baobab

Annual Report 2024

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Letter from the Chairman

“ Africa needs to prove to investors that it offers an attractive investment opportunity ”

In 2024 Baobab continued its transition to an African-focused institution, with an emphasis on the high growth markets of middle and francophone Africa. We did this by streamlining our institution, including the sale of our Chinese subsidiary. Having sold China, we can now concentrate on the African continent, where we have knowledge, a footprint and a competitive advantage.

This transformation is essential for Baobab because the environment in which we operate has evolved greatly. Last year we saw a tendency on the African continent towards better run micro finance companies. The initial NGO model of grants and assistance to the urban and rural poor is now going out of date, and the institutions that practice that model have all been struggling.

One of the reasons is that the ability to reach the urban and rural poor in Africa has been significantly improved by technology. Today microfinance is being occupied by the more digitally savvy institutions. Those that are not able to make that transition are finding it difficult. And that applies to Baobab as well. All of our subsidiaries now are all deposit-taking, so they are potentially self-sustaining. We still don’t have the deposits at the level we’d like to have them. But that is the direction the company is going. We are building a profitable, and efficient microfinance institution focused on Middle Africa.

In terms of macroeconomic events, Africa as a whole is suffering from a higher level of debt than before, and a few countries have had to restructure their debt. It is also suffering from a lower level of economic growth, and thirdly, it is suffering from neglect. Africa is less and less part of global discussions, which focus on China, Europe and America. Nothing has prepared us for the political risk we face today, a new experience for us that we’re trying to navigate it.

The marginalization of Africa is a real issue. Investors have reduced their positions in Africa because it is a very volatile market and they must make sure the returns justify the effort. And increasingly it’s difficult to make that justification. We believe it is incumbent on the Africans to make the case for an attractive market to come into, and that requires political and macroeconomic stability.

We’re very pleased that we’ve been able to refocus the group on Africa, it’s been a lot of hard work, and I compliment the management team for all that they’ve done to take it to that level. We can look to the future with a sense of opportunity and a clearer idea of how we can grow our footprint in our core markets.

Arnold Ekpe
Chairman of the Supervisory Board

Letter from the CEO

“Baobab emerged stronger, thanks to our decisive restructuring efforts and sharpened strategic focus”

Philip SIGWART
Chief Executive Officer

In 2024, Baobab Group demonstrated remarkable resilience and adaptability amid a rapidly evolving, technology-driven microfinance landscape. While many African microfinance institutions faced intensified competition from commercial banks and fintech startups, Baobab emerged stronger, driven by decisive restructuring efforts and a sharpened strategic focus.

By divesting non-core activities and concentrating our efforts on key African markets, we achieved significant operational efficiency and increased scale. Continued investments in digital infrastructure and innovation have strengthened our capabilities, enabling us to maintain close and trusted relationships with small business customers through our extensive network of branches and banking agents.

A major milestone in 2024 was the successful completion of the sale of our non-core assets. We exited our Chinese operations, selling Microcred China to a Hong Kong-based investor, and finalized the sale of Baobab+, our PayGo solar and clean energy subsidiary, to BioLite, a key supplier of solar equipment to Baobab+. Although these strategic divestments led to a consolidated loss for the year, they were critical steps to refocus resources on our primary mission: financing small businesses in Africa.

Importantly, our core African microfinance operations remained profitable, highlighted by exceptional performances in Senegal and Côte d’Ivoire, where loan portfolio growth reached 18%. The Democratic Republic of Congo also delivered solid results. However, Nigeria faced challenges stemming from currency devaluation, high inflation, and rising interest rates, while political instability and sanctions created difficult operating conditions in Mali and Burkina Faso. Strategic partnerships have been essential to our success. In Senegal, our collaborations with fintech providers Wave and Orange Money allowed us to extend microloans and savings products to underserved segments—a model we intend to replicate across other markets in 2025.

In Madagascar, we launched international payment cards in partnership with Mastercard and widened our product offering to include international payments. This reflects our strategy to transform Baobab Madagascar into a full-service bank which caters to the needs of small businesses and previously financially excluded people.

2024 also brought significant changes to our shareholder structure. Gojo & Co., Inc. acquired a 16.4% stake, and we are in the process of finalizing the sale of a majority interest to Beltone Holding, a prominent MENA-region investor listed on the Egyptian Stock Exchange. Beltone’s involvement promises to accelerate our innovation, growth, and digital transformation.

Entering 2025, Baobab is positioned with renewed clarity, strengthened by strategic partnerships, and driven by an unwavering commitment to supporting small businesses and financial inclusion in Africa.

Finally, I extend my heartfelt appreciation to our shareholders, Board members, and partners for their continued trust and support. Above all, I thank our dedicated employees whose exceptional commitment and hard work make our mission achievable every day.

baobab

Our Key Figures & Our Corporate Governance

Our History

From seedling idea to thriving ecosystem: How Baobab became a leader of digital financial inclusion

2005

The foundation

The Baobab story begins in 2005, with the foundation of Microcred, supported by Positive Planet (formerly PlaNet Finance) via its Chairman Jacques Attali, and co-founder Arnaud Ventura as well as shareholders AXA Group, the European Investment Bank (EIB) and the International Finance Corporation (IFC). We started with the belief that everyone deserves access to fair finance. And we set out to provide just that, with a range of fair financial services.

The vision

From Microcred's first loan in February of 2006 (funding a fruit and vegetable stand) to the launch of instant loans via our mobile app, the Group's vision has always been to fuel the ambitions of people, so that great ideas and communities can flourish.

