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Evolution Credit Limited
Audited Consolidated Annual Financial Statements
For the year ended 31 March 2025

Evolution Credit Limited
Audited Consolidated Annual Financial Statements for the year ended 31 March 2025

General Information

Company registration number	1999/020093/06
Country of incorporation and domicile	South Africa
Nature of business and principal activities	Debt acquisition and management services, home improvement finance and long term insurance products
Registered office	12 Esplanade Road Quigney East London 5201
Contact details	Telephone: +27 (0) 43 702 4600 Email: corporate@evolution.za.com Website: www.evolution.za.com
Auditors	Deloitte & Touche Chartered Accountants (SA) Registered Auditors
Level of assurance	These audited consolidated annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The audited consolidated annual financial statements were internally compiled by: Michelle Laube, CA(SA), Group Controller
Supervised by	Anko de Man, CA(SA), Chief Financial Officer
Issued	3 June 2025

Contents

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditors are engaged to express an independent opinion on the audited consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on monitoring and assessing the control environment. To enable the directors to meet these responsibilities, the board examines the standards for internal control to ensure the risk of error or loss is reduced in a cost effective manner. The directors receive regular reports from internal audit as part of planned internal audit programmes, which assist in evaluating the group's internal controls. Internal audit places emphasis on accountability, responsibility, independence, reporting, communication and transparency, both internally and in respect of all key external stakeholders. The directors received reports from the Group Information Technology function on the adequacy and effectiveness of the group's information system controls. The board also received reports from the channel Credit and Pricing Committee members regarding the adequacy and effectiveness of the credit monitoring processes and systems. Having considered, analysed, reviewed and debated information provided by management, internal audit and the external auditors, the directors conclude that internal controls and mitigating actions by management where control processes require improvement, provide sufficient assurance that controls are in place or subject to a programme of improvement. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors consider it appropriate to adopt the going concern basis for preparing the consolidated annual financial statements, as the directors have no intention to liquidate the group or cease trading within the foreseeable future (twelve months from signature date). The group annual forecast and stress scenario analysis give the directors sufficient assurance to justify the going concern basis.

The external auditors are responsible for independently auditing and reporting on the group's audited consolidated annual financial statements. The audited consolidated annual financial statements have been examined by the group's external auditors and their report is presented on pages 12 to 14.

The audited consolidated annual financial statements set out on pages 5 to 11 and 15 to 46, which have been prepared on the going concern basis, were approved by the board on 3 June 2025 and were signed on their behalf by:

DocuSigned by: 29696DBE55C540B	DocuSigned by: E5A598A7443B4AE
Norman Thomson	**Neil Grobbelaar**
Chairman	**Chief Executive Officer**

3 June 2025

Company Secretary's Certification

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act 71 of 2008

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

DocuSigned by:
CTaylor
D737A76EC82E4FE...

Carmen Taylor
Company Secretary

3 June 2025

Audit Committee Report

The Evolution Credit Group Audit Committee plays a central role in improving risk management and control practices within the group. It assists the board in fulfilling its oversight responsibilities, in particular with regard to evaluation of the adequacy and efficiency of accounting policies, internal controls and financial reporting processes with an ongoing focus on enhancement therein. It assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors.

There is a separate Risk Committee responsible for reviewing the adequacy and overall effectiveness of the group's risk management agenda.

This report outlines how the Audit Committee fulfilled its obligations during the period.

Composition and governance

The Audit Committee had three members during the year, all of whom are independent non-executive directors. The committee met four times during the period from 1 April 2024 to 31 March 2025.

Name	Audit Committee attendance
Poovendhri Viranna – Chair	4/4
Peter de Beyer	4/4
Derrick Msibi	4/4

The Audit Committee Chair reports to the board on its activities and the matters discussed at each meeting.

The committee meetings are attended by key individuals including the chairperson of the board, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO), other senior executives, the Internal Audit Partner from KPMG and representatives of the external auditors. Additional management members may attend certain meetings to provide insights into specific issues.

The Audit Committee Chair maintains regular communication with the management team and holds separate meetings with internal and external auditors as needed. Both internal and external auditors have unrestricted access to the committee, including closed sessions without management present.

Committee members receive training on financial, regulatory, and compliance matters relevant to the group's operations. Annually, the committee's performance is evaluated, with the 2024 review confirming its effective operation and successful fulfilment of duties.

Internal control

The committee is responsible for reviewing the effectiveness of systems of internal control, financial reporting and risk management assurance. It considers findings from any internal investigations into control weaknesses, fraud or misconduct, and management's responses.

The Audit Committee receives quarterly reports from internal audit as part of the planned internal audit programme, which assists in evaluating the group's internal controls. These reports include the following:

- identifying material risks within the group, how those risks are managed and changes to these risks during the year;
- creating and maintaining an effective internal control environment;
- demonstrating the necessary respect for the control environment; and
- identifying and recommending corrections to weaknesses in systems and internal controls.

The Audit Committee and Risk Committee both receive reports from the Group Information Technology function on the adequacy and effectiveness of the group's information system controls. The Risk Committee also reviews the credit and pricing policies which set the parameters within which credit risk is accepted and managed in the group. All Audit Committee members are also members of the Risk Committee.

The Audit Committee receives regular reports on key issues, governance and compliance matters. It monitors actions needed to improve internal controls. After thorough consideration of information from management, internal audit, and external auditors, the Audit Committee has recommended to the board that internal controls and mitigating actions by management, where control processes require improvement, provide the committee with sufficient assurance that adequate controls are in place or subject to a programme of improvement. When needed, the committee and management seek input from independent advisors to inform their decisions.

Financial reporting process

The Audit Committee, as part of the Board, receives regular reports from the CFO regarding the group's financial performance, tracking of key performance indicators, budgets, forecasts, and long-term plans. It also reviews financial reporting controls and processes to ensure the adequacy and reliability of management information used during financial reporting. The

Audit Committee Report

committee has reviewed and approved the group's accounting policies, ensuring consistency of application and compliance with accounting standards.

Additionally, the committee received summaries of key technical accounting matters and critical accounting judgements and estimates made during the reporting period. It received feedback where there were substantive discussions between management and external auditors and discussed key areas of judgement with both parties. The Audit Committee considered significant issues and key areas of management judgement involved in preparing the financial statements for the current year.

Area of judgement	Judgements Applied	Assessment and Conclusion
Credit impaired assets	*Determination of credit impaired value of assets* Management adjusts the assumptions of the amortised cost model, integrating the latest collection data to estimate expected cash flows. This process involves significant judgment and estimation. The methodology for forecasting future collections is back-tested and periodically updated as needed. *Forward-looking indicators* For Acquired Debt the anticipated impact on debit order collections arising from the change in the collection window and macro-economic conditions have been examined. Refer to notes 1.3 and 2.1 to the annual financial statements for a description of the methodology and inputs used in making this assessment.	The committee assessed input from internal experts to provide assurance on the work performed by credit modelling specialists. The committee concluded the model, its inputs and the disclosures relating to the financial assets, and the key judgements and estimates applied in the determination thereof, to be appropriate and in accordance with the relevant accounting standards. The committee reviewed the methodology for estimating the forward looking stress on collections and resulting impact on impairments and concluded that the methodology and impairments levels to be appropriate.
Credit risk provisioning	*Determination of expected losses* Consideration was given to expected credit losses (ECLs), the probability of default (PD), loss given default (LGD) and the exposure at default on a forward-looking basis. *Forward-looking indicators* Adjustments were made to the LGD curves to reflect the anticipated impact on debit order collections arising from the change in the collection window and recent macro-economic conditions. Refer to notes 1.3 and 2.1 to the annual financial statements for a description of the methodology and inputs used in making this assessment.	The committee assessed input from internal experts to provide assurance on the model, its inputs, and the disclosures concerning financial instruments, including the key judgements and estimates used in their determination. The committee concluded that these estimates were appropriate and aligned with the relevant accounting standards.
Insurance Contracts	The group sells insurance contracts through its cell captive arrangement to its customers. The insurance risk of the cell captive arrangement lies with the Cell Captive; however, the group is exposed to insurance risk to the extent that the Cell Captive requires additional capital injection if the solvency and capital adequacy ratios fall below the prescribed levels. The Cell Captive Shareholder Participation Agreement is seen as an in-substance reinsurance arrangement. The group will use the Premium Allocation Approach given that the coverage period of the Shareholder Participation Agreement is one year or less. The risk adjustment is a reserve for uncertainty due to non-financial risks. The risk adjustment has been calculated based on a confidence level of 75% over a one-year time horizon.	The committee assessed the input from internal experts to provide assurance on the approach used and concluded that the methodology is appropriate and in accordance with the relevant accounting standards.

Audit Committee Report

Area of judgement	Judgements Applied	Assessment and Conclusion
Fair value for share-based payment calculation	Fair value was determined by using a market approach using trade multiples. Comparable companies, both locally and internationally, were identified. The price-to-book ratio and return on equity was calculated for each company based on their trading data and financials. Regression analysis was used to correlate the return on equity to the price-to-book ratio. Based on this analysis, an appropriate price-to-book ratio was identified for the fair value of the group which was used to calculate the amount of the equity-settled share-based payment.	The committee assessed the input from internal experts to provide assurance on the calculation. The committee concluded that the calculation is appropriate and in accordance with the relevant accounting standards.
Deferred tax asset recognition	The group has estimated tax losses for which deferred tax assets have not been recognised in the Statement of Financial Position as IFRS requires that deferred tax assets will not be recognised until recoverability is probable. All deferred tax assets have been fully impaired.	The full amount remains impaired. The committee has not altered its position on recognising deferred tax assets.
Going concern assessment	Based on the group's annual forecast the group has sufficient financial resources to meet its obligations as they fall due within the foreseeable future (twelve months from signature date). The funding special purpose entities have significant buffers in their covenants with low risk of being breached.	The committee considered the annual forecast and that it is based on sound principles and reasonable assumptions including reasonable future stresses. The committee is satisfied that, based on this analysis that the group is a going concern and able to pay its liabilities as they fall due over a 12-month horizon.

External audit findings

The Audit Committee considered the Audit Summary Memorandum which covers the principal matters that arose from the audit for the year ended 31 March 2025.

Combined assurance

The group has maintained a combined risk assurance programme to enhance the efficiency and effectiveness of risk management, compliance and audit in order to better illustrate, consolidate and report on all assurance activities. Management has an established combined assurance framework with action plans that engage the four lines of defence wherever appropriate. A risk ranking and associated control effectiveness framework has been integrated into the combined assurance framework. This process will ensure a continuous process of assurance being provided through testing, validation and verification of controls and risk management frameworks. The committee believes that the arrangements for the combined assurance model are adequate and effectively integrate risk management, compliance and audit.

Internal audit

Internal audit performs an independent assurance function and forms part of the third line of defence. Internal audit has a functional reporting line to the Audit Committee chair and an operational reporting line to the CFO.

