	(108 279 044)	(13 100 258)	**(189 559 106)**
Foreign exchange adjustments	(210 534)	3 661 453	445 723	**3 896 642**
Interest expense	2 746 754	21 349 151	919 863	**25 015 768**
Carrying amount at 31 December 2024	**3 883 866**	**144 827 856**	**37 501 997**	**186 213 719**
Cash inflows	17 621 436	54 569 124	228 813 949	**301 004 508**
Cash outflows	(23 178 965)	(120 791 864)	(6 434 165)	**(150 404 994)**
Foreign exchange adjustments	687 805	309 597	53 561	**1 050 963**
Interest expense	985 859	21 411 375	18 935 391	**41 332 625**
Carrying amount at 31 December 2025	**-**	**100 326 088**	**278 870 733**	**379 196 821**

13 Leases

The Company leases only office premises. The leases typically run for a period from 2 to 5 years, with an option to renew the lease after the date.

Information about leases for which the Company is a lessee is presented as follows:

In BWP	**Right-of-use assets** 2025	2024
Carrying amount at 01 January	**3 662 365**	**4 356 602**
Additions	4 439 604	2 225 409
Disposals of right-of-use assets	(2 915 478)	(508 574)
Depreciation charge	(2 357 416)	(2 411 072)
Depreciation on disposals	2 866 319	
Carrying amount at 31 December	**5 695 394**	**3 662 365**
Cost at 31 December	13 796 323	12 272 197
Accumulated depreciation and amortisation	(8 100 929)	(8 609 832)
Carrying amount at 31 December	**5 695 394**	**3 662 365**

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

In BWP	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years
As at 31 December 2024	1 557 499	1 106 311	1 093 257	226 337
As at 31 December 2025	572 169	1 224 073	2 462 494	1 712 520

In BWP	2025	Lease liabilities 2024
Opening balance	**3 983 404**	**4 639 688**
Additions	4 439 604	2 225 409
Lease liability interest expense	517 997	564 137
Termination and modification effect on interest expense	(3 422)	-
Disposals of lease liabilities	(49 159)	(508 574)
Lease payments	(2 917 168)	(2 937 256)
Total Lease liabilities	**5 971 256**	**3 983 404**

In BWP	2025	2024
Non-current	4 175 014	1 319 594
Current	1 796 242	2 663 810
Total Lease liabilities	**5 971 256**	**3 983 404**

Low value and short term lease payments that were not capitalised have been presented under Premises and equipment Administrative and other operating expenses. See Note 20.

14 Other financial liabilities

In BWP	2025	2024
Other financial contracts	4 911 649	-
Related party payables	1 430 065	1 299 209
Unallocated payments from customers	491 498	1 115 755
Payables to Mintos	-	187 317
Total other financial liabilities	**6 833 212**	**2 602 281**

Other financial contracts represent foreign exchange forward contracts entered into to mitigate the Company's exposure to foreign currency risk arising from EUR-denominated borrowings.
On 24 September 2025, the Company entered into a foreign exchange forward contract with VFX Financial PLC, which matures on 26 March 2026.

15 Trade and other payables

In BWP	2025	2024
Accrued liabilities	2 359 709	2 249 272
VAT payable	2 300 122	1 755 337
Trade payables	851 554	1 175 944
Provisions for severance costs	760 084	548 212
Withholding tax payable	642 970	523 262
Provisions for vacation costs	299 880	322 132
Provision for Bonus	140 496	319 220
Personal income tax payable	96 361	161 961
Other payables	23 168	141 205
Total trade and other payables	**7 474 344**	**7 196 545**

16 Deferred income

In BWP	2025	2024
Deferred interest	661 634	490 213
Total deferred income	**661 634**	**490 213**

17 Stated capital

In BWP except for number of shares	Number of shares	Value of shares
At 31 December 2023	**83 579 484**	**83 579 484**
At 31 December 2024	**83 579 484**	**83 579 484**
Share capital redemption	(40 000 000)	(40 000 000)
At 31 December 2025	**43 579 484**	**43 579 484**

In March 2025, the Company reduced its share capital by BWP 40 000 000.

