

Evolution Credit Limited
Audited Consolidated Annual Financial Statements
For the year ended 31 March 2026



Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

General Information

Company registration number	1999/020093/06
Country of incorporation and domicile	South Africa
Nature of business and principal activities	Debt acquisition and collection services, and home improvement finance
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	2 June 2026

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

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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 45, which have been prepared on the going concern basis, were approved by the board on 2 June 2026 and were signed on their behalf by:

DocuSigned by:

29696DBE55C540B...

Norman Thomson
Chairman

2 June 2026

DocuSigned by:

E5A598A7443B4AF...

Neil Grobbelaar
Chief Executive Officer

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Company Secretary's Certification

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

In terms of Section 88(2)(e) of the Companies Act of South Africa, as amended, I certify that the company has lodged with the Companies and Intellectual Property Commissioner (CIPC) 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:

D737A76EC82E4FE...

Carmen Taylor
Company Secretary

2 June 2026

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

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 regarding 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 2025 to 31 March 2026.

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 chairperson of the Risk Committee, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), 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 2025 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.

Audit Committee Report

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 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.

Key areas of management judgement and the Committee's assessment

1. Valuation of Acquired Debt Portfolios

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 judgement and estimation. The methodology for forecasting future collections is back-tested and periodically updated as needed.

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.

Forward-looking indicators

For Acquired Debt Portfolios 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 consolidated annual financial statements for a description of the methodology and inputs used in making this assessment.

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.

2. Evolution Finance 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 PD and 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 consolidated 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.

3. 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 Accounting Standards requires that deferred tax assets will not be recognised until recoverability is probable.

The committee has not altered its position on recognising deferred tax assets. The full amount remains impaired.

4. 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

Evolution Credit Limited

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Audit Committee Report

Premium Allocation Approach is used 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.

5. *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. This was calculated in the prior years. There have been no new share-based payment allocations in the current year.

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.

6. *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 2026.

Combined assurance

The group has maintained a combined risk assurance programme to enhance the efficiency and effectiveness of risk management, compliance and audit 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

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

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.

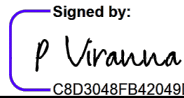
An annual review of the quality of the audit and performance of the external auditors was undertaken in 2025.

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 15 to the consolidated annual financial statements.

The committee recommended that the shareholders reappoint Deloitte & Touche as the external auditors for 2027.

Consolidated annual financial statements

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

Signed by:

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Poovendhri Viranna
Audit Committee Chair

2 June 2026

Evolution Credit Limited

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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 Mthimunya, 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 committee 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 three times during the period. Key activities included:

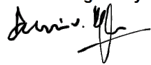
- Social and economic development review, focusing on human rights;
- Good corporate citizen review, focusing on corporate social investment, specifically community development, donations and sponsorships, as well as ethics and BBBEE;
- Occupational health and safety review;
- Sustainability review in the environment, focusing on waste disposal;
- Consumer relationships review, focusing on complaints, treating customers fairly, 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.

In addition, the committee continued to provide ongoing oversight in its areas of responsibility, particular focus was placed on the group's employment equity plan and transformation.

Focus for 2027

The committee will continue to provide ongoing oversight in its areas of responsibility, and focus will remain 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 and Ethics Committee

DocuSigned by:

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Derrick Msibi
Social and Ethics Committee Chair

2 June 2026

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

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 2026.

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 comprise the provision of home improvement finance through a network of participating hardware retailers, the acquisition and collection of non-performing consumer debt, and the recovery of outstanding debt for third-party clients.

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

Evolution Credit Limited bought back 1 ordinary share at a value of R73.66. After the buyback the share was cancelled. Share capital is disclosed in note 4 of the audited consolidated annual financial statements.

4. Dividends

The board approved dividends of R112.0 million during the year (2025: R39.3 million).

- A dividend of 356 cents per share was declared to the ordinary shareholders registered in the securities register of the company on 20 June 2025,
- A dividend of 425 cents per share was declared to the ordinary shareholders registered in the securities register of the company on 14 November 2025, and
- A dividend of 170 cents per share was declared to the ordinary shareholders registered in the securities register of the company on 13 February 2026.

5. Going concern

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 assessment of going concern is based on the group's annual forecast.

6. Directorate

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

<i>Directors</i>	<i>Office</i>	<i>Designation</i>
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
Neil Grobbelaar	Chief Executive Officer	Executive
Anko de Man	Chief Financial Officer	Executive

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

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 2026.

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 2027 financial year.

9. Events after the reporting period

Management has evaluated events and conditions occurring after the reporting date up to the date on which these financial statements were authorised for issue. No material subsequent events requiring adjustment to, or disclosure in, these financial statements have been identified.