Internal audit submits reports to the committee to allow the committee to evaluate the adequacy and effectiveness of internal controls. The committee:
- ensures that internal audit has a direct reporting line to the chairperson;
- reviewed and recommended the Internal Audit Charter for approval by the board of directors;
- monitored the effectiveness of the internal audit function in terms of its scope, execution of its plan, coverage, independence, skills, staffing, overall performance and position within the organisation; and
- monitored and challenged, where appropriate, action taken by management regarding adverse internal audit findings.

External auditors

The committee is responsible for nominating the external auditors for appointment by the shareholders, as well as compensation and oversight of the external auditors for the group. The board has a well-established policy on auditor independence and audit effectiveness. During the financial year the committee:
- approved the audit fees for the year under review;
- approved the external auditors' annual plan and related scope of work, confirming suitable reliance on internal audit and the appropriateness of key audit risks identified; and

Audit Committee Report

- monitored the effectiveness of the external auditors in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan.

An annual review of the quality of the audit and performance of the external auditors was undertaken in 2024.

As part of the assessment of the external auditors' independence, the committee ensured compliance with the Non-audit Services Policy. This policy governs the types of service that can be performed by the auditors, as well as the value and scope of the non-audit services provided by the auditors. Only those non-audit services that do not affect their independence and entail skills and experience that make them the most appropriate suppliers were approved during the period. Fees paid to the auditors are disclosed in note 16 to the annual financial statements.

The committee recommended that the shareholders reappoint Deloitte & Touche as the external auditors for 2026.

Annual financial statements

The Audit Committee reviewed and discussed the audited consolidated financial statements and recommended to the board that the annual financial statements be approved.

Signed by:
P Viranna
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Poovendhri Viranna
Audit Committee Chair

3 June 2025

Social and Ethics Committee Report

The Evolution Credit Group Social and Ethics Committee ("the committee") is a statutory committee which assists the board in monitoring the group's social and economic development, corporate citizenship, health and safety, consumer relationships, labour and employment practices.

The committee performs an oversight function to ensure that the board and the wider organisation are equipped to foster an ethical culture, and it seeks to ensure the group's economic, social, and environmental sustainability.

Roles and responsibilities

The committee, acting under authority delegated by the board and the Companies Act of South Africa and guided by King IV, monitors and evaluates the company's performance and compliance in social and economic development, good corporate citizenship, environmental, health and safety, consumer relations, and labour practices against benchmarks such as the UN Global Compact, OECD anticorruption guidelines, the Employment Equity Act and the BBBEE Act. It annually reviews employee declarations, escalates pertinent matters to the board, reports to shareholders at general meetings, keeps its terms of reference available at the registered office, and carries out any further duties the board assigns.

Composition and function

The committee members are appointed by the board and comprises of independent non-executive directors Derrick Msibi (chairperson), Dr. Lindiwe Mthimunye, Norman Thomson, and executive director Neil Grobbelaar.

The directors who are not members of the committee, together with selected key executives are standing invitees to vommittee meetings.

The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation process. The committee was assessed to have adequately discharged its mandate.

Activities of the committee

The committee convened twice during the period. Key activities included

- Social and economic development review, focusing on human rights;
- Good corporate citizen review, focusing on corporate social investment, specifically community development, donations and sponsorships, as well as ethics and BBBEE;
- Occupational health and safety review;
- Sustainability review in the environment, focusing on waste disposal;
- Consumer relationships review, focusing on complaints, media, social media and advertising; and
- Labour and employment practices review, focusing on the group's transformation plan, employment equity statistics, employee wellness, and employee education.

Focus for 2026

The committee will continue to provide ongoing oversight in its areas of responsibility, with a focus on the group's employment equity plan and transformation. The committee is committed to playing an instrumental role in ensuring that as the Evolution group grows and transforms as an organisation, people will continue to have equal opportunities to progress and flourish, and that they are provided with the right tools to do so.

On behalf of the Social & Ethics Committee

DocuSigned by:
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Derrick Msibi
Social and Ethics Committee Chair

3 June 2025

Directors' Report

The directors submit their report on the audited consolidated annual financial statements of Evolution Credit Limited and its subsidiaries and special purpose entities (the group) for the year ended 31 March 2025.

The separate company annual financial statements of Evolution Credit Limited are available from the company's registered office.

1. Nature of business

The group's operations include debt acquisition and management services, providing home improvement finance through a network of reputable building retailers and long-term insurance products.

2. Review of financial results and activities

The audited consolidated annual financial statements have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the group are set out in these audited consolidated annual financial statements.

3. Share capital

The equity structure of Evolution Credit Limited was simplified by means of a Scheme of Arrangement. Refer to note 4 of the audited consolidated annual financial statements for detail of the movement in share capital.

Evolution Credit Limited bought back 239,645 ordinary shares at a value of R6.7 million. After the buy back the shares were cancelled.

4. Dividends

A dividend of 327 cents per share was declared on 20 September 2024 to the ordinary shareholders registered in the securities register of the company on that date. This dividend equated to a total of R39.3 million (2024:R-).

5. Going concern

The directors have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the year and do not believe that the profit has adequate financial resources to continue in operation for the foreseeable future. The audited consolidated annual financial statements have accordingly not been prepared on the going concern basis.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	*Office*	*Designation*	*Changes in appointment*
Norman Thomson	Chairperson	Non-executive Independent	
Peter de Beyer		Non-executive Independent	
Derrick Msibi		Non-executive Independent	
Poovendhri Viranna		Non-executive Independent	
Lindiwe Mthimunye		Non-executive Independent	
Ralph Buddle		Non-executive Independent	Resigned 31 December 2024
Neil Grobbelaar	Chief Executive Officer	Executive	
Anko de Man	Chief Financial Officer	Executive	

Directors' Report

7. Company secretary

The company secretary is Carmen Taylor.

Postal address:	PO Box 19610 Tecoma East London 5214
Business address:	12 Esplanade Road Quigney East London 5201

8. Auditors

Deloitte & Touche continued in office as auditors for the group for 2025.

At the annual general meeting, the shareholders will be requested to reappoint Deloitte & Touche as the independent external auditors of the group and to confirm Stephen Munro as the designated lead audit partner for the 2026 financial year.

9. Events after the reporting period

The Registered Mandate (RM) debit order mechanism was successfully deployed and is live as of 12 May 2025.

On 3 June 2025 the board approved an ordinary dividend of 356 cents per share which equates to a total dividend of R41.9 million.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

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Registered Auditors
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Evolution Credit Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Evolution Credit Limited and its subsidiaries ("the Group") set out on pages 15 to 46, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of financial performance, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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 Consolidated Financial Statements section of our report*. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of Consolidated financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Evolution Credit Limited Audited Annual Consolidated Financial Statements for the year ended 31 March 2025" which includes the Directors' Responsibilities and Approval, Company Secretary's Certification, Audit Committee Report, Social and Ethics Committee Report and the Directors' Report (as required by the Companies Act of South Africa). The other information does not include the consolidated financial statements and our auditor's report thereon.

Deloitte.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group 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.

DocuSigned by:
Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

04 June 2025

5 Magwa Crescent
Waterfall City
Johannesburg
2090

Consolidated Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Notes	2025	2024
Assets			
Equipment	6	27,111	13,093
Right-of-use assets	7	715	2,041
Net advances	2	1,802,683	1,512,952
Deferred tax	8	3,774	-
Insurance contract asset	9	15,514	19,731
Other receivables	10	18,757	21,928
Cash and cash equivalents	3	297,509	300,322
Total Assets		2,166,063	1,870,067
Equity and Liabilities			
Equity			
Share capital	4	1,302,200	1,308,857
Share-based payments reserve	11	9,501	2,628
Accumulated loss		(617,486)	(704,309)
Total Equity		694,215	607,176
Liabilities			
Borrowings - Non-current	5	1,030,624	835,462
Provisions	12	98,170	84,763
Deferred tax	8	-	1,222
Lease liabilities	7	898	2,325
Borrowings - Current	5	291,555	289,756
Trade and other payables	13	47,341	47,647
Current tax payable		3,260	1,716
Total Liabilities		1,471,848	1,262,891
Total Equity and Liabilities		2,166,063	1,870,067

Consolidated Statement of Financial Performance

Figures in Rand thousand	Notes	2025	2024 Restated *
Interest and similar income		747,002	643,014
Impairment loss		(19,549)	(28,589)
Net yield		**727,453**	**614,425**
Insurance revenue	9	33,660	31,258
Insurance service expenses		(16,932)	(22,636)
Insurance finance income		3,054	2,968
Outsourced collection income		41,570	44,515
Fee and other income	15	53,149	48,191
Operating expenses		(545,114)	(489,941)
Operating profit	16	**296,840**	**228,780**
Finance costs	17	(166,328)	(145,268)
Derecognition gain on financial liability	18	-	35,419
Profit before taxation		**130,512**	**118,931**
Taxation	19	(4,384)	(1,096)
Profit for the year		**126,128**	**117,835**

* See Note 27

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2025

Consolidated Statement of Comprehensive Income

Figures in Rand thousand	2025	2024
Profit for the year	**126,128**	**117,835**
Other comprehensive income	-	-
Total comprehensive income	**126,128**	**117,835**

Consolidated Statement of Changes in Equity

Figures in Rand thousand	Share capital	Share-based payments reserve	Accumulated loss	Total equity
Balance at 01 April 2023	**1,308,857**	**-**	**(822,144)**	**486,713**
Profit for the year	-	-	117,835	117,835
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**117,835**	**117,835**
Equity-settled share-based payments	-	2,628	-	2,628
Balance at 01 April 2024	**1,308,857**	**2,628**	**(704,309)**	**607,176**
Profit for the year	-	-	126,128	126,128
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**126,128**	**126,128**
Purchase of own shares	(6,657)	-	-	(6,657)
Equity-settled share-based payments	-	6,873	-	6,873
Dividends	-	-	(39,305)	(39,305)
Equity transactions	**(6,657)**	**6,873**	**(39,305)**	**(39,089)**
Balance at 31 March 2025	**1,302,200**	**9,501**	**(617,486)**	**694,215**
Note	4	11		

Consolidated Statement of Cash Flows

Figures in Rand thousand	Notes	2025	2024 Restated *
Cash flows from operating activities			
Cash generated from operations	20	40,307	56,771
Finance costs	17	(162,608)	(141,557)
Tax (paid) received	21	(7,835)	482
		(130,136)	**(84,304)**
Cash flows from investing activities			
Purchase of equipment	6	(23,480)	(6,960)
Proceeds from sale of equipment		1,297	389
		(22,183)	**(6,571)**
Cash flows from financing activities			
Share buy-back	4	(6,657)	-
Proceeds from borrowings	5	460,000	332,500
Repayments of borrowings		(264,623)	(264,336)
Dividends paid		(39,214)	-
		149,506	**68,164**
Total cash movement for the year		**(2,813)**	**(22,711)**
Cash and cash equivalents at the beginning of the year		300,322	323,033
Cash and cash equivalents at the end of the year	3	**297,509**	**300,322**

* See Note 27

Accounting Policies

Corporate information

Evolution Credit Limited is a public company incorporated and domiciled in South Africa. The separate company annual financial statements of Evolution Credit Limited are available from the company's registered office.