The total authorised number of ordinary shares is 43 579 484 shares (31 December 2024: 83 579 484 shares) with a total value of BWP 43 579 484 (31 December 2024: BWP 83 579 484). All issued ordinary shares are fully paid.

Eleving Consumer Finance Mauritius is the sole shareholder of the Company as at 31 December 2025. Eleving Consumer Finance Mauritius Limited is incorporated in Mauritius, and the Company is ultimately controlled by Eleving Group SA, incorporated in Grand Duchy of Luxembourg.

NOTES TO THE FINANCIAL STATEMENTS

18 Interest income and expense

In BWP	2025	2024
Interest income calculated using the effective interest method		
Loans and advances to customers	88 884 948	82 438 290
Related party loans	773 494	4 274 220
Total Interest income calculated using the effective interest method	**89 658 442**	**86 712 510**
Other similar incomes		
Protection fees	36 531 192	18 512 857
Collection fees	12 082 970	10 182 581
Early repayment interest	4 408 549	8 712 055
Statement fees	4 022 492	3 391 157
Termination fees	939 340	1 478 137
Insurance fee income	534 194	1 200 911
Other fee income	565 559	1 453 392
Other income from payments	-	(17 541)
Total other similar incomes	**59 084 296**	**44 913 549**
Total interest and similar income	**148 742 738**	**131 626 059**
Interest and other similar expenses		
Borrowed funds from from unrelated financial institutions	21 411 375	21 349 151
Borrowed funds from related parties	18 792 342	919 863
Borrowed funds from peer-to-peer lending platform	985 859	2 746 754
Withholding Tax	143 049	320 990
Total Interest and other similar expense	**41 332 625**	**25 336 758**
Net margin on interest and similar income	**107 410 113**	**106 289 301**

19 Expected credit loss allowance

In BWP	2025	2024
Credit loss allowance on loans	27 760 671	16 086 291
Recoveries from written-off loans	(4 621 700)	(5 703 727)
Net credit loss allowance on loans	**23 138 971**	**10 382 564**
Portfolio control provisions	(972 772)	1 248 367
Credit loss allowance on related party borrowings	-	(2 846 203)
Total credit loss allowance	**22 166 199**	**8 784 728**

NOTES TO THE FINANCIAL STATEMENTS

20 Administrative and other operating expenses

In BWP	**2025**	**2024**
Staff costs	12 635 449	13 348 456
Management fees	12 160 606	10 474 586
Collection costs	6 194 246	5 282 468
Depreciation and amortisation	3 418 234	3 491 392
Regulatory expenses	3 035 218	1 771 171
Professional services	2 578 089	3 900 520
Direct sales agents' commissions	2 346 430	1 987 026
Advertising and marketing services	2 269 644	1 479 257
VAT-Write Off	1 924 961	14 465
IT costs	1 353 157	1 182 550
Communication costs	696 471	886 555
Utilities	661 446	606 895
Insurance expense	583 136	1 321 039
Directors' remuneration	496 103	826 505
Office expenses	433 842	428 753
Audit fees	389 299	477 025
Travel	403 600	880 665
Bank fees	135 469	119 295
Premises and equipment	57 764	301 383
VAT on foreign supplies	19 393	401 584
Data costs	-	7 566
Other administrative expenses	476 698	64 531
Total administrative and other operating expenses	**52 269 255**	**49 253 687**

Audit fees included in administrative expenses relate to the statutory audit of the financial statements and amounted to BWP 389 299 (2024: BWP 477 025).