The macroeconomic environment remains subject to uncertainty, including factors such as inflation, interest rate movements, foreign exchange volatility, and geopolitical developments. Management continues to monitor these conditions and their potential impact on the business.

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

Opinion

We have audited the consolidated financial statements of Evolution Credit Limited and its subsidiaries (“the Group”) set out on pages 15 to 45, which comprise the consolidated statement of financial position as at 31 March 2026, 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 2026, 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 (IFRS Accounting Standards) 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 2026” 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.



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT (continued)
To the Shareholders of Evolution Credit Limited

Other Information (continued)

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, 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 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

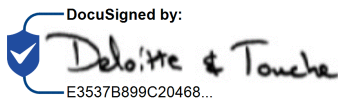
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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:

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Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

8 June 2026

5 Magwa Crescent
Waterfall City
Johannesburg
2090

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Consolidated Statement of Financial Position as at 31 March 2026

Figures in Rand thousand	Notes	2026	2025
Assets			
Equipment	6	49,596	27,111
Right-of-use assets	7	5,738	715
Net advances	2	2,058,087	1,802,683
Deferred tax	8	4,944	3,774
Insurance contract asset	9	13,347	15,514
Other receivables	10	18,658	18,757
Current tax receivable		4,768	-
Cash and cash equivalents	3	198,580	297,509
Total Assets		2,353,718	2,166,063
Equity and Liabilities			
Equity			
Share capital	4	1,302,200	1,302,200
Share-based payments reserve	11	14,770	9,501
Accumulated loss		(551,970)	(617,486)
Total Equity		765,000	694,215
Liabilities			
Borrowings - Non-current	5	1,118,697	1,030,624
Provisions	12	103,430	98,170
Lease liabilities	7	6,052	898
Borrowings - Current	5	285,035	291,555
Trade and other payables	13	70,953	47,341
Current tax provision		4,551	3,260
Total Liabilities		1,588,718	1,471,848
Total Equity and Liabilities		2,353,718	2,166,063

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Consolidated Statement of Profit or Loss

Figures in Rand thousand	Notes	2026	2025
Net yield			
Interest and similar income		874,466	747,002
Impairment loss		(17,474)	(19,549)
		856,992	727,453
Net insurance result			
Insurance revenue	9	28,104	33,660
Insurance service expenses	9	(13,698)	(16,932)
Insurance finance income		2,227	3,054
		16,633	19,782
Other operating income			
Outsourced collection income		37,711	41,570
Fee and other income	15	56,835	53,149
		94,546	94,719
Operating expenses			
Operating expenses		(617,804)	(545,114)
Operating profit			
Finance costs	16	350,367	296,840
	17	(168,864)	(166,328)
Profit before taxation			
Taxation	18	181,503	130,512
		(6,532)	(4,384)
Profit for the year			
		174,971	126,128

Evolution Credit Limited

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Consolidated Statement of Comprehensive Income

Figures in Rand thousand	2026	2025
Profit for the year	174,971	126,128
Other comprehensive income	-	-
Total comprehensive income	174,971	126,128

Consolidated Statement of Changes in Equity

Figures in Rand thousand	Share capital	Share-based payments reserve	Accumulated loss	Total equity
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 01 April 2025	1,302,200	9,501	(617,486)	694,215
Profit for the year	-	-	174,971	174,971
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	174,971	174,971
Transfer of shares (refer to note 11)	-	(2,576)	2,576	-
Equity-settled share-based payments	-	7,845	-	7,845
Dividends	-	-	(112,031)	(112,031)
Equity transactions	-	5,269	(109,455)	(104,186)
Balance at 31 March 2026	1,302,200	14,770	(551,970)	765,000
Note	4	11		

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Consolidated Statement of Cash Flows

Figures in Rand thousand	Notes	2026	2025
Cash flows from operating activities			
Cash generated by operations	19	120,007	40,307
Finance costs	17	(164,514)	(162,608)
Tax paid	20	(11,179)	(7,835)
		(55,686)	(130,136)
Cash flows from investing activities			
Purchase of equipment		(13,983)	(23,480)
Proceeds from sale of equipment		347	1,297
		(13,636)	(22,183)
Cash flows from financing activities			
Buy-back of share capital		-	(6,657)
Proceeds from borrowings	5	454,000	460,000
Repayments of borrowings	5	(372,446)	(264,623)
Lease liability payments	7	(2,772)	-
Dividends paid	21	(108,389)	(39,214)
		(29,607)	149,506
Total cash movement for the year		(98,929)	(2,813)
Cash and cash equivalents at the beginning of the year		297,509	300,322
Cash and cash equivalents at the end of the year	3	198,580	297,509

Evolution Credit Limited

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Accounting Policies

Corporate information

Evolution Credit Limited is a public company incorporated and domiciled in South Africa. The audited consolidated annual financial statements include the results of Evolution Credit Limited, its subsidiaries and special purpose entities. The separate company annual financial statements of Evolution Credit Limited are available from the company's registered office.