The audited consolidated annual financial statements include the results of Evolution Credit Limited, its subsidiaries and special purpose entities. The country of incorporation and place of business for the group is South Africa.

The group's operations include debt acquisition and management services, providing home improvement finance through a network of reputable building retailers, and long-term insurance products.

1. Material accounting policies

1.1 Basis of preparation

The audited consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these audited consolidated annual financial statements and the Companies Act of South Africa as amended. The audited consolidated annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The audited consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The process of drafting the audited consolidated annual financial statements in accordance with IFRS Accounting Standards involves management making judgements, estimates, and assumptions that impact how policies are applied and the amounts reported for assets, liabilities, income, and expenses. These estimates are based on experience and other factors deemed reasonable at the time. However, actual results may differ from these estimates, so they are regularly reviewed and revised as necessary. Any changes to these estimates are reflected in the period they are revised and in future affected periods.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions regarding default risk and expected loss rates. The group exercises judgement in formulating these assumptions and selecting the inputs to the impairment calculation, drawing from the group's historical data, prevailing market conditions in the micro-finance industry and forward-looking projections. The key assumptions and inputs used are disclosed in notes 1.3 and 2.

Critical judgements in applying accounting policies

Recognition of deferred tax assets

The recognition of deferred tax assets on tax losses in Evolution Credit Limited, its subsidiaries and special purpose entities, where applicable, has been suspended and the deferred tax assets recognised in prior financial years impaired until there is a history of sustainable profitability.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future or to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised in the foreseeable future and there is a history of sustainable profitability. Estimates of future taxable income are based on forecast results from operations and the application of existing taxation laws.

1.2 Significant judgements and sources of estimation uncertainty (continued)

Insurance contracts

The group sells insurance contracts through its cell captive arrangement to its customers. The insurance risk of the cell captive arrangement lies with the Cell Captive; however, the group is exposed to insurance risk to the extent that the Cell Captive requires additional capital injection if the solvency and capital adequacy ratios fall below the prescribed levels.

The Cell Captive Shareholder Participation Agreement is seen as an in-substance reinsurance arrangement and therefore falls within the scope of IFRS 17. The group will use the Premium Allocation Approach (PAA) given that the coverage period of the Shareholder Participation Agreement is one year or less.

The risk adjustment is a reserve for uncertainty due to non-financial risks. The risk adjustment has been calculated based on a confidence level of 75% over a one-year time horizon.

Fair value for share-based payment calculation

Fair value was determined by using a market approach using trade multiples. Comparable companies, both locally and internationally, were identified. The price-to-book ratio and return on equity was calculated for each company based on their trading data and financials. Regression analysis was used to correlate the return on equity to the price-to-book ratio. Based on this analysis, an appropriate price-to-book ratio was identified for the fair value of the group which was used to calculate the amount of the equity-settled share-based payment.

1.3 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured at initial recognition at fair value plus transaction costs, if any.

Note 24 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

Financial assets are not reclassified after initial recognition, except in the period after the group changes its business model for managing financial assets. There have been no reclassifications in the current year.

The material accounting policies for net advances are presented below.

Impairment - Expected credit losses and write offs

Loss allowances are recognised for expected credit losses (ECL) on financial assets measured at amortised cost.

Loss allowances are measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk (risk of default) since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments. This means that at each reporting date, the ECL for a specific instrument will either be based on lifetime ECL or 12 month ECL depending on the credit risk at reporting date compared to the credit risk at initial recognition.

For financial assets that are credit-impaired the group recognises the cumulative change in lifetime expected credit losses since initial recognition. At each reporting date, the group recognises in profit or loss the amount of the change in lifetime expected credit losses as an impairment gain or loss.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The group writes off an instrument when there is information indicating that there is no realistic prospect of recovery. This is generally when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Financial instruments (continued)

Modifications

If the terms of a financial asset are modified, the group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. The original financial asset is derecognised and a new financial asset is recognised at fair value. The expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. The group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

1.3.1 Net advances - Aquired Debt

Classification

The credit impaired amortised cost valuation methodology is applied to Acquired Debt.

The purchase price paid for these portfolios has been determined through various pricing models applied on a portfolio basis whose main drivers are expected collections, costs and return requirements. Recoveries are generated through the various collection processes in the group.

The Acquired Debt portfolios are credit impaired at the date of acquisition. The portfolios are purchased at deep discounts due to the non-performing nature of the assets. The group evaluates the portfolio as a whole and determines what cash flows can be extracted. IFRS 9 is therefore applied on a portfolio basis and the financial asset is defined as each separately purchased and priced portfolio.

The credit-adjusted effective interest rate is determined as the rate that exactly discounts the expected cash flows at date of acquisition to the purchase price.

For more recently acquired portfolios (less than 24 months) cash flows are estimated based on the original priced cash flow estimates per portfolio. The estimates are determined using statistical techniques based on historical performance on other similar portfolios previously acquired. Should there be significant deviation from these cash flows then management applies judgement to consider whether an adjustment is required.

For remaining Acquired Debt portfolios, the cash flow estimates are forecast using three statistical models that fit statistical functions through actual cumulative receipts on a portfolio level. The expected cash flows are calculated separately on each debt portfolio acquired in the last eight years. It is assumed that a portfolio will yield cash flows from collection activities for a maximum period of eight years (96 months).

Since Acquired Debt portfolios are measured and managed at a portfolio level the contractual cash flows are represented by the original priced cash flows and not the contractual cash flows of the underlying contracts. Therefore, any changes in expected cash flows are treated as changes in lifetime expected credit losses and not as a modification.

The group performs a statistical analysis to assess the correlation between macro-economic factors and receipting performance. The macro-economic factors considered are outlined in note 2.1.

Credit risk

An appropriate risk premium is included when pricing Acquired Debt portfolios to ensure that acceptable returns are generated for shareholders. Credit risk premiums are based on the expected probability of extracting cash flows from portfolios after taking into consideration the cost investment required to collect these cash flows.

Credit risk is mitigated through the establishment of a pricing committee that evaluates each portfolio on which offers are submitted. The committee evaluates the credit risk of each portfolio by assessing the collectability of the underlying loans in the portfolio. The collectability of the underlying loans is determined with reference to collections experience on similar portfolios purchased to date.

1.3.2 Net advances - Evolution Finance

The Evolution Finance channel provides unsecured home improvement loans to the lower LSM (living standards measure) segments of the South African market through a network of buildware retailers.

Credit risk

An appropriate credit risk premium is incorporated into the pricing structure of each product to ensure that acceptable returns are generated for shareholders. Credit risk premiums are based on expected probability of defaults and estimated recoveries from defaulters. Proprietary credit risk scoring models are used to assess the credit worthiness of individuals in conjunction with the requirements of the National Credit Act No. 34 of 2005 prior to the granting of loans.

Credit risk is mitigated through scorecard management and backtesting, credit performance metrics and a variety of collection mechanisms. Management evaluates credit risk on an ongoing basis.

The group's exposure to concentration risk is low due to the nature and distribution of the loan books. The advances portfolio comprises large volumes of low value loans.

Classification

Performing loans

Customer loans that are classified as performing have a cumulative arrears ratio of three or less, that is, three or less cumulative contractual instalments in arrears. The group has rebutted the IFRS 9 assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The performing loans are categorised into stage 1 or 2 for credit impairment purposes.

- Stage 1: loans have no arrears and there is no significant increase in credit risk. The impairment provision for these loans is calculated using lifetime expected loss over a twelve-month probability of default.
- Stage 2: loans have an arrears ratio which is greater than or equal to one and less than or equal to three months in arrears, or have an arrears ratio of zero, but have signs of a significant increase in credit risk. The impairment provision for these loans is calculated using lifetime expected credit losses.

The significant increase in credit risk is assessed on an individual or collective basis using all reasonable and supportable information, including an assessment of forward-looking indicators. The Evolution Finance portfolio is assessed to identify if any part of this portfolio shows signs of a significant increase in credit risk. The current application scorecard is used to identify accounts where the credit score has weakened since inception indicating an increase in default risk. A lifetime loss in line with Stage 2 requirements is calculated on these contracts.

Contractual delinquency (CD) is measured using a mathematical rounding definition, hence, an account that reaches 30 days past due is categorised as contractual delinquency equal to one (CD 1). Stage 2 is defined as accounts with contractual delinquency between one and three which results in an account that has reached 30 days past due being impaired on lifetime expected credit losses.

Modifications

Accounts under debt review or administration are classified as modified as the contractual instalment and terms are updated to reflect the revised arrangement. A gain or loss on modification is recognised in profit or loss as the gross carrying value of the loan is amended to reflect the revised arrangement. These loans are classified as stage 3 loans as they are credit impaired.

Non-performing loans

An account is deemed to be in default and is classified as a credit-impaired financial asset if the arrears on the account is more than three contractual instalments. These accounts are classified as stage 3 and the impairment provision is based on lifetime expected credit losses. Stage 3 is the final stage for impairment purposes, that is, once a customer moves into stage 3, the impairment provision will always be calculated with reference to stage 3, irrespective of whether the arrears are caught up. A portfolio modelling approach is used to estimate cash flows for each segment within the portfolio. Segments are based on months since entry into stage 3.

Contracts moving into stage 3 are treated as modified. The gross carrying value of the contract is assessed on default and a modification loss is recognised in profit or loss.

1.3.2 Net advances - Evolution Finance (continued)

A loan is derecognised in full when there is no expectation of cash recoveries. For example, the account is written off when the contract has reached prescription, the loan account is fraudulent or upon death of the customer where the account is not settled by a credit life policy.

The group undertakes various collections actions to maximise the cash recoveries on each loan account. The intent of such activity is not to enter into or originate a new financial instrument or credit agreement, nor to reset the arrears status of a contract to zero. It is not the group's intention to enter into new loan agreements with customers who have defaulted or have a poor repayment record on their loans. For these reasons, modifications are not considered to be events that would lead to the derecognition of existing financial assets and re-recognition of a new financial asset.

Management assesses portfolio credit losses for any (linear and non-linear) relationship with forward-looking economic indicators or scenarios on an annual basis. Should such economic indicators correlate to the performance of the loan book, management will take the likely forward-looking scenarios into account when determining the expected credit loss adjustments. Where no correlation is found, management considers a general view of economic factors and applies an appropriate management overlay. The macro-economic factors considered are outlined in note 2.1.

1.4 Consolidation

Basis of consolidation

The audited consolidated annual financial statements incorporate the financial statements of Evolution Credit Limited and all subsidiaries and special purpose entities that are controlled directly or indirectly by the company.

Securitisations form an integral part of the group's funding strategy. The issuer, which is a bankruptcy remote special purpose entity, issues notes to fund the purchase of eligible loans from the subsidiary in the group that originated or purchased the loans. The subsidiary has limited rights and obligations in the assets in terms of the transaction documents of the special purpose entity, and it does not retain any obligation to the creditors of the special purpose entity in the event of liquidation. The issuer's activities are restricted to those of the securitisation programme and fall within the ambit of the National Credit Act.