21 Foreign exchange gains less losses

In BWP	**2025**	**2024**
Realized Forex (Gain)/Loss	1 205 351	1 556 992
Unrealized Forex (Gain)/Loss	919 862	1 364 340
Foreign exchange translation gains less losses	**2 125 213**	**2 921 332**

In BWP	**2025**	**2024**
Unrealized gain/(loss) on foreign exchange forward contract	4 911 649	(1 031 631)
Foreign exchange translation gains/(losses) related to forward contract	**4 911 649**	**(1 031 631)**

22 Other income

In BWP	**2025**	**2024**
Commission income	185 552	396 177
Other operating income	101 294	681 556
Other interest income	9 781	50 500
Other income	**296 627**	**1 128 233**

23 Income taxes

(a) Components of income tax expense / (benefit)

Income tax expense/(credit)

In BWP	2025	2024
Current tax	14 511 696	14 721 188
Deferred tax	(8 502 977)	(4 813 394)
Income tax expense for the year	**6 008 719**	**9 907 794**

(b) Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Company's 2025 income is 22% (31 December 2024: 22%). A reconciliation between the expected and the actual taxation charge is provided below.

In BWP	2025	2024
Profit before tax	**25 719 849**	**46 925 281**
Theoretical tax charge/credit at statutory rate of 22%	5 658 367	10 323 562
Tax effect of items which are not deductible or assessable for taxation purposes:		
Non-deductible expenses	350 352	(415 768)
Income tax expense for the year	**6 008 719**	**9 907 794**

(c) Corporate taxes payable

In BWP	2025	2024
Opening balance	9 608 904	872 424
Tax charged for the year	14 511 696	14 721 188
Tax paid	(17 404 467)	(5 984 708)
Total Corporate tax payable	**6 716 133**	**9 608 904**

(d) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

In BWP	1 January 2024	Credited/ (charged) to profit or loss	31 December 2024	Credited/ (charged) to profit or loss	31 December 2025
Tax effect of deductible/(taxable) temporary differences and tax loss carry forwards					
Premises and equipment	283 571	(12 707)	270 864	(52 290)	218 574
Deferred protection fees	7 963 541	2 571 935	10 535 476	9 763 559	20 299 035
IFRS 16 adjustment	62 279	8 455	70 734	(10 045)	60 689
Credit loss allowance of assets	881 950	(157 100)	724 850	418 588	1 143 438
Provisions for expense	184 800	-	184 800	(184 800)	-
Prepaid expenses	(647 202)	(108 878)	(756 080)	(1 334 249)	(2 090 329)
Foreign exchange difference	(2 211 534)	2 511 689	300 155	(97 785)	202 370
Net deferred tax asset/(liability)	**6 517 405**	**4 813 394**	**11 330 799**	**8 502 977**	**19 833 776**
Recognised deferred tax asset	9 376 141	2 710 738	12 086 879	9 837 226	21 924 105
Recognised deferred tax liability	(2 858 736)	2 102 656	(756 080)	(1 334 249)	(2 090 329)

Net deferred tax asset/(liability)	**6 517 405**	**4 813 394**	**11 330 799**	**8 502 977**	**19 833 776**

24 Categories of financial instruments

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Credit risk. The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

Exposure to credit risk arises as a result of the Company's lending and other transactions with counterparties, giving rise to financial assets.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position. For financial guarantees issued, commitments to extend credit, undrawn credit lines and export/import letters of credit, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk.

The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Expected credit loss (ECL) measurement. ECL is a probability-weighted estimate of the present value of future cash shortfalls (i.e., the weighted average of credit losses, with the respective risks of default occurring in a given time period used as weights). An ECL measurement is unbiased and is determined by evaluating a range of possible outcomes. ECL measurement is based on four components used by the Company: Probability of Default ("PD"), Exposure at Default ("EAD"), Loss Given Default ("LGD") and Discount Rate.

EAD is an estimate of exposure at a future default date, taking into account expected changes in the exposure after the reporting period, including repayments of principal and interest, and expected drawdowns on committed facilities. The EAD on credit related commitments is estimated using Credit Conversion Factor ("CCF"). CCF is a coefficient that shows the probability of conversion of the committed amounts to an on-balance sheet exposure within a defined period. PD an estimate of the likelihood of default to occur over a given time period. LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of the EAD. The expected losses are discounted to present value at the end of the reporting period. The discount rate represents the effective interest rate ("EIR") for the financial instrument or an approximation thereof.