The group's operations comprise the provision of home improvement finance through a network of participating hardware retailers, the acquisition and collection of non-performing consumer debt, and the recovery of outstanding debt for third-party clients.

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 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 basis, unless otherwise stated in the accounting policies set out below and incorporate the material accounting policies set out below. They are presented in 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.

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

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 23 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.

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

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 - Acquired Debt Portfolios

Classification

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

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.

Evolution Credit Limited

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Accounting Policies

1.3.2 Net advances - Evolution Finance

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

Evolution Credit Limited

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Accounting Policies

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 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:

<i>Item</i>	<i>Depreciation method</i>	<i>Useful life</i>
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.

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.

Evolution Credit Limited

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Accounting Policies

1.6 Insurance Contract Asset (continued)

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 as 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 may 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.

Evolution Credit Limited

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Accounting Policies

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 person's 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

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.

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.

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.

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Accounting Policies

Revenue (continued)

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.

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 narrow scope amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments became effective in the current year. These amendments did not have a material impact on the group.

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. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss and provide disclosures on management-defined performance measures in the notes to the financial statements to improve aggregation and disaggregation. The group is currently assessing the impact of the new standard on its financial statements

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

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand	2026	2025
2. Net advances		
Acquired Debt Portfolios	1,542,720	1,219,500
Evolution Finance	515,367	583,183
	2,058,087	1,802,683

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

2026	Basis of loss allowance	Gross carrying amount	Loss (allowance) / gain	Amortised cost
Acquired Debt Portfolios	Lifetime ECL (purchased credit impaired)	1,238,008	304,712	1,542,720
Evolution Finance				
Performing loans - stage 1	12-month ECL	320,827	(37,206)	283,621
Performing loans - stage 2	Lifetime ECL (not credit impaired)	198,679	(53,606)	145,073
Non-performing loans - stage 3	Lifetime ECL (credit impaired)	1,220,678	(1,134,005)	86,673
		2,978,192	(920,105)	2,058,087
2025	Basis of loss allowance	Gross carrying amount	Loss (allowance) / gain	Amortised cost
Acquired Debt Portfolios	Lifetime ECL (purchased credit impaired)	1,021,248	198,252	1,219,500
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
		2,856,248	(1,053,565)	1,802,683

The group incorporates forward-looking information (FLI) into the measurement of expected credit losses (ECL) in accordance with IFRS 9. This requires the use of reasonable and supportable information, including macroeconomic forecasts and overlays, to reflect current and expected future economic conditions. Refer to note 2.1 for the FLI assessment.

Two additional overlays have been applied to the Acquired Debt Portfolio (ADP) valuation to ensure that expected future cash flows appropriately reflect observed performance trends and emerging risks:

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. A net performance-based impairment gain of R0.7 million (2025: R10.6 million loss) was recognised in the year for individual portfolios where there was recent significant over or under performance.

Secondly, since March 2025, there has been a significant increase in settlement activity on the ADP portfolio. It is uncertain whether the increased settlement activity represents additional value not previously expected, or an acceleration of future expected cash flows. Management has adopted a prudent view that these settlements primarily represent future receivables realised earlier than expected, rather than incremental value. As a result, future expected collections have been reduced to avoid overstating portfolio value. The early settlement provision is estimated at R44.6 million in the current year (2025: R-).

Evolution Credit Limited

Audited Consolidated Annual Financial Statements for the year ended 31 March 2026