The special purpose entities have been designed so that their activities are laid out in the transaction documents and the contractual arrangements entered into on or before closing of the transaction. Voting rights are therefore not the dominant factor in deciding who controls the entity. Voting rights relate to administrative tasks only and the contractual arrangements determine the direction of the relevant activities. The board can only operate within the mandate of the transaction documents. Where the group has arranged the transaction, acts as administrator and servicer and is exposed to a residual return, the special purpose entity is consolidated into the group's financial statements.

1.5 Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The useful lives of items of equipment have been assessed as follows:

Item	***Depreciation method***	***Useful life***
IT equipment	Straight line	2 - 5 years
Motor vehicles	Straight line	5 years
Furniture, office equipment and fixtures	Straight line	5 - 6 years

1.6 Insurance Contract Asset

The group's insurance business is housed within a Cell Captive Arrangement with Old Mutual Alternative Risk Transfer (OMART). The group holds preference shares in the OMART Evolution Life Cell Captive which entitles it to the profits of the insurance business that is housed in the cell.

1.6 Insurance Contract Asset (continued)

The group effectively retains underwriting risk due the acceptance of insurance risk through the Share Participation Agreement resulting in variability of underwriting profits. Insurance risk therefore arises, and the arrangement is accounted for as an in-substance reinsurance contract issued to OMART. The agreement entitles the group to the net results of the cell. If there is any capital shortfall or deficit in the cell, the group has an obligation to provide additional capital to the cell.

The group is exposed to the credit quality of OMART as OMART will be required to make payment to the group of the residual interest in the cell on redemption of the preference shares. The reinsurance premiums receivable from OMART and the reinsurance service expenses payable to OMART are net settled.

The Cell Captive collects on credit protection, funeral assistance, cancer medical cover and accidental death insurance contracts.

Contract boundary

The group has the right to redeem the preference shares after 91 business days' notice. The redemption includes an agreement on the transfer of the existing business to another life insurer, another cell within OMART or otherwise as mutually agreed. The contract boundary can therefore be limited based on the notice period for the redemption of the shares.

The group will use the Premium Allocation Approach (PAA) given that the coverage period of the Shareholder Participation Agreement is one year or less.

Components and level of aggregation

The Cell Captive has been assessed as one portfolio as a whole for reporting purposes.

The Shareholder Participation Agreement is not an onerous contract as evidenced by the dividends received from the Cell Captive during the financial year.

Measurement

On initial recognition, the group measures the liability for remaining coverage at the amount of premiums received in cash. As the insurance contract to which the PAA is applied has coverage of a year or less, the group applies a policy of expensing all insurance acquisition cash flows as they are incurred.

Subsequently the carrying amount of the liability for remaining coverage is increased by any premiums received and decreased by the amount recognised an insurance revenue for services provided.

The group has determined that there is no significant financing component with a coverage period of one year or less. The group does not discount the liability for remaining coverage to reflect the time value of money and financial risk for such insurance contracts.

The liability for incurred claims of an insurance contract is measured at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are not discounted where they are expected to be paid in one year or less from the date the claims are incurred.

The insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The expected premium receipts are allocated to each period based on the passage of time, unless another basis is more appropriate.

Insurance service expenses are recognised in profit or loss generally as they are incurred. They include incurred claims and other insurance service expenses, and adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

Insurance finance income is interest income on cash and cash equivalents within the Cell Captive and is recognised in profit or loss using the effective interest method.

1.7 Share based payments

A share-based long-term incentive is in place for eligible participants. Eligible participants will every year be offered the opportunity to convert some or all of their cash long-term incentive (as detailed in note 1.8 below) to a share-based long-term incentive which the group recognises as an equity-settled share-based payment plan.

The employee service expense and the corresponding increase in equity is measured by reference to the fair value of the ordinary shares granted. The expense is recognised on a straight-line basis over the period in which the shares are restricted. Resolutive conditions will be agreed for each tranche awarded which may include financial or other targets set for the group. The best estimate of the outcome of each of these resolutive conditions will be used to estimate the number of equity instruments so that the transaction is based on the number of equity instruments that eventually vest.

1.8 Provisions

A short-term incentive (STI) is payable to leadership team members after the completion of the financial year. The amount is determined by the extent to which the financial objectives of the group, as set by the board in advance for that financial year, have been achieved, as well as each eligible persons' personal performance during that financial year.

A long-term incentive (LTI) is payable to leadership team members at the end of the vesting period of a particular LTI tranche (typically three years). The amount is determined by the value of the LTI award made in respect of each tranche, and the extent to which the tranche conditions (which are typically medium-term financial performance targets for the group) applicable to that tranche have been achieved. The amount recognised as a provision for the LTI is the best estimate of the consideration required to settle the obligation and the expected timing of payment at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The carrying amount is the present value of cash flow estimated to settle the obligation.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is recognised in the period in which the service is rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The liabilities have been calculated at undiscounted amounts based on current salary rates.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 Revenue

Interest and similar income

Interest income is recognised in profit or loss using the effective interest method. Service fees are deemed to be an integral part of the yield of the asset as the quantum of the fee charged to the customer account is significantly higher than the commensurate and incremental costs incurred to service the customer's account.

When calculating the effective interest rate for financial instruments other than credit impaired assets, the group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. The calculation includes transaction costs and fees that are an integral part of the effective interest rate. The effective interest rate is applied to the gross carrying amount of the financial asset before adjusting for any expected credit loss allowance.

For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses. Interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Revenue (continued)

Insurance revenue

The insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The expected premium receipts are allocated to each period based on the passage of time, unless another basis is more appropriate.

Revenue from contracts with customers

Outsourced collection income

The group enters into service level agreements with outsourced clients to collect outstanding debt on their behalf. The performance obligation per the contract is the collection service provided by the group. The revenue earned by the group is a commission which is calculated as a percentage of monthly collections. The revenue is recognised at the point of successful collection of the debt, which is when the performance obligation is satisfied.

Fee income

Fees and commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate.

Income earned on the execution of a significant performance obligation is recognised when the significant performance obligation has been performed.

Income earned from the provision of services is recognised over time as the performance obligation is fulfilled. Fees charged for servicing loans that are out of term are recognised in revenue as the performance obligation is provided, which occurs monthly when the fees are levied.

1.11 New standards and interpretations

Standards and amendments effective in the current year

The amendments to IAS 1 Presentation of Financial Statements concerning the classification of liabilities as current or non-current and non-current liabilities with covenants effective from periods became effective in the current year.

Standards and amendments not yet effective

The new standard IFRS 18 Presentation and Disclosure of Financial Statements has been published which will replace IAS 1 from 1 January 2027. IFRS 18 adds further disclosure requirements with the aim of improving reporting of financial performance and giving investors a better basis for analysing and comparing companies.

No other standards or interpretations are expected to have a material impact on the group's annual financial statements.

Figures in Rand thousand	2025	2024

2. Net advances

Net advances are presented at amortised cost, which is net of loss allowance, as follows:

	2025	2024
Evolution Finance	583,183	614,366
Acquired Debt	1,219,500	898,586
	1,802,683	1,512,952

Exposure to credit risk

Net advances inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Credit loss allowances

2025	*Basis of loss allowance*	*Gross carrying amount*	*Loss (allowance) / gain*	*Amortised cost*
Evolution Finance				
Performing loans - stage 1	12-month ECL	393,506	(31,290)	362,216
Performing loans - stage 2	Lifetime ECL (not credit impaired)	197,655	(63,049)	134,606
Non-performing loans - stage 3	Lifetime ECL (credit impaired)	1,243,839	(1,157,478)	86,361
Acquired Debt	Lifetime ECL (purchased credit impaired)	1,021,248	198,252	1,219,500
		2,856,248	(1,053,565)	1,802,683

2024	*Basis of loss allowance*	*Gross carrying amount*	*Loss (allowance) / gain*	*Amortised cost*
Evolution Finance				
Performing loans - stage 1	12-month ECL	407,029	(37,899)	369,130
Performing loans - stage 2	Lifetime ECL (not credit impaired)	189,159	(56,006)	133,153
Non-performing loans - stage 3	Lifetime ECL (credit impaired)	1,274,964	(1,162,881)	112,083
Acquired Debt	Lifetime ECL (purchased credit impaired)	801,604	96,982	898,586
		2,672,756	(1,159,804)	1,512,952

Reconciliation of loss allowances

2025 Loss allowance	*Performing loans Stage 1*	*Performing loans Stage 2*	*Non-performing loans*	*Acquired Debt*	*Total*
Opening balance	(37,899)	(56,006)	(1,162,881)	96,982	(1,159,804)
New contracts originated	(27,502)	(4,106)	-	-	(31,608)
Movement between stages	22,878	(111,645)	(40,041)	-	(128,808)
Release of loss allowance on contracts moved to lifetime ECL	-	111,008	-	-	111,008
Release of loss allowance on contracts written off	2,429	-	173,970	-	176,399
Modification loss on contracts moved to stage 3	-	-	(118,535)	-	(118,535)
Modification loss	-	-	(3,586)	-	(3,586)
Significant increase in credit risk	-	1,041	-	-	1,041
Lifetime ECL	-	-	-	116,283	116,283
Forward-looking overlay (FLI)	8,804	(3,341)	(6,405)	(15,013)	(15,955)
Loss allowance closing balance	(31,290)	(63,049)	(1,157,478)	198,252	(1,053,565)
FLI overlay closing balance	(2,447)	(4,595)	(9,233)	(74,589)	(90,864)

Figures in Rand thousand 2025 2024

2. Net advances (continued)

The accounting policy of the group is to value all Acquired Debt portfolios that have been on book for less than two years using their original priced receipting curves including any adjustments for forward-looking indicators. These portfolios are reviewed annually for impairment. The assessment has historically been done based on all portfolios in a specific purchase year. An additional impairment would be raised for a purchase year should the actual collections for all portfolios purchased in that year fall behind priced expectations.

In the current year, management refined the methodology from assessing the full purchase year to looking at individual portfolios where there has been significant over or under performance. A net impairment of R10.6 million was recognised in the year for individual portfolios where there has been recent significant over or under performance.