Expected credit losses are modelled over instrument's lifetime period. The lifetime period is equal to the remaining contractual period to maturity of debt instruments, adjusted for expected prepayments, if any.

Management models Lifetime ECL, that is, losses that result from all possible default events over the remaining lifetime period of the financial instrument. The 12-month ECL, represents a portion of lifetime ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting period, or remaining lifetime period of the financial instrument if it is less than a year.

The ECLs that are estimated by management for the purposes of these financial statements are point-in-time estimates, rather than through-the-cycle estimates that are commonly used for regulatory purposes. The estimates consider forward looking information, that is, ECLs reflect probability weighted development of key macroeconomic variables that have an impact on credit risk.

For purposes of measuring PD, the Company defines default as a situation when the exposure meets one or more of the following criteria:

- the borrower is more than 90 days past due on its contractual payments;
- the borrower meets the unlikeliness-to-pay criteria listed below:
  - the borrower is deceased;
  - the borrower is insolvent;

For purposes of disclosure, the Company fully aligned the definition of default with the definition of credit-impaired assets. The default definition stated above is applied to all types of financial assets of the Company.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after curing by using different possible definitions of cures.

The assessment whether or not there has been a significant increase in credit risk ("SICR") since initial recognition is performed on an individual basis and on a portfolio basis. SICR is assessed either on a portfolio basis. The criteria used to identify an SICR are monitored and reviewed periodically for appropriateness by the Company's Risk Management Department. The presumption, being that there have been significant increases in credit risk since initial recognition when financial assets are more than 30 days past due, has not been rebutted.

For loans to Individuals:
- 30 days past due;
- Relative threshold defined on the basis of a portfolio for products without existing scoring models: the Company regularly monitors segments with increased credit risk (regions of higher credit risk, failed products, products on which issuing was stopped) and considers such portfolios to have a SICR.

The level of ECL that is recognised in these financial statements depends on whether the credit risk of the borrower has increased significantly since initial recognition. This is a three-stage model for ECL measurement. A financial instrument that is not credit-impaired on initial recognition and its credit risk has not increased significantly since initial recognition has a credit loss allowance based on 12-month ECLs (Stage 1). If a SICR since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired and the loss allowance is based on lifetime ECLs. If a financial instrument is credit-impaired, the financial instrument is moved to Stage 3 and loss allowance is based on lifetime ECLs. The consequence of an asset being in Stage 3 is that the entity ceases to recognise interest income based on gross carrying value and applies the asset's effective interest rate to the carrying amount, net of ECL, when calculating interest income.

If there is evidence that the SICR criteria are no longer met, the instrument is transferred back to Stage 1. If an exposure has been transferred to Stage 2 based on a qualitative indicator, the Company monitors whether that indicator continues to exist or has changed.

The Company determines the staging of the exposures and measures the loss allowance on a collective basis. The Company analyses its exposures by segments determined on the basis of shared credit risk characteristics, such that exposures within a Company have homogeneous or similar risks. The key shared credit characteristics considered are: type of customer (such as wholesale or retail), product type, date of initial recognition, term to maturity. The different segments also reflect differences in credit risk parameters such as PD and LGD. The appropriateness of groupings is monitored and reviewed on a periodic basis by the Risk Management Department.

In general, ECL is the sum of the multiplications of the following credit risk parameters: EAD, PD and LGD, that are defined as explained above, and discounted to present value using the instrument's effective interest rate. The ECL is determined by predicting credit risk parameters (EAD, PD and LGD) for each future month during the lifetime period for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has been repaid or defaulted in an earlier month). This effectively calculates an ECL for each future period, that is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The key principles of calculating the credit risk parameters. The EADs are determined based on the expected payment profile, that varies by product type. EAD is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis for amortising products and bullet repayment loans. This will also be adjusted for any expected overpayments made by a borrower. Early repayment or refinancing assumptions are also incorporated into the calculation. These assumptions vary by product type, current limit utilisation and other borrower-specific behavioural characteristics.