Notes to the Audited Consolidated Annual Financial Statements

Figures in Rand thousand				2026	2025
2. Net advances (continued)					
<i>Reconciliation of loss allowances</i>					
2026	Performing loans	Performing loans	Non-performing loans	Acquired Debt	Total
Loss allowance	Stage 1	Stage 2		Portfolio	
Opening balance	(31,290)	(63,049)	(1,157,478)	198,252	(1,053,565)
New contracts originated	(25,558)	(3,166)	-	-	(28,724)
Movement between stages	23,210	(94,869)	(24,303)	-	(95,962)
Transfer between stages	7,577	108,216	(115,793)	-	-
Release of loss allowance on contracts written off	-	-	166,639	-	166,639
Modification loss	-	-	(4,025)	-	(4,025)
Significant increase in credit risk	-	(1,284)	-	-	(1,284)
Lifetime ECL	-	-	-	94,789	94,789
Forward-looking overlay (FLI)	(11,145)	546	955	11,671	2,027
Loss allowance closing balance	(37,206)	(53,606)	(1,134,005)	304,712	(920,105)
FLI overlay closing balance	(13,592)	(4,049)	(8,278)	(62,918)	(88,835)
2026					
Gross carrying amount		Performing loans	Non-performing loans	Acquired Debt	Total
				Portfolio	
Opening balance		591,161	1,243,839	1,021,248	2,856,248
New contracts originated or purchased		342,938	-	688,917	1,031,855
Interest and similar income		209,926	69,820	592,190	871,936
Transfer to non-performing loans		(146,297)	146,297	-	-
Contracts written off		(1,327)	(166,054)	-	(167,381)
Receipting		(476,895)	(73,224)	(1,064,347)	(1,614,466)
		519,506	1,220,678	1,238,008	2,978,192
2025					
Loss allowance	Performing loans	Performing loans	Non-performing loans	Acquired Debt	Total
	Stage 1	Stage 2			
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 transfer 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	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)

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Figures in Rand thousand	2026	2025		
2. Net advances (continued)				
2025	Performing loans	Non-performing loans	Acquired Debt	Total
Gross carrying amount				
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)
Receiving	(489,855)	(73,785)	(802,665)	(1,366,305)
	591,161	1,243,839	1,021,248	2,856,248

Evolution Finance coverage ratios

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

2026	Stage 1 CD 0	Stage 2 SICR	Stage 2 CD 1	Stage 2 CD 2	Stage 2 CD 3	Stage 3	Total
Gross advances	320,827	118,453	47,897	20,281	12,048	1,220,678	1,740,184
Loss allowance	(37,206)	(16,367)	(19,536)	(10,162)	(7,541)	(1,134,005)	(1,224,817)
Carrying value	283,621	102,086	28,361	10,119	4,507	86,673	515,367
Coverage ratio	11.6 %	13.8 %	40.8 %	50.1 %	62.5 %	92.9 %	70.4 %

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 %

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 R965.4 million (2025: R983.7 million) with an amortised cost value of R26.5 million (2025: R22.7 million). The weighted average duration that these loans have been in this state is 5 years (2025: 5 years) with 32.4% (2025: 32.4%) 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 2026 are R11.1 million (2025: R8.6 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 R28.4 million (2025: R35.6 million).

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2.1. Forward-looking information and macroeconomic overlays

During the current year, management identified two key sources of forward-looking uncertainty impacting credit risk estimates. Firstly, the implementation of a separate Registered Mandate Services (RMS) payment mechanism in May 2025 resulted in a shift of collections to a later processing window and a reduction in collection success rates. As limited post-implementation data is available, the full impact of this change is not yet reflected in the underlying valuation models. Accordingly, a management overlay was applied to adjust activation rates, roll rates and recovery assumptions to reflect the observed deterioration in collections.

The second driver relates to increased macroeconomic uncertainty arising from geopolitical tensions in the Middle East and the associated risk of oil price volatility. For South Africa, the main risk is higher oil prices due to potential supply disruptions. As a country that imports oil, this would lead to increased fuel and transport costs, driving up inflation. In turn, consumers would have less disposable income and may struggle more to repay debt. Statistical correlation analysis was performed between portfolio credit risk metrics and key macroeconomic variables, including inflation, petrol prices, interest rates and unemployment. The results indicated that petrol prices are the most relevant driver of credit performance for the ADP portfolio, while inflation is the most significant driver for the Evolution Finance portfolio. These variables were therefore selected as the primary macroeconomic indicators incorporated into the FLI.

Methodology for Acquired Debt Portfolios - Activation roll rate model

For the ADP portfolio, the impact of forward-looking information is assessed using an activation roll rate model. This model simulates the lifecycle of 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. The model is calibrated to ensure that its output aligns with the expected cash flow profiles derived from the group's underlying statistical and pricing-based valuation models.

The collections expectations under the current ADP 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 2026 to 31 March 2028.
- It is assumed that the shortfall between the valuation expectation at March 2028 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.

Once calibrated, the model is stressed to reflect forward-looking adjustments. The RMS-related overlay is applied by adjusting activation and fall-off rates based on the observed reduction in collection success rates following implementation. The macroeconomic overlay is applied by adjusting fall-off rates in line with the modelled impact of changes in petrol prices. These adjustments are applied over a defined forecast horizon and held constant thereafter. The resulting stressed cash flows are compared to the base-case cash flows, and the difference represents the FLI adjustment to the carrying value of the portfolio.

For the EF portfolio, forward-looking information is incorporated by recalculating ECL using stressed PD and loss given default (LGD) curves. The macroeconomic scenarios primarily affect PD estimates through the relationship with inflation, while both RMS and macroeconomic factors are reflected in LGD through adjustments to recovery curves. The FLI impact is measured as the difference between the base ECL and the ECL calculated under the forward-looking scenarios.

Sensitivity to FLI assumptions

Forecast error estimate on macro-economic parameters: 5% estimation error	4,414	3,168
Forecast error estimate on RMS parameters: 5% estimation error	1,768	1,494

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 or understated.

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3. Cash and cash equivalents		
Bank balances	33,290	36,465
Investments in money market funds	165,286	261,038
Cash on hand	4	6
	198,580	297,509

Cash and cash equivalents with a carrying value of R130.5 million (2025: R190.4 million) in special purpose entities are not available for use by the group. The average return earned on cash and cash equivalents was 7.5% (2025: 8.3%).

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

Money market fund: AA+*	3,129	89
Money market fund: AA*	151,101	70,141
Money market fund: AA-*	11,056	190,808
Commercial bank: Aaa.za**	20,077	32,856
Commercial bank: AA***	13,213	3,609
	198,576	297,503

Rating scale:

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

4. Share capital

Authorised

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

Issued

11,780,285 (2025: 11,780,286) ordinary shares	1,302,200	1,302,200
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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.

The company bought back 1 ordinary share at a value of R73.66. After the buyback the share was cancelled.

5. Borrowings

Secured loans	1,403,732	1,322,179
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Split between non-current and current portions

Non-current liabilities	1,118,697	1,030,624
Current liabilities	285,035	291,555
	1,403,732	1,322,179

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5. Borrowings (continued)

Reconciliation of borrowings

Opening balance	1,322,179	1,125,218
New funding raised	454,000	460,000
Repayment of borrowings	(536,961)	(425,647)
Finance costs	164,514	162,608
	1,403,732	1,322,179

Covenants

Each special purpose entity in the group has specific covenants for the borrowings in each entity. The special purpose entities were in compliance with all covenant requirements as at the reporting date, with no breaches identified during the reporting period. 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	1,846,678	1,646,539
Cash and cash equivalents	130,502	190,413
	1,977,180	1,836,952

The primary operating company, Opco 365 Proprietary Limited, has a Revolving Credit Facility of R50.0 million (2025: R100 million) and a General Banking Facility of R20.0 million (2025: R20.0 million). These facilities had not been utilised at reporting date. The availability period extends to 30 September 2026 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. There are no financial liabilities with fixed interest rates in the current year (2025: R55.7 million).

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 4.65% and 7.00% (2025: between 4.25% and 7.13%).

6. Equipment

	2026			2025		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	92,952	(47,115)	45,837	62,667	(40,359)	22,308
Motor vehicles	5,675	(2,589)	3,086	5,675	(1,513)	4,162
Property	295	(100)	195	295	(100)	195
Furniture, office equipment and fixtures	2,191	(1,713)	478	2,279	(1,833)	446
	101,113	(51,517)	49,596	70,916	(43,805)	27,111

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6. Equipment (continued)

Reconciliation of equipment - 2026

	Opening balance	Additions	Disposals	Depreciation	Total
IT equipment	22,308	32,304	(112)	(8,663)	45,837
Motor vehicles	4,162	-	-	(1,076)	3,086
Property	195	-	-	-	195
Furniture, office equipment and fixtures	446	173	-	(141)	478
	27,111	32,477	(112)	(9,880)	49,596

Reconciliation of equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
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 and fixtures	381	226	-	(161)	446
	13,093	23,480	(1,216)	(8,246)	27,111

7. Leases

Right-of-use asset	5,738	715
Lease liability	(6,052)	(898)

The group entered into a new lease agreement for office space during the year. The new lease arrangement was measured at R7.4 million, being the present value of the remaining lease payments discounted at a rate of 11.25%.

The group is expecting to occupy the office space for the remaining lease term and therefore the recoverable amount is expected to be the carrying value. The maturity of the lease liability is R2.9 million due within one year, with the remaining obligation due within two to five years (2025: R0.9 million due within one year).

Other disclosures

Depreciation recognised on right-of-use assets	2,355	1,326
Interest expense on lease liabilities	549	157
Expenses on short-term leases included in operating expenses	149	1,220
Total cash outflow from leases	2,772	2,804

8. Deferred tax

Deferred tax asset	4,944	3,774
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Deferred tax for recognised assets or liabilities is attributable to:

Advances	(12,768)	(9,613)
Provisions	748	279
Deferred finance costs and prepayments	(2,807)	(2,082)
Junior note embedded derivative timing difference	19,771	15,190
	4,944	3,774

Evolution Credit Limited

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Figures in Rand thousand	2026	2025
8. Deferred tax (continued)		
<i>Reconciliation of deferred tax for recognised assets or liabilities</i>		
At beginning of year	3,774	(1,222)
Advances	(3,155)	(832)
Provisions	469	54
Deferred finance cost and prepayments	(725)	(86)
Junior note embedded derivative timing difference	4,581	10,511
Tax loss available for set off against future taxable income	-	(4,651)
	4,944	3,774

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 070.0 million (2025: R1 127.5 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 (2025: R-).

9. Insurance contract asset

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

2026	LRC - Deposit	LRC - Non-deposit	LIC - Best estimate liability	LIC - Risk adjustment	Total
Opening balance	31,475	(4,734)	(10,890)	(337)	15,514
Insurance revenue	-	28,104	-	-	28,104
Insurance service expenses - Claims	-	-	(7,622)	38	(7,584)
Insurance service expenses - Tax expense	-	-	(6,114)	-	(6,114)
Insurance finance income	2,227	-	-	-	2,227
	33,702	23,370	(24,626)	(299)	32,147
Cash flow					
Premiums received	28,099	(28,099)	-	-	-
Claims and other expenses paid	(14,540)	-	14,540	-	-
Distribution received from cell captive	(18,800)	-	-	-	(18,800)
Total cash flow	(5,241)	(28,099)	14,540	-	(18,800)
	28,461	(4,729)	(10,086)	(299)	13,347
2025					
Opening balance	36,859	(5,003)	(11,754)	(371)	19,731
Insurance revenue	-	33,660	-	-	33,660
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 paid	(17,829)	-	17,829	-	-
Distribution received 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

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9. Insurance Contract Asset (continued)

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 1.91 at 31 March 2026 (2025: 1.86).

10. Other receivables

Financial instruments:

Trade receivables	9,463	9,363
Staff loans and advances	211	127
Loan receivables	-	374

Non-financial instruments:

Prepayments	8,984	8,893
	18,658	18,757

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 certain members of senior management. It is envisaged that the eligible participants may 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 remain unissued. The company will pay the participants an amount equal to the dividends they would have received on those shares between grant date and the date of the actual share issue.

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Figures in Rand thousand	2026	2025		
11. Share-based payments (continued)				
Reconciliation per tranche	2021/07	2023/07	2024/07	Total
Balance at 1 April 2024	1,339	1,289	-	2,628
Equity-settled share-based payments	3,215	2,534	1,124	6,873
Balance at 1 April 2025	4,554	3,823	1,124	9,501
Shares allocated during the year	(2,576)	-	-	(2,576)
Equity-settled share-based payments	2,055	2,698	3,092	7,845
Balance at 31 March 2026	4,033	6,521	4,216	14,770
Tranche	2021/07	2023/07	2024/07	Total
Grant date	31 October 2023	31 October 2023	31 July 2024	
Number of shares offered and balance at 1 April 2025	238,583	219,376	189,242	647,201
Number of shares allocated during the year	(79,527)	-	-	(79,527)
Number of shares balance at 31 March 2026	159,056	219,376	189,242	567,674
The remaining number of shares become unrestricted on the following dates:				
30 June 2026 (2021: 33%, 2023: 60%)	(79,527)	(131,625)	-	(211,152)
30 June 2027 (2021: 33%, 2023: 40%, 2024: 60%)	(79,529)	(87,751)	(113,545)	(280,825)
30 June 2028 (2024: 40%)	-	-	(75,697)	(75,697)
	-	-	-	-

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

12. Provisions

Reconciliation of provisions - 2026

	Opening balance	Additions	Utilised during the year	Transfer	Interest and change in discount factor	Total
Bonus provision	2,662	7,377	(6,446)	2,000	-	5,593
Short-term incentive provision	40,509	28,295	(27,880)	(2,000)	715	39,639
Long-term incentive provision	54,999	23,556	(25,998)	-	2,678	55,235
Remuneration adjustment provision	-	2,963	-	-	-	2,963
	98,170	62,191	(60,324)	-	3,393	103,430

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Interest and 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

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Figures in Rand thousand	2026	2025
12. Provisions (continued)		
Non-current liabilities	47,170	23,755
Current liabilities	56,260	74,415
	103,430	98,170
13. Trade and other payables		
<i>Financial instruments:</i>		
Trade payables	30,726	11,996
Accrued leave pay	10,964	10,741
Accrued expenses	18,685	15,079
Audit fee accrual	9,711	8,871
<i>Non-financial instruments:</i>		
VAT	867	654
	70,953	47,341
Trade payables include R18.5 million for IT equipment purchased that was paid for after financial year end.		
14. Revenue		
<i>Revenue from contracts with customers</i>		
Outsourced collection income	37,711	41,570
Fee income	54,847	49,863
<i>Revenue other than from contracts with customers</i>		
Interest and similar income	874,466	747,002
Insurance revenue	28,104	33,660
	995,128	872,095
15. Fee and other income		
Binder fees received from Cell Captive	39,600	39,600
Administration fees received	15,247	10,263
Other income	1,988	3,286
	56,835	53,149
16. Operating profit		
Operating profit for the year is stated after charging the following, amongst others:		
<i>Auditor's remuneration - external</i>		
Audit related fees	8,459	7,422
Assurance required by regulators	300	300
	8,759	7,722
<i>Employee costs</i>		
Salaries, bonuses and other benefits	303,249	268,516
Retirement benefit plans: defined contribution expense	14,858	12,603
Long term incentive scheme	23,151	22,329
Share based payment expense	7,845	6,873
Remuneration adjustment provision expense	2,963	-
	352,066	310,321

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Figures in Rand thousand	2026	2025
16. Operating profit (continued)		
<i>Depreciation</i>		
Depreciation of equipment	9,880	8,246
Depreciation of right-of-use assets	2,355	1,326
	<u>12,235</u>	<u>9,572</u>
17. Finance costs		
Borrowings	164,514	162,608
Unwinding of discount on provisions	2,678	2,926
Lease liabilities	549	157
Other interest paid	1,123	637
	<u>168,864</u>	<u>166,328</u>
18. Taxation		
<i>Major components of the tax expense</i>		
<i>Current</i>		
Income tax - current period	7,702	9,379
<i>Deferred</i>		
Originating and reversing temporary differences	(1,170)	(4,995)
	<u>6,532</u>	<u>4,384</u>
<i>Reconciliation of the tax expense</i>		
Applicable tax rate	27.00 %	27.00 %
Tax losses not raised as deferred tax assets	4.48 %	2.56 %
Deferred tax asset not recognised previously now utilised	(14.82)%	(18.60)%
Exempt income	(12.69)%	(9.04)%
Expenses not deductible for tax purposes	1.53 %	1.24 %
Expenditure not incurred in the production of income	0.54 %	2.81 %
Current tax attributable to Cell Captive	(2.51)%	(4.04)%
Prior year adjustments	0.07 %	1.43 %
Average effective tax rate	<u>3.60 %</u>	<u>3.36 %</u>

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Figures in Rand thousand	2026	2025
19. Cash generated from operations		
Profit before taxation	181,503	130,512
Adjustments for non-cash items:		
Depreciation	12,235	9,572
Gains on sale of equipment	(235)	(81)
Impairment on other receivables	(37)	547
Movements in provisions	1,462	9,843
Share-based payment expense	7,845	6,873
Interest and fees charged to customers	(855,487)	(715,071)
Impairment loss on net advances	17,474	19,549
Net insurance result	(16,633)	(19,783)
Adjust for items which are presented separately:		
Finance costs	168,864	166,328
Changes in working capital:		
Receipts from advances	1,614,466	1,366,305
Purchase of advances	(688,917)	(566,556)
Origination of advances	(342,938)	(393,957)
Insurance contract asset	18,800	24,000
Decrease (increase) in trade and other receivables	136	2,624
Increase (decrease) in trade and other payables	1,469	(398)
	120,007	40,307
20. Tax paid		
Balance at beginning of the year	(3,260)	(1,716)
Current tax recognised in profit or loss	(7,702)	(9,379)
Balance at end of the year	(217)	3,260
	(11,179)	(7,835)
21. Dividends paid		
Dividends payable at beginning of the year	(91)	-
Dividends declared	(112,031)	(39,305)
Dividends payable at end of the year	3,642	91
	(108,480)	(39,214)

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22. Directors' remuneration

2026	Salary	Short-term incentive bonus	Long-term incentive bonus	Other benefits	Fees for services as director	Total
Executive						
Neil Grobbelaar	4,573	3,829	3,352	291	-	12,045
Anko de Man	3,091	1,783	2,088	199	-	7,161
	7,664	5,612	5,440	490	-	19,206
Non-executive						
Norman Thomson	-	-	-	-	1,123	1,123
Peter de Beyer	-	-	-	-	707	707
Derrick Msibi	-	-	-	-	707	707
Lindiwe Mthimunye	-	-	-	-	723	723
Poovendhri Viranna	-	-	-	-	817	817
	-	-	-	-	4,077	4,077
	7,664	5,612	5,440	490	4,077	23,283
2025						
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

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. Refer to the Related Party note below for the directors' share of the share-based payments reserve.

Other benefits include provident fund contributions.

23. Related parties

Relationships

Shareholders with 5% or more voting rights

Ninety One SA Proprietary Limited (acting as agent for and on behalf of its clients)
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

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Figures in Rand thousand	2026	2025
23. Related parties (continued)		
Directors	Neil Grobbelaar Anko de Man Norman Thomson Peter de Beyer Derrick Msibi Lindiwe Mthimunye Poovendhri Viranna	
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		
Borrowings owing to related parties		
Ninety One SA Proprietary Limited	187,768	90,331
Blue Sands Trading 727 CC*	19,771	17,281
National Housing Finance Corporation (SOC) Limited	-	55,666
Amounts included in trade receivables regarding related parties		
IQ Academy Proprietary Limited*	1,608	374
Imfundo Finance (FR) Limited*	126	461
Directors' estimated share of share-based payments reserve		
Neil Grobbelaar	7,279	5,247
Anko de Man	1,076	553
Related party transactions		
Interest paid and accrued to related parties		
Ninety One SA Proprietary Limited	13,594	331
Blue Sands Trading 727 CC*	2,598	2,411
National Housing Finance Corporation (SOC) Limited	1,076	6,161
	17,268	8,903
Directors' share of share-based payments expense		
Neil Grobbelaar	3,596	3,924
Anko de Man	523	440
Director's allocation of unrestricted shares during the year under the share-based long-term incentive		
Neil Grobbelaar	1,563	-
Services to related parties		
Administrative fees received from Imfundo Finance (RF) Limited*	5,270	8,936
Administrative fees received from IQ Academy Proprietary Limited*	9,785	973
* related party as there is a common director		

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24. Financial instruments and risk management

Categories of financial instruments

2026

	Notes	Amortised cost	Fair value
Net advances	2	2,058,087	2,410,277
Other receivables	10	9,674	9,674
Cash and cash equivalents	3	198,580	198,580
Borrowings	5	(1,403,732)	(1,403,732)
Trade and other payables	13	(70,087)	(70,087)
		792,522	1,144,712

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

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.

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.

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24. Financial instruments and risk management (continued)

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.

2026

	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
Assets	622,692	1,151,366	3,216,978	351,622	5,342,658
Liabilities	(94,222)	(314,088)	(1,345,429)	(14,234)	(1,767,973)
	528,470	837,278	1,871,549	337,388	3,574,685

2025

	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
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

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.

Evolution Credit Limited

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24. Financial instruments and risk management (continued)

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.

2026	3 months	6 months	12 months	24 months
Cumulative profit (loss): 50 basis points increase				
Evolution Finance - Performing loans	720	1,440	2,880	5,760
Cash and cash equivalents	248	496	993	1,986
Evolution Finance - Non-performing loans	(225)	(225)	(225)	(225)
Additional interest income on assets	743	1,711	3,648	7,521
Additional interest expense on liabilities	(1,151)	(2,809)	(6,128)	(12,875)
	(408)	(1,098)	(2,480)	(5,354)

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)

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

2026	0-3 months	4-6 months	7-12 months	13-24 months
Cash flow impact for the period: 50 basis points increase				
Evolution Finance - Performing loans	-	-	-	-
Cash and cash equivalents	248	496	993	1,986
Fixed rate assets	-	-	-	-
Borrowings	(1)	(1,597)	(4,946)	(11,680)
	247	(1,101)	(3,953)	(9,694)

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24. Financial instruments and risk management (continued)		
2025	0-3 months	4-6 months
Cash flow impact for the period: 50 basis points increase		7-12 months
		13-24 months
Evolution Finance - Performing loans	-	-
Cash and cash equivalents	372	743
Fixed rate assets	-	-
Borrowings	(2)	(1,570)
	370	(827)
		(3,297)
		(8,305)

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 R72,000 (2025: R75,000) 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

Management has evaluated events and conditions occurring after the reporting date up to the date on which these financial statements were authorised for issue. No material subsequent events requiring adjustment to, or disclosure in, these financial statements have been identified.

The macroeconomic environment remains subject to uncertainty, including factors such as inflation, interest rate movements, foreign exchange volatility, and geopolitical developments. Management continues to monitor these conditions and their potential impact on the business.