2025 ***Gross carrying amount***	***Performing loans***	***Non-performing loans***	***Acquired Debt***	***Total***
Opening balance	596,208	1,274,964	801,604	2,672,776
New contracts originated or purchased	393,957	-	566,556	960,513
Interest and similar income	237,828	73,383	455,753	766,964
Transfer to non-performing loans	(145,838)	145,838	-	-
Contracts written off	(1,139)	(176,561)	-	(177,700)
Receipting	(489,855)	(73,785)	(802,665)	(1,366,305)
	591,161	1,243,839	1,021,248	2,856,248

2024 ***Loss allowance***	***Performing loans Stage 1***	***Performing loans Stage 2***	***Non-performing loans***	***Acquired Debt***	***Total***
Opening balance	(30,510)	(48,964)	(1,192,584)	2,969	(1,269,089)
New contracts originated	(29,259)	(3,184)	-	-	(32,443)
Movement between stages	21,791	(106,490)	(10,810)	-	(95,509)
Release of loss allowance on transfer to lifetime ECL	-	101,506	-	-	101,506
Release of loss allowance on contracts written off	1,821	-	139,543	-	141,364
Modification loss	-	-	(106,529)	-	(106,529)
Modification gain	-	-	2,974	-	2,974
Significant increase in credit risk	-	(1,719)	-	-	(1,719)
Lifetime ECL	-	-	-	122,667	122,667
Forward-looking overlay	(1,742)	2,845	4,525	(28,654)	(23,026)
Loss allowance closing balance	(37,899)	(56,006)	(1,162,881)	96,982	(1,159,804)
FLI overlay balance	(11,251)	(1,254)	(2,828)	(59,576)	(74,909)

2024 ***Gross carrying amount***	***Performing loans***	***Non-performing loans***	***Acquired Debt***	***Total***
Opening balance	558,050	1,304,909	706,253	2,569,212
New contracts originated or purchased	399,799	-	388,064	787,863
Interest and similar income	224,497	71,426	353,076	648,999
Transfer to non-performing loans	(144,375)	144,375	-	-
Contracts written off	(89)	(164,989)	-	(165,078)
Receipting	(441,674)	(77,783)	(645,789)	(1,165,246)
Modification loss	-	(2,974)	-	(2,974)
	596,208	1,274,964	801,604	2,672,776

Figures in Rand thousand

2. Net advances (continued)

Evolution Finance coverage ratios

The coverage ratio per contractual delinquency (CD) status is as follows:

2025	***Stage 1 CD 0***	***Stage 2 SICR***	***Stage 2 CD 1***	***Stage 2 CD 2***	***Stage 2 CD 3***	***Stage 3***	***Total***
Gross advances	393,506	101,286	56,652	25,729	13,989	1,243,839	1,835,001
Loss allowance	(31,290)	(14,236)	(26,835)	(13,222)	(8,756)	(1,157,478)	(1,251,817)
Carrying value	362,216	87,050	29,817	12,507	5,233	86,361	583,184
Coverage ratio	8.0 %	14.1 %	47.4 %	51.4 %	62.6 %	93.1 %	68.2 %

2024	***Stage 1 CD 0***	***Stage 2 SICR***	***Stage 2 CD 1***	***Stage 2 CD 2***	***Stage 2 CD 3***	***Stage 3***	***Total***
Gross advances	407,029	98,840	53,218	23,639	13,462	1,274,964	1,871,152
Loss allowance	(37,899)	(14,355)	(22,719)	(11,026)	(7,906)	(1,162,881)	(1,256,786)
Carrying value	369,130	84,485	30,499	12,613	5,556	112,083	614,366
Coverage ratio	9.3 %	14.5 %	42.7 %	46.6 %	58.7 %	91.2 %	67.2 %

The group's recovery expectations on advances reduce significantly once an account is more than three contractual instalments in arrears and no payment has been received in any preceding twelve months. These accounts are still subject to enforcement activity through the same collections process as the Acquired Debt portfolios. A portfolio modelling approach is used to estimate the cash flows used to determine the loss allowance for this segment of accounts. The contractual amount outstanding on these advances is R983.7 million (2024: R1,015.2 million) with an amortised cost value of R22.7 million (2024: R28.8 million). The weighted average duration that these loans have been in this state is 5 years (2024: 5 years) with 32.4% (2024: 32.0%) having made a payment in the last two years.

Fair value

Refer to note 24 Financial instruments and risk management for the fair value of net advances. The fair value was calculated using expected recovery curves. Fair value measurements are categorised as level 3 on the fair value hierarchy as the valuation includes unobservable inputs.

Other disclosures

The Evolution Finance channel offers a credit facility to customers. The undrawn facilities at 31 March 2025 are R8.6 million (2024: R11.1 million). A provision for loan commitments has been raised against this balance.

Evolution Finance accounts under debt review or administration are classified as modified contracts. The modification loss due to debt review for the year is R35.6 million (2024: R35.4 million).

2.1. Forward-looking information

IFRS Accounting Standards requires that the group considers future economic conditions when determining expected credit losses (ECL). For Acquired Debt the impact of changes in debit order collections due to a shift in the collections window for the Registered Mandate Services (RMS) payment mechanism and macro-economic conditions have been examined. For Evolution Finance, adjustments were made to the LGD curves to reflect the RMS risks and to both the LGD curves and the probability of default (PD) rates to account for the anticipated impact of changes in the macro-economic environment.

Registered Mandate Services (RMS)

RMS was implemented as a temporary measure to assist with the transition to DebiCheck. RMS is in the process of being separated from the DebiCheck platform as a separate payment mechanism. This change will move collections on RMS out from the early collections window to a second processing window later in the day which will impact receipting. The implementation of the new RMS took place on 12 May 2025.

2.1 Net advances (continued)

The anticipated impact on debit order collections arising from the change in the RMS collection window has been considered in the 2025 forward-looking assessment.

Macro-economic conditions

South African consumers have faced mounting financial pressure due to high inflation, unemployment, and high interest rates, which have reduced disposable income and purchasing power. Rising costs, especially in food, energy, and transport, have compelled many households to prioritise spending on essential goods and services over debt repayments. These challenges have been factored into recalibrated valuation models which include actual performance data up to November 2024. The broader economic environment remains difficult, with subdued GDP growth, ongoing inflation risks, a volatile rand, and high unemployment, all of which continue to limit consumer financial recovery. Considering these factors, the economic outlook suggests that consumer finances will remain under pressure, supporting cautious optimism about any short-term improvements.

Management annually evaluates whether there is a relationship between portfolio credit losses and forward-looking economic indicators. If a correlation is identified, expected credit loss adjustments are made based on likely future economic scenarios. A moderate correlation was observed between the Acquired Debt 3-out-of-3 payer fall-off rates and the inflation and unemployment rates, while a strong correlation was found between Evolution Finance's 12-month probability of default (PD) and inflation. As a result, inflation has been considered in the forward-looking indicator calculations for both Acquired Debt and Evolution Finance.

Methodology for Acquired Debt - Activation roll rate model

The impact on the collections expectations has been determined using an activations roll rate model which models the lifecycle of new payment arrangements (activations) and their subsequent fall offs. The key inputs to this model are the number of new receipt activations created per month, and the rate at which paying accounts fall off per month.

- Activations: These are receipts obtained from clients that have not made a payment in the last three consecutive months.
- Paying pool: These are accounts from which a payment has been received in the last three consecutive months (excluding new activations). The paying pool has been calculated with reference to the prior months paying pool and activation receipts.

The collections expectations under the current Acquired Debt valuation methodology and historical fall off rates have been used to determine the activations that are required to meet the collections that support the year end valuation (the base valuation). The activations and fall off rates are then stressed to determine the impact that the FLI assumptions will have on the collection expectations.

- Different buckets for new activation and fall offs are constructed for the various payment mechanisms as each payment mechanism has different rates of payer activation and fall off rates.
- The roll rate model is utilised to determine collections for the period 1 April 2025 to 31 March 2027.
- It is assumed that the shortfall between the valuation expectation at March 2027 per the roll rate model will continue at the same rate until the end of the collections curve.
- The cash flow impact is calculated as the difference in cash flows between the roll rate model and the statistical and priced cash flows. This impact is then applied to various asset valuations.

Methodology to calculate the RMS impact

- **Calculation of the impact for the change in the RMS processing window for Acquired Debt**
  The only comparable information the group has on the performance of collections in the later processing window is for a small pool of contracts that are collected under the EFT debits payment mechanism. This collections mechanism does not have the same functionality as RMS which includes daily tracking. The RMS collections success rates were compared to the EFT debits success rates for the most recent 12 months and the average variance calculated. The variance was then applied to the RMS activation rates and fall off rates in the roll rate model from May 2025 onwards (implementation date of change).

- **Calculation of the RMS impact on LGD curves for Evolution Finance**
  All newly originated Evolution Finance loans undergo full authentication, reducing the RMS impact on this portfolio as fewer loans are collected through RMS. Consequently, the LGD impact for Evolution Finance loans was adjusted to reflect the lower proportion of RMS collections. LGD curves for Evolution Finance were adjusted based on the same factor determined in the Acquired Debt roll rate model to incorporate the effect of RMS risks on recovery rates.

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

2.1 Net advances (continued)

Methodology to calculate the FLI impact from macro-economic changes

The FLI impact from changes in the macro-economic environment incorporated in the expected credit loss (ECL) models is based on three scenarios that were developed using a 24 month window of historical data incorporating significant inflation volatility. These scenarios were derived by applying a mean and two standard deviation approach to the Acquired Debt fall-off rates and the Evolution Finance PD and LGD curves. Scenario weightings of 65% (worse), 30% (base), and 5% (improved) were applied, reflecting current risks such as geopolitical uncertainty, potential trade disruptions, and domestic political instability. The resulting probability-weighted adjustments were incorporated into the Acquired Debt activation roll rate model and the Evolution Finance ECL models to determine the FLI provision at year end.

Sensitivity to FLI assumptions

FLI sensitivity, provision understatement risk

	2025	2024
Forecast error estimate on macro-economic parameters: 5% estimation error	(3,168)	(512)
Forecast error estimate on RMS parameters: 5% estimation error	(1,494)	(1,602)

FLI sensitivity, provision overstatement risk

The model parameters, with limited variation, have a linear impact with an equal and opposite impact on modelled value outcomes when the error estimates are overstated.

3. Cash and cash equivalents

	2025	2024
Bank balances	36,465	35,727
Investments in money market funds	261,038	264,581
Cash on hand	6	14
	297,509	300,322

Cash and cash equivalents with a carrying value of R190.4 million (2024: R228.3 million) in special purpose entities are not available for use by the group. The average return earned on cash and cash equivalents was 8.3% (2024: 8.5%).

Credit quality

The risk appetite for counterparty risk on investment in cash is low. In terms of the group's Cash Investment Policy, cash may only be invested with a pre-approved recognised commercial bank or in a fund with a pre-approved service provider that has a rating of F1+/AA- or higher. All deposits and investments are held with reputable financial institutions. The credit quality can be assessed by reference to external credit ratings.

Credit rating	2025	2024
Money market fund: AA+*	89	109,054
Money market fund: AA*	70,141	106,871
Money market fund: AA-*	190,808	48,656
Commercial bank: Aaa.za**	32,856	35,727
Commercial bank: AA***	3,609	-
	297,503	300,308

Rating scale:
* Global Credit Rating ** Moody's ***Standard and Poors

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

4. Share capital

Authorised		
25,000,000,000 ordinary shares with no par value	-	-
2,500,000,000 unclassified shares with no par value	-	-
	-	-

The equity structure of Evolution Credit Limited was simplified in the current year by means of a Scheme of Arrangement. The E PIK notes, D PIK notes, C1 preference shares, C2 preference shares, B preference shares, and A ordinary shares were exchanged for ordinary shares in accordance with each equity holder's economic participation in terms of the distribution waterfall. The ordinary shares were consolidated on the basis that each shareholder was issued with 1 ordinary share for each 1,000 ordinary shares.