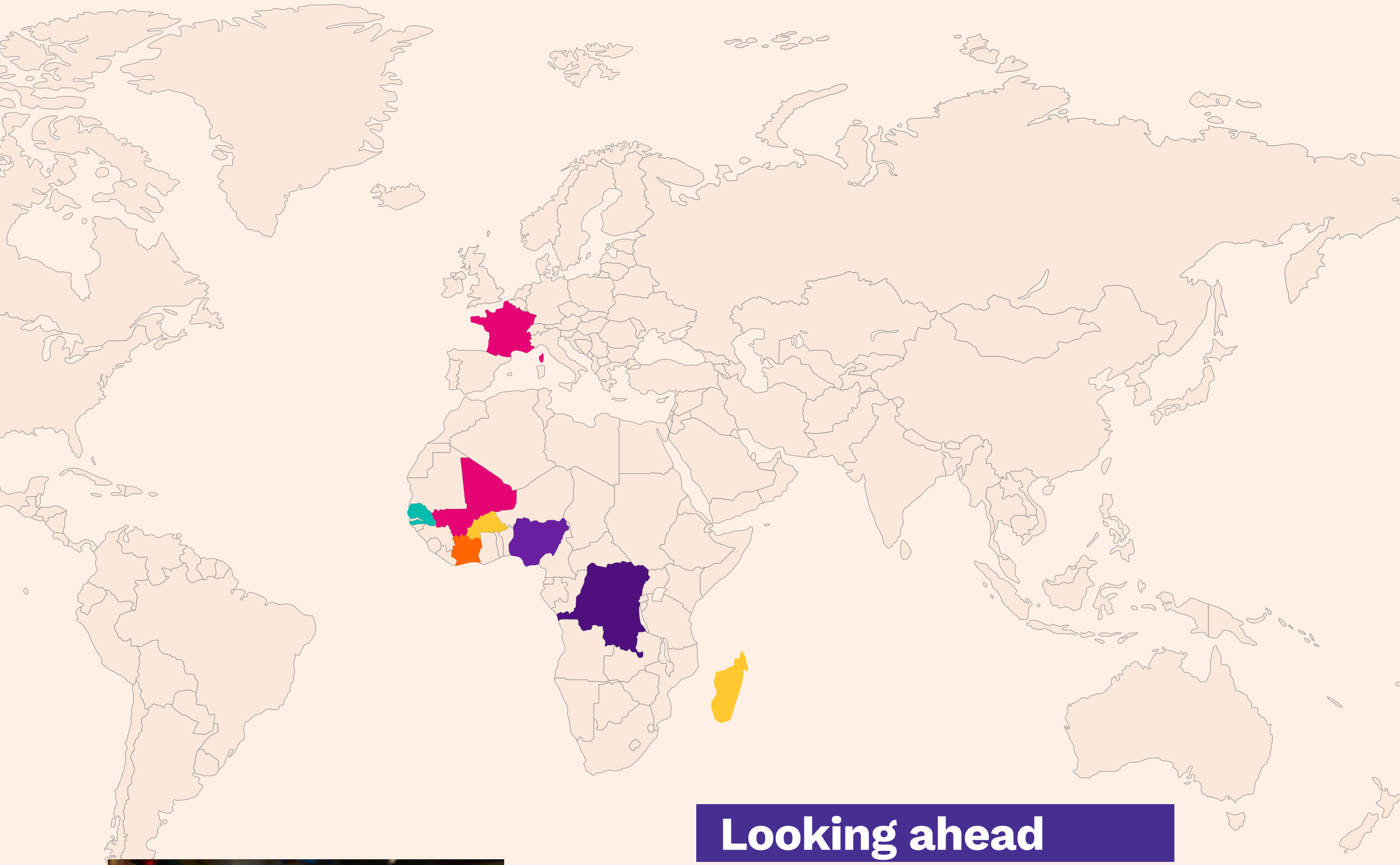
After starting operations in Mexico in February 2006 (exited 2010), the second country we offered loans in was Madagascar (November 2006). Since this landmark moment, the Baobab Group has never stopped growing and developing on the African continent.

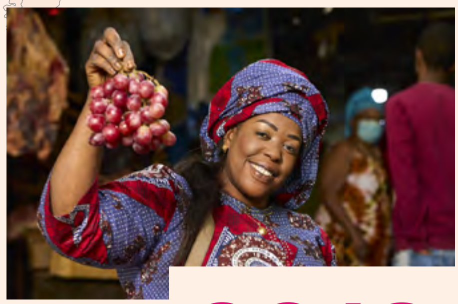
2006

2007

Launched in China

We are also proud to have been the first Microcredit Company in China: in 2007, we launched operations in the province of Sichuan. Currently, the Group operates subsidiaries in Burkina Faso, China, Democratic Republic of Congo, Ivory Coast, Madagascar, Mali, Nigeria and Senegal.





2018

Microcred becomes Baobab

In 2018, we cemented this by taking the name Baobab. Strong and resilient, the African baobab — or 'tree of life' – thrives in harsh conditions, providing food, shelter and water to millions. Committed to supporting its customers beyond financial services, the Group founded Baobab+ in 2018 to offer non-financial solutions. Today, Baobab+ brings access to light and digital technologies—two drivers of economic development—within reach of rural populations.

2024

Looking ahead

Moving ahead, Baobab is deepening its roots in the local communities it serves.
Having exited China, Baobab is now fully focused on Sub-Saharan Africa, where it is strengthening its presence and impact. We're combining the best aspects of automation and scaling with the intimacy born of our unparalleled network of field agents to connect people through trust — in life and in business.

And the best part is that by continuing to flourish itself, Baobab can extend its efforts to ever more entrepreneurs, supporting a virtuous circle of shared prosperity in the communities we serve.