Two types of PDs are used for calculating ECLs: 12-month and lifetime PD. An assessment of a 12-month PD is based on the latest available historic default data and adjusted for supportable forward-looking information when appropriate. Lifetime PDs represent the estimated probability of a default occurring over the remaining life of the financial instrument and it is a sum of the 12 months PDs over the life of the instrument. The Company uses statistical approaches depending on the segment and product type to calculated lifetime PDs, such as the extrapolation of 12-month PDs based on migration matrixes.

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by the type of counterparty, type and seniority of the claim, and the availability of collateral or other credit support. The 12-month and lifetime LGDs are determined based on the factors that impact the expected recoveries after a default event. The approach to LGD measurement is based on the calculation of LGD on a portfolio basis based on recovery statistics.

Forward-looking information incorporated in the ECL models. The assessment of SICR and the calculation of ECLs both incorporate supportable forward-looking information. The Company identified certain key economic variables that correlate with developments in credit risk and ECLs. Forecasts of economic variables (the "base economic scenario") are provided on annual basis and provide the best estimate of the expected macro-economic development over the next five years. After five years, a mean reversion approach is used, which means that economic variables tend to revert to either a long run average rate (e.g. for unemployment) or a long run average growth rate (e.g. GDP). The impact of the relevant economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact that the changes in these variables historically had on the default rates and on the components of LGD and EAD.

Forward-looking information incorporated in the ECL models (continued).

As with any economic forecast, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The Company regularly reviews its methodology and assumptions to reduce any difference between the estimates and the actual loss of credit. Such backtesting is performed at least once a year.

The results of backtesting the ECL measurement methodology are communicated to Company Management and further steps for tuning models and assumptions are defined after discussions between authorised persons.

Derivative financial instruments: The Company enters into foreign exchange forward contracts in order to reduce exposure to foreign currency risk arising from EUR-denominated borrowings.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value at each reporting date.

Market risk. The Company takes on exposure to market risks. Market risks arise from open positions in (a) currency and (b) interest rates, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk. In respect of currency risk, management sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Company’s exposure to Euro (EUR) and American dollar (USD) which are the only foreign currency exposures at the end of the reporting period (Refer to Note 2):

NOTES TO THE FINANCIAL STATEMENTS

	At 31 December 2025			**At 31 December 2024**		
In BWP (EUR)	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**
Other financial assets / liabilities	8 134 562	-	**8 134 562**	14 339 611	-	**14 339 611**
Advances paid to related parties	162 916	-	**162 916**	146 138	-	**146 138**
Cash and cash equivalents	44 519	-	**44 519**	13 224 261	-	**13 224 261**
Borrowed funds	-	(278 882 220)	**(278 882 220)**	-	(41 425 739)	**(41 425 739)**
Total	**8 341 997**	**(278 882 220)**	**(270 540 223)**	**14 834 351**	**(42 425 739)**	**(26 591 388)**

	At 31 December 2025			**At 31 December 2024**		
In BWP (USD)	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**
Cash and cash equivalents	63 828	-	**63 828**	63 344	-	**63 344**
Total	**63 828**	**-**	**63 828**	**63 344**	**-**	**63 344**

	At 31 December 2025			**At 31 December 2024**		
In EUR	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**
Other financial assets / liabilities	560 471	-	**560 471**	100 866	-	**100 866**
Advances paid to related parties	11 225	-	**11 225**	10 069	-	**10 069**
Cash and cash equivalents	3 067	-	**3 067**	911 151	-	**911 151**
Borrowed funds	-	(19 214 969)	**(19 214 969)**	-	(2 854 231)	**(2 854 231)**
Total	**574 763**	**(19 214 969)**	**(18 640 206)**	**1 022 086**	**(2 854 231)**	**(1 832 145)**

	At 31 December 2025			**At 31 December 2024**		
In USD	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**	**Monetary financial assets**	**Monetary financial liabilities**	**Net position**
Cash and cash equivalents	4 883	-	4 883	4 757	-	**4 757**
Total	**4 883**	**-**	**4 883**	**4 757**	**-**	**4 757**

The following table presents sensitivities of profit or loss before tax and equity to reasonably possible changes in exchange rates applied at the end of the reporting period relative to the functional currency of the respective Company entities, with all other variables held constant:

NOTES TO THE FINANCIAL STATEMENTS

	At 31 December 2025	At 31 December 2024
In BWP	**Impact on profit or loss**	**Impact on profit or loss**
BWP strengthening by 5%	12 879 828	1 263 097
BWP weakening by 20%	(54 095 279)	(5 305 009)

The exposure was calculated only for monetary balances denominated in currencies other than the functional currency.

Interest rate risk. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management monitors on a daily basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

The table below summarises the Company's exposure to interest rate risks. The table presents the aggregated amounts of the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual interest repricing or maturity dates:

In BWP	**Demand and less than 1 month**	**From 1 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Total financial assets	**29 867 757**	**14 774 309**	**127 814 511**	**489 702 203**	**662 158 780**
Total financial liabilities	**11 223 968**	**56 294 080**	**64 605 263**	**-**	**132 123 311**
Net interest sensitivity gap at 31 December 2025	**18 643 789**	**(41 519 771)**	**63 209 248**	**489 702 203**	**530 035 469**

In BWP	**Demand and less than 1 month**	**From 1 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Total financial assets	31 036 753	264 966 356	516 625 712	280 161 186	**1 092 790 007**
Total financial liabilities	(6 233 427)	(106 677 799)	(135 825 380)	-	**(248 736 606)**
Net interest sensitivity gap at 31 December 2024	**24 803 326**	**158 288 557**	**380 800 332**	**280 161 186**	**844 053 401**

At 31 December 2024 and 2025 all of the Company's financial assets and liabilities had fixed interest rates.

Liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs, guarantees and from margin and other calls on cash-settled derivative instruments. The Company does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. Liquidity risk is managed by the Treasury department of the Company.

The liquidity management of the Company requires consideration of the level of liquid assets necessary to settle obligations as they fall due; maintaining access to a range of funding sources; maintaining funding contingency plans; and monitoring liquidity ratios against regulatory requirements.

The Treasury Department receives information about the liquidity profile of the financial assets and liabilities.

The table below shows liabilities at 31 December 2024 and 2025 by their remaining contractual maturity. The amounts of liabilities disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Such undiscounted cash flows differ from the amount included in the statement of financial position because the amount in the statement of financial position is based on discounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

The table below shows the maturity analysis of non-derivative financial assets at their carrying amounts and based on their contractual maturities.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025 *In BWP*	**Demand and less than 1 month**	**From 1 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Assets					
Cash and cash equivalents	14 782 118	-	-	-	14 782 118
Loans and advances to customers	257 616	294 714 818	610 779 625	438 686 094	1 344 438 153
Other financial assets	14 665 107	-	-	-	14 665 107
Advances to related parties	162 916	-	-	-	162 916
Total	**29 867 757**	**294 714 818**	**610 779 625**	**438 686 094**	**1 374 048 294**
Liabilities					
Borrowed funds	-	60 978 877	60 430 249	-	121 409 126
Lease liabilities	-	1 796 242	4 175 014	-	5 971 256
Other financial liabilities	6 833 212	-	-	-	6 833 212
Trade and other payables	4 390 756	3 083 588	-	-	7 474 344
Total potential future payments for financial obligations	11 223 968	65 858 707	64 605 263	**-**	141 687 938
Liquidity gap arising from financial instruments	**41 091 725**	**360 573 525**	**675 384 888**	**438 686 094**	**1 515 736 232**

31 December 2024 *In BWP*	**Demand and less than 1 month**	**From 1 to 12 months**	**From 12 months to 5 years**	**Over 5 years**	**Total**
Assets					
Cash and cash equivalents	24 582 524	-	-	-	24 582 524
Loans and advances to customers	590 783	264 966 356	485 088 209	280 161 186	1 030 806 534
Other financial assets	5 717 308	-	31 537 503	-	37 254 811
Advances to related parties	146 138	-	-	-	146 138
Total	**31 036 753**	**264 966 356**	**516 625 712**	**280 161 186**	**1 092 790 007**
Liabilities					
Borrowed funds	1 634 701	98 813 889	134 505 786	-	234 954 376
Lease liabilities	-	2 663 810	1 319 594	-	3 983 404
Other financial liabilities	-	2 602 281	-	-	2 602 281
Trade and other payables	4 598 726	2 597 819	-	-	7 196 545
Total potential future payments for financial obligations	6 233 427	106 677 799	135 825 380	-	248 736 606
Liquidity gap arising from financial instruments	**24 803 326**	**158 288 557**	**380 800 332**	**280 161 186**	**844 053 401**

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Company. It is unusual for entities of the industry ever to be completely matched since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest and exchange rates.

Management believes that in spite of a substantial portion of customer accounts being on demand, diversification of these deposits by number and type of creditors, and the past experience of the Company would indicate that these customer accounts provide a long-term and stable source of funding for the Company.

25 Management of capital

The Company's objectives when managing capital are (i) to comply with the capital requirements set by the legislation of the jurisdictions where the Company operates, (ii) to safeguard the Company's ability to continue as a going concern.

26 Contingencies and commitments

Lease commitments. Where the Company is the lessee, the future minimum lease payments under non-cancellable operating leases at 31 December 2025 and 2024 are as follows:

In BWP	**2025**	**2024**
Not later than 1 year	1 796 242	2 663 810
Later than 1 year and not later than 5 years	4 175 014	1 319 594
Total lease commitments	**5 971 256**	**3 983 404**

27 Fair value disclosure

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

The Company does not hold financial instruments which are subject to recurring fair value measurements.

(b) Valuation processes for recurring and non-recurring level 3 fair value measurements

Level 3 valuations are reviewed on a monthly basis by the Company's Finance department who report to the Board of Directors on a monthly basis. The Finance department considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the financial services industry.

The level three debt instruments are valued at the net present value of estimated future cash flows. The Company also considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

(c) Assets and liabilities not measured at fair value but for which fair value is disclosed

NOTES TO THE FINANCIAL STATEMENTS

Fair values analysed by level in the fair value hierarchy and carrying value of assets and liabilities as at 31 December 2025 and 2024 not measured at fair value are as follows:

	31 December 2025				
In BWP	**Level 1 fair value**	**Level 2 fair value**	**Level 3 fair value**	**Total fair value**	**Carrying value**
Assets					
Loans and advances to customers	-	-	632 548 639	632 548 639	455 114 638
Other financial assets	-	-	14 665 107	14 665 107	14 665 107
Cash and cash equivalents	-	-	-	24 582 524	14 782 120
Total	-	-	647 213 746	671 796 270	484 561 865
Liabilities					
Borrowed funds					
Borrowings from unrelated financial institutions	-	-	100 314 600	100 314 600	100 314 600
Borrowings from related financial institutions	-	-	278 882 221	278 882 221	278 882 221
Other financial liabilities	-	-	6 833 212	6 833 212	6 833 212
Trade and other payables	-	-	7 474 344	7 474 344	7 474 344
Total	**-**	**-**	**393 504 377**	**393 504 377**	**393 504 377**

	31 December 2024				
In BWP	**Level 1 fair value**	**Level 2 fair value**	**Level 3 fair value**	**Total fair value**	**Carrying value**
Assets					
Loans and advances to customers	-	-	427 525 632	427 525 632	260 419 820
Other financial assets	-	-	37 254 811	37 254 811	37 254 811
Cash and cash equivalents	24 582 524	-	-	24 582 524	24 582 524
Total	**24 582 524**	**-**	**464 780 442**	**489 362 966**	**322 257 155**
Liabilities					
Borrowed funds					
Borrowings from unrelated financial institutions	-	-	144 827 856	144 827 856	144 827 856
Borrowings from related financial institutions	-	-	37 501 997	37 501 997	37 501 997
Borrowings from -peer lending platform	-	-	3 883 866	3 883 866	3 883 866
Other financial liabilities	-	-	2 602 281	2 602 281	2 602 281
Trade and other payables	-	-	7 196 545	7 196 545	7 196 545
Total	**-**	**-**	**196 012 545**	**196 012 545**	**196 012 545**

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

For assets, the Company used assumptions about counterparty's incremental borrowing rate and prepayment rates. Liabilities were discounted at the Company's own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Company.

For the purposes of measurement, IFRS 9 "Financial Instruments" classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) equity instruments at FVOCI and (c) financial assets at AC. As of 31 December 2025, all of the Company's financial assets and liabilities were carried at AC.

28 Related party information

Parties are generally considered to be related if the parties are under common control, or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The related parties of the Company and their relationships with the Company are as follows:

Related party	**Jurisdiction**	**Relationship with the Company**
Eleving Group SA	Luxembourg	Ultimate parent
Eleving Consumer Finance Mauritius	Mauritius	Parent
Eleving Consumer Finance AS	Latvia	Entity belongs to the same group
EC Finance Group Ltd	Latvia	Entity belongs to the same group
EC Finance Group Ltd (branch)	Botswana	Entity belongs to the same group
YesCash Zambia Limited	Zambia	Entity belongs to the same group
Express Credit Cash Advance (Pty) Ltd	Namibia	Entity belongs to the same group

Other financial assets, in BWP	**2025**	**2024**
Loan to related parties		
Express Credit Cash Advance (Pty) Ltd	-	1 463 952
Eleving Consumer Finance Mauritius	-	30 073 551
Advances paid to related parties, in BWP		
Advances paid for marketing services		
EC Finance Group Ltd (branch)	162 916	146 138
Borrowed funds from related parties, in BWP		
Borrowed funds from related parties		
Eleving Group SA	228 813 949	37 501 997
Rechargeable expenses		
EC Finance Group Ltd (branch)	721 701	511 576
Other financial liabilities, in BWP		
Purchases of services		
Eleving Consumer Finance AS	63 485	58 766
EC Finance Group Ltd	-	21 806
Management fee payable		
EC Finance Group Ltd (branch)	1 366 580	1 218 637
Interest income calculated using the effective interest method, in BWP		
Related party loans		
Eleving Consumer Finance Mauritius	773 494	3 817 973
Express Credit Cash Advance (Pty) Ltd	-	456 118
EC Finance Group Ltd	-	129
Interest expense, in BWP		
Interest expense		
Eleving Group SA	18 792 342	919 863

Administrative and other operating expenses, in BWP	**2025**	**2024**
Management services received		
EC Finance Group Ltd (branch)	12 160 606	10 474 586

Other expense, in BWP	**2025**	**2024**
Impairment on Loan to RP		
Express Credit Cash Advance (Pty) Ltd	-	(671 090)
EC Finance Group Ltd	-	2 175 113

29 Renumeration

In BWP	**2025**	**2024**
Non-Executive Directors		
Sitting fees	519 020	829 833
Management		
Salary	3 549 078	3 596 426
Bonuses	637 180	673 243
Total	**4 705 278**	**5 099 502**

The Company has three Non-Executive Directors who receive Directors' sitting fees. The Management team consists of key personnel, including the Risk and Compliance Manager .

The positions of Chief Financial Officer and HR Manager were vacant as at 31 December 2025.

The remuneration disclosed in these financial statements is limited to short-term employee benefits. These benefits include salaries, bonuses, and other benefits expected to be settled within 12 months after the end of the reporting period.

30 Events after the end of the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2025.

31 Abbreviations

The list of the abbreviations used in these financial statements is provided below:

Abbreviation	Full name
AC	Amortised Cost
EAD	Exposure at Default
ECL	Expected Credit Loss
EIR	Effective interest rate
EUR	Euro
FVOCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
IFRS	International Financial Reporting Standard
LGD	Loss Given Default
PD	Probability of Default
POCI financial assets	Purchased or Originated Credit-Impaired financial assets
ROU asset	Right of use asset
SICR	Significant Increase in Credit Risk
SPPI	Solely Payments of Principal and Interest
USD	American dollar