Issued share capital and Payment-In-Kind (PIK) notes		
11,780,286 (prior year: 102,166,387) ordinary shares	1,302,200	434,549
0 (prior year: 18,029,362) A ordinary shares	-	-
0 (prior year: 104,217) B preference shares	-	155,909
0 (prior year: 34,626) C1 preference shares	-	53,567
0 (prior year: 9,045) C2 preference shares	-	74,967
D PIK notes	-	96,600
E PIK notes	-	493,265
	1,302,200	1,308,857

The holders of ordinary shares are entitled to vote at meetings of the shareholder and entitled to receive the net assets of the company upon its liquidation.

Reconciliation of share capital - 2025	*Opening balance*	*Scheme of Arrangement*	*Share buy back*	*Closing balance*
Ordinary shares	434,549	874,308	(6,657)	1,302,200
A ordinary shares	-	-	-	-
B preference shares	155,909	(155,909)	-	-
C1 preference shares	53,567	(53,567)	-	-
C2 preference shares	74,967	(74,967)	-	-
D PIK notes	96,600	(96,600)	-	-
E PIK notes	493,265	(493,265)	-	-
	1,308,857	-	(6,657)	1,302,200

Reconciliation of number shares in issue - 2025 '000	*Opening number of shares*	*Conversion of shares*	*Scheme of Arrangement*	*Consolidation of shares*	*Share buy-back*	*Closing number of shares*
Ordinary shares	102,166	-	11,917,761	(12,007,907)	(240)	11,780
A ordinary shares	18,029	439,930	(457,959)	-	-	-
B preference shares	104	211,447	(211,551)	-	-	-
C1 preference shares	35	227,889	(227,924)	-	-	-
C2 preference shares	9	318,974	(318,983)	-	-	-
D PIK notes	-	790,911	(790,911)	-	-	-
E PIK notes	-	9,910,433	(9,910,433)	-	-	-

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

5. Borrowings

Held at amortised cost		
Secured loans	1,322,179	1,125,218

Split between non-current and current portions

Non-current liabilities	1,030,624	835,462
Current liabilities	291,555	289,756
	1,322,179	1,125,218

Reconciliation of borrowings

Opening balance	1,125,218	1,092,472
New funding raised	460,000	332,500
Repayment of borrowings	(425,647)	(405,892)
Finance costs	162,608	141,557
Derecognition gain on liability	-	(35,419)
	1,322,179	1,125,218

Covenants

Each special purpose entity in the group has specific covenants for the borrowings in each entity. The net advances and cash and cash equivalents in the special purpose entities provide the security for the borrowings. The carrying value at reporting date in the special purpose entities is as follows:

Net advances	1,646,539	1,321,953
Cash and cash equivalents	190,413	228,260
	1,836,952	1,550,213

In the current year the primary operating company, Opco 365 Proprietary Limited, entered into a Revolving Credit Facility of R100.0 million and a General Banking Facility of R20.0 million. These facilities had not been utilised at reporting date. The availability period extends to 30 September 2025 or such later date as the Lender may select from time to time. During the Availability Period, the Borrower shall maintain the following Financial Covenants:

- an Asset Cover ratio of not less than 1.0 times;
- a Security Cover Ratio of not less than 2.0 times;
- a Liquidity Balance of not less than R40.0 million; and
- Equity as defined, which includes subordinated shareholder loans, in an amount of not less than R500 million.

Other disclosures

Refer to note 24 for the liquidity maturity analysis and the fair value of borrowings. The fair values of the financial liabilities with variable interest rates approximate carrying value. The fair value of the financial liabilities with fixed interest rates are calculated using the present value of cash outflow at the market rate. The carrying value of fixed rate borrowings is R55.7 million (2024: R95.5 million). Fair value measurements are categorised as level 3 on the fair value hierarchy as the valuation includes unobservable outputs.

Senior and mezzanine funding held in the group's special purpose entities was raised at interest rates margins above the three-month JIBAR rate of between 4.3% and 7.1% (2024: between 4% and 7%).

Figures in Rand thousand	2025	2024

6. Equipment

	2025			2024		
	Cost	***Accumulated depreciation or impairment***	***Carrying value***	***Cost***	***Accumulated depreciation or impairment***	***Carrying value***
IT equipment	62,667	(40,359)	22,308	51,850	(41,173)	10,677
Motor vehicles	5,675	(1,513)	4,162	4,433	(2,593)	1,840
Property	295	(100)	195	295	(100)	195
Furniture, office equipment, fixtures	2,279	(1,833)	446	2,114	(1,733)	381
	70,916	(43,805)	27,111	58,692	(45,599)	13,093

Reconciliation of equipment - 2025

	Opening balance	***Additions***	***Disposals***	***Depreciation***	***Closing balance***
IT equipment	10,677	18,803	(60)	(7,112)	22,308
Motor vehicles	1,840	4,451	(1,156)	(973)	4,162
Property	195	-	-	-	195
Furniture, office equipment, fixtures	381	226	-	(161)	446
	13,093	23,480	(1,216)	(8,246)	27,111

Reconciliation of equipment - 2024

	Opening balance	***Additions***	***Disposals***	***Depreciation***	***Closing balance***
IT equipment	10,160	6,869	(122)	(6,230)	10,677
Motor vehicles	2,833	-	(147)	(846)	1,840
Property	195	-	-	-	195
Furniture, office equipment, fixtures	463	90	-	(172)	381
	13,651	6,959	(269)	(7,248)	13,093

7. Leases

Net carrying amounts of right-of-use assets and lease liabilities

The group is expecting to occupy the office space for the remaining lease term which terminates in December 2025 (2024: R1.6 million due within one year).

	2025	2024
Buildings	715	2,041
Lease liability	(898)	(2,325)

Other disclosures

	2025	2024
Depreciation recognised on right-of-use assets	1,326	2,200
Interest expense on lease liabilities	157	302
Expenses on short-term leases included in operating expenses	1,220	85
Total cash outflow from leases	2,804	2,659

At 31 March 2025, the company is committed to R0.4 million for short-term leases.

Figures in Rand thousand	2025	2024

8. Deferred tax

Deferred tax asset (liability)	3,774	(1,222)
Deferred tax for recognised assets or liabilities is attributable to:		
Advances	(9,613)	(8,781)
Provisions	279	225
Tax losses for set off against future taxable income	-	4,651
Deferred finance costs and prepayments	(2,082)	(1,996)
Junior note embedded derivative timing difference	15,190	4,679
	3,774	(1,222)

Reconciliation of deferred tax for recognised assets or liabilities

At beginning of year	(1,222)	(1,323)
Advances	(832)	1,182
Provisions	54	81
Tax loss available for set off against future taxable income	(4,651)	(2,577)
Deferred finance cost and prepayments	(86)	(526)
Junior note embedded derivative timing difference	10,511	1,941
	3,774	(1,222)

The policy of the group is to recognise deferred tax assets only to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future based on the latest forecasts or to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised in the foreseeable future and there is a history of sustainable profitability.

The group has estimated tax losses of R1 127.5 million (2024: R1 187.4 million) that are available indefinitely for offsetting against future taxable profits. In the current year no deferred tax assets on estimated tax losses have been recognised on the group statement of financial position (2024: R4.7 million).

9. Insurance contract asset

The Insurance contract asset comprises the Liability for remaining coverage (LRC) and Liability for incurred claims (LIC) as follows:

2025	***LRC - Deposit***	***LRC - Non-deposit***	***LIC - Best estimate liability***	***LIC - Risk adjustment***	***Total***
Opening balance	36,859	(5,003)	(11,754)	(371)	19,731
Insurance revenue - Premiums	-	83,628	-	-	83,628
Insurance revenue - Cell captive expenses	-	(49,968)	-	-	(49,968)
Insurance service expenses - Claims	-	-	(9,738)	34	(9,704)
Insurance service expenses - Tax expense	-	-	(7,227)	-	(7,227)
Insurance finance income	3,054	-	-	-	3,054
	39,913	28,657	(28,719)	(337)	39,514
Cash flow					
Premiums received	33,391	(33,391)	-	-	-
Claims and other expenses	(17,829)	-	17,829	-	-
Distribution from cell captive	(24,000)	-	-	-	(24,000)
Total cash flow	(8,438)	(33,391)	17,829	-	(24,000)
	31,475	(4,734)	(10,890)	(337)	15,514

Figures in Rand thousand 2025 2024

9. Insurance contract asset (continued)

2024	*LRC - Deposit*	*LRC - Non-deposit*	*LIC - Best estimate liability*	*LIC - Risk adjustment*	*Total*
Opening balance	33,097	(5,936)	(6,467)	(151)	20,543
Insurance revenue - Premiums	-	86,991	-	-	86,991
Insurance revenue - Cell captive expenses	-	(55,735)	-	-	(55,735)
Insurance service expenses - Claims	-	-	(16,742)	(220)	(16,962)
Insurance service expenses - Tax expense	-	-	(5,674)	-	(5,674)
Insurance finance income	2,968	-	-	-	2,968
	36,065	25,320	(28,883)	(371)	32,131
Cash flow					
Premiums received	30,323	(30,323)	-	-	-
Claims and other expenses	(17,129)	-	17,129	-	-
Distribution from cell captive	(12,400)	-	-	-	(12,400)
Total cash flow	794	(30,323)	17,129	-	(12,400)
	36,859	(5,003)	(11,754)	(371)	19,731

Liability for incurred claims (LIC)

The liability for incurred claims relates to past coverage which has already occurred, for which an insurance service has been provided. This includes the incurred but not reported reserve (IBNR), Claims in payment liability and Pending Claims Reserve. These also have an applicable risk adjustment.

The risk adjustment is a reserve for uncertainty due to non-financial risks. The risk adjustment has been calculated based on a confidence level of 75% over a one-year time horizon. The group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Solvency Capital Requirement (SCR)

The SCR is a risk-based measure of required regulatory capital for the Cell Captive. OMART uses the prescribed standardised formula to calculate its SCR and that of each cell. The risk categories incorporated in the standardised formula are market risk, life underwriting risk and operational risk.

- Market risk is the risk of loss arising from the impact of movements in market prices on the value of an insurer's assets and liabilities or of loss arising from the default of the insurer's counterparties.
- Life underwriting risk is the risk of loss arising from insurance obligations, such as from poor claims experience, expense over-runs and policy lapses.
- Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events.

The Evolution Life Cell Captive had a SCR cover ratio of 1.86 at 31 March 2025 (2024: 2.09).

10. Other receivables

	2025	2024
Financial instruments:		
Trade receivables	9,363	13,504
Staff loans and advances	127	334
Loan receivables	374	350
Non-financial instruments:		
Prepayments	8,893	7,740
	18,757	21,928

Figures in Rand thousand

11. Share-based payments

The share-based long-term incentive is designed to align the economic interests of key members of management with those of the group's shareholders and to encourage long-term shareholding by management. Eligible participants are the members of the Core Executive Committee. It is envisaged that the eligible participants will every year be offered the opportunity to convert some or all of their cash long term incentive to a share-based long-term incentive in order to keep growing the management shareholding in the business.

The share-based long-term incentive qualifies as an equity-settled share-based payment transaction.

The extent to which the resolutive conditions on restricted shares are met will determine the number of shares which ultimately become unrestricted. Where resolutive conditions are not met, the balance of the unrestricted shares will be transferred back to the management incentive trust, alternatively unissued shares will remain unissued.

	2025	2024
Tranche 2021/07	4,554	1,339
Tranche 2023/07	3,823	1,289
Tranche 2024/07	1,124	-
	9,501	2,628

Tranche	*Grant date*	*Number of shares estimated to be issued*	*Dates on which shares become unrestricted*
2021/07	31 October 2023	238,583	33% 30 June 2025 33% 30 June 2026 33% 30 June 2027
2023/07	31 October 2023	219,376	60% 30 June 2026 40% 30 June 2027
2024/07	31 July 2024	189,242	60% 30 June 2027 40% 30 June 2028

Refer to note 1.2 for consideration of the value attributable to the equity-settled share-based payment transactions.

12. Provisions

Reconciliation of provisions - 2025

	Opening balance	*Additions*	*Utilised during the year*	*Interest or change in discount factor*	*Total*
Bonus provision	2,072	5,780	(5,190)	-	2,662
Short-term incentive provision	32,235	28,790	(21,153)	637	40,509
Long-term incentive provision	50,456	22,330	(20,713)	2,926	54,999
	84,763	56,900	(47,056)	3,563	98,170

Reconciliation of provisions - 2024

	Opening balance	*Additions*	*Utilised during the year*	*Reversed during the year*	*Interest or change in discount factor*	*Total*
Bonus provision	950	5,775	(4,653)	-	-	2,072
Short-term incentive provision	23,215	28,161	(19,589)	-	448	32,235
Long-term incentive provision	34,072	28,262	-	(14,835)	2,957	50,456
	58,237	62,198	(24,242)	(14,835)	3,405	84,763

In the prior year with the introduction of the share-based long-term incentive eligible participants were given the opportunity to convert cash long-term incentives to share-based incentives. The recognition criteria for those conversions resulted in a change in accounting treatment and therefore a release from the provision.

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Figures in Rand thousand	2025	2024

12. Provisions (continued)

Non-current liabilities	23,755	16,791
Current liabilities	74,415	67,972
	98,170	84,763

13. Trade and other payables

Financial instruments:		
Trade payables	11,996	9,095
Accrued leave pay	10,741	9,702
Accrued expenses	15,079	17,580
Audit fee accrual	8,871	9,122
Non-financial instruments:		
VAT	654	2,148
	47,341	47,647

14. Revenue

Revenue from contracts with customers		
Outsourced collection income	41,570	44,515
Fee income	49,863	47,804
Revenue other than from contracts with customers		
Interest and similar income	747,002	643,014
Insurance revenue*	33,660	31,258
	872,095	766,591

* Refer to note 27 for more detail on the amounts restated. The credit life and funeral benefit lines have been aggregated in the current year.

15. Fee and other income

Binder fees received from Cell Captive (refer to note 27)	39,600	39,600
Administration fees received	10,263	8,204
Other income	3,286	387
	53,149	48,191

16. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Auditor's remuneration - external		
Audit related fees	7,422	8,556
Assurance required by regulators	300	280
	7,722	8,836

Employee costs

Salaries, bonuses and other benefits	290,845	264,750
Retirement benefit plans: defined contribution expense	12,603	11,598
Termination benefits	-	1,174
Share based payment expense	6,873	2,628
	310,321	280,150

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

16. Operating profit (continued)

Depreciation and amortisation		
Depreciation of equipment	8,246	7,248
Depreciation of right-of-use assets	1,326	2,200
	9,572	9,448

17. Finance costs

Borrowings	162,608	141,557
Unwinding of discount on provisions	2,926	2,957
Lease liabilities	157	302
Other interest paid	637	452
	166,328	145,268

18. Derecognition gain on financial liability

Borrowings at amortised cost - gain	-	35,419

Real People Home Improvement Finance (RF) Proprietary Limited (RPHIF), a special purpose entity, had reached the end of its useful life, had incurred significant losses and was no longer able to service debt. The holder of a Junior Loan Facility and Preference shares in the company, accepted an offer by the group to purchase these interests for a value of R9.7 million. The junior loan had a carrying value of R45.1 million, resulting in a gain from derecognition of the financial liability. Following the acquisition of all external interests in RPHIF, the assets and liabilities were merged into the group and RPHIF was deregistered.

19. Taxation

Major components of the tax expense

Current		
Income tax - current period	9,379	1,197
Deferred		
Originating and reversing temporary differences	(4,995)	(101)
	4,384	1,096

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	27.00 %	27.00 %
Current tax attributable to Cell Captive	(4.04)%	(3.48)%
Tax losses not raised as deferred tax assets	2.56 %	5.73 %
Deferred tax asset not recognised previously now utilised	(18.60)%	(30.80)%
Exempt income	(9.04)%	(1.33)%
Expenses not deductible for tax purposes	1.24 %	1.30 %
Expenditure not incurred in the production of income	2.81 %	2.27 %
Prior year adjustments	1.43 %	0.23 %
	3.36 %	0.92 %

Refer to note 27 for more detail on the amounts restated. The restatement impacted the tax rate reconciliation.

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

20. Cash generated from operations

Profit before taxation	130,512	118,931
Adjustments for non-cash items:		
Depreciation and amortisation	9,572	9,448
Gains on sale of equipment	(81)	(119)
Derecognition gain on financial liability	-	(35,419)
Impairment on other receivables	547	378
Movements in provisions	9,843	23,121
Share-based payment expense*	6,873	2,628
Interest and fees charged to customers	(715,071)	(618,822)
Net insurance result**	(19,783)	(11,589)
Impairment loss on net advances	19,549	28,589
Adjust for items which are presented separately:		
Finance costs	166,328	145,268
Changes in working capital:		
Receipts from advances	1,366,305	1,165,247
Purchase of advances	(566,556)	(388,064)
Origination of advances	(393,957)	(399,799)
Insurance Contract Asset**	24,000	12,400
Decrease (increase) in trade and other receivables	2,624	(2,238)
Increase (decrease) in trade and other payables	(398)	6,811
	40,307	56,771

*The share-based payment expense has been reclassified in the comparative.
** The Net insurance result and Insurance contract asset movements amounts have been restated. Refer to note 27 for more detail on the amounts restated.

21. Tax (paid) refunded

Balance at beginning of the year	(1,716)	(37)
Current tax recognised in profit or loss	(9,379)	(1,197)
Balance at end of the year	3,260	1,716
	(7,835)	482

The tax related to the Cell Captive has been restated and removed from this note. Refer to note 27 for more detail on the amounts restated.

22. Related parties

Relationships

Shareholders with 5% or more voting rights	Ninety One SA Proprietary Limited Calibre Investment Holdings (Pty) Ltd Norwegian Investment Fund for Developing Countries BIFM Capital Investment Fund No.1 Proprietary Limited National Housing Finance Corporation (SOC) Limited
Directors	Neil Grobbelaar Anko de Man Norman Thomson Peter de Beyer Derrick Msibi Lindiwe Mthimunye Poovendhri Viranna

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2025	2024

22. Related parties (continued)

Subsidiaries of the group	Opco 365 Proprietary Limited Evolution Life Holdings Proprietary Limited
Special purpose entities controlled by the group	Umuzi Finance (RF) Limited DMC Evolution (RF) Proprietary Limited

Related party balances

	2025	2024
Borrowings owing to related parties		
Ninety One SA Proprietary Limited	90,331	-
National Housing Finance Corporation (SOC) Limited	55,666	95,483
Blue Sands Trading 727 CC*	17,281	14,969
Amounts included in trade receivables regarding related parties		
Imfundo Finance (FR) Limited*	461	410
IQ Academy Proprietary Limited*	374	100
Aspire Academic Holdings Proprietary Limited*	-	250

Related party transactions

	2025	2024
Interest accrued to related parties		
Ninety One SA Proprietary Limited	331	-
National Housing Finance Corporation (SOC) Limited	6,161	10,165
Blue Sands Trading 727 CC*	2,411	1,697
	8,903	11,862
Services to related parties		
Administrative fees received from Imfundo Finance (RF) Limited*	8,936	6,900
Administrative fees received from IQ Academy Proprietary Limited*	973	1,123

** related party as there is a common director

23. Directors' remuneration

2025	***Salary***	***Short-term incentive bonus***	***Long-term incentive bonus***	***Other benefits***	***Fees for services as director***	***Total***
Executive						
Neil Grobbelaar	4,332	2,868	1,982	281	-	9,463
Anko de Man	2,869	1,337	1,778	190	-	6,174
	7,201	4,205	3,760	471	-	15,637
Non-executive						
Norman Thomson	-	-	-	-	1,079	1,079
Peter de Beyer	-	-	-	-	680	680
Derrick Msibi	-	-	-	-	680	680
Ralph Buddle	-	-	-	-	488	488
Lindiwe Mthimunye	-	-	-	-	678	678
Poovendhri Viranna	-	-	-	-	689	689
	-	-	-	-	4,294	4,294
	7,201	4,205	3,760	471	4,294	19,931

Figures in Rand thousand

23. Directors' remuneration (continued)

2024	*Salary*	*Short-term incentive bonus*	*Other benefits*	*Fees for services as director*	*Total*
Executive					
Neil Grobbelaar	4,109	2,918	263	-	7,290
Anko de Man	2,724	1,192	180	-	4,096
	6,833	4,110	443	-	11,386
Non-executive					
Norman Thomson	-	-	-	1,025	1,025
Peter de Beyer	-	-	-	644	644
Derrick Msibi	-	-	-	644	644
Ralph Buddle	-	-	-	717	717
Lindiwe Mthimunye	-	-	-	431	431
Poovendhri Viranna	-	-	-	431	431
	-	-	-	3,892	3,892
	6,833	4,110	443	3,892	15,278

Incentive bonuses are approved by the Group Remuneration Committee each year after reporting date. The amounts reflected above are the vested amounts paid to the directors in the current year based on performance in prior financial years. Other benefits include provident fund contributions.

24. Financial instruments and risk management

Categories of financial instruments

2025

	Notes	*Amortised cost*	*Fair value*
Net advances	2	1,802,683	2,113,015
Other receivables	10	9,864	9,864
Cash and cash equivalents	3	297,509	297,509
Borrowings	5	(1,322,179)	(1,320,697)
Trade and other payables	13	(46,687)	(46,687)
		741,190	1,053,004

2024

	Notes	*Amortised cost*	*Fair value*
Net advances	2	1,512,952	1,722,693
Other receivables	10	14,188	14,188
Cash and cash equivalents	3	300,322	300,322
Borrowings	5	(1,125,218)	(1,121,249)
Trade and other payables	13	(45,499)	(45,499)
		656,745	870,455

Capital risk management

The group's objective when managing capital is to safeguard the group's ability to continue as a going concern to provide returns to shareholders and sustainable benefits for other stakeholders. The group defines capital as the equity as disclosed on the Statement of Financial Position.