Baobab’s Mission and Vision Statement

Our Mission

To empower small businesses in Africa.

Our Vision

To become the leading financial services provider to small businesses in Africa.
We place the customer at the heart of our strategy and enhance financial inclusion to shape a brighter future.

Our Values

Proximity
We are close to our customers and staff members, and easily accessible.

Integrity
We are honest, respectful and fair.

Simplicity
We keep things simple, understandable and efficient.

Transparency
We are committed to being transparent and accessible to our customers.

Commitment
We strive to establish a relationship of trust with our customers and employees.

Our impact at a glance

Baobab is a financial services group with operations in seven countries on the African continent. Via its subsidiaries, Baobab provides financial services to half a million micro entrepreneurs and small businesses, **fulfilling its mission to empower small businesses in Africa**. Our global range of products includes loans, savings solutions, insurance, transaction and daily banking services as well as innovative banking products like mobile payments, digital nano loans & also pay-as-you-go solar products via our subsidiary Baobab+.

loans

savings

insurance

payments

Operational outreach key figures

1,662,238 total customers

49% women customers

526,136 Yearly Active Customers (YAC)

33% of customers are under 35

4,397 employees

273,267 Monthly Active Customers (MAC)

1,550 sales points**

Financial key figures

€799m loan portfolio

€3,013 average loan amount

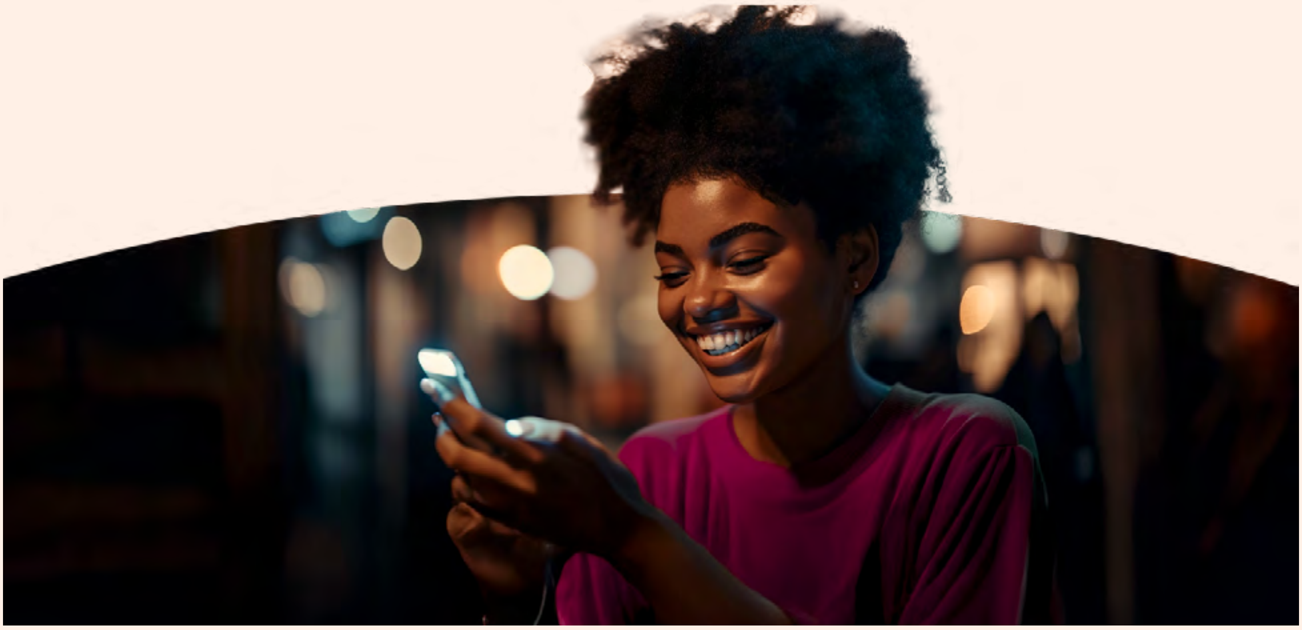
€438m total deposits

2.7% portfolio at risk 30 days

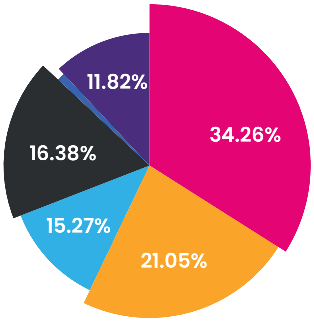
Note :

m : amounts are in millions
€ : euro

* An active customer is a person or a legal entity having done a transaction on a Baobab account over the last 12 months.
** Sales points includes our branches and our network of banking agents.



Our Governance



apis | partners · AXA · Gojo & Company, Inc. · European Investment Bank · Abler Nordic

Social impact

2,550,000
Baobab+ beneficiaries since the launch

70%
of customers were unbanked before joining Baobab

€1,002bn
total loans disbursed in 2024

Burkina Faso | Côte d'Ivoire | France (HQ) | Madagascar | Mali | Nigeria | Democratic Republic of Congo | Senegal

Our Governance

Our Supervisory Board

Arnold EKPE
Chairman of the Supervisory Board - Honorary President of the Business Council For Africa

Jean-Michel PIVETEAU
Vice chairman
Independant Director

Thierry PORTE
Chairman of the Audit, Risk & Compliance Committee - Managing Director JC Flowers & Co

François ROBINET
Member - President of Axa Strategic Ventures, AXA

Claudio ZUCCA
Member - Senior Portfolio Manager at European Investment Bank (EIB)

Nadia BOUGHARA
Member - Integrated Healthcare, Head of Synergies, Axa

Nick TALWAR
Chairman of the Strategy Committee - Senior Partner, K50 Ventures

Hossam A. MOUSSA
Member - Partner, Apis

Erick DECKER
Member - Chief Investment Officer, Southern Europe & Emerging Markets, AXA

Anders THORBJØRNSEN
Member - Investment Director at Abler Nordic

Executive Management Team

Philip SIGWART
Chief Executive Officer

Dr. Christina REIFSCHNEIDER
Group Chief Financial Officer

Hervé GUYON
General Counsel

Guillaume LESAY
Group Chief Risk Officer

Cécile CHAHID-NOURAI
Group Chief Operating Officer

Ruben DIEUDONNÉ
WAEMU Regional Director
Country Manager Baobab CI

Sarah TANC-WATTEEUW
Group HR Director

Emmanuel DECAMPS
Group Head of Credit Operations

Thibaud REROLLE
Group Chief Technology Officer

Mamadou CISSÉ
Country Manager
Baobab Senegal

Sandrine MAYINDOMBE
Country Manager Baobab
Democratic Republic of Congo

Hugues BONSHE
Country Manager
Baobab Madagascar

Marion BOUILLIE
Group Audit Director

Missa ADJE
Country Manager
Baobab Burkina Faso

Mor Talla Diop TINE
Country Manager
Baobab Mali

Eric NTUMBA
Country Manager
Baobab Nigeria

Bodo LIEBERAM
Country Manager Microcred China
CEO Baobab+

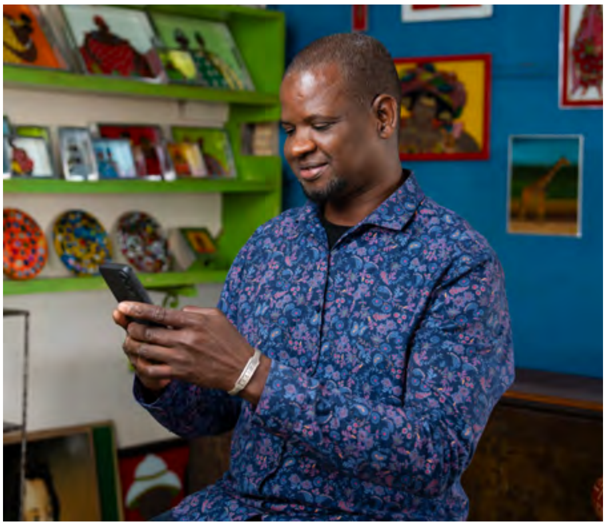
Review of 2024 Activities

2024 : A Year of Growth, Transformation, and Strategic Milestones

In 2024, Baobab Group made significant strides across its operations, reflecting both strong financial performance and continued transformation. The Group expanded its reach, reinforced its digital and risk management frameworks, and achieved important structural changes — all while staying true to its mission of driving financial inclusion.

Among the highlights:

- Client growth and financial performance: Baobab surpassed the milestone of 500,000 active customers, with its loan book increasing by 15% year-on-year.
- Exceptional risk control: The Group delivered outstanding risk metrics, with a Portfolio at Risk (PAR) of 2.7%, outperforming expectations by 0.5 percentage points. This strong performance contributed to a significant reduction in the cost of risk.
- Savings resilience: Despite high inflation and liquidity constraints in many of our markets, savings deposits grew by 19%, demonstrating customer trust and the relevance of our deposit offer.
- Digital acceleration: Digital transactions doubled compared to the previous year, with Madagascar, Nigeria, and Senegal leading the way in adoption and usage.
- People development: The launch of the Baobab Campus Academy, the Group's first leadership and management training program, marked a major step forward in talent development and internal mobility.
- Operational innovation: The Group advanced its digitalisation and automation efforts with the introduction of CollectSmart by Principa, a data-driven collections tool rolled out in Senegal and Madagascar to improve loan repayment tracking and recovery.



- Stronger risk governance: A comprehensive risk appetite framework was defined and implemented at both Group and subsidiary levels, reinforcing our capacity to manage future volatility.
- Shareholding evolution: In a key strategic move, Gojo joined as a new shareholder, taking over from Maj Invest, bringing fresh momentum to the Group's long-term vision.
- Strategic divestment: Finally, Baobab completed the successful sale of its subsidiary in China, marking a key step in refocusing on core markets and opportunities.

From Strategic Refocus to Solid Results:

A Conversation on Baobab's 2024 Milestones

Interview with
Dr. Christina Reifschneider
CFO Baobab Group

After a year marked by major transactions, strong operational results in core markets, and continued investment in transformation, Baobab Group looks back on 2024 as a pivotal moment.

Looking back at 2024, what are the achievements you're most proud of?

The successful exits from our operations in China and Baobab+ stand out as major milestones. Structuring and closing cross-border transactions — particularly in markets like China where private equity exits are extremely complex — is no small feat. Billions remain locked in the region, so finalizing this deal was a true achievement, even if it took time. The same goes for Baobab+: closing that sale was good news, and something we can be proud of. Achieving both in a single year speaks volumes.

How would you assess the performance of the core microfinance business in 2024?

It depends on how you look at it — against the budget or against how things evolved during the year. Côte d'Ivoire had a mixed first half, but made a strong comeback later. Senegal delivered an excellent performance across the board. Mali and Burkina Faso each faced macroeconomic challenges, from energy shortages to liquidity stress, which impacted results. Nigeria was hit by currency depreciation and rising refinancing costs, which made it difficult to reach targets. Still, we closed the year close to breakeven in some of the most challenging markets — a result we can stand by.

Several internal projects were launched last year — how did they go?

It was a demanding year. The Core Banking System (CBS) migration was a huge undertaking that required significant attention and financial resources. There was also frustration and delay. But we made progress. At the same time, the process for the share purchase agreement with a new major investor (Beltone) moved forward, despite a difficult market. Internally, we also launched improvements in finance systems like SAGE and new tools for FP&A, which will help us become more effective across the Group.

And what are your expectations for 2025?

We've started strong — better than budget, even on net interest income. Historically, we were always playing catch-up; this year we're ahead. Transactional revenues and deposits are also performing well. The stabilization of currencies like the Nigerian Naira is a good sign. In parallel, we're preparing for our Carbon Footprint Assessment, advancing financial inclusion, and exploring new acquisitions now that the refocus is done. The Green Social & Sustainable Bond we launched also signals our ambition — creating impact, attracting new partners, and driving more capital toward inclusive finance.

Clients & Products

Our customers

As of December 31st, 2024, Baobab Group had more than **526,136 active customers**, mostly consisting of micro-entrepreneurs and small and medium-sized businesses, who receive little or no support from the formal financial sector. Baobab supports its customers with adapted and flexible financing offers.

At the end of 2024, the gross loan portfolio amounted to €797 million, with an average loan amount of €3,013. Most of the loan portfolio is for working capital financing of small businesses. Baobab primarily finances the trade sector (63%), followed by services (14%) and small scale manufacturing (7%). Additionally, 49% of our borrowers are women and 33% are under 35 years old.

Total savings collected reached **€438 million in 2024.**

Profile of our clients' activities

63%	14%	7%	7%	9%
Trade sector	Services sector	Agriculture	Small scale manufacturing	Other

Our Products and Services

Loans

Our micro and small business loans are either working capital or investment loans. Target customers may be very small entrepreneurs who need a micro-credit (less than €3,000) repayable in the short term (less than 12 months), and SMEs in need of bigger loans (up to €200,000) and longer maturities (up to 36 months), to support more substantial investments.

Insurance

The main insurance product offered by the Group's subsidiaries protects borrowers and their families in the event of death or disability.

Savings

Baobab offers savings accounts where the funds can be withdrawn at any time, various savings schemes and a range of term deposits with attractive yields.

Payments

In addition to cash transactions available in Group branches, Baobab has developed partnerships to offer payment options in several subsidiaries. The payment options include electronic and interbank transfers, payment cards, cheques, payment vouchers and electronic bill payment. Specific payment products have been launched in some countries, such as NIBSS in Nigeria, which allows secure loan repayment via mobile phone.

Call Center

Baobab has rolled out call centres in all countries to improve its customer service. These call centres centres gather suggestions, opinions and complaints from customers on every claim communication channel (calls, email, Facebook, WhatsApp) and provide information about our products and services. They also carry out customer satisfaction surveys and are becoming a means of acquiring potential customers through outbound campaigns.

Account opening in the field and smartphone loan application

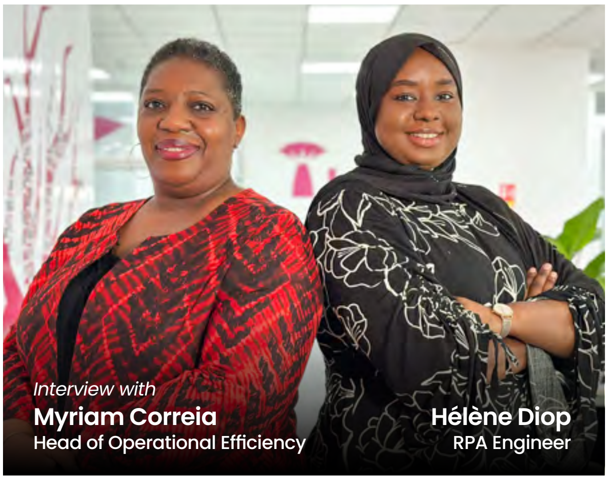
Baobab has developed an application for opening accounts in the field. This application allows sales staff or banking agents to open accounts for new customers anywhere in just five minutes. Using the application, employers collect customer information from their ID cards and fingerprints via a biometric identification system. After data collection, branch staff checks the information and confirms the account opening.

Banking Agents

The Baobab Group now operates networks of banking agents in five markets (Côte d'Ivoire, Madagascar, Senegal Senegal, DR Congo, and since October 2024, Burkina Faso), with over 900 agents complementing the Baobab branch network in these countries. Customers can make deposits and withdrawals, open Baobab accounts, apply for loans, check their account balances, pay bills, obtain nano-loans, and transfer money through Baobab banking agents.

Baobab has two types of banking agents, exclusive banking agents and non-exclusive agents who also provide agency services for other financial institutions and telecom providers. The staff at Baobab branches hires and trains the exclusive agents, who are generally motivated young entrepreneurs. They are provided with Baobab kiosks featuring special branding in semi-rural areas where Baobab detects potential for growth. Each kiosk is located at least three kilometres from a Baobab branch. As support when they start up their business, these entrepreneurs receive working capital funding, a tablet and a basic minimum salary. The aim is to assist them over the first six months of their start-up phase.

Meet the Bots: “How RPA is Transforming Operations at Baobab”



Inside the automation journey led by Myriam Correia and Hélène Diop

At Baobab, innovation never stands still—and 2024 has marked a turning point in the way we approach operational efficiency. Leading this transformation is the duo behind Baobab’s RPA (Robotic Process Automation) project: Myriam Correia, Head of Operational Efficiency, and Hélène Diop, RPA Engineer.

Together, they are redefining how we think about work, processes, and technology.

So, what exactly is RPA?

RPA, short for Robotic Process Automation, enables organizations to automate repetitive, rule-based tasks using software robots. These bots replicate human actions within digital systems—opening emails, interacting with applications, accessing databases—without the need for additional user accounts or infrastructure. The ideal RPA candidate? A task that’s high-volume, time-consuming, rule-driven, and stable—where incoming data is structured and predictable. According to Myriam, “RPA is not about replacing people. It’s about removing the low-value work so our teams can focus on what really matters.”

Where it all started

The RPA journey at Baobab began in late 2023. What started with a small pilot grew rapidly, and by the end of 2024, two more developers had joined the initiative. The mission was clear: eliminate repetitive manual tasks, boost productivity, and make operations smoother and faster for both employees and clients.

To gain traction internally, Hélène and Myriam took RPA on the road—visiting subsidiaries, talking to teams, and identifying automation opportunities with the help of local leadership. The first adopters? Baobab Nigeria, Baobab Senegal and Baobab Madagascar.

People-first

A critical part of the project’s success has been bringing people along for the journey. Automation can raise concerns, so the team took time to explain, reassure, and demonstrate value.
They created post-automation guides, offered user documentation, and were proactive in addressing questions. Most importantly, they encouraged staff to suggest the processes they thought should be automated—ensuring buy-in and relevance from the ground up.
As Myriam puts it:
“The robot doesn’t replace the human—it supports them. It does the heavy lifting, while our people focus on higher-value tasks.”

Big results, big impact

In 2024 alone, the RPA team delivered 45 automated processes—far surpassing the initial goal of six. The result? A staggering 2,376 hours saved across departments. One standout example: the automation of the group loan process for the "Jappo" product. What previously required 10 to 12 manual checks per transaction and an average of 6 hours per day of manual processing time is now completed in just 1 hour—error-free. This not only improves accuracy but frees up time to process more loans and expand access to group lending across Baobab subsidiaries.

Automation meets digitalization

While often confused, automation and digitalization are not the same—but they work best together. Digitalization creates a modern, accessible foundation for processes. Automation builds on that foundation, targeting specific tasks to drive efficiency and reduce risk. As Hélène explains:
"The two aren't in opposition. They complement each other to transform how we work."
This is especially evident in projects like Collect Smart, which digitizes and automates loan monitoring and recovery from day one, or the Loan Origination System, currently in pilot in Nigeria, which streamlines loan applications, loan evaluations and credit approval.

Looking ahead: 2025 and beyond

The roadmap is ambitious. In 2025, the RPA team aims to:

- Scale the program to 100% of Baobab subsidiaries, including Burkina Faso, Mali, and the DRC.
- Formalize a Center of Excellence for RPA, standardizing tools and processes. Train teams on the integration of AI, with a long-term vision of automating up to 80% of eligible processes using intelligent automation. Key to the vision is creating a data-driven, future-ready organization—where bots, humans, and intelligent systems work side-by-side for the benefit of clients and employees alike.

A final word: Trust, not replacement

RPA also brings tangible benefits to risk management. Robots execute only what they're programmed to do—no more, no less—reducing the risk of human error. Still, as the team emphasizes, "Trust doesn't exclude control." Monitoring execution reports and embedding proper oversight remains essential. By onboarding supervisors early and maintaining rigorous quality checks, Baobab is ensuring that its automation journey is one of reliability and continuous improvement.

Conclusion: When automation empowers people, everyone wins.

Baobab's RPA story is more than just a tech upgrade—it's a mindset shift. It's about empowering teams, serving clients faster and better, and creating space for innovation.
As Myriam and Hélène have shown, when you combine empathy, strategy, and smart technology, transformation isn't just possible—it's unstoppable.

RPA at Baobab: Try it once, and you'll never look back.

From Access to Empowerment:

How Digital Innovation boosts Financial Inclusion


Interview with
Guillaume Villa
Head of Digital & Transformation

For Guillaume Villa, Head of Digital & Transformation, the answer is clear: "Our digital strategy is rooted in a fundamental shift from a product-driven approach to a truly customer-centric one. Our ambition is to empower customers by giving them greater autonomy and becoming their preferred financial services provider."

How are digital tools strengthening everyday relationships with customers?

One of the most significant shifts underway is the move from a credit-cycle-based relationship to one focused on daily interactions. By digitizing the entire customer lifecycle—from onboarding to payments and servicing—the institution is fostering deeper, more consistent engagement with its clients.
Digital payments, in particular, are changing the game. They allow customers to access their funds at any time and manage their finances autonomously, increasing both transaction frequency and deposit levels. This improved accessibility is a cornerstone of inclusion.

What role does personalization play in this new strategy?

Increased digital interactions are not only improving service but also generating valuable insights. With more touchpoints, the organization gains a better understanding of customer behaviors and preferences. Behavioral analysis will soon enable the delivery of more personalized offers and experiences, tailored to each customer's needs.
Looking ahead, the use of real-time transaction data will allow for faster, more accurate credit decisions, moving away from static, historical models and improving access for those traditionally excluded.

How is efficiency being improved behind the scenes?

The transformation isn't only customer-facing. Internally, robotics and process automation are streamlining operations, reducing low-value administrative tasks and freeing up resources. These gains in efficiency are being reinvested in areas that directly support customer development and high-value activities, amplifying the broader impact on inclusion.

What are the main enablers of this digital shift?

Guillaume highlights several pillars supporting this transformation.

1. Delivering 24/7 access to funds through digital payments

The roll-out of digital payment solutions has already brought major benefits. Mobile money integrations are live in all key markets—except the Democratic Republic of Congo, where regulatory approval is pending—and card payment services are operational in Nigeria and Madagascar.

Digital transactions have surged, with an average annual growth rate of 86% since 2022. Today, 37% of all transactions are digital, and fewer than half are processed through physical branches. Markets like Nigeria and Senegal are leading the way, following significant product ramp-up efforts.

To build on this momentum, new merchant acquiring initiatives are planned in Nigeria, and interoperability projects are in preparation for both the WAEMU region and Madagascar.

2. Expanding access to digital credit and savings

Digital loans are scaling up rapidly, with all countries working toward a 50% digital share through platforms like TAKA* and ALIP**.

A 100% digital savings offer recently launched in Nigeria is showing promising adoption, and there are plans to extend it to additional markets.

In parallel, the organization is piloting a digital collection tool in Madagascar to boost efficiency. Future enhancements will include decision engines that use real-time transaction data to grant credit based on current activity rather than past performance—improving both access and risk management.

3. Reaching more customers through diversified digital channels

Expanding and diversifying customer channels is another critical step. The Android mobile app is already available in seven countries, while USSD functionality supports customers in three.

Since adopting agile development methods in mid-2023, the teams have significantly improved responsiveness and engagement.

The results are promising: a 20% increase in monthly active users since January 2024 and app ratings consistently above four stars.

Looking forward, an iOS version of the app will be introduced, eBanking is underway in Madagascar, and USSD services will be expanded to the remaining markets. These new channels will enable even more frequent interactions and personalized marketing via the organization's CRM platform.

4. Enhancing internal efficiency through automation

On the operational side, digitalization and robotics are driving efficiency and improving reliability in core banking functions. To scale this progress, the company is establishing an Automation Center of Excellence that will coordinate and accelerate automation efforts across the group.

Key priorities include identifying high-potential automation use cases, strengthening the delivery team, and launching a new loan origination system. This next-generation system, with digital capabilities and automatic credit scoring, was launched in Nigeria in Q4 2024, with a multi-country rollout planned in 2025.

What's the big picture?

"Financial inclusion is not just about expanding access," concludes Guillaume. "It's about enabling customers to truly take control of their financial lives. Through digital innovation, we are building the tools and experiences that will empower them—every day".

* TAKA is a digital nano-credit system, instantly accessible to customers identified as eligible by a scoring system.
** Alip is an automatic credit renewal system, accessible to our best customers identified on the basis of scoring.

Outlook 2025: Accelerating Transformation with Purpose

As Baobab Group enters 2025, we are stepping confidently into a new phase of transformation — one that is driven by agility, powered by technology, and made possible through decentralised collaboration across our network.

New Ways of Working: Embedding Agility

Since mid-2023, Baobab has been experimenting with agile methodologies to accelerate delivery, better align with client needs, and enhance internal engagement. Today, three fully operational agile teams are working on key initiatives, with promising results. These cross-functional squads have already proven that shortening the path between design and delivery leads to faster time-to-market and clearer visibility into the impact of daily work.

In 2025, we plan to expand this agile approach further — particularly within our **digital product teams and credit change management** processes. It's a shift in mindset and execution that will enable us to stay closer to our customers and respond faster to evolving expectations.

AI and Automation: Scaling Efficiency with Intelligence

Artificial intelligence will play a central role in 2025, both in improving internal efficiency and enhancing the client experience. Our work on propensity scoring and credit scoring will gain momentum, helping us make faster and smarter credit decisions. On the client side, we envision intelligent digital assistants that offer app-based support — much like interacting with Siri — to guide users, answer questions, and simplify access to services.

Beyond AI, we are advancing our process culture. Our new Center of Expertise on Automation is now up and running, setting standards for process optimization across the Group. Each subsidiary will have the flexibility to adopt and adapt these best practices based on local trade-offs. One of our major tools in this journey is BPM (Business Process Mapping) — allowing us to digitally map, implement, and manage our processes directly within our systems.

We're also investing in tools like CollectSmart (Principa) to digitalise collections and embed AI into recovery workflows. Deployed across all subsidiaries, CollectSmart is a crucial pillar for scaling small digital loans, where automated recovery is essential. In 2025, adoption and integration will be a top priority.

Technology at the Core: LOS, USSD, and Reusable Architecture

A major milestone in 2025 is the rollout of our Loan Origination System (LOS). Launched in Nigeria, the system will gradually be deployed across other countries — tailored to local market and regulatory realities. The architecture is built around a "Baobab core" framework, with up to 20% localization to preserve agility and compliance.

In parallel, we are enhancing USSD-based services to reach clients through low-tech, high-accessibility channels. Côte d'Ivoire, Senegal, and Burkina Faso are already operational. DRC has officially launched its project, Nigeria is in the finalization phase, and Madagascar will follow shortly.

These developments reflect our «build once, adapt locally» approach — a move toward decentralization, where country teams develop and scale specific solutions, often in Madagascar, while ensuring coherence with Baobab's group-wide technical framework.

A Strategic Turning Point

Finally, 2025 marks a turning point with the arrival of Beltone as Baobab Group's majority shareholder. This new partnership opens a dynamic new chapter for the Group — one that brings long-term capital, strategic vision, and a shared ambition to deepen financial inclusion and accelerate digital transformation across the African continent.

As we look ahead, we are more committed than ever to building a financial ecosystem that is agile, intelligent, and deeply rooted in the needs of our clients.

Our Impact

Our Impact Figures

70%
of customers who were unbanked before they joined Baobab

49%
women customers

€1.002 bn
total loans disbursed in 2023

2,550,000
Baobab+ beneficiaries since the launch

2024: A Year of Consolidation and Commitment

In 2024, Baobab Group reaffirmed its core identity — mission, vision, and values — setting a renewed ethical foundation for the years ahead. Ten years after our last strategic redefinition, we took the time to revisit what drives us: responsible finance, client protection, and continuous impact.

This year was also marked by the continuation of our client protection journey in partnership with Microfinanza, with in-depth assessments conducted in Baobab Senegal and Baobab Nigeria. Senegal completed a pre-certification assessment, and in 2025 we will pursue a CPP certification, a rigorous process based on the Client Protection Principles. If successful, this third-party recognition will re-affirm our commitment to protecting our clients and reflect responsible practices in Baobab.

We also laid the groundwork for a carbon footprint measurement at Group level, to be launched in 2025 — a major step in raising awareness and managing our environmental impact.
Throughout the year, each subsidiary advanced its local social environmental performance management action plan, tailored to its specific context, while aligning with our Group-wide client protection framework. These actions vary from highly targeted operational to broader strategic improvements — all rooted in our structured approach of assessment, analysis, action, and improvement.

After three years of impact measurement, we now turn lessons learned into better implementation. What lies ahead is a cycle of continuous improvement, driven by KPIs and a shared ethical compass.

As we look to 2025, Baobab is entering another cycle with greater intention, clarity, discipline, and purpose. The work continues — and so does our ambition to listen and serve clients better, protect their rights, and grow responsibly.

Social Environmental Performance Management (SEPM)

In 2024 Baobab completed a 3-year performance and impact measurement cycle in partnership with the rating agency Microfinanza (MFR). 7 Social Environmental Ratings and 7 Impact Assessments were performed.

Social environmental rating

The rating methodology focused on 4 dimensions: social performance management system, client protection and social responsibility, outreach, and quality of the services.
All Baobab affiliates scored sBB level, which reflects "adequate social performance management and client protection systems [and] satisfactory alignment to the social mission."
(Microfinanza rating scale).

Across Baobab affiliates, some of the common strengths identified: the financial services offered by Baobab are diversified, accessible and flexible, allowing to meet the needs of the target population, while the services delivery channels are good (86%). Breadth of outreach ranges from moderate to good, while Customer Protection practices are rated to be from adequate to good. Towards staff, there are good systems of accountability in place. Baobab's social mission is defined, formalized, and shared; the overall supervision & strategic orientation provided by the respective board of directors are rated adequate to good.

Impact assessment

Impact as defined in MFR's methodology is "the change generated by the organisation in the lives of its clients, whether positive or negative, voluntary, or involuntary, in relation to their business, household, access to education and health".
The assessment methodology is based on several sources of data and compared to benchmarks. Primary data source is a clients survey carried out on a representative sample of clients from the total active borrowers with an active loan in the last 3 years. Secondary data sources are data from the affiliates' MIS. Results are compared with MFR internal benchmark and Atlas database.
86% of Baobab affiliates scored an Impact overall score of 4/5, which reflects "high probability of making a positive impact on the lives of the clients, and good alignment of impact results with the mission and theory of change" (Microfinanza scoring scale), while one affiliate scored 3/5, which reflects "probability to generate a positive impact on the lives of the clients [with] adequate alignment of impact results with the mission and theory of change".
(Microfinanza scoring scale).

		SOCIAL ENVIRONMENTAL RATING	IMPACT ASSESSMENT
Baobab Burkina Faso	Nov 2022	Final score: sBB	Final score: 4/5
Baobab RDC	Dec 2022	Final score: sBB	Final score: 3/5
Baobab Côte d'Ivoire	May 2023	Final score: sBB+	Final score: 4/5
Baobab Madagascar	Jun 2023	Final score: sBB+	Final score: 4/5
Baobab Mali	Oct 2023	Final score: sBB	Final score: 4/5
Baobab Sénégal	Apr 2024	Final score: sBB+	Final score: 4/5
Baobab Nigeria	Sept 2024	Final score: sBB+	Final score: 4/5

Impact results – Business

Across all Baobab affiliates, surveys results reflected good business impact results for clients, plausibly attributable to the services offered by Baobab, positive impact on the business' income and assets, in addition to having contributed to the increase in the number of employees in the financed company.
The majority of Baobab affiliates are fulfilling its objective of financial inclusion, proving to be the main source of financing for its clients.

Impact results – Household

Across all Baobab affiliates, surveys results showed: i) overall positive impact on household income and asset levels, plausibly associated with Baobab's services, and in line with Baobab theory of change; ii) Baobab's financial services offer has brought improvements to clients' homes; iii) the clients' quality of life has been strengthened, thanks to an improvement in their quantity and quality of food derived from the boost to the economic development of the business and home.
The impact extends to the clients' children, strengthening their ability to cover their children's school expenses and increasing the frequency of attendance.

Impact results – Resilience capacity

Across all Baobab affiliates, surveys results reflected that plausibly attributable to Baobab services offered: i) overall good impact results in terms of client resilience; ii) maintaining and strengthening the savings capacity of its clients, in addition to increasing the number of sources of income; iii) good to stable capacity of clients to face unforeseen events/ shocks, despite some of the countries' challenging macroeconomic and social situation.

Impact results – Health

Across all Baobab affiliates, surveys results indicated that likely attributable to services offered by Baobab: i) adequate to good impact results in terms of client health; ii) improvement of the sanitation system of clients' homes, in addition to having an increased access to drinking water and a cleaner source of energy for cooking.

Gender outreach & impact

Outreach to female clients is adequate ranging between 37% and 57%, and from surveys results, Baobab's services plausibly contributed to the empowerment of its female clients.

From these key findings and lessