

# REAL PEOPLE KENYA LIMITED

## ANNUAL REPORT & FINANCIAL STATEMENTS

# 2025

*For the Financial Year Ended 31 December 2025*

### OUR VISION

*"Sustainably Improving Lives"*

### OUR MISSION

*To provide quality, innovative and sustainable financial services to Kenyans with regular income; through efficient, cost effective and technology driven processes thus ensuring best customer experience and realization of all stakeholders' objectives.*

## TABLE OF CONTENTS

Scope, purpose & reporting frameworks	03
Company overview	06
Our Core Values	09
Our Capitals	10
Key milestones & focus areas	12
Operating Environment	13
Board Chairman's statement	14
Board of Directors	16
Chief Executive Officer's Statement	18
Chief Commercial Officer's Statement	20
Strategy & business model	22
Corporate Governance	26
Risk Management	49
Financial highlights & KPI dashboard	52
Company information	56
Reports of Directors	57
Statement of Director's responsibility	61
Report of the Independent Auditor	62
Statement of profit and loss	67
Statement of financial position	68
Statement of changes in equity	69
Statement of cash flows	70
Notes to the financial statements	71-82

## SCOPE, PURPOSE & REPORTING FRAMEWORKS

### Scope and Purpose

This Report covers the Financial Year from 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025. The report outlines who we are, what we do and how we create value for our stakeholders, customers and employees, and how we deliver on our purpose of sustainably improving lives by providing responsible financial solutions.

This report provides a balanced assessment of our financial outcomes and also emphasizes how we contribute to the social and environmental well-being of the communities we serve. Through this report, we update our stakeholders, including shareholders, employees, customers, and the communities we operate in; on our business model, financial performance, risk management strategies, and key outcomes, ensuring that we continue to deliver value in line with our core values (SCRIPT).

### Key Highlights of the Year

- Financial improvement, including reduced losses (77% reduction year-on-year from the year 2019 to 2025) and improved cost efficiency
- Strengthened governance through enhanced oversight and operational discipline
- Progress in recapitalization efforts and engagement with potential strategic investors
- Ongoing loan book stability initiatives and credit process improvements
- Paid noteholders first installment of Kes 25M; agreement reached to stop monthly interest accrual and pay a final payout of Kes 100M, paid quarterly.

### Materiality and Value Creation

This report provides information on all those matters that we believe could substantively affect value creation at RPKL. Through our engagement with our stakeholders, we identify aspects and material issues that present risk to our business and evaluate them to deliver value for our stakeholders.

The process of identifying material issues involves evaluating risks and opportunities that have the potential to influence our business model, operations, and sustainability. We consider not only financial performance but also social and environmental factors, ensuring that we remain focused on short-term and long-term value creation.

### Our Approach to the Preparation of the Report

The preparation of this Report reflects our commitment to integrating financial and non-financial performance in a cohesive and transparent manner. Our approach to reporting draws upon various sources of information, including:

- Board Minutes and Papers: Insights from board discussions and decisions that influence our strategy and performance
- Internal Reports: Data and analysis from across our business functions, including financial statements, operational performance, and risk assessments
- External Reports: Regulatory updates, market trends, and stakeholder feedback that provide a broader perspective on our operations

## Our Reporting Frameworks

This report has been prepared in accordance with the International Integrated Reporting Framework (IIRC) and the International Financial Reporting Standards (IFRS). Additionally, our report aligns with:

- The Companies Act, 2015 — ensuring transparency and accountability in our operations
- Capital Markets Authority (CMA) Guidelines adherence to reporting standards for listed companies in Kenya

The financial statements comply with IFRS Accounting Standards and have been prepared on the historical cost basis and income accrual basis.

## Assurance

This report has passed various internal reviews, ensuring integrity. The report has been assessed by the Executive Committee (Exco), overseen by the Board Audit Risk Committee and finally approved by the Board of Directors. The financial statements presented are audited and approved by our external auditors.

## Director's Statement of Responsibility

The Board of Directors acknowledges its responsibility to ensure the integrity of this Report. In fulfilling this responsibility, the Board is committed to upholding good corporate governance and promoting long-term success and sustainability. This includes safeguarding the interests of all stakeholders, including shareholders, employees, customers and regulators.

The Board is committed to ensuring that the company complies with all regulations, laws and standards applicable to it, specifically, that the principles, practices and recommendations given by our security issuers as well as companies act.

This Report provides a concise overview of RPKL's performance during the financial year 2025. It reflects the company's going concern status, the strategies implemented to improve operations, and the measures taken to ensure continued growth and sustainability. The Board believes that the report offers a fair and balanced representation of the company's financial and non-financial performance, clearly outlining the material matters that affect the company's ability to create value for its stakeholders.

We hereby confirm that this Report has been reviewed and approved by the Board of Directors.



.....

**Titus Karanja**

Chairman, Board of Directors

## COMPANY OVERVIEW

RPKL is a non-deposit taking microfinance institution incorporated in Kenya. Originally founded as African Provident Limited in July 2000, the company was rebranded in July 2006 to Real People and subsequently renamed Real People Kenya Limited (RPKL) in August 2014, further aligning with its growing footprint within the Kenyan financial services landscape. It is regulated by the Capital Markets Authority (CMA) and Central Bank of Kenya (CBK). It is also a member of the Association of Micro finance Institutions of Kenya (AMFI).

RPKL has its headquarters in Nairobi and 7 branches across the country in Mombasa, Nairobi, Thika, Meru, Nakuru, Kisumu and Eldoret from where we serve about 338 active customers and another 3717 customers in the legacy book. This decentralized model enables the organisation to reach its clients easily and effectively for better service delivery which should drive customer experience.

RPKL targets the mass market with a particular focus on Small and Medium Enterprises (SMEs) — the backbone of Kenya's economy. Our services are anchored on the provision of responsible financial solutions to individuals and businesses through tailored products. At RPKL, our customers are at the heart of everything we do.

**Our Vision:** Sustainably Improving Lives

**Our Mission:** To provide quality, innovative and sustainable financial services to Kenyans with regular income; through efficient, cost effective and technology driven processes thus ensuring best customer experience and realization of all stakeholders' objectives.

**Core Values:**

- Self-improvement
- Client-Centred
- Respect
- Innovation
- Partnership
- Teamwork

### Our Footprint

RPKL operates from its headquarters in Nairobi with branches across the cities of Kenya serving clients nationally.

<b>Incorporated</b>	Kenya — July 2000 (as African Provident Limited)
<b>Company Type</b>	Non-Deposit Taking Microfinance Institution (MFI)
<b>Rebranded</b>	August 2014 — to Real People Kenya Limited (RPKL)
<b>Sole Shareholder</b>	Risa Capital Limited (incorporated in Kenya)
<b>Regulatory Bodies</b>	Capital Markets Authority (CMA)   Central Bank of Kenya (CBK)
<b>Contact</b>	info@realpeople.co.ke   www.realpeople.co.ke

### Our Products

<p>Business Finance Loans</p> <p><b>SME &amp; MICRO</b></p> <p><i>Micro Enterprise Finance</i></p>	<p>Logbook Finance</p> <p><b>SECURED</b></p> <p><i>Vehicle-backed credit solutions</i></p>	<p>Emergency Loans</p> <p><b>QUICK ACCESS</b></p> <p><i>Fast disbursement facility</i></p>	<p>Insurance Premium Finance</p> <p><b>IPF</b></p> <p><i>Premium protection solutions</i></p>	<p>Real Pesa Mobile</p> <p><b>MOBILE</b></p> <p><i>1-month digital facilities</i></p>	<p>Asset Financing</p> <p><b>ASSETS</b></p> <p><i>Equipment &amp; vehicle finance</i></p>
--	--	--	---	---	---

### New Service Additions

- Introduced a new products Boda loan
- Trade Finance: LPO Financing, Invoice Discounting, Bid Bonds

### RPKL Share Information

Description	2025	2024
Number of Issued Ordinary Shares	2,500,000	2,500,000

Share Premium (Kes)	5,000,000	5,000,000
Share Capital (Kes Thousands)	750,000	750,000
Accumulated Loss (Kes Thousands)	(463,341)	(789,331)
<b>Total Equity (Kes Thousands)</b>	<b>286,659</b>	<b>(39,331)</b>

Currently, the sole shareholder of the Company is Risa Capital Limited, a company incorporated in Kenya. The company previously raised funds through the issuance of corporate medium-term notes, raising approximately Kes 1.6 billion in August 2015. The company has engaged noteholders at every stage and every payment has been made in line with renegotiated agreements.

- During the year the main shareholders Real People Holdings International Limited (RPHIL) sold their all shares to a Kenyan company Risa capital a company incorporated in Kenya.

**OUR CORE VALUES — SCRIPT**

RPKL's organizational culture is anchored in the SCRIPT core values that guide every decision, interaction and strategic initiative. These values form the foundation of how we serve our clients, work with one another, and engage our broader stakeholder community.

<p><b>S Self-Improvement</b></p> <ul style="list-style-type: none"> <li>• Own your development</li> <li>• Empower each other</li> <li>• Coach and mentor</li> <li>• Set ambitious goals</li> </ul>	<p><b>C Client-Centred</b></p> <ul style="list-style-type: none"> <li>• Understand client needs</li> <li>• Respond to market changes</li> <li>• Treat clients with dignity</li> <li>• Client-focused decisions</li> </ul>
<p><b>R Respect</b></p> <ul style="list-style-type: none"> <li>• Seek first to understand</li> <li>• Zero tolerance for abuse</li> <li>• Be organized &amp; punctual</li> <li>• Engage constructively</li> </ul>	<p><b>I Innovation</b></p> <ul style="list-style-type: none"> <li>• Serve clients better</li> <li>• Continuously ask "why"</li> <li>• Research-backed decisions</li> <li>• Responsive &amp; adaptive</li> </ul>
<p><b>P Partnership</b></p> <ul style="list-style-type: none"> <li>• Sustainable relationships</li> <li>• Collaborate openly</li> <li>• Transparent interactions</li> <li>• Mutually beneficial</li> </ul>	<p><b>T Teamwork</b></p> <ul style="list-style-type: none"> <li>• Trust and accountability</li> <li>• Value diversity</li> <li>• Build on each other's strengths</li> <li>• Have fun together</li> </ul>

## OUR CAPITAL

RPKL recognises five key forms of capital that collectively underpin our ability to create and sustain value for all stakeholders. Each capital area is actively managed and reported as part of our integrated value creation framework.

### 1. Financial Capital

Our financial resources include fixed and current assets, tax assets, and fixed deposits in money markets. Cost management and operational efficiencies have been the primary levers for financial stability during the current recapitalization phase.

<p><b>Total Assets 2025</b>  <b>Kes 388M</b>  <i>Down from Kes 436M (2024)</i></p>	<p><b>Total Revenue 2025</b>  <b>Kes 425M</b>  <i>-17% decrease in the year</i></p>	<p><b>Annual Cost Base</b>  <b>Kes 103M</b>  <i>Down from Kes 117M (2024)</i></p>	<p><b>Net profit 2025</b>  <b>Kes 325M</b></p>
--	---	---	--

We reduced our Noteholders’ liability to Kes 75M from Kes 453M, which strengthened our equity position. The company has never failed to honour any financial obligation and does not plan to fail in the future; the situation is being proactively managed to ensure all obligations are met.

### 2. Human Capital

People are central to RPKL’s strategy. We had 36 employees as at December 2025 (13 male, 23 female).

To further optimize our human capital, the HC department conducted a staff satisfaction survey in order to understand the employees’ concerns, suggestions and areas of improvement. Management took note of the outcome of the survey and areas of improvement and set action plans to address them were discussed and addressed by Exco committee.

#### Training Areas Covered

- Products and services
- Trade finance and insurance
- Governance and policies
- Performance Management
- Staff mentorship

#### Leadership Programs

- Productivity and team building
- Time Management
- Pension and wealth management
- Conflict Resolution
- Succession planning

Our top priority of the human capital function is to have the right talent to deliver on the commitments. We ensure that our employees have the right skills to perform their work.

Our employee compensation, commissions and incentives are continually benchmarked to ensure that the employees are appreciated for the good work and motivated to work hard.

Our Stakeholder Groups

<p><b>SHAREHOLDERS &amp; NOTEHOLDERS</b></p> <p>★★★</p> <p><i>Capital providers &amp; funders</i></p>	<p><b>OUR CUSTOMERS</b></p> <p><b>338</b></p> <p><i>Active clients Dec 2025</i></p>	<p><b>OUR EMPLOYEES</b></p> <p><b>36</b></p> <p><i>Permanent &amp; non-permanent</i></p>	<p><b>REGULATORS &amp; POLICY</b></p> <p><b>CBK &amp; CMA</b></p> <p><i>Central Bank of Kenya Capital Markets Authority</i></p>
---	---	--	---

**3. Intellectual Capital**

RPKL's intellectual capital encompasses our policies, governance frameworks, brand equity, product design capability, and technology infrastructure. Our IT 2025 plan focused on reviewing and closing finance and HR systems, ensuring Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are in place and tested, web integration, and enhanced mobile lending platforms.

**4. Natural Capital**

At RPKL we believe that we do not exist just to provide loans but to also give back to society and create a difference in people's lives. RPKL distributed educational stationery and materials to support the national CBC curriculum, and staff participated as volunteers in Red Cross activities during the rainy season.

**5. Social & Relationship Capital**

RPKL maintained an active customer base of 338 clients as at December 2025. Despite challenging liquidity conditions, the company has preserved its client relationships through personalised, dignified service and ongoing community engagement. Through our clients, RPKL impacts society by creating economic opportunities. On average, each RPKL client has 3 direct employees, not counting indirect linkages with suppliers, creditors, and bankers.

The company engages all stakeholders through social media (Facebook, Instagram, TikTok, LinkedIn and X), formal Board and management reporting channels, and direct regulatory submissions. Shareholders and potential investors may contact us at [info@realpeople.co.ke](mailto:info@realpeople.co.ke).

## KEY MILESTONES & FOCUS AREAS

### Product Offering

We currently offer the following products to our clients:

- Micro Enterprise Finance / Business Loans — core SME lending product
- Emergency Loans — fast-disbursement facility for urgent client needs
- Insurance Premium Financing (IPF) — enabling clients to protect their motor vehicles
- Real Pesa — our mobile loaning platform for 1-month facilities
- Asset Financing — vehicle finance solutions
- Logbook Finance - Vehicle-backed credit solutions
- Insurance Agency Services — launched August 2024, now fully operational

### Cost Control — A Decade of Discipline

Our efficiency ratio is currently above 100%, mainly as a result of low revenues rather than high costs. Revenue from interest on loans has been hampered by reduced loan book growth impacted by low funding and liquidity. However, significant efforts have been made to contain costs:

Cost Metric	2019 (Peak)	2025 (Current)
Annual Operating Costs	Kes 480 Million	Kes 100 Million
Monthly Costs (Average)	Kes 25 Million (Oct-Dec 2019)	Kes 8.7 Million (Dec 2025)
Cost Reduction (Annual)	—	73% reduction from peak
<b>Cost Reduction (Monthly)</b>	—	<b>65% reduction from peak</b>

### Operations Highlights

- Paid noteholders Kes 25M during the year under review
- Noteholders agreed to stop monthly interest accrual — reducing ongoing liability growth and a final liability of Kes 100M
- Shareholder structure updated from Real People Holdings International Limited (RPHIL) to Risa Capital Limited, a company incorporated in Kenya.

### RPKL Focus Areas 2025

Product Portfolio Development	Underwriting and risk management	Customer acquisition and onboarding strategies	Digital transformation and operational efficiency	Funding and Capital structure
-------------------------------	----------------------------------	--	---	-------------------------------

## OPERATING ENVIRONMENT

The Kenyan macroeconomic environment in 2025 was marked by moderate GDP growth, easing inflation, and significant currency appreciation, though structural challenges continued to weigh on SME clients and microfinance sector performance.

### Kenya Economic Indicators

#### Impact on RPKL Operations

- High inflation rates reduced disposable incomes, making it harder for some clients to service loans
- Rising and often unpredictable fuel prices increased the cost of doing business for SME clients
- Increase in base lending rates compressed lending margins

Kenya's SME sector continues to be the backbone of the economy, representing a large share of employment and GDP.

Macroeconomic challenges such as inflation, exchange rate pressures, and high cost of capital impacted both SMEs and the microfinance sector.

Increased regulatory oversight on financial institutions demanded stronger governance and compliance.

Increased demand for flexible, reliable financing solutions among SMEs created opportunities for RPKL.

**CHAIRMAN'S STATEMENT**

Statutory profit after tax	Equity at year end	Remaining noteholder debt
<b>KES 326.0m</b>	<b>KES 286.7m</b>	<b>KES 75.0m</b>

The 2025 financial year was a pivotal one for Real People Kenya Limited. During the year, the Company completed a management buyout, concluded a further restructuring of its legacy noteholder obligations and secured licensing by the Central Bank of Kenya in December 2025. These developments materially strengthened the platform from a governance, regulatory and capital structure perspective and positioned the business for a new phase of disciplined growth.

The Company reported a profit after tax of KES 326.0 million for the year, compared with a loss of KES 19.1 million in 2024, and closed the year with positive equity of KES 286.7 million compared with a deficit of KES 39.3 million in the prior year. The principal driver of the turnaround in statutory earnings was the KES 347.0 million gain arising from the waiver of medium-term notes. Excluding that non-recurring gain, the underlying operating result remained loss-making and confirms that recapitalization, portfolio growth and execution discipline remain the Board’s immediate priorities.

The Board’s central focus during the year was twofold: first, to preserve and stabilize the Company through prudent oversight of liquidity, collections, operating cost and risk; and second, to create the conditions for sustainable growth through governance strengthening, regulatory compliance and investor readiness. The reduction of noteholder debt from KES 453.0 million at the start of the year to KES 75.0 million at year end materially improved balance sheet resilience and reduced the structural overhang that had constrained the Company for several years.

**Governance and stewardship**

The Board continued to exercise oversight through a structure comprising independent non-executive directors, a non-executive Chair and executive leadership representation. The Audit Committee remained responsible for oversight of internal control, financial reporting and risk management, and the external auditors issued an unqualified opinion on the 2025 financial statements. At the same time, the Board recognises that a number of governance and control matters identified through the governance remediation process and the 2025 management letter require timely closure so that the Company’s next stage of growth is supported by a stronger control environment.

## Outlook

Looking ahead, the Board's foremost priority is to secure the capital required to support growth in the core SME lending franchise and adjacent products. Management's current capital raising materials contemplate a KES 300 million raise, either as equity or as structured debt with convertibility. The Board supports a disciplined deployment of any new capital into proven business loans, secured asset finance, boda boda finance as an acquisition channel, and Real Pesa as a retention and liquidity product, alongside the integration of the associated insurance agency into the broader customer proposition.

Accordingly, 2026 will be defined by execution: completing the recapitalisation process, closing governance remediation actions, strengthening management information and risk controls, and converting a now-cleaner balance sheet into sustainable, recurring profitability



.....

### **Titus Karanja**

Chairman, Board of Directors | Real People Kenya Limited

## BOARD OF DIRECTORS

RPKL is governed by an experienced and diverse Board of Directors committed to strong corporate governance, strategic oversight, and stakeholder value creation. The Board is comprised of a Non-Executive Chair, two Executive Directors, two Non-Executive Directors, and a Shareholder Representative.

### Board Members

Director	Role	Tenure
Mr. Titus Karanja	Chairperson & Non-Executive Director	5+ years
Mr. Clyde Atsango Mutsotso	Independent Non -Executive Director & Chair — Board Audit & Risk Committee (BARC)	2+ years
Ms. Catherine Nkirote Munyiri	Independent Non-Executive Director & Chair — Remuneration and Nomination Committee (REMNCO)	2+ years
Ms. June Lisbeth Mugo Adembesa	Non-Executive Director	1+ years
Dr. Robert Shibusse	Chief Executive Officer & Executive Director	5+ years
Mr. Francis Menya	Chief Commercial Officer & Executive Director	5+ years

### Director Profiles

#### MR. TITUS KARANJA — NON-EXECUTIVE DIRECTOR AND CHAIR OF THE BOARD

Mr. Karanja was appointed as chairman to the board on 29th August 2023. Prior to his appointment, Mr. Karanja chaired the Board Audit and Risk Committee (BARC) from December 2017. He is the Chief Executive Officer at Fintech Frontiers Ltd, a digital financial services advisory company. Titus is also the Co-Founder of the Fintech Institute, a digital finance knowledge center. In this role, Titus is an advisor to digital finance innovators, banks, Saccos and microfinance companies as well as various regulators in sub-Saharan Africa. Mr. Karanja has 22 years' experience in investment and commercial banking having previously worked as Managing Director at Sidian Bank. He also worked as the Director of Co-operatives Banking at Co-operative Bank of Kenya and Head of African Alliance Securities in Kenya. He holds a Bachelor of Commerce Degree in Finance from the University of Nairobi. He is a qualified accountant under the ACCA (England and Wales) and

holds a Diploma in Computer Science from the Institute of Data Processing Management (IDPM). He brings strong financial acumen and a deep understanding of risk governance to the Board.

#### **MR CLYDE ATSANGO MUTSOTSO- INDEPENDENT NON-EXECUTIVE DIRECTOR & BARC CHAIR**

Clyde Atsango Mutsotso is a practicing Certified Public Accountant of Kenya and a Consultant with 21 years of combined experience in Finance, Statutory Audit, Forensic Audit, Project Audit and Tax Consultancy across the industry divide in both public and private sector. He is currently the Managing Partner of Clyde and Associates, a leading professional services firm that offers audit, tax consultancy and management consultancy services.

#### **MS JUNE LISBETH MUGOA ADEMBESA- NON-EXECUTIVE DIRECTOR**

Ms June Lisbeth M. Adembesa is an Experienced ACCPA Certified HR Executive with 15+ years in strategic performance management and development. She also has expertise in business development, stakeholder relations, and people management and an in-depth knowledge of employment law in Africa, Asia, and Latin America. She has Implemented impactful HR strategies enhancing operations and driving change. She is committed to best practices and organizational alignment.

#### **MS CATHERINE NKIROTE MUNYIRI — NON-EXECUTIVE DIRECTOR & REMCO CHAIR**

Ms. Catherine Nkirote Munyiri is an accomplished Banker and a Consultant with over 30 years of experience. Catherine Nkirote Munyiri brings to the board expertise in financial planning, relationship management, corporate trade finance, corporate marketing, corporate finance, leadership, and business development.

#### **DR. ROBERT SHIBUTSE — CHIEF EXECUTIVE OFFICER**

Dr. Shibutse serves as the Chief Executive Officer and Executive Director. He is charged with the overall direction of the company and works closely with the Executive Committee to execute RPKL's strategy. He is responsible for managing the business at an operational level and implementing the strategic plan approved by the Board.

#### **MR. FRANCIS MENYA — CHIEF COMMERCIAL OFFICER**

Mr. Menya serves as the Chief Operating Officer and Executive Director. He is responsible for the operational functions of the company, including branch network management, product delivery, and process optimisation. He works closely with the CEO to ensure the effective day-to-day management of RPKL.

## CHIEF EXECUTIVE OFFICER'S REPORT

Interest income	Net cash from operations	Net loans and advances
<b>KES 72.3m</b>	<b>KES 43.4m</b>	<b>KES 137.2m</b>

Real People Kenya Limited entered 2025 with a clear operating mandate: stabilise the business, preserve the customer franchise, reduce structural liabilities and prepare the platform for scalable growth. Management executed against that mandate through continued collections, cost discipline, tighter operating controls and selective product development, while maintaining the Company's branch-led presence in seven locations across Kenya.

Operationally, the business continued to be anchored by its SME lending franchise. Interest income for the year amounted to KES 72.3 million, net interest income to KES 69.0 million, fee and commission income to KES 6.7 million, and total operating expenses reduced to KES 100.0 million from KES 112.5 million in the prior year. Net cash generated from operating activities was KES 43.4 million, reflecting disciplined cash management during a year in which the balance sheet remained under strain. Net loans and advances closed at KES 137.2 million, lower than the prior year, consistent with the Company's conservative posture pending recapitalisation.

### Business mix and customer proposition

As at December 2025, Business Loans remained the dominant earnings engine and represented KES 223.1 million, or 95.53%, of the gross loan book in management's product analysis. Asset Finance accounted for KES 5.5 million, or 2.35%, Logbook Finance for KES 3.2 million, or 1.38%, Real Pesa for KES 1.0 million, or 0.45%, and Insurance Premium Finance for KES 0.7 million, or 0.30%. This mix confirms that the Company's near term growth case remains rooted in the core SME book, with adjacent products serving as targeted avenues for secured expansion, customer acquisition and retention.

In parallel, management continued to position the Company for the next phase of growth. Asset Finance was established as a secured, higher ticket product line; boda boda finance was launched in January 2026 as an entry point product for cash generating riders; and Real Pesa continued to be positioned primarily as a bridge liquidity and loyalty product for existing customers. The associated insurance agency is also expected to support the broader model through protection of financed assets, stronger portfolio resilience, additional fee income and deeper customer retention.

## 2026 priorities and forward view

Management's immediate priority is to convert strategic readiness into measured portfolio growth. In the first year following recapitalisation, the focus will be on deepening the existing SME franchise through repeat business loans, selective top ups and renewals for proven borrowers; scaling Asset Finance in productive use vehicle segments where collateral quality and borrower cash flow visibility are strongest; expanding boda boda finance through focused dealer, SACCO and rider-network partnerships; and maintaining Real Pesa primarily for existing clients to support retention and short-term liquidity needs.

Management's current planning materials indicate that, under a KES 300 million capital raise, the Company can return to profitability within the first year under either an equity or debt structure, with the equity case producing stronger earnings and return on equity over time. Those projections remain conditional on successful capital raising, disciplined underwriting, continued collections performance, effective management information and control improvements, and a stable operating environment. The work ahead is therefore not to reinvent the business, but to scale a platform that now has a clearer balance sheet, a licensed operating base and a more coherent product architecture.



**Dr. Robert Shibutse**

Chief Executive Officer | Real People Kenya Limited

## CHIEF COMMERCIAL OFFICER'S REPORT

The 2025 financial year represented a transitional period for the Company's business operations. Consistent with the Board and management mandate outlined at the start of the year, the focus of the business was to stabilise the portfolio & preserve liquidity while the business progressed through recapitalisation. We adopted conservative growth, tighter underwriting, and an increased emphasis on collections and cost discipline across the branch network.

This constrained production though necessary resulted in a contraction of both the active client base and the gross loan book. But importantly it ensured continuity of operations and supported cash preservation needed to meet noteholders obligations.

### Portfolio performance and branch economics

Nairobi branch remained the only branch operating within the Company's cost to income threshold of 30%. This was driven by its relatively high loan book value, better client retention and tighter expense control. Lower lending activity, fewer new loans, and slow uptake of alternate products made it difficult for branches to perform efficiently. This highlighted the need to grow the loan book again so that branches can cover their costs. It also reaffirmed that business loans are still the core of the business, with other secured products supporting growth in a controlled way.

### Sales execution and business mix

Sales targets were revised downward during the year to reflect balance sheet constraints. Our net advances reduced from 2024.

This period of slow growth enables the business to refine its products and align them to market needs among other critical lessons learnt that are to be incorporated into the post recapitalisation business strategy, with a sharper focus on client retention, growth of secured loan book and an aggressive pursuit of better portfolio quality.

### Collections performance and portfolio quality

Due to portfolio attrition, most portfolio quality indicators weakened during the year. We had a drop in collections, an increase in impairments driven by clients struggling in business over unpaid government-related bills/invoices.

Collections performance on the legacy portfolio also continued to decline with foreclosure options such as auctions returning low success rates. Management has initiated targeted interventions to strengthen receipting discipline, improve arrears management, and ensure that growth in future periods is accompanied by tighter portfolio control aligned to more viable security types.

### Business priorities and outlook for 2026

With the CBK DCP license secured and the possibility of balance sheet stabilization by the end of this year, the Company is better positioned to grow post 2026. The priority is to grow steadily and responsibly, while maintaining strong risk management in collections.

In 2026 the focus remains growth of high yielding loans, retention of existing business loan customers, controlling branch costs, ensuring sales performance goes hand - in - hand with loan quality and profitability.



.....  
**Francis Menya**

Chief Commercial Officer | Real People Kenya Limited

## STRATEGY & BUSINESS MODEL

Our business strategy is developed through a consultative process. It was presented to and approved by the board with amendments as necessary. We endeavour to improve lives sustainably by offering responsible financial solutions to our clientele, guided by our SCRIPT core values.

### Our Strategic Pillars

The following six areas form the core of our short-term strategy:

<p><b>1. PEOPLE</b></p> <p>Right talent, right skills</p> <p><i>Training &amp; development</i></p>	<p><b>2. BUSINESS GROWTH</b></p> <p>Revenue &amp; Loan book</p> <p><i>SME &amp; consumer lending</i></p>	<p><b>3. CAPITAL</b></p> <p>Investor engagement</p> <p><i>Recapitalisation priority</i></p>
<p><b>4. TECHNOLOGY</b></p> <p>Digital platforms</p> <p><i>Mobile, web &amp; IT systems</i></p>	<p><b>5. GOVERNANCE</b></p> <p>Board oversight</p> <p><i>Compliance &amp; controls</i></p>	<p><b>6. RISK &amp; COMPLIANCE</b></p> <p>Risk framework</p> <p><i>CMA &amp; regulatory alignment</i></p>

These strategies should enable RPKL to have increased returns and turn the business into a sustainable / break-even status as a precursor to full profitability upon capital injection.

### Resource Allocation

#### Human Capital

Human capital is a major component of RPKL. We have a labour force of permanent and non-permanent members of staff distributed across the country within our branch network. We value integrity and learning highly. We pride ourselves on training and challenging our people to self-improve continuously. Employee compensation, commissions and incentives are continually benchmarked to ensure employees are appreciated for good work and motivated to perform.

#### Financial Capital

We raised funds previously through the issuance of corporate medium-term notes, enabling us to raise about Kes 1.6 billion in August 2015. Part of this was repurchased in 2017. The company negotiated with noteholders in December 2018 to change the redemption dates to four equal tranches in 2022, 2024, 2026 and 2028, contingent on obtaining a suitable investor. Every payment has been made in line with renegotiated agreements — the company has never failed to honour any financial obligation.

**Intellectual Capital**

We have managed to change our products over time to suit the market needs. Product design is based on proper research and anchored on an activity-based costing model to ensure viability. Our new products are fully secured, limiting the risk of default, and designed to ensure recovery in the case of complete default.

**Social Capital**

RPKL currently has approximately 338 active clients. Through these clients, RPKL impacts society in many ways, we create opportunities for businesspeople who in turn create employment either directly or indirectly. On average, the RPKL client has 3 direct employees, not counting indirect linkages with suppliers, creditors, bankers, and others.

**RPKL’s Customer Focus Strategy**

At Real People Kenya our client is at the core of all decisions. All functions at RPKL position the customer at the centre. Free flow of ideas and feedback is encouraged to facilitate product and process improvement which meets specific customer needs, hence driving customer acquisition and retention. Being small makes RPKL better at innovation and change adoption than bigger, established competitors.

This commitment is embodied in our service charter, in which we commit to: Quality, responsive services; Courtesy and respect; Fair and equal services; Accountability; and Confidentiality.

**SWOT Analysis**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Convenient loan disbursement &amp; repayment</li> <li>• Competitive interest rates in the market</li> <li>• Good turnaround time / operational efficiency</li> <li>• Strategic branch network across major towns</li> <li>• Strong relationship-based lending model</li> <li>• No hidden costs or charges to clients</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Low market sensitization and product campaigns</li> <li>• Relatively lower penetration in SME market</li> <li>• Low brand visibility in competitive market</li> <li>• Capital inadequacy / acute liquidity issues</li> <li>• Limited funding options for growth</li> <li>• High efficiency ratio (&gt;100%) due to low revenues</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Growing SME sector backbone of Kenya economy</li> <li>• Digital lending &amp; mobile finance expansion</li> <li>• Insurance agency services now operational</li> <li>• Trade finance: LPO, Invoice Discounting, Bid Bonds</li> <li>• New strategic investor capital inflow in progress</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• High inflation eroding SME client disposable income</li> <li>• Rising base lending rates impacting loan demand</li> <li>• Increased competition from mainstream banks</li> <li>• Political instability &amp; regulatory uncertainty</li> </ul>

<ul style="list-style-type: none"> <li>• Web-integrated lead generation &amp; automated systems</li> </ul>	<ul style="list-style-type: none"> <li>• Labour force mobility disrupting client relationships</li> <li>• Pending Microfinance Bill may complicate operations</li> </ul>
--	--

### ESG and Sustainability Report

<b>Environmental priorities</b>	25% of the loan portfolio targeted for green and climate-smart activities by December 2027; environmental impact assessments for all loans above KES 1,000,000; carbon-neutral operations by 2030; 90% renewable electricity by 2029; and 80% paper reduction by 2026.
<b>Social priorities</b>	Focus on financial inclusion for underserved groups, financial literacy for first-time borrowers, timely grievance resolution, staff wellbeing and community investment.
<b>Governance priorities</b>	Board-level ESG oversight, quarterly ESG risk reporting, zero tolerance for corruption and unethical conduct, annual training, incident disclosure and more integrated reporting.

During 2025, the Company established a more formal ESG policy framework intended to align lending, operations and governance with sustainability, inclusion and ethical conduct. This is an important step in the Company’s institutional development. The policy extends beyond statement of intent and sets out environmental exclusions, priority financing categories, governance accountabilities, implementation requirements, and a measurement architecture that is intended to support future integrated reporting.

From an environmental perspective, the policy prioritises financing for green and climate smart activities, requires environmental screening of lending decisions, and commits the Company to measurable operational goals including lower paper usage, greater reliance on renewable energy and, over time, carbon neutral operations. It also requires environmental impact assessments for all loans above KES 1,000,000 and embeds climate risk within the broader risk management agenda. For a credit-led institution, the practical significance of these measures lies in portfolio selection, client screening, pricing discipline and the development of data that can support future impact reporting.

From a social standpoint, the Company’s stated ambition is to expand access to finance for underserved groups while strengthening customer protection and responsible lending practices. The policy provides for financial

literacy training for first-time borrowers, grievance response within defined timelines, attention to staff satisfaction and women in management, and community development expenditure as profitability improves. In parallel, management's product strategy especially SME business loans, productive asset finance, boda-boda finance and digital liquidity solutions is intended to support enterprise growth, income generation and customer retention across multiple segments.

### Implementation maturity and 2026 priorities

The next step is implementation discipline. The governance action log appropriately recognises that the Company must move from policy adoption to data, measurement and disclosure. Immediate priorities include piloting non-financial data collection, formalising ethics KPIs and ethics reporting, integrating ESG into strategy and Board workplans, establishing clearer data systems and dashboards, and strengthening the integrated reporting roadmap. This is particularly important because some ESG metrics in the current policy appear to require final validation and normalisation before publication in an external annual report. Management will therefore use 2026 to confirm baselines, validate target definitions and ensure that all reported indicators are measurable, internally owned and externally defensible.

In the medium term, the Company's ESG opportunity is closely linked to its business model. A branch-led SME lender with selective secured products and digital channels can build a differentiated proposition by directing more capital to productive, inclusive and climate-aligned sectors; embedding insurance and client education into customer journeys; improving stakeholder transparency; and demonstrating that governance, ethics and sustainability are treated as operating disciplines rather than compliance afterthoughts. The Board and management have now laid the policy foundation. The measure of success in the next reporting cycle will be evidence of execution.

## CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Real People Kenya Limited (RPKL or the Company) presents this Corporate Governance Report for the financial year ended 31 December 2025. The report details the governance structures, policies, and practices that the Board maintained during the year, and describes how the Company complied with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, as amended by the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.

### Governance Framework and Compliance Statement

RPKL is committed to the highest standards of corporate governance. The Company's governance framework is anchored in its Board Charter (last revised October 2024), the Memorandum and Articles of Association, and the CMA Code. The Board Charter is reviewed at least once every two years and was approved by the Board Chairman, Mr. Titus M. Karanja, on 31 October 2024.

The Board affirms that during the financial year ended 31 December 2025, RPKL was in substantial compliance with the applicable provisions of the CMA Code. Areas of ongoing improvement — including integrated reporting, expanded Annual Report disclosures, and the formalisation of the Company Secretary position — have been identified and are being actively remediated under a structured governance improvement plan.

### Board of Directors

#### Composition and Structure

The Company's Articles of Association provide that the Board shall comprise not less than two and not more than seven directors. As at 31 December 2025, the Board comprised six directors — two executive directors and four non-executive directors, of which two are classified as fully independent non-executive directors and one as a non-executive director. The positions of Board Chairperson and Chief Executive Officer are held by separate individuals, ensuring a clear division of authority and responsibility, in accordance with the Board Charter.

There were no changes to the Board's composition during the financial year 2025.

Director	Designation	Classification	Date Appointed	Committee Roles
<b>Mr. Titus M. Karanja</b>	Chairperson & Non-Executive Director	Non-Executive (Non-Independent)	18 January 2018	REMNCO — Member
<b>Dr. Robert Shibutse</b>	CEO & Executive Director	Executive	11 December 2019	—
<b>Mr. Francis O. Menya</b>	CCO & Executive Director	Executive	22 September 2020	—
<b>Ms. Catherine N. Munyiri</b>	Independent Non-Executive Director	Independent Non-Executive	1 November 2023	REMNCO — Chair BARC — Member
<b>Mr. Clyde A. Mutsotso</b>	Independent Non-Executive Director	Independent Non-Executive	1 November 2023	BARC — Chair
<b>Ms. June L. M. Adembesa</b>	Non-Executive Director	Non-Executive	1 September 2024	BARC — Member REMNCO — Member

### Ownership and Shareholding Structure

Real People Kenya Limited is wholly owned by Risa Capital Limited, which is the Company's sole shareholder. Risa Capital Limited is in turn owned equally by three shareholders, each holding a one-third interest:

Shareholder	Shareholding in Risa Capital Limited
<b>Mr. Titus Muthua Karanja</b>	33.33%
<b>Dr. Robert Lukhanda Shibutse</b>	33.33%
<b>Mr. Francis Ochieng Menya</b>	33.33%

Note: Risa Capital Limited is the 100% registered shareholder of Real People Kenya Limited.

## Director Independence

Consistent with Clause 2.4 of the CMA Code and the Board Charter, the Board conducts an annual formal assessment of the independence of its non-executive directors. The 2025 independence assessment was prepared by the Legal and Compliance Officer and covered the reporting period July 2024 to July 2025. Directors were assessed against the 12 independence criteria prescribed under the CMA Code and the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023.

Director	Role	Independence Status	Notes
<b>Mr. Titus M. Karanja</b>	Board Chairperson	Non-Independent	Non-executive; holds equity indirectly through Risa Capital Limited
<b>Ms. Catherine N. Munyiri</b>	INED	<input checked="" type="checkbox"/> Independent	All 12 CMA Code criteria satisfied
<b>Mr. Clyde A. Mutsotso</b>	INED	<input checked="" type="checkbox"/> Independent	All 12 CMA Code criteria satisfied
<b>Ms. June L. M. Adembesa</b>	Non-Executive Director	Non-Independent	Cross-directorship with Risa Insurance Agency Ltd (Criterion 11) disqualifies independence per CMA Code, confirmed by CMA Relationship Officer
<b>Dr. Robert Shibusse</b>	CEO / Executive Director	Non-Independent	Executive director; shareholder
<b>Mr. Francis O. Menya</b>	CCO / Executive Director	Non-Independent	Executive director; shareholder

The Board has noted the cross-directorship finding regarding Ms. Adembesa and has engaged the CMA on the matter. Ms. Adembesa continues to serve as a valued non-executive director and contributes meaningfully to Board and committee deliberations. The Board's succession planning matrix has identified the recruitment of an additional qualified independent non-executive director as a priority action.

## Board Operations and Meetings

The Board Charter requires the Board to meet at least four times per year. Meetings are convened upon not less than five working days' notice, with board papers circulated at least five working days prior to each

meeting. The Company Secretary, in conjunction with the Chairman and CEO, is responsible for preparing the annual calendar of meetings and the agenda for each meeting.

The Board met five times during the financial year 2025. All meetings were convened and conducted in accordance with the Board Charter requirements. The dates of the meetings and the attendance record of each director were as follows:

Director	4 Mar 2025	24 Apr 2025	30 Jul 2025	6 Nov 2025	19 Dec 2025	Total Attended	% Attendance
Mr. Titus M. Karanja	✓	✓	✓	✓	✓	5/5	100%
Dr. Robert Shibusse	✓	✓	✓	✓	A	4/5	80%
Mr. Francis O. Menya	✓	✓	✓	✓	✓	5/5	100%
Ms. Catherine N. Munyiri	✓	✓	✓	✓	✓	5/5	100%
Mr. Clyde A. Mutsotso	✓	✓	✓	✓	✓	5/5	100%
Ms. June L. M. Adembesa	✓	✓	✓	✓	✓	5/5	100%

Key: ✓ = Attended | A = Apology tendered | — = Not applicable

**Internal Board Evaluation**

In line with the Board Charter and CMA Code requirements, RPKL conducted a comprehensive annual Board Evaluation covering the period December 2024 to April 2025. The evaluation was prepared by the Legal and Compliance Officer and encompassed five distinct assessments: a Board Self-Assessment, a Board Chair Assessment, a CEO Assessment, and separate evaluations of each Board committee. All six directors participated in the Board Self-Assessment, representing a 100% response rate.

The overall evaluation revealed a strong governance framework with effective leadership, high confidence among Board members, and solid performance across most governance dimensions. The summary scores by category were as follows:

Assessment Category	Rating	Notable Highlights
<b>Board Composition &amp; Structure</b>	<b>Strong</b>	100% of directors agreed the board has an appropriate mix of skills and experience
<b>Board Operations &amp; Meetings</b>	<b>Very Strong</b>	100% rated meetings as well-organised and productive; 100% praised Chair's meeting management
<b>Strategic Oversight</b>	<b>Strong</b>	100% affirmed effective oversight of strategic planning; clear understanding of vision and goals
<b>Risk Management &amp; Compliance</b>	<b>Strong</b>	100% confirmed effective risk oversight; strong understanding of key risks facing the Company
<b>Financial Oversight</b>	<b>Very Strong</b>	100% confirmed effective financial performance monitoring and understanding of financial statements
<b>Management Oversight</b>	<b>Strong</b>	100% agreed on effective CEO performance evaluation and management compensation alignment
<b>Ethics &amp; Governance</b>	<b>Very Strong</b>	100% agreed the Board promotes ethical behaviour; 100% confirmed director adherence to Code of Conduct
<b>Board Performance &amp; Development</b>	<b>Moderate</b>	Strong on self-assessments and onboarding; opportunities in mentoring and director development budget
<b>Stakeholder Relations</b>	<b>Moderate to Strong</b>	100% confirmed effective stakeholder communication; opportunities in customer insight and CSR
<b>Board Chair Performance</b>	<b>Excellent</b>	61% 'Strongly Agree' ratings; no negative ratings across any category; exceptional leadership
<b>CEO Performance</b>	<b>Excellent</b>	87% 'Strongly Agree' ratings; recognised for strategic leadership and ethical culture
<b>Remuneration &amp; Nominations Committee</b>	<b>Strong</b>	Strong composition, oversight and reporting; opportunity to enhance board development function
<b>Audit &amp; Risk Committee</b>	<b>Strong</b>	49% 'Strongly Agree'; excellent meeting effectiveness and compliance monitoring; external audit oversight to be enhanced

The Board has accepted the evaluation findings and the Remuneration and Nominations Committee is responsible for overseeing the implementation of the recommended improvement actions during 2025–2026.

### External Board Evaluation

In line with the Board Charter and the Board’s Evaluation and Assessment Policy, RPKL commissioned an independent external Board Evaluation for the year ended 31 December 2024, conducted by Bellie Roaster (external governance consultants). The evaluation covered the full Board, the Board Chairperson, the Chief Executive Officer, the Company Secretary, and both Board committees. All six directors participated, representing a 100% response rate. The methodology comprised a deployment of structured surveys and a review of Board tools, followed by analysis and interpretation of findings.

The evaluation results were positive, with an overall Board score of 4.2 out of 5.0 (equivalent to 84%), reflecting strong overall performance. The Board Chairperson and CEO each achieved a rating of 4.7 (94%), and the Company Secretary achieved 4.5 (90%). The Board Audit and Risk Committee scored 4.6 (92%) and the Board Remuneration and Nominations Committee scored 4.7 (94%). The highest-scoring thematic area was Board Processes and Meetings (4.5), while the lowest was Succession Planning (2.9), highlighting an area requiring focused attention. The full evaluation scores across the ten thematic areas assessed are summarised below:

Board Mandate: 4.2 | Board Governance: 4.3 | Board Processes and Meetings: 4.5 | Functions of the Board: 4.4 | Strategy: 4.1 | Financial Reporting Processes including Internal Control: 4.3 | Business and Risk Management: 4.4 | Succession Planning: 2.9 | Performance Management: 4.2 | Information and Communication: 4.3.

Key strengths identified included: well-structured, timely and constructive Board meetings with accurate records; a clear separation between Board-level strategy and operational matters; effective monitoring of financial performance, compliance and internal controls; an inclusive Board culture with diverse perspectives; a strong risk management framework; and a professional and collaborative relationship between the CEO and Chairperson.

The key recommendations from the evaluation, with implementation timelines, are captured in the Implementation Matrix forming part of the evaluation report and include: developing an annual Board work plan aligned to RPKL’s strategy with KPIs (COSEC/Board Chair, Q1 2026); integrating succession planning as a standing Board and Committee agenda item (Board Chair/BRNC, from Q1 2026); rolling out targeted director training on governance, ESG and emerging trends including AI Governance, IT Governance and Data Protection (COSEC, semi-annually, minimum 12 hours); strengthening strategy execution through adequate resource allocation and timely information sharing (CEO/Management, ongoing); and establishing real-time information

flow channels between management and the Board (CEO/Management, Q2 2026). The REMNCO is responsible for overseeing implementation of the evaluation recommendations.

### External Governance Audit

Pursuant to Clause 2.11 of the CMA Code of Corporate Governance Practices, which requires issuers to conduct a governance audit at least once every two years, RPKL commissioned an independent Governance Audit for the year ended 31 December 2024. The audit was conducted by Bellie and Roaster (external governance auditors) and covered nine prescribed assessment areas: Ethical Leadership and Strategic Management; Transparency and Disclosure; Compliance with Laws and Regulations; Financial Reporting; Board Independence and Governance; Board Policies, Systems, Practices and Procedures; Consistent Shareholder and Stakeholder Value Enhancement; Corporate Social Responsibility and Investment; and Sustainability.

The governance audit achieved an overall score of 85.16%, and the auditors issued an Unqualified Opinion, confirming that the Board has put in place a sound governance framework that is in compliance with the applicable legal and regulatory framework and in line with global best governance practices for the benefit of stakeholders.

Key findings from the audit affirmed that RPKL has a well-constituted Board with an appropriate mix of skills, experience, and independence; that the roles of the Chairman and CEO are properly separated; that the Board Charter, Code of Ethics, Conflict of Interest Policy, and Whistleblowing Policy are all in place and published; that the Board's average non-executive director age of 47.5 years compares favourably to the global average of 60.63 years; and that gender diversity at the Board level (2:4) is favourable. The audit also confirmed that RPKL has comprehensive governance policies and procedures covering stakeholder management, risk management, internal controls, and financial reporting.

Areas identified for improvement included: the need to complete a formal legal and regulatory compliance audit; disclosure of the Company's IT policy, ESG policies, the independence and reporting structure of the internal audit function, and a Statement of Compliance with the CMA Code in the Integrated Annual Report; formalising the succession plan implementation framework with timelines and monitoring mechanisms; augmenting the Board Work Plan with specific KPIs and dates; ensuring the Board Audit and Risk Committee convenes at least four times per year; ensuring the Company Secretary actively attends all Board and Committee meetings; and developing formal ESG and sustainability policies integrated into the Company's strategic planning. The full recommendations and implementation matrix are set out in the Governance Audit Report, which was presented to the Board in November 2025 and accepted by the Board.

**Board Committees**

The Board is supported by two standing committees, each operating under formal terms of reference approved by the Board. Committee chairpersons report to the full Board at each Board meeting. Neither committee has executive powers; they serve in an advisory and oversight capacity to the Board.

**Board Audit and Risk Committee (BARC)**

The BARC assists the Board in discharging its responsibilities relating to the safeguarding of assets, financial reporting, risk management, oversight of internal and external audit functions, and regulatory compliance. Its terms of reference were last revised in April 2026.

Member	Role on Committee	Qualifications Relevant to Committee
<b>Mr. Clyde A. Mutsotso</b>	Chair (Independent Non-Executive)	CPA-K; 21 years in statutory audit, forensic audit & tax consultancy; Managing Partner of Clyde and Associates
<b>Ms. Catherine N. Munyiri</b>	Member (Independent Non-Executive)	30+ years banking; expertise in financial planning, corporate finance & risk
<b>Ms. June L. M. Adembesa</b>	Member (Non-Executive)	15+ years HR, business development & stakeholder management

The Committee met four times during 2025 — on 15 April, 22 July, 27 October, and 15 December 2025. All meetings were attended by all Committee members. Key matters considered during the year included the following:

- **Financial Reporting:** Reviewed external audit findings from Nexia SJ for the year ended 31 December 2024, including governance covenant breaches (gearing ratio and unencumbered assets), going concern considerations arising from accumulated losses and pending capital raise, and revenue recognition matters. The Committee directed management to finalise the audited financial statements and obtain Board Chair signature and requested a more quantified management letter from the external auditors.
- **Internal Audit Oversight:** Approved the 2025 Internal Audit Plan and reviewed internal audit reports covering the finance department (including a KES 68 million KRA tax debt), legal department (45 active litigation cases totalling KES 97 million), and branch audits for Kisumu, Nakuru, Eldoret, Meru, and Nairobi. The Committee noted worsening credit quality across most branches, with the overall NPL ratio reaching 12.43% against a 5% benchmark by year-end, and directed management to ensure future audit reports include quantified findings with schedules.

- Risk Management: Reviewed quarterly risk reports covering liquidity risk (rated critical — no new investor capital secured during the year), credit risk (rising NPLs and declining on-time repayments), operational risk (including a fraud case at the Nairobi branch involving a KES 1 million loan secured against a property valued at KES 450,000–600,000 that resulted in staff dismissals), people risk (six staff exits during the year), and IT risk (concentration risk with a single network provider). The Committee also reviewed and adopted the Company’s Investment Policy and Liquidity Policy during the year.
- Governance Audit: Received and noted the external governance audit report (presented to the full Board in November 2025) and the draft CMA Corporate Governance Assessment, the final version of which is scheduled for presentation in 2026.

**Remuneration and Nominations Committee (REMNCO)**

The REMNCO assists the Board in determining director and executive remuneration, overseeing Board succession planning, and managing the director nomination and appointment process. It also oversees the annual Board evaluation process.

Member	Role on Committee	Relevant Expertise
<b>Ms. Catherine N. Munyiri</b>	Chair (Independent Non-Executive)	30+ years banking; expertise in leadership, business development & people management
<b>Mr. Titus M. Karanja</b>	Member (Non-Executive / Chairperson)	19 years corporate finance & investment banking; executive coaching
<b>Ms. June L. M. Adembesa</b>	Member (Non-Executive)	15+ years HR strategy, performance management & employment law across Africa, Asia and Latin America

The Committee met four times during 2025 — on 11 April, 23 July, 27 October, and 16 December 2025. All meetings were attended by all Committee members. Key matters considered during the year included the following:

- Director Remuneration and Benefits: Reviewed and confirmed the adequacy of the Board Remuneration Policy. Approved the switch of the Company’s medical insurance provider to Madison Insurance, securing enhanced cover at a premium of KES 3.9 million — representing a saving of 7.44% against the previous premium.

- **Board Evaluation and Governance:** Oversaw completion and acceptance of the external Board Evaluation for the period ending 31 December 2024. Approved the Board Evaluation Improvement Action Plan in October 2025, covering succession planning, diversity, board training, ESG policy development, stakeholder engagement, and regulatory readiness. Approved the Board Capacity Development Plan for 2025–2026, incorporating CMA Code training modules (8.5 hours, no cost) and targeted external workshops.
- **Succession Planning and Nominations:** Approved the Board Succession Planning and Skills Matrix in July 2025. Identified the BARC Chair role as a critical succession risk, with the recruitment of a third independent non-executive director holding finance and audit qualifications designated as a priority action. The Committee noted that only one candidate CV had been received by December 2025 and urged all members to actively source suitable candidates.
- **Human Capital Oversight:** Received regular reports on staff complement, turnover, and engagement. Noted that staff turnover increased from 34.88% in October to 41.86% in December 2025, with the business team most affected. Approved the extension of the Company’s retirement age from 55 to 60 years (October 2025). Noted findings from the September 2025 staff satisfaction survey, which identified concerns regarding management communication and career development, and directed management to develop a formal action plan. Discontinued virtual interviews following disciplinary issues linked to remote hiring. A staff team-building event was held on 11 December 2025.
- **Director Independence:** Noted and confirmed the revised independence assessment of Ms. June Adembesa, who was determined to be non-independent following her appointment as a director of Risa Insurance Agency Limited. The Board remains compliant with CMA Code requirements on committee composition.

**Board Skills and Diversity**

**Skills Matrix**

The Board possesses a diverse range of skills and experience relevant to RPKL's strategic objectives and operating environment. The matrix below summarises the key competencies represented on the Board:

Skill / Competency	Karanja	Shibutse	Menya	Munyiri	Mutsotso	Adembesa
Financial Services / Banking	✓	✓	✓	✓		
Corporate Finance / Investment Banking	✓					
Accounting / Audit	✓	✓			✓	

Skill / Competency	Karanja	Shibutse	Menya	Munyiri	Mutsotso	Adembesa
Risk Management		✓		✓	✓	
Strategy & Business Development	✓	✓	✓	✓		✓
Marketing / Commercial			✓			
Human Capital / HR Management						✓
Legal & Compliance						
Fintech / Digital / ICT	✓					
Microfinance / SACCO Sector		✓	✓			
ESG / Stakeholder Management						✓

**Board Diversity**

RPKL is committed to building a diverse Board that reflects the communities it serves and brings varied perspectives to governance. The Board's Diversity Policy, approved on 24 April 2025, sets measurable targets to be achieved by 31 December 2027, including a minimum of 40% female representation and representation across multiple professional disciplines.

Diversity Dimension	Current Position (2025)
<b>Gender</b>	2 female directors (33%) out of 6; target ≥40% female by 2027
<b>Gender — Female</b>	Ms. Catherine N. Munyiri, Ms. June L. M. Adembesa
<b>Gender — Male</b>	Mr. Titus M. Karanja, Dr. Robert Shibutse, Mr. Francis Menya, Mr. Clyde Mutsotso
<b>Nationality</b>	All directors are Kenyan nationals
<b>Professional Background</b>	Finance, banking, audit, marketing, human capital, and fintech
<b>Board Classification</b>	2 Independent Non-Executive   2 Non-Executive   2 Executive

## Board Succession Planning

The Board has an active Succession Planning Policy (approved May 2024), overseen by the REMNCO. A Board Succession Planning Matrix was prepared by the Legal and Compliance Officer in July 2025 following the annual director independence assessment. The matrix identified the BARC Chair position as a critical succession risk, given that only one fully independent director currently holds finance and audit qualifications necessary for the role.

The REMNCO has recommended the following priority succession actions:

- Immediate (0–3 months): Recruit a third independent non-executive director with a finance/audit background to serve on the BARC and provide succession capacity for the BARC Chair position.
- Short-term (3–12 months): Maintain a continuously updated pipeline of pre-qualified independent director candidates through network referrals and, where necessary, professional search firms.
- Ongoing: Integrate succession planning into annual Board effectiveness reviews and ensure all new directors complete a structured induction programme upon appointment.

## Director Induction and Ongoing Development

RPKL maintains a Board of Directors Induction Policy (approved May 2024) that prescribes a structured onboarding process for all newly appointed directors. The process includes a formal orientation session covering RPKL's history, governance structure, strategic objectives, and operations; branch visits; meetings with key management; and the assignment of an experienced Board mentor.

The Board Charter and CMA Code require each director to secure a minimum of 12 hours of governance training per year. The REMNCO, in consultation with the Board Chair, is responsible for curating a comprehensive programme of training and development opportunities covering corporate governance, regulatory developments, financial literacy, risk management, and strategic oversight. Training records are maintained by the Company Secretary.

## Director Remuneration

Director remuneration is governed by the Board of Directors Remuneration Policy (approved May 2024), which was developed in accordance with the Board Charter and the CMA Code. The Policy ensures that remuneration is fair, transparent, commensurate with directors' time commitments and responsibilities, and aligned with the Company's long-term strategic objectives.

Non-executive directors receive a fixed annual board fee and additional committee fees. Executive directors are remunerated in accordance with their service contracts. No director participates in the determination of their own remuneration. Individual director remuneration details are treated as confidential and are disclosed to the extent required by applicable law and regulation.

Remuneration Component	Applicable To
<b>Fixed Annual Board Fee</b>	Non-Executive Directors and Independent Non-Executive Directors
<b>Committee Sitting Fees</b>	Non-Executive Directors serving on Board Committees
<b>Committee Chairperson Additional Fee</b>	Chairs of the BARC and REMNCO
<b>Service Contract / Employment Terms</b>	Executive Directors (CEO and CCO)

Total director remuneration paid during 2025 is disclosed under Note 9 of the Notes to the Financial Statements.

### Related Party Transactions

RPKL maintains a Board of Directors Related Party Transactions Policy (approved May 2024) which sets out the procedures for identifying, reviewing, approving, and disclosing all transactions between the Company and parties related to any director. All related party transactions are first reviewed by the Audit and Risk Committee prior to Board approval, and any director with an interest in a transaction is required to declare that interest and recuse themselves from the related deliberations and vote.

The Company maintains a register of all related party transactions, which is reviewed periodically by the Board. Full disclosure of related party transactions is made in the Company's financial statements in accordance with applicable accounting standards and legal requirements.

No material related party transactions were entered into outside the ordinary course of business during the financial year ended 31 December 2025.

### Conflict of Interest

RPKL maintains a Conflict-of-Interest Policy that sets out the obligations of directors, management, and staff to identify, disclose, and manage any actual, potential, or perceived conflicts of interest. The Policy requires prompt disclosure of conflicts and mandates recusal from any related decision-making. During the financial year ended 31 December 2025, no conflict of interest was reported by any member of the Board or staff.

**Whistleblowing**

RPKL maintains a Whistleblowing Policy that provides a confidential mechanism through which directors, employees, and other stakeholders may report concerns about unethical conduct, fraud, or breaches of policy without fear of retaliation. The Policy is overseen by the Board. During the financial year ended 31 December 2025, no whistleblowing reports were received.

**Risk Management and Internal Controls**

The Board has ultimate responsibility for RPKL's risk management framework and the effectiveness of the internal control environment. The Audit and Risk Committee assists the Board in discharging these responsibilities, providing oversight of the Company's risk register, internal audit function, and compliance monitoring programme.

The Board's 2025 evaluation confirmed that directors have a thorough understanding of the Company's key risk profile, and that the risk management framework is functioning effectively. The evaluation noted opportunities to enhance stress testing and scenario planning capabilities, and to strengthen the integration of environmental and social risk considerations into the risk management framework — both of which are being pursued in 2025–2026.

The Board confirms that no material internal control failures or regulatory sanctions were recorded during the financial year 2025.

**Governance Improvement Priorities for 2025–2026**

RPKL's CMA Corporate Governance assessment for the year ended 31 December 2024 recorded an overall score of 69% (Good), an improvement from 64% in 2023. The Board acknowledges that the Company's transparency and disclosure practices and ethics reporting require accelerated improvement to achieve a Leadership rating. The following priority remediation actions are being pursued:

No.	Action	Target
1	Introduce integrated reporting framework for the Annual Report	End of Q1 2026
2	Correct all outstanding Annual Report disclosure gaps (committee details, vision/mission, whistleblowing, remuneration disclosure, MD&A, governance audit statement)	End of Q1 2026
3	Formalise and publicly disclose ethics performance (risk assessment, training summary, whistleblowing statistics)	End of Q1 2026

No.	Action	Target
4	Disclose full Board committee membership and charters in the Annual Report	End of Q1 2026
5	Regularise Company Secretary appointment and ICPSK membership	Immediate
6	Execute and document 12+ hours of governance training for all Board members	Ongoing
7	Conduct independent legal and governance audit	By Q2 2026
8	Formally integrate ESG metrics into strategy and reporting	End of 2026
9	Recruit additional independent non-executive director	0-3 months

### Senior Management Team

Day-to-day management of the Company is delegated to executive management within the authority levels approved by the Board. The senior management team comprised the following individuals during 2025:

Name	Designation	Qualifications / Experience Summary
<b>Dr. Robert Shibutse</b>	CEO & Executive Director	DBA (Finance, USIU); MBA (ESAMI); BA Economics (UoN); CPA; CPS; 17+ years in banking, insurance & microfinance
<b>Mr. Francis Menya</b>	CCO & Executive Director	B.Econ (Moi University); Diploma Banking; Post-Grad Diploma Marketing (CIM UK); 19+ years commercial financial services
<b>Mr. Simon Owawa</b>	Legal and Compliance Officer	LLB (Moi University); Advocate High Court of Kenya with 7+ years' experience; post-graduate certifications in compliance, risk, data protection & cybersecurity; CS certification (KASNEB)
<b>Ms. Sophia Riachi</b>	Operations Manager — Human Capital & ICT	BBIT (KeMU); Graduate Diploma MIS (Strathmore/IMIS-UK); ITIL v3; 10+ years ICT & operations management
<b>Ms. Caroline Wanjiku</b>	Finance & Administration Manager	B.Com Finance (KCA University); CPA-K; 10+ years accounting, finance and auditing
<b>Ms. Rose Adidi</b>	Credit Officer	Diploma Business Management (ABE UK); Insurance expert; 10+ years microfinance (customer service & credit risk)

## Executive Committee — 2025 Management Discussions

The Executive Committee (ExCo) convened regularly throughout 2025 to navigate a challenging operating environment characterised by liquidity constraints, a deteriorating loan portfolio, and the need for significant cultural and operational reform. The year was marked by a strategic focus on financial stabilisation, proactive credit risk management, cost optimisation, and foundational improvements in governance and internal processes. The key themes and decisions from the ExCo's discussions during 2025 are summarised below.

### Financial Performance and Liquidity Management

The Company faced persistent financial pressure throughout the year. A primary strategic objective was negotiating with noteholders to restructure or settle a significant debt obligation of approximately KES 450 million, with management exploring options including a lump-sum payment of KES 100 million to facilitate a debt exit and attract new investment. Deliberate pauses in lending activities were implemented at key intervals to accumulate cash for critical payments, including a KES 25 million noteholder instalment, accepting the consequential short-term portfolio shrinkage. Operating expenses were successfully reduced compared to the prior year and budget, driven by lower staff-related costs, though losses persisted due to reduced lending income and elevated impairment charges. Discussions on securing a new capital injection of approximately KES 300 million from prospective investors were ongoing throughout the year. Management also emphasised the need for greater internal adoption and active promotion of the M-Pesa agency initiative, whose performance remained below expectations.

### Credit Risk and Portfolio Quality

The quality of the loan portfolio was a major area of focus, with the NPL ratio fluctuating between 28% and 35% throughout the year. A particularly concerning trend was the increase in NPLs with recency, indicating that newly disbursed loans were defaulting at an elevated rate. The ExCo identified policy overrides, inadequate due diligence, over-reliance on land as collateral, and exposure concentration in a small number of large defaulting accounts as key drivers of credit deterioration. Remedial actions included tightening credit policies, reintroducing late payment penalties, extending logbook finance loan terms to 24 months, and strategically shifting the portfolio towards smaller, more manageable loan exposures. Significant effort was directed at recovering legacy NPLs through auctioneers and negotiated settlements, and the committee ratified multiple settlement waivers and operational write-offs during the year.

### Operational and Cultural Transformation

Leadership consistently identified a need for cultural and operational reform, with over-reliance on committee-based decision-making creating bottlenecks and diffusing accountability. The ExCo committed to streamlining approvals, particularly for routine expenditures, and empowering individual managers to act within defined mandates. An Employee Ethics Survey conducted during the year revealed concerns including perceived pressure to compromise ethical standards to meet targets and a culture of fear in parts of the organisation.

Management resolved to conduct regular, scenario-based ethics training and foster a more open and accountable environment. A new Performance Management Policy was ratified to standardise appraisals and address underperformance, with staff appraisals linked to year-end rewards. A staff team-building event was held on 11 December 2025 to directly address cultural issues, with leadership development literature used as a foundation for management discussions on team effectiveness.

### Strategic and Commercial Initiatives

To diversify income and drive growth, the ExCo approved several new commercial initiatives during the year. These included pilots for freelance commission-based sales agents; a motorcycle financing partnership with Emmanuel Cyclemart; a vehicle tracking service partnership with Kajea Tech; and the onboarding of Jubilee Alliance as an additional credit life underwriter. The Company also actively pursued a Digital Credit Provider (DCP) licence from the Central Bank of Kenya, which management regards as critical for investor confidence and long-term regulatory standing.

### Governance, Policy and Compliance

A significant push was made to finalise and ratify a backlog of internal policies to strengthen the governance framework. During 2025, the ExCo ratified over 20 key policies, including the Business Continuity Planning Policy, Finance Policy, Procurement Policy, Fixed Asset Management Policy, Investment Policy, Liquidity Policy, and Staff Loan Policy. Persistent operational issues were also addressed, including ICT infrastructure reliability (particularly internet connectivity at branch level), incomplete asset verification, delayed OSHA compliance filings, and documentation weaknesses in the registry. Specific directives were issued to digitise staff files, secure the registry with CCTV, and enforce a clear desk policy across offices.

### Human Capital and Staff Welfare

Workforce management was a recurring theme, with 20 staff exits recorded during the year raising concerns about continuity and institutional knowledge. The ExCo focused on completing a succession planning matrix to identify critical gaps and high-potential employees. The Staff Loan Policy was reviewed and updated, balancing employee welfare requests with institutional risk considerations. The Company switched its medical insurance provider from APA to Madison Insurance following a significant premium increase by the previous provider, with stricter documentation requirements imposed for dependant coverage. Staff morale, accumulated leave management, and the need for targeted soft-skills training were also discussed, with management directed to develop a structured plan to address these issues in 2026.

### Board's Conclusion

The Board is satisfied that RPKL's governance framework is sound and continues to strengthen. The Company has built a capable, experienced, and diverse Board; established clear governance policies across all critical domains; and demonstrated consistent improvement in its CMA Corporate Governance assessment score over the past four years.

The Board remains committed to achieving a Leadership rating in the CMA assessment and to ensuring that RPKL's governance structures deliver long-term value for its shareholders, customers, employees, and other stakeholders. The governance improvement priorities identified for 2025–2026 will be subject to regular monitoring by the Board and its Committees, with progress reported in subsequent Annual Reports.

### Chairman's Attestation

On behalf of the Board of Directors of Real People Kenya Limited, I confirm that this Corporate Governance Report accurately reflects the governance structures, policies, and practices of the Company for the financial year ended 31 December 2025.



Mr. Titus M. Karanja  
Chairman of the Board of Directors  
Real People Kenya Limited

Date: **24<sup>th</sup> April 2026**

## ETHICS AND INTEGRITY PERFORMANCE

At Real People Kenya Limited (RPKL), ethical conduct is not merely a regulatory obligation — it is the foundation upon which we build lasting relationships with our customers, employees, regulators, and communities. Our commitment to integrity underpins every business decision we make, every product we offer, and every interaction we have with our stakeholders.

### Ethics Governance Framework

RPKL maintains a robust ethics governance architecture anchored in two foundational documents: the Code of Ethics and Business Conduct Policy (most recently revised March 2025) and the Ethics and Compliance Policy (effective June 2025). Together, these documents establish the standards, structures, and accountability mechanisms that guide ethical behaviour across the organisation.

Our governance structure comprises:

- Ethics and Compliance Committee — chaired by the Legal and Compliance Officer (LCO) and comprising the CEO, Chief Commercial Officer, and Human Capital Manager, with oversight of the entire ethics and compliance program.
- Legal and Compliance Officer (LCO) — responsible for day-to-day management of ethics initiatives, training, reporting, and compliance monitoring.
- Policy Review Committee — a cross-functional body ensuring all policies remain current, consistent, and aligned with regulatory requirements.
- Internal Audit — independently reviews ethics and compliance controls and reports findings to the Board Audit and Risk Committee.

Policy exceptions require formal approval by the CEO and are logged and reviewed annually, ensuring that deviations from established standards are deliberate, documented, and accountable.

### Our Ethical Standards and Core Values

RPKL's Code of Ethics and Business Conduct applies to all directors, managers, employees, contractors, and business partners across all locations. The Code articulates the values and behavioural expectations that define how we conduct ourselves — with customers, with each other, and with the broader public.

Our core values — encapsulated in the SCRIPT framework — guide day-to-day conduct:

Value	What it means for us
Self-Improvement	We empower each other to set and realise ambitious goals, investing in continuous learning and development.
Client Centred	We treat every customer with respect and dignity, putting their needs at the heart of our decisions.

<b>Respect</b>	We seek first to understand — our colleagues, our clients, and our community — before asserting our own views.
<b>Innovation</b>	We embrace change and adapt proactively, developing practical solutions that serve our customers better.
<b>Partnership</b>	We collaborate openly, building trust through transparency and mutual accountability.
<b>Teamwork</b>	We celebrate shared success and support one another in achieving our collective mission.

### Employee Ethics Survey — April 2025

In April 2025, RPKL conducted its inaugural Employee Ethics Survey — a structured assessment of the ethical culture, policy awareness, and compliance experiences of our workforce. The survey was administered to all staff between 1 and 12 April 2025 and attracted a participation rate that provided representative insights across the organisation. Forty (40) employees responded, offering both quantitative ratings and qualitative reflections.

The survey was structured across five thematic areas:

- Awareness and understanding of the Code of Ethics
- Ethical culture assessment
- Industry-specific ethics (lending, data privacy, AML/KYC)
- Anti-corruption and bribery
- Ethical challenges and support mechanisms

### Key Survey Findings

The results demonstrate that RPKL has established a solid ethical foundation. Highlights include:

Ethics Indicator	Agreement Rate	Target
Familiarity with the Code of Ethics and Business Conduct	87.5%	≥80%
Understanding how the Code applies to individual roles	85.0%	≥80%
Customer information and data privacy properly protected	87.5%	≥85%
Financial reporting practices are honest and transparent	85.0%	≥85%
Adherence to AML and KYC requirements	82.5%	≥80%
Clear anti-bribery and anti-corruption policies	85.0%	≥80%

Ethics Indicator	Agreement Rate	Target
Never pressured to offer or accept improper payments	82.5%	≥80%
Supervisor promotes ethical behaviour	77.5%	≥75%
Ethical conduct is valued in the organisation	75.0%	≥75%
Ethics considered in business decisions at all levels	75.0%	≥75%
Adherence to regulatory requirements in daily operations	80.0%	≥80%
Collateral valuation and management practices are fair	80.0%	≥75%

**Survey Highlights**

- ✓ 87.5% of employees are familiar with the Code of Ethics — exceeding the 80% target.
- ✓ 85% of employees understand how the Code applies to their specific roles.
- ✓ 87.5% confirm that customer data privacy is properly protected.
- ✓ 85% affirm the company's anti-corruption policies are clear and well-understood.
- ✓ 82.5% have never experienced pressure to engage in improper payments.

**Regulatory and Industry Compliance**

As a regulated entity under the Capital Markets Authority, RPKL maintains rigorous compliance with all applicable statutory and regulatory frameworks. Our Ethics and Compliance Policy establishes clear requirements in each of these areas:

- Anti-Money Laundering (AML) and Know Your Customer (KYC): 82.5% of survey respondents affirmed that RPKL adheres to AML and KYC requirements in day-to-day operations. Our compliance monitoring program continuously reviews adherence to these requirements.
- Data Protection: RPKL is fully committed to compliance with the Data Protection Act. Customer information confidentiality received the highest employee confidence score in the survey at 87.5%. Robust data governance controls are embedded in our operational processes.
- Anti-Bribery and Corruption: Our zero-tolerance stance on bribery is reinforced through policy, training, and reporting mechanisms. 85% of employees confirmed awareness of our anti-corruption policies, while 82.5% reported having never been pressured to engage in improper conduct.

- **Conflicts of Interest:** All employees are required to disclose actual or potential conflicts of interest and recuse themselves from decisions where personal interests may interfere with professional duties. 75% of respondents affirmed the company avoids conflicts of interest in lending decisions.

### Ethics Training and Communication

RPKL has invested in building an ethics-conscious workforce through a structured training and communication program. Ethics training is mandatory for all employees and is tracked centrally by the LCO.

Our training program includes:

- **New Employee Orientation:** An ethics and compliance module is completed within the first week of employment for all new hires.
- **Annual Ethics Training:** Mandatory for all employees, with completion rates reported to the Ethics and Compliance Committee each quarter.
- **Role-Specific and Manager Training:** Targeted modules for high-risk positions and ethical leadership training for supervisors and managers.
- **Board of Directors Training:** Annual updates on ethics, compliance matters, and program effectiveness.
- **Specialised Training:** Modules covering fraud prevention, anti-bribery and corruption, data privacy, anti-money laundering, and fair treatment of customers.

Communication is reinforced through quarterly ethics messages from the CEO, a monthly ethics newsletter, visual reminders in the workplace, and recognition of employees who exemplify ethical conduct. The survey affirmed that 82.5% of employees know where to access ethics resources when needed.

### Reporting Mechanisms and Whistleblower Protection

RPKL provides multiple confidential channels through which employees and stakeholders can report ethics concerns without fear of retaliation. These include direct supervisor reporting, reporting to the Human Capital Manager, the Legal and Compliance Officer, and a dedicated ethics email address ([ethicshotline@realpeople.co.ke](mailto:ethicshotline@realpeople.co.ke)).

Our Whistleblower Policy strictly prohibits retaliation against individuals who report concerns in good faith. Any employee found to have engaged in retaliatory behaviour is subject to disciplinary action, up to and including termination of employment. The LCO actively monitors for potential retaliation and takes immediate corrective action where warranted.

### Ethics Improvement Priorities for 2025–2026

Building on the survey findings, RPKL has identified the following priority actions to further strengthen our ethical culture:

Timeframe	Initiative	Expected Outcome
0-6 months	Enhance ethics training with interactive modules, real-world case studies and quarterly workshops	Improved training effectiveness and practical understanding
0-6 months	Strengthen whistleblower mechanisms and clearly communicate non-retaliation policies	Increased employee confidence in reporting channels
0-6 months	Launch 'Ethics Champion' recognition programme	Recognition of ethical behaviour and reinforcement of culture
6-12 months	Develop specialised ethical leadership programme for managers	Stronger ethical leadership at all management levels
6-12 months	Review lending documentation and customer communication for clarity	Enhanced transparency and customer trust
12-24 months	Embed ethics into organisational strategy, performance evaluations and incentive structures	Long-term culture of integrity aligned with business goals

**Conclusion and Outlook**

RPKL's 2025 ethics performance reflects a company that has invested meaningfully in building a culture of integrity. The strong awareness of our Code of Ethics, clear anti-corruption policies, and robust regulatory compliance practices provide a solid foundation from which we continue to grow.

We acknowledge that an ethical organisation is one that remains committed to continuous improvement — consistently examining its practices, listening to its employees, and raising its standards. The recommendations arising from our employee ethics survey have been incorporated into a structured improvement plan, and progress will be assessed through a follow-up survey in April 2026.

As we look ahead, RPKL reaffirms its commitment to conducting business with absolute integrity — protecting our customers, supporting our employees, and honouring our obligations to regulators, shareholders, and the communities we serve.

**Our Ethics Commitment**

"RPKL is committed to building a culture where integrity is not the exception — it is the standard. Every employee, at every level, plays a vital role in upholding the trust that our customers and stakeholders place in us." — Dr. Robert Shibusse, CEO, Real People Kenya Limited

## RISK MANAGEMENT

Risk is an inherent part of RPKL's business, and the effective management of risk is a fundamental enabler of our strategic plan. The strategy for managing risk is aimed at customer protection and enabling sustained performance through the Risk Management Framework. The Board oversees the risk management strategy and framework, taking into account the risk appetite, prudential capital requirements and strategic and business priorities of the company.

At RPKL, we recognize risk management as a critical component in safeguarding our sustainability, protecting stakeholder value, and supporting the achievement of our strategic objectives. Our Enterprise Risk Management (ERM) framework provides a structured approach to identifying, assessing, monitoring, and mitigating risks across all areas of our business. During the reporting period, the overall risk environment remained elevated, primarily driven by liquidity pressures, credit performance challenges, and external economic conditions.

### Liquidity Risk

Liquidity risk remains the most significant risk facing RPKL. This risk arises from our potential inability to meet financial obligations as they fall due without incurring significant losses. Cash flow projections for the next 12 months indicate a liquidity deficit, driven by high debt servicing requirements, constrained inflows, and limited access to additional funding.

We continue to rely on internally generated cash flows and long-term local currency borrowings; however, our available liquidity buffers remain insufficient to cover projected shortfalls. In response, we have prioritized strengthening liquidity management through enhanced cash flow forecasting, strict monitoring of funding mismatches, and active exploration of alternative funding sources. Additional measures include improving receivables collection, rationalizing non-essential expenditure, and engaging stakeholders to identify viable funding solutions.

### Credit Risk

Our credit risk exposure increased during the year, as evidenced by a rising Non-Performing Loan (NPL) ratio, which reached 36.87% by December 2025, alongside a decline in on-time loan repayments to 52.9%.

We have implemented several measures to address this risk, including strengthening credit appraisal standards, enhancing monitoring of loan performance, and improving collections and recovery strategies. We also continue to revise our impairment models in line with IFRS 9 requirements to better reflect evolving risk patterns. We remain focused on improving portfolio quality while maintaining prudent growth.

## Market Risk

Market risk has manifested through reduced borrowing demand, increased customer attrition, and competitive pressures, largely driven by the prevailing economic environment and high cost of living. We experienced a decline in market share, with a notable number of customer exits during the year.

To mitigate this risk, we are refining our marketing strategies, strengthening customer engagement, and enhancing our value proposition through product differentiation. We are also analyzing customer attrition trends, improving retention strategies, and exploring new market segments to diversify our customer base.

## Operational Risk

Operational risk continues to arise from internal process inefficiencies, human resource challenges, and system-related issues. Key incidents during the period included staff turnover and operational errors in customer onboarding, which resulted in delays in loan processing and increased operational workload.

We are addressing these risks by strengthening internal controls, enhancing staff training and retention strategies, and improving process efficiency through better system validation and data accuracy controls. We also promote a strong risk-aware culture, including zero tolerance for fraud and misconduct.

## Information Technology Risk

We face information technology risks related to system reliability, data management, and infrastructure limitations. Dependence on a single network provider, lack of real-time data backups, and centralized server infrastructure increase the risk of operational disruptions.

To enhance resilience, we are implementing measures such as introducing alternative network providers, strengthening disaster recovery capabilities, and planning for offsite data hosting in a secure data center. Additional efforts focus on improving cybersecurity controls and ensuring data integrity, confidentiality, and availability.

## Strategic Risk

Strategic risk remains a key consideration, particularly in the execution of our transformation agenda. Our 2025 strategic priorities focus on product development, credit risk management, customer acquisition, digital transformation, and capital optimization.

While progress has been made in implementing these initiatives, their success depends on effective execution, continuous monitoring, and alignment with our risk appetite. We continue to strengthen governance structures and performance tracking mechanisms to ensure our strategic objectives are achieved.

## Reputational Risk

Reputational risk is driven by the potential for negative stakeholder perception arising from operational challenges, customer dissatisfaction, or delays in meeting financial obligations. Key areas of focus during the

period included investor relations, particularly in relation to restructured debt obligations, and customer experience.

We are mitigating this risk through transparent communication with stakeholders, timely servicing of obligations, and continuous improvement in customer service delivery. Building a customer-centric culture and investing in brand and corporate social responsibility initiatives remain priorities.

### **Compliance Risk**

Compliance risk remains moderate, as we continue to adhere to regulatory requirements, including licensing obligations and tax compliance. Ongoing follow-up on tax refunds and structured debt repayments demonstrates our commitment to regulatory compliance.

We continue to strengthen our compliance framework through regular monitoring, internal reviews, and promotion of ethical conduct across all levels of the organization. Maintaining the independence and effectiveness of the compliance function remains a key priority.

The Board Audit and Risk Committee assist the Board in the oversight of risk. Risk management is reviewed at Board meetings as part of the formal Board process. The Board has identified and evaluated the significant risks faced by the company and has agreed on the necessary actions to address each risk category. The Audit Committee meets specifically to review the effectiveness of the company's risk management and internal control systems.

FINANCIAL HIGHLIGHTS & KPI DASHBOARD



Figure 1: Key Performance Indicators — Financial Year 2025

Financial Performance at a Glance

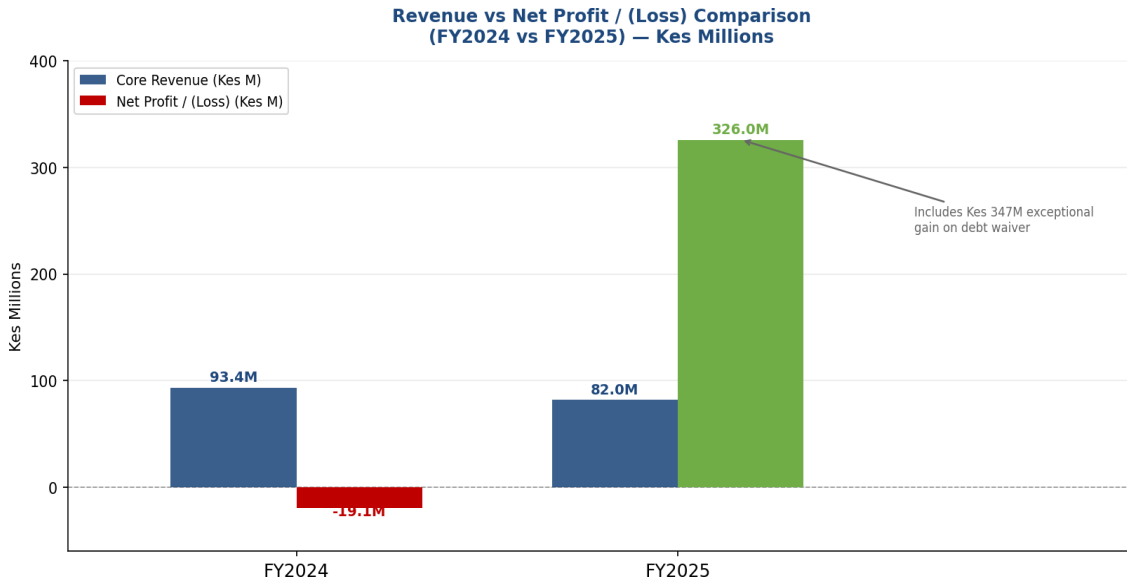
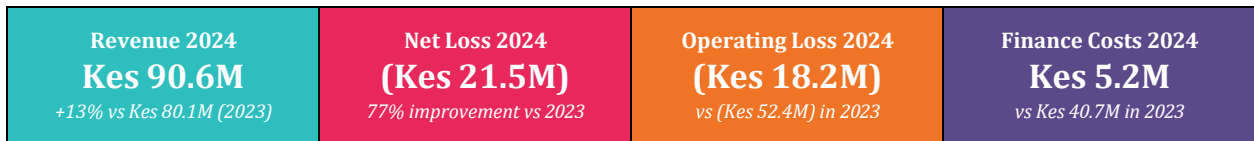


Figure 2: Revenue vs Net Loss Comparison (2024 vs 2025) — Kes Thousands

### Cost Reduction Journey (2019–2025)

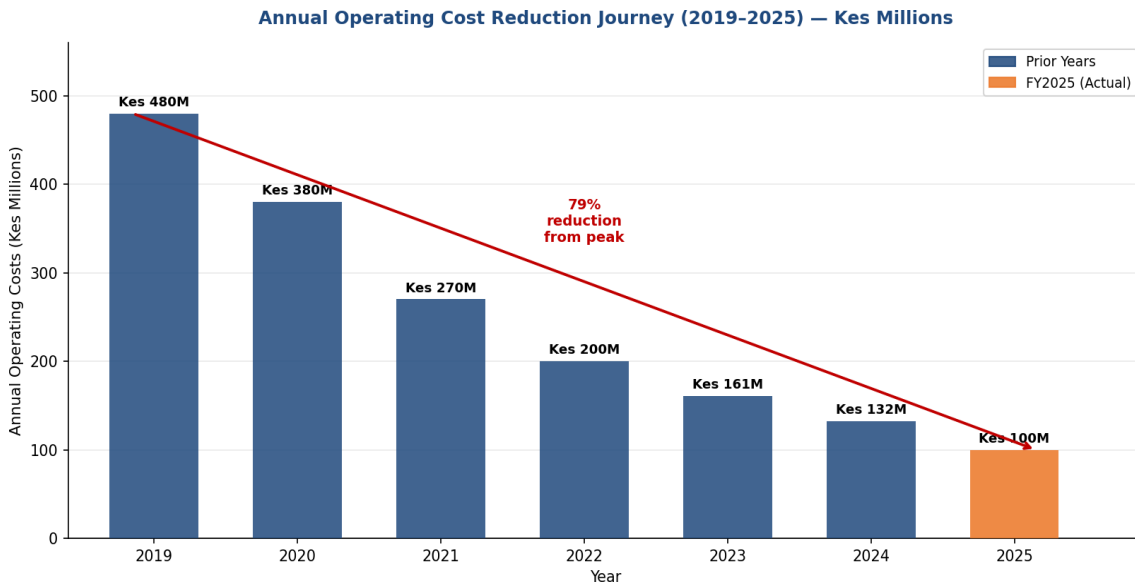


Figure 3: Annual Operating Cost Reduction Journey — Kes Millions

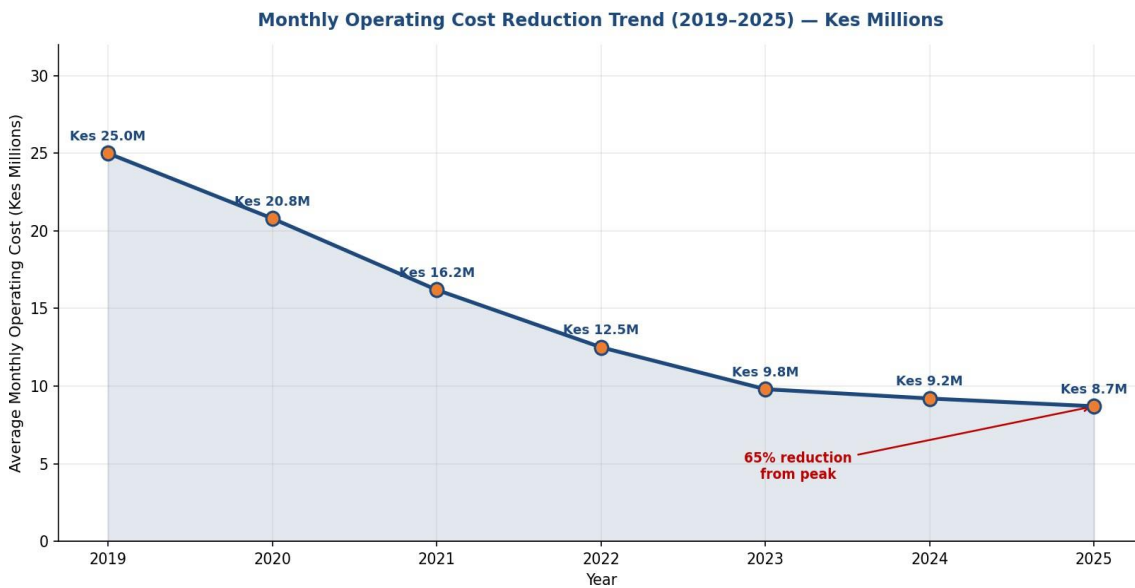


Figure 4: Monthly Cost Reduction Trend (2019–2025) — Kes Millions

Annual operating costs have been reduced from a peak of Kes 480 million in 2019 to Kes 132 million in 2024 a reduction of 73%. On a monthly basis, costs have come down from an average of Kes 25 million (October–December 2019) to Kes 8.7 million as at December 2025, representing a 65% reduction.

### Balance Sheet & Asset Composition

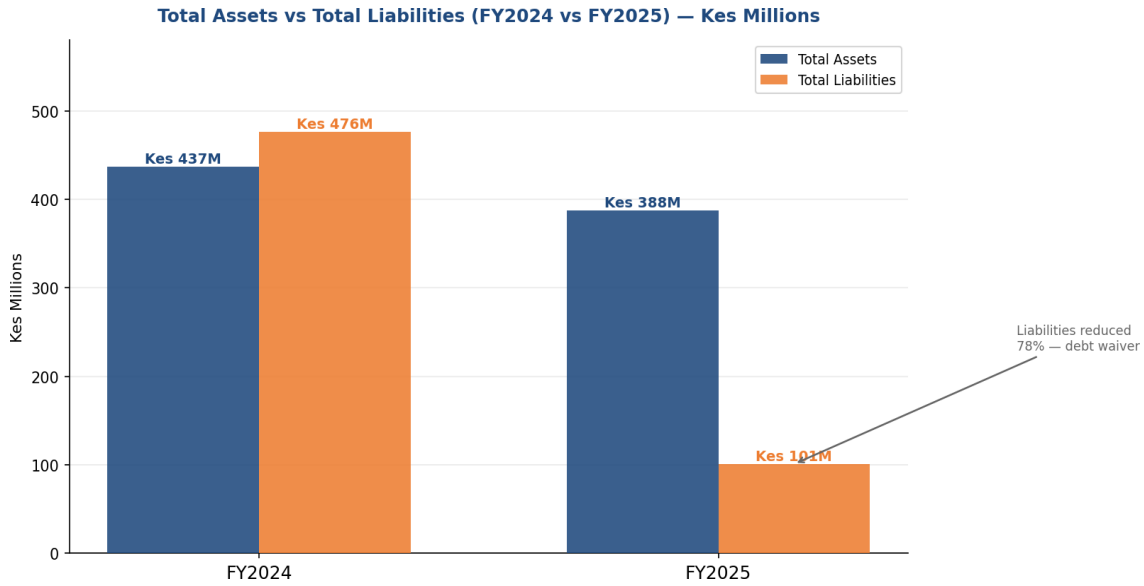


Figure 5: Total Assets vs Total Liabilities (2024 vs 2025) — Kes Thousands

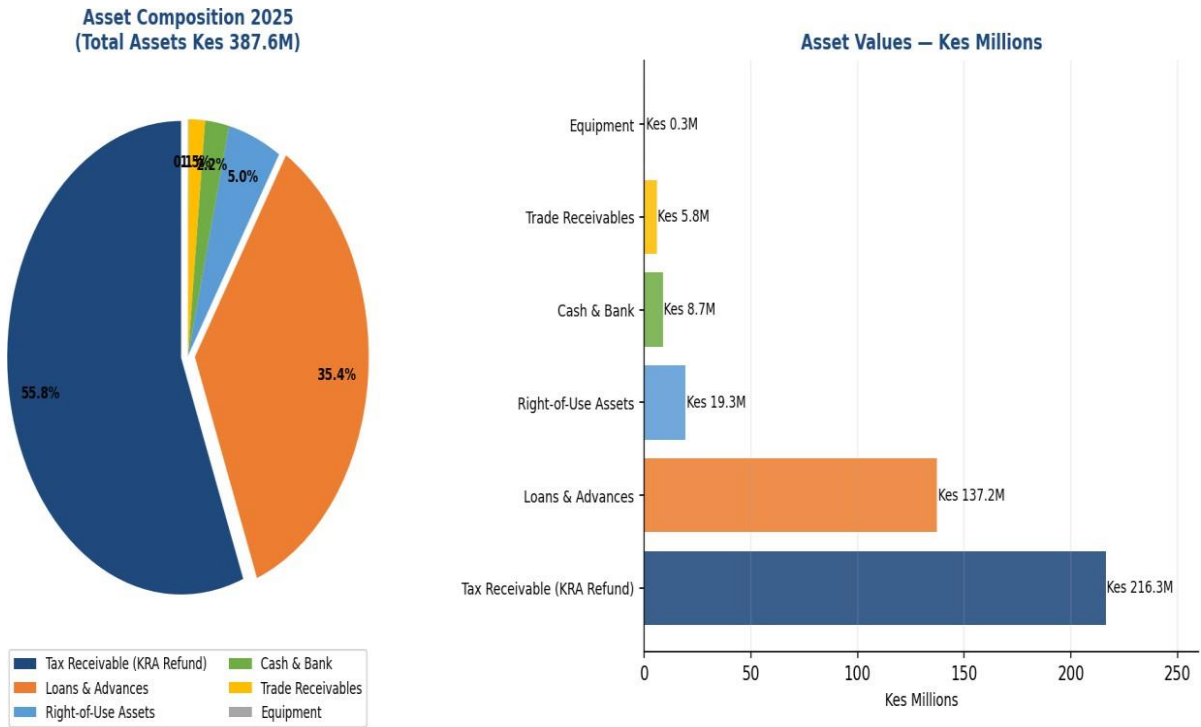


Figure 6: Asset Composition 2025 — Kes Thousands (by Category)

Total assets decreased from Kes 465,805 thousand (2024) to Kes 426,273 thousand (2025), reflecting the reduction in the loan book and right-of-use assets. The largest asset component is the tax receivable of Kes

216,457 thousand representing an overpayment to KRA for prior years that is subject to a refund claim currently under review.

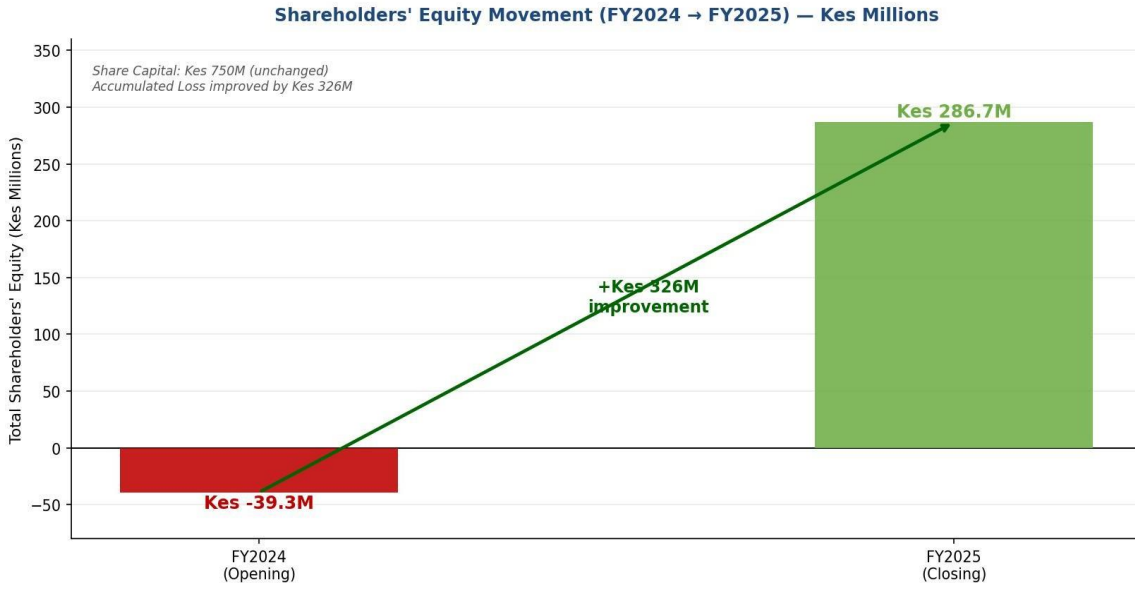


Figure 7: Shareholders' Equity Movement (2024–2025) — Kes Thousands

## COMPANY INFORMATION

*Real People Kenya Limited | Financial Year Ended 31 December 2025*

Company Detail	Information
Country of Incorporation	Kenya
Nature of Business	Provision of credit to small business owners
Company Registration Number	C.3/2015
Registered Office	LR No 209/22298, Lavington Court Apartments, Apartment A6 Muthangari Drive off Waiyaki Way, Nairobi
Auditors	Gachuhi Njuguna & Company, Certified Public Accountants of Kenya 5th Floor, Jubilee Insurance Exchange, Suite 541 Mama Ngina Street P.O. Box 7264-00300, Nairobi, Kenya
Company Secretary	Elizabeth Karua
Holding Company	Risa Capital Limited (incorporated in Kenya)
Bankers	KCB Bank Kenya PLC – Moi Avenue   Equity Bank Kenya PLC – Equity Centre Stanbic Bank – Reinsurance Plaza

**AUDIT COMMITTEE REPORT***For the Year Ended 31 December 2025*

This report is provided by the audit committee appointed in respect of the financial year ended 31 December 2025 of Real People Kenya Limited. The Audit Committee is a sub-committee of the board of directors of the company.

**External Auditor**

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act of 2015 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit Committee (AC), in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into account the timing of the audit, the extent of work required, and the scope.

**Accounting Practices and Internal Control**

The AC receives regular reports provided as part of the planned internal audit (IA) programme to assist in evaluating the Company's internal controls. Significant areas of focus within the reports include:

Identifying and managing material risks within the company and changes to these risk profiles during the year

Creating and maintaining an effective internal control environment throughout the company

Demonstrating the necessary respect for the control environment

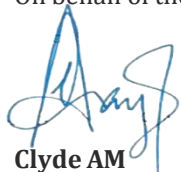
Identifying and correcting weaknesses in systems and internal controls

Having considered, analysed, reviewed and debated information provided by management, IA and the external auditors, the Committee considers that the internal controls of the Company had been effective in all material aspects throughout the year under review.

**Audit Committee Members & Attendance**

The AC is independent and must consist of at least a majority of independent non-executive directors. It must meet at least four times a year as per its terms of reference. The effectiveness of the audit committee and its members is assessed on an annual basis.

On behalf of the Audit Committee



**Clyde AM**

Chairman, Audit Committee

## REPORT OF THE DIRECTORS

*For the Year Ended 31 December 2025*

The directors submit their report together with the audited financial statements of Real People Kenya Limited (the "Company") for the year ended 31 December 2025, which disclose its state of financial affairs.

### Incorporation

The Company is incorporated in Kenya under the Companies Act, 2015.

### Principal Activity

The principal activity of the Company is the provision of loans and credit facilities.

### Business Review

The results for the year are summarised below:

	2025 (Kshs)	2024 (Kshs)
<b>Profit / (Loss) for the year</b>	<b>325,990,100</b>	<b>(19,081,373)</b>

*The FY2025 profit includes an exceptional gain of Kes 347,021,611 arising from the waiver of medium-term notes by the noteholders (see Note 19). The underlying operating loss before the exceptional item was Kes 21,031,511.*

### Dividends

The board of directors does not recommend the declaration of a dividend for the year. (2024: Nil).

### Share Capital

There have been no changes to the authorised or issued share capital during the year under review.

### Matters of Emphasis — Deferred Tax Assets

The recognition of additional deferred tax assets on tax losses in the company remains suspended.

### Investor

The Directors are currently in the process of sourcing funding to support the Company's operations and strategic objectives.

### Directors

The directors who held office during the year and to the date of this report are as follows:

Director	Office	Designation	Nationality	Date of Appointment
JL Adembesa	Director	Non-Executive	Kenyan	01/09/2024
AM Clyde	Director	Independent Non-Executive	Kenyan	01/11/2023
CN Munyiri	Director	Independent Non-Executive	Kenyan	01/11/2023
TM Karanja	Chairperson	Non-Executive	Kenyan	08/01/2018
RL Shibusse	CEO	Executive	Kenyan	19/12/2019
FO Menya	CCO	Executive	Kenyan	22/09/2020

### Events After the Reporting Period

The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the next 12 months. Beyond this period, in the absence of capital injection, the company will have to consider winding down operations in consultation with the noteholders and shareholders. The directors are not aware of any other material event which occurred after the reporting date.

### Going Concern

The directors have reviewed the company's cash flow forecast for the year ended 31 December 2025. In light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the next 12 months. Beyond this period, in the absence of capital injection, the company will have to consider winding down operations in consultation with the noteholders and shareholders.

### Secretary

The company secretary is Ms. Elizabeth Karua.

Postal address: PO Box 10643-00100 Nairobi, Kenya

### Terms of Appointment of the Auditors

Gachuhi Njuguna & Company (CPAK) were appointed as the company's auditors on 2<sup>nd</sup> July 2025 and, having expressed their willingness, continue in office in accordance with the company's Articles of Association and Section 719 of the Companies Act, 2015.

### Shareholding

The ordinary shares in the company are held by Risa Capital Limited (100%).



**TM Karanja**

Date: 24<sup>th</sup> April 2026

Chairperson

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Company as at the end of the financial year and of their profit or loss for that year.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

Designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Selecting suitable accounting policies and applying them consistently

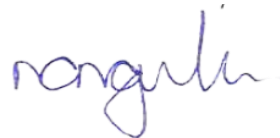
Making accounting estimates and judgements that are reasonable in the circumstances

Having assessed the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

**TM Karanja**

Chairperson — Approved 2026

**CN Munyiri**

Director — Approved 2026

GACHUHI NJUGUNA &amp; CO.



## REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF REAL PEOPLE KENYA LIMITED

### Opinion

---

We have audited the financial statements of Real People Kenya Limited ("the Company"), which comprise the balance sheet as at 31 December 2025, 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 material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2015.

### 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 Company financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's statements in Kenya, and we have fulfilled our 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 of the current period. These matters were addressed in the context of our audit of the company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p><b>Loan Portfolio and Expected Credit Loss (ECL) under IFRS 9 (Refer to Notes 13 and 14)</b></p>	<p><b>Our audit procedures included, among others:</b></p>
<p>Loans and advances to customers, as disclosed in Note 13, represent a significant portion of the Company’s total assets. The determination of impairment allowances is subject to IFRS 9 Financial Instruments and involves significant judgment and estimation, including staging criteria, probability of default, loss given default, and forward-looking assumptions.</p> <p>The Company utilises the Musoni System; however, key reports, including loan classification and provisioning schedules, are not system-generated. Loan staging and Expected Credit Loss calculations are therefore performed using spreadsheet-based models.</p> <p>This increases the risk of errors, data inconsistencies, inappropriate staging, and inaccurate impairment calculations.</p> <p>Given the significance of the loan portfolio and level of judgment involved, this area was considered a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding of the Company’s processes for loan recognition, staging, and impairment, and evaluated the design and implementation of relevant controls.</li> <li>• Tested the completeness and accuracy of loan data by reconciling system reports to the general ledger and disclosures in Note 13.</li> <li>• Assessed the appropriateness of loan staging by testing a sample of loans against the requirements of IFRS 9.</li> <li>• Evaluated the methodology applied in determining Expected Credit Losses, including key assumptions such as probability of default, loss given default, and exposure at default.</li> <li>• Performed independent recalculations of impairment allowances on a sample basis to assess the accuracy of the computations.</li> <li>• Tested the integrity of spreadsheet models, including key formulae and data linkages.</li> <li>• Performed substantive procedures on loan balances, including inspection of supporting documentation and analytical review of trends in credit risk and provisioning.</li> <li>• Assessed the adequacy of disclosures in Notes 13 and 14 in relation to credit risk, key assumptions, and estimation uncertainty.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Real People Kenya Limited annual report and financial statements for the year ended 31 December 2025 but does not include Company's 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, other than that prescribed by the Kenya Companies Act, 2015, as set out below.

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 management and those charged with governance for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015, 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 and/or the bank or to cease operations, or have no realistic alternative but to do so.

### 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.

## Report on the audit of the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the Company's financial statements. We are responsible for the direction, supervision and performance of the Company 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

GACHUHI NJUGUNA &amp; CO.



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and bank financial statements of the current period 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.

### Report on Other Matters Prescribed by the Companies Act, 2015

In our opinion the information given in the report of the directors on pages 57-59 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in the independent auditor's report is CPA Gachuhi Njuguna, Practicing Certificate No. P/No 2663

GACHUHI NJUGUNA & CO

GACHUHI NJUGUNA & CO.  
CERTIFIED PUBLIC ACCOUNTANTS OF KENYA  
P.O. Box 7264 - 00300  
NAIROBI

Certified Public Accountants of Kenya (CPAK)

Nairobi, Kenya

27 APRIL 2026



UNIQUE CODE: 80916260427

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2025 | Figures in Kenya Shillings (Kshs)

Item	Note	2025 (Kshs)	2024 (Kshs)
Interest Income	4	72,276,407	80,457,481
Interest Expense	5	(3,235,275)	(5,028,429)
<b>NET INTEREST INCOME</b>		<b>69,041,132</b>	<b>75,429,051</b>
Fees and Commission Income	6	6,734,345	10,824,221
Other Operating Income	7	347,911,546	690,997
Impairment Reversal on Loans		2,253,651	6,461,921
<b>NET OPERATING INCOME</b>		<b>425,940,674</b>	<b>93,406,190</b>
<b>EXPENSES</b>			
Employee Costs	8	(52,136,680)	(57,319,559)
Administrative Expenses	10	(41,486,049)	(46,929,619)
Depreciation and Amortisation	9	(6,327,844)	(8,238,385)
<b>TOTAL EXPENSES</b>		<b>(99,950,573)</b>	<b>(112,487,563)</b>
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		<b>325,990,100</b>	<b>(19,081,373)</b>
Income Tax Expense	11	—	—
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>325,990,100</b>	<b>(19,081,373)</b>

Note: FY2025 profit includes a Kes 347,021,611 exceptional gain on the waiver of medium-term notes by noteholders. Underlying operating loss (excluding exceptional item) was Kes 21,031,511.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 | Figures in Kenya Shillings (Kshs)

Item	Note	2025 (Kshs)	2024 (Kshs)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Equipment	12	255,903	347,783
Right-of-Use Assets	13	19,295,887	12,385,489
Tax Recoverable		216,319,457	216,456,924
<b>TOTAL NON-CURRENT ASSETS</b>		<b>235,871,247</b>	<b>229,190,196</b>
<b>CURRENT ASSETS</b>			
Loans and Advances to Customers	14	137,206,633	189,586,314
Trade and Other Receivables	16	5,830,670	10,830,699
Cash and Bank Balances	17	8,656,992	7,186,331
<b>TOTAL CURRENT ASSETS</b>		<b>151,694,295</b>	<b>207,603,344</b>
<b>TOTAL ASSETS</b>		<b>387,565,542</b>	<b>436,793,540</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital and Share Premium	18	750,000,000	750,000,000
Accumulated Losses		(463,340,776)	(789,330,877)
<b>TOTAL EQUITY</b>		<b>286,659,224</b>	<b>(39,330,877)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Debt Securities	19	—	441,032,612
Lease Liabilities	20	13,073,896	3,823,283
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>13,073,896</b>	<b>444,855,895</b>
<b>CURRENT LIABILITIES</b>			
Debt Securities	19	75,000,000	12,000,000
Lease Liabilities	20	7,107,849	10,393,860
Trade and Other Payables	21	5,724,573	8,874,663
<b>TOTAL CURRENT LIABILITIES</b>		<b>87,832,422</b>	<b>31,268,523</b>
<b>TOTAL LIABILITIES</b>		<b>100,906,318</b>	<b>476,124,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>387,565,542</b>	<b>436,793,541</b>



TM Karanja

Chairman — Approved 2026



CN Munyiri

Director — Approved 2026

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December 2025 | Figures in Kenya Shillings (Kshs)

Description	Share Capital (Kshs)	Share Premium (Kshs)	Accumulated Loss (Kshs)	Total Equity (Kshs)
<b>YEAR ENDED 31 DECEMBER 2024</b>				
At 1 January 2023	250,000,000	500,000,000	(770,249,504)	(20,249,504)
Loss for the Year	—	—	(19,081,373)	(19,081,373)
<b>AT 31 DECEMBER 2024</b>	<b>250,000,000</b>	<b>500,000,000</b>	<b>(789,330,877)</b>	<b>(39,330,877)</b>
<b>YEAR ENDED 31 DECEMBER 2025</b>				
At 31 December 2024 (Opening)	250,000,000	500,000,000	(789,330,877)	(39,330,877)
Profit for the Year	—	—	325,990,100	325,990,100
<b>AT 31 DECEMBER 2025</b>	<b>250,000,000</b>	<b>500,000,000</b>	<b>(463,340,776)</b>	<b>286,659,224</b>

Share capital comprises 2,500,000 ordinary shares of Kshs 100 each. Share premium represents proceeds received in excess of par value. There have been no changes to the authorised or issued share capital during the year.

## STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2025 | Figures in Kenya Shillings (Kshs)

Item	Note	2025 (Kshs)	2024 (Kshs)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) Before Tax		325,990,100	(19,081,373)
Adjustments for:			
Gain on Waiver of Medium Term Notes		(347,021,611)	—
Depreciation — Property and Equipment		241,165	1,263,463
Depreciation — Right of Use Assets		6,627,111	8,989,175
Interest on Lease Liability		3,235,275	1,770,679
Interest on Debt Security		—	3,257,750
Impairment Reversal on Loans and Advances		(2,253,651)	(6,461,921)
<b>Operating Results Before Working Capital Changes</b>		<b>(13,181,610)</b>	<b>(10,262,227)</b>
Working Capital Changes:			
Decrease in Loans and Advances		54,622,333	33,191,324
Decrease in Trade and Other Receivables		5,000,029	1,026,641
Decrease in Trade and Other Payables		(3,150,090)	(5,728,887)
Cash Generated from Operating Activities		43,290,661	18,226,851
Tax Paid / (Received)		137,468	(136,924)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>43,428,129</b>	<b>18,089,926</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Equipment		(149,285)	(73,416)
Addition for Right of Use Assets		(13,537,509)	(1,520,344)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(13,686,794)</b>	<b>(10,593,760)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Debt Security Repayment		(31,000,000)	(6,000,000)
New Finance Lease Liability — Addition		12,743,986	8,458,000
<b>Payment of Lease Liability (Principal &amp; Interest)</b>		<b>(10,014,659)</b>	<b>(10,333,536)</b>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(28,270,673)</b>	<b>(7,875,536)</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>1,470,662</b>	<b>(379,369)</b>
<b>Cash and Cash Equivalents at Start of Year</b>	<b>17</b>	<b>7,186,331</b>	<b>7,565,700</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>17</b>	<b>8,656,992</b>	<b>7,186,331</b>

## NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended 31 December 2025 | Figures in Kenya Shillings (Kshs)*

### 1. Basis of Preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and IFRS IC interpretations issued and effective at the time of preparing these financial statements, and the Companies Act of 2015.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow, and are presented in Kenya Shillings, which is the company's functional currency. These accounting policies are consistent with the previous period.

#### 1.1 Significant Judgements and Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

#### 1.2 Equipment

Equipment is initially measured at cost and subsequently at cost less accumulated depreciation and impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives:

Asset Category	Method	Useful Life
Furniture and Fixtures	Straight Line	6 years
Office Equipment	Straight Line	5 years
Computer Software	Straight Line	3 years
Leasehold Improvements	Straight Line	6 years
Advertising Boards	Straight Line	10 years

#### 1.3 Financial Instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. The company applies the following classifications: financial assets at amortised cost (loans receivable, trade receivables, cash); financial liabilities at amortised cost (trade payables, debt securities, lease liabilities).

#### 1.4 Impairment of Financial Assets (ECL)

The company recognises a loss allowance for expected credit losses (ECL) on all loans receivable and trade receivables measured at amortised cost. The amount of ECL is updated at each reporting date. Lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition. 12-month ECL is applied when credit risk has not increased significantly.

### 1.5 Leases

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date for all leases where the company is a lessee, except for short-term leases (12 months or less) or leases of low-value assets, which are expensed on a straight-line basis.

### 1.6 Revenue Recognition

Interest income is recognised using the effective interest method. Fee and commission income is recognised when performance obligations are satisfied. Other income is recognised when earned and when it is probable that the economic benefits will flow to the company.

### 1.7 Taxation

Current tax is recognised as a liability to the extent unpaid, or as an asset where amounts paid exceed amounts due. Deferred tax assets are recognised only to the extent it is probable that future taxable profit will be available. The recognition of deferred tax assets on unused tax losses remains suspended.

### 1.8 New Standards Adopted in FY2025

Standard / Amendment	Effective Date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024

The above standards and amendments did not have a material impact on the Company's financial statements.

### 1.9 Standards Issued But Not Yet Effective

Standard / Amendment	Effective Date
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Amendments to IFRS 9 and IFRS 7 — Classification and Measurement	1 January 2026
Annual Improvements to IFRS (IFRS 1, 7, 9, 10 and IAS 7)	1 January 2026
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027

The most significant upcoming standard is IFRS 18 which requires reporting of a newly defined 'operating profit' subtotal and disclosure of management performance measures (MPMs). The Company is assessing the impact.

**2. Risk Management**

The company has exposure to the following risks from its use of financial instruments:

Capital Risk Management

Credit Risk

Liquidity Risk

**2.1 Capital Risk Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a strong capital base to support the development of its business. Capital comprises share capital, share premium, retained earnings, debt securities and lease liabilities.

Capital Component	2025 (Kshs)	2024 (Kshs)
Share Capital and Premium	750,000,000	750,000,000
Accumulated Losses	(463,340,776)	(789,330,877)
Debt Securities	75,000,000	453,032,612
Lease Liabilities	20,181,746	14,217,144
Less: Cash and Cash Equivalents	(8,656,992)	(7,186,331)
<b>TOTAL QUALIFYING CAPITAL</b>	<b>373,183,977</b>	<b>420,732,548</b>

**2.2 Credit Risk**

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The Credit Committee manages and oversees the overall lending policy. Measures to minimise credit risk include: established authorisation structure for approval of credit facilities; placement of limits on amounts of risk in relation to a single borrower; detailed analysis of the borrower's ability to meet obligations; and obtaining collateral and guarantees.

**2.3 Liquidity Risk**

The company manages liquidity risk by ensuring it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The Audit and Risk Committee is responsible for ensuring all foreseeable funding commitments can be met.

Financial Liabilities	< 1 Month	1-3 Months	4-12 Months	1-3 Years	2025 Total	2024 Total

Debt Securities	—	25,000,000	50,000,000	—	75,000,000	453,032,612
Lease Liabilities	592,321	1,776,962	4,738,566	13,073,896	20,181,746	14,217,143
<b>TOTAL LIABILITIES</b>	<b>592,321</b>	<b>26,776,962</b>	<b>54,738,566</b>	<b>13,073,896</b>	<b>95,181,746</b>	<b>467,249,756</b>
<b>FINANCIAL ASSETS</b>						
Cash and Bank Balances	8,656,992	—	—	—	8,656,992	7,186,331
Loans and Advances	2,048,642	2,538,476	47,837,728	84,781,787	137,206,633	189,586,314
<b>TOTAL ASSETS</b>	<b>10,705,634</b>	<b>2,538,476</b>	<b>47,837,728</b>	<b>84,781,787</b>	<b>145,863,625</b>	<b>196,772,645</b>
<b>LIQUIDITY GAP</b>	<b>10,113,313</b>	<b>(24,238,486)</b>	<b>(6,900,838)</b>	<b>71,707,890</b>	<b>50,681,879</b>	<b>(270,477,111)</b>

#### 4. Interest Income

Source	2025 (Kshs)	2024 (Kshs)
Loans and Advances to Customers	71,745,509	79,775,856
Interest on Short-Term Savings	530,898	681,625
<b>TOTAL INTEREST INCOME</b>	<b>72,276,407</b>	<b>80,457,481</b>

#### 5. Interest Expense

Item	2025 (Kshs)	2024 (Kshs)
Interest on Debt Securities	—	3,257,750
Interest on Lease Liabilities	3,235,275	1,770,679
<b>TOTAL INTEREST EXPENSE</b>	<b>3,235,275</b>	<b>5,028,429</b>

**6. Fees and Commission Income (Net)**

Item	2025 (Kshs)	2024 (Kshs)
Service Fees and Late Payment Penalties	9,692,503	14,465,266
Mpesa Service Income	1,195	—
Credit Life Insurance	(1,885,086)	(3,263,343)
Trucking and IPF Fees	(975,700)	(1,323,709)
Other Fees	(98,567)	946,008
<b>NET FEES AND COMMISSION INCOME</b>	<b>6,734,345</b>	<b>10,824,221</b>

**7. Other Operating Income**

Item	2025 (Kshs)	2024 (Kshs)
Gain on Loan Waiver (Exceptional Item)	347,021,611	—
Commissions Received	802,235	690,997
Disposal Proceeds	87,700	—
<b>TOTAL OTHER OPERATING INCOME</b>	<b>347,911,546</b>	<b>690,997</b>

The Kes 347,021,611 gain on loan waiver represents an exceptional, non-recurring gain arising from the agreement by noteholders in August 2025 to reduce the outstanding medium-term notes to Kes 100,000,000.

**8. Employee Costs**

Item	2025 (Kshs)	2024 (Kshs)
Salaries and Wages	42,185,851	45,339,448
Pension — Employee Contribution	1,564,694	1,052,183
Housing Levy — Employer Contribution	689,658	569,339
Casual Wages	43,000	—
Relocation Costs	—	98,000
Leave Pay Accrual	(29,435)	(558,401)
Commissions	1,573,912	1,273,706
Incentives	298,628	688,061
Medical Costs	3,983,650	6,487,503

Training	378,440	172,900
Staff Welfare	1,448,281	2,196,819
<b>TOTAL EMPLOYEE COSTS</b>	<b>52,136,680</b>	<b>57,319,559</b>

## 9. Depreciation and Amortisation

Item	2025 (Kshs)	2024 (Kshs)
Depreciation — Right of Use Assets	6,086,679	6,974,923
Depreciation — Property and Equipment	241,165	1,263,463
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>6,327,844</b>	<b>8,238,385</b>

## 10. Administration and Operating Expenses

Item	2025 (Kshs)	2024 (Kshs)
Directors' Fees	3,854,535	5,027,748
Credit Bureau Subscriptions	111,360	164,570
Advertising	1,081,444	1,271,390
Auditors' Fees	955,080	891,000
Bank Charges	451,228	471,491
Computer Expenses	4,202,190	5,196,510
Legal and Contract Fees	1,151,960	1,697,924
Secretarial Fees	104,400	1,096,099
Consultancy Fees	16,977,793	16,511,935
Consumables and Cleaning	2,113,493	2,171,237
Insurance Expenses	1,286,214	1,552,486
Transport Costs	853,936	1,078,343
Postage and Courier	144,873	170,170
Printing and Stationery	889,063	1,091,349
Repairs and Maintenance	321,164	472,981
Security	303,874	303,874
Subscriptions	238,663	41,997

Telephone Expenses	3,882,341	4,454,466
Subsistence and Travel	512,552	1,005,120
Water and Electricity	1,057,243	819,498
Forex Exchange Loss	—	200,117
Write Off	352	—
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>41,486,049</b>	<b>46,929,619</b>

## 11. Taxation

Item	2025 (Kshs)	2024 (Kshs)
<b>Income Tax Expense</b>	—	—
Tax Reconciliation:		
Accounting Loss (Underlying)	(21,031,511)	(19,081,373)
Tax at Rate of 30%	(6,309,453)	(5,724,412)
Effect of Expenses Not Taxable	(1,666,360)	(11,173,708)
Effect of Unrecognised Deferred Tax	7,975,813	16,898,120
<b>TAX CHARGE</b>	<b>—</b>	<b>—</b>
Tax Recoverable — Opening Balance	216,456,924	216,320,000
Tax (Paid) / Received	(137,468)	136,924
<b>TAX RECOVERABLE — CLOSING BALANCE</b>	<b>216,319,457</b>	<b>216,456,924</b>

The Company has a tax refund claim with the Kenya Revenue Authority (KRA) of approximately KShs 215,000,000 for prior years' overpayments. The refund claim has been filed and as at the date of this report it is uncertain when the matter will be settled as this is dependent on audit by KRA.

## 12. Property and Equipment

Item	Furniture & Fittings (Kshs)	Office Equipment (Kshs)	Computer Software (Kshs)	Total (Kshs)
<b>AT 31 DECEMBER 2024</b>				

Cost	43,867,718	10,932,890	73,060,766	127,861,374
Accumulated Depreciation	(43,793,968)	(10,921,890)	(72,798,766)	(127,513,624)
<b>NET BOOK VALUE</b>	<b>73,750</b>	<b>11,000</b>	<b>262,000</b>	<b>347,783</b>
<b>YEAR ENDED 31 DECEMBER 2025</b>				
Opening Net Book Value	73,750	11,460	262,574	347,783
Additions	138,214	—	11,071	149,285
Depreciation Charge	(51,804)	(11,460)	(177,902)	(241,166)
<b>NET BOOK VALUE</b>	<b>160,160</b>	<b>—</b>	<b>95,743</b>	<b>255,903</b>
<b>AT 31 DECEMBER 2025</b>				
Cost	44,005,932	10,932,890	73,071,837	128,010,659
Accumulated Depreciation	(43,845,772)	(10,932,890)	(72,976,094)	(127,754,756)
<b>NET BOOK VALUE</b>	<b>160,160</b>	<b>—</b>	<b>95,743</b>	<b>255,903</b>

### 13. Right-of-Use Assets

Movement	2025 (Kshs)	2024 (Kshs)
At Start of Year	12,385,489	10,854,320
Additions During the Year	13,537,509	8,506,092
Depreciation Charge	(6,627,111)	(6,974,923)
<b>AT END OF YEAR</b>	<b>19,295,887</b>	<b>12,385,489</b>

### 14. Loans and Advances to Customers

Item	2025 (Kshs)	2024 (Kshs)
Performing Loans (Gross)	134,824,633	189,773,314

Accumulated Impairment Losses	1,331,725,000	1,329,420,000
Provision for Impairment (Note 15)	(1,329,343,000)	(1,329,607,000)
<b>NET LOANS AND ADVANCES</b>	<b>137,206,633</b>	<b>189,586,314</b>

### 15. Provision for Impairment

Movement	2025 (Kshs)	2024 (Kshs)
Opening Balance	1,336,236,133	1,343,328,000
Write-offs During Year	(6,893,133)	(13,721,000)
<b>CLOSING BALANCE</b>	<b>1,329,343,000</b>	<b>1,329,607,000</b>

### 16. Trade and Other Receivables

Item	2025 (Kshs)	2024 (Kshs)
Trade Receivables	134,282	3,380,548
Prepayments	3,850,590	5,462,320
Deposits	1,429,711	1,469,594
Other Receivables	416,087	228,168
Staff Receivables	—	290,069
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>5,830,670</b>	<b>10,830,699</b>

### 17. Cash and Bank Balances

Item	2025 (Kshs)	2024 (Kshs)
Cash at Bank	3,698,211	3,516,495
Cash in Hand	135,362	251,054
Mpesa	4,774,222	3,031,083
Short-Term Deposits	49,197	387,698
<b>CASH AND CASH EQUIVALENTS</b>	<b>8,656,992</b>	<b>7,186,331</b>

### 18. Share Capital and Share Premium

Item	2025 (Kshs)	2024 (Kshs)
------	-------------	-------------

<b>Authorised, Issued and Fully Paid:</b>		
2,500,000 Ordinary Shares at Kshs 100 each	250,000,000	250,000,000
Share Premium	500,000,000	500,000,000
<b>TOTAL SHARE CAPITAL AND PREMIUM</b>	<b>750,000,000</b>	<b>750,000,000</b>

### 19. Debt Securities (Medium Term Notes)

Item	2025 (Kshs)	2024 (Kshs)
<b>Medium Term Notes Outstanding</b>	<b>75,000,000</b>	<b>453,032,612</b>
Payable Within 12 Months (Current)	75,000,000	12,000,000
Payable After 12 Months (Non-Current)	—	441,032,612
<b>TOTAL DEBT SECURITIES</b>	<b>75,000,000</b>	<b>453,032,612</b>
<b>MOVEMENT:</b>		
At Start of Year	453,032,612	455,774,862
Debt Waived by Noteholders (August 2025)	(347,032,612)	—
Interest Expense	—	3,257,750
Debt Repayment During Year	(31,000,000)	(6,000,000)
<b>AT END OF YEAR</b>	<b>75,000,000</b>	<b>453,032,612</b>

In August 2025, the noteholders agreed to a haircut of the outstanding loan to KES 100,000,000 with quarterly payments commencing November 2025. The first payment of KES 25,000,000 was successfully made in November 2025. As a result, a gain of Kes 347,021,611 was recognised in other operating income.

### 20. Lease Liabilities

Item	2025 (Kshs)	2024 (Kshs)
Current (Within 12 Months)	7,107,849	10,393,860
Non-Current (After 12 Months)	13,073,896	3,823,283
<b>TOTAL LEASE LIABILITIES</b>	<b>20,181,746</b>	<b>14,217,143</b>

<b>MOVEMENT:</b>		
At Start of Year	14,217,144	14,322,000
New Leases Acquired	12,743,986	8,458,000
Interest on Lease Liability	3,235,275	1,770,679
Repayment (Principal and Interest)	(10,014,659)	(10,333,536)
<b>AT END OF YEAR</b>	<b>20,181,746</b>	<b>14,217,143</b>

## 21. Trade and Other Payables

<b>Item</b>	<b>2025 (Kshs)</b>	<b>2024 (Kshs)</b>
Leave Pay Accrual	426,757	466,684
Other Payables and Accruals	4,013,262	7,160,042
Payroll Liabilities	1,284,555	1,247,937
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>5,724,573</b>	<b>8,874,663</b>

## 22. Contingent Liability — Tax Refund Arrangement with Noteholders

As part of the restructuring agreement entered into with the noteholders (Note 19), the Company agreed that in the event it receives a tax refund from the Kenya Revenue Authority (KRA), seventy-five percent (75%) of the refund will be applied towards settlement of the outstanding Medium-Term Notes.

The Company currently has a tax refund claim with KRA amounting to approximately Kshs 215,000,000. Based on the terms of the restructuring agreement, if the refund is received, the Company would be required to remit 75%, equivalent to approximately Kshs 161,250,000, to the noteholders.

As at the reporting date, the timing and likelihood of receiving the tax refund remain uncertain. Management assesses the probability of recovery to be low and, accordingly, no liability has been recognised in the financial statements. This arrangement represents a contingent liability as at the reporting date.

## 23. Subsequent Events

Management has assessed events occurring after the reporting date up to the date of approval of these financial statements and concluded that there are no material events that require adjustment to or disclosure in these financial statements.

## 24. Going Concern

The financial statements have been prepared on the going concern basis. The directors have reviewed the Company's cash flow forecast for the year to 31 December 2025. In light of this review and the current financial

position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the next 12 months. However, beyond this period, in the absence of capital injection, the Company will have to consider winding down operations in consultation with the noteholders and shareholders. This represents a material uncertainty related to going concern.