There is no externally imposed capital requirement for the group equity but there is a covenant requirement arising from the Revolving Credit Facility in Opco 365 Proprietary Limited that the total of equity and subordinated shareholder loans in that entity remain above R500.0 million.

Figures in Rand thousand

24. Financial instruments and risk management (continued)

Financial risk management

Overview

The board of directors has overall oversight for the establishment of the group's risk management framework. The board has delegated certain of its functions to committees but recognises that it retains ultimate oversight for the effective performance of the functions so delegated.

- The Audit Committee is responsible for overseeing external and internal audit, the financial statements and accounting practices, and internal financial control.
- The Risk Committee is responsible for reviewing the adequacy and overall effectiveness of the group's risk management agenda.
- The channel Credit and Pricing Committees are responsible for the management of credit risk for net advances.

The aim of the committees is to assist the board in the execution of its duties by making recommendations on a variety of issues within a framework of defined terms of reference that have been agreed with the board.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group is exposed to credit risk primarily on net advances and cash and cash equivalents. The maximum exposure is the carrying value.

Credit risk management for net advances is set in notes 1.3 and 2.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings as set out in note 3.

Liquidity risk

The business model of the group is to finance relatively short-term assets with long-term liabilities, necessarily creating a liquidity mismatch. Monitoring and reporting take the form of cash flow projections for the next week and next month as well as long-term cash flow forecasting and an ongoing review of future commitments and credit facilities taking into account restrictions on cash flows between individual companies.

The group’s short-term liquidity policy requires that, at any point in time, the group has sufficient liquidity to honour all fixed payment commitments during the following three-month period. Origination volumes over the three-month period are to be maintained at a level to ensure that all contractual payment commitments can be made during the period. Extensive forecasting is maintained to monitor the group’s ability to comply with this policy.

The cash flows for the non-recourse funding special purpose entities are managed separately and in terms of the transaction documents agreed when each entity was established.

The table below analyses the group’s assets and liabilities into relevant maturity buckets based on the remaining contractual period at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows for liabilities and expected receipts from assets on a non-cumulative basis.

2025

	1 to 3 months	*3 months to 1 year*	*1 to 5 years*	*Over 5 years*	*Total*
Assets	668,003	1,028,080	2,885,192	297,732	4,879,007
Liabilities	(101,198)	(312,052)	(1,256,170)	(9,023)	(1,678,443)
	566,805	716,028	1,629,022	288,709	3,200,564

Figures in Rand thousand

24. Financial instruments and risk management (continued)

2024

	1 to 3 months	*3 months to 1 year*	*1 to 5 years*	*Over 5 years*	*Total*
Assets	626,461	881,844	2,407,501	222,531	4,138,337
Liabilities	(94,131)	(302,541)	(1,024,647)	(2,154)	(1,423,473)
	532,330	579,303	1,382,854	220,377	2,714,864

Tax risk management

The group has established a framework to govern the management of tax throughout the group. The group seeks to be efficient in its tax affairs and ensures that tax planning is built on sound, commercially viable transactions. The tax strategy is to comply with the legal requirements of the tax law, in a manner that ensures that it pays the right amount of tax while creating the highest possible sustainable shareholder value. The group is committed to acting responsibly in relation to its tax affairs and to fulfil its compliance and disclosure obligations in accordance with all relevant laws. The group also strives to have and maintain transparent and constructive relationships with tax authorities.

Interest rate risk

The group originates a combination of floating and fixed yielding instruments. The fixed yielding Acquired Debt portfolios are valued at their original credit adjusted effective interest rates using collections forecasts whereas the originated performing loan books are valued at amortised cost and most of these loans are floating rate loans. The group has sufficiently matched floating rate loans with floating rate liabilities which limits the extent of short-term interest rate risk in earnings.

The interest rate component of the total yield on performing loans is charged up to the maximum rate permitted by the National Credit Act. The cash instalment on originated loans is fixed so that an increase in the variable interest rate results in maturity extension rather than an increase in instalment and therefore the cash flows on these assets behave more like fixed interest rate assets except for the resulting maturity extension if rates increase.

Interest rate sensitivity analysis

Interest rate risk is assessed by measuring the impact of changes in interest rates on net interest income, that is, the difference between the total interest income and the total interest expense associated with floating rate assets and liabilities.

The table below illustrates the sensitivity of profit before tax to an increase of fifty basis points. The sensitivity of fifty basis points represents management's assessment of the possible change in interest rates over the next financial year. This assumes that floating rate liabilities will reprice at their next repricing date with assets repricing immediately. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date.

2025	*3 months*	*6 months*	*12 months*	*24 months*
Cumulative profit (loss): 50 basis points increase				
Evolution Finance - Performing loans	799	1,597	3,194	6,388
Cash and cash equivalents	372	743	1,488	2,975
Evolution Finance - Non-performing loans	(244)	(244)	(244)	(244)
Additional interest income on assets	927	2,096	4,438	9,119
Additional interest expense on liabilities	(1,091)	(2,690)	(5,883)	(12,392)
	(164)	(594)	(1,445)	(3,273)

Figures in Rand thousand

24. Financial instruments and risk management (continued)

2024 ***Cumulative profit (loss): 50 basis points increase***	***3 months***	***6 months***	***12 months***	***24 months***
Evolution Finance - Performing loans	804	1,608	3,215	6,430
Cash and cash equivalents	375	751	1,502	3,003
Evolution Finance - Non-performing loans	(258)	(258)	(258)	(258)
Additional interest income on assets	921	2,101	4,459	9,175
Additional interest expense on liabilities	(870)	(2,168)	(4,767)	(10,086)
	51	(67)	(308)	(911)

The table below illustrates the sensitivity of cash flow in the above scenario.

2025 ***Cash flow impact for the period: 50 basis points increase***	***0-3 months***	***4-6 months***	***7-12 months***	***13-24 months***
Evolution Finance - Performing loans	-	-	-	-
Cash and cash equivalents	372	743	1,488	2,975
Fixed rate assets	-	-	-	-
Borrowings	(2)	(1,570)	(4,785)	(11,280)
	370	(827)	(3,297)	(8,305)

2024 ***Cash flow impact for the period: 50 basis points increase***	***0-3 months***	***4-6 months***	***7-12 months***	***13-24 months***
Evolution Finance - Performing loans	-	-	-	-
Cash and cash equivalents	375	375	751	1,502
Fixed rate assets	-	-	-	-
Borrowings	(5)	(1,290)	(2,605)	(5,303)
	370	(915)	(1,854)	(3,801)

Insurance risk

The Cell Captive issues contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insured contract, this risk is random and therefore unpredictable. The insurance risk of the cell captive arrangements lies with the Cell Captive; however, the group is exposed to insurance risk to the extent that the Cell Captive requires additional capital injection if the solvency and capital adequacy ratios fall below the prescribed levels. This risk is managed quarterly through review of the solvency ratios and liquidity of the Cell Captive arrangement.

The cell captive insurance structure is subject to the Insurance Act 18 of 2017, regulatory capital requirements under the Solvency Assessment and Management regime and conduct requirements regulated by the Financial Sector Conduct Authority.

Based on current premium volumes, the Liability for Incurred Claims will increase (decrease) by less than R75,000 (2024: R15,000) for every 1% increase (decrease) in claims over a one-year period.

25. Going concern

The audited consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. The assessment of going concern is based on the group's annual forecast which assumes an outcome that is more likely than not. Based on the group's annual forecast the group is able to meet its financial covenants and has sufficient financial resources to meet its obligations as they fall due within the foreseeable future (twelve months from signature date). The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

26. Events after the reporting period

The Registered Mandate (RM) debit order mechanism was successfully deployed and is live as of 12 May 2025.

On 3 June 2025 the board approved an ordinary dividend of 356 cents per share which equates to a total of R41.9 million.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

27. Comparative figures

IFRS 17 Disclosure of Cell Captive revenue and expenses and Binder Fee Arrangements

A separate binder fee agreement exists between the main operating company, Opco 365 (Pty) Ltd (Opco) and OMART under which Opco earns a binder fee of R39.6 million. In the separate financial statements of Opco, this fee is recognised as income in accordance with IFRS 15 Revenue from contracts with customers (IFRS 15) and correspondingly, OMART recognises this amount as a binder fee expense in the Cell Captive. For in-substance reinsurance contracts, the acquisition and maintenance expenses incurred within the cell arrangements are treated as a reduction in insurance revenue in the records of the holder of the Cell Captive preference shares, Evolution Life Holdings (Pty) Ltd.

At the consolidated group level, the group had historically eliminated the binder fee income and expense on the basis of internal transactions. Per the prevailing market practice, the binder fee arrangement is considered a separate and distinct service between Opco and OMART, a third-party entity, when considered at the group level. It therefore should not be eliminated as an intra-group transaction. Accordingly, the binder fee income of R39.6 million has been reclassified from intragroup transactions to other income in the group consolidated financial statements in accordance with IFRS 15. On the reinsurance side the binder fee expense is offset against the insurance revenue, as the cell owner is only entitled to the net amount of premiums received, less directly attributable expenses.

For in-substance re-insurance contracts, the insurance service expenses include the actual tax incurred by the Cell Captive during the reporting period. Accordingly, the tax expense for the Cell Captive which was previously disclosed within the tax expense for the group has been reclassified within insurance service expenses. Insurance finance income, previously included in interest income has been separately disclosed from other interest income.

For the Statement of Cash Flows the Insurance Contract Asset is considered as part of operating activities under IFRS 17 and the movement year on year is disclosed as changes in working capital in the cash generated from operations note. This is a change from prior years where the distribution from the Cell Captive was disclosed as part of investing activities.

The effects of the reclassification are as follows:

2024 *R'000*	*Previously stated*	*Adjustment*	*Restated*
Consolidated Statement of Financial Performance			
Interest and similar income	645,982	(2,968)	643,014
Impairment loss	(28,589)	-	(28,589)
Insurance revenue	86,991	(55,733)	31,258
Insurance service expenses	(16,962)	(5,674)	(22,636)
Insurance finance income	-	2,968	2,968
Outsourced collection income	44,515	-	44,515
Fees and other income	8,591	39,600	48,191
Operating expenses	(506,074)	16,133	(489,941)
Finance costs	(145,268)	-	(145,268)
Derecognition gain on financial liability	35,419	-	35,419
Profit before taxation	124,605	(5,674)	118,931
Taxation	(6,770)	5,674	(1,096)
Profit for the year	117,835	-	117,835
Consolidated Statement of Cash Flows			
Cash flows from operating activities	(96,704)	12,400	(84,304)
Cash flows from investing activities	5,829	(12,400)	(6,571)
Cash flows from financing activities	68,164	-	68,164
Total cash movement for the year	(22,711)	-	(22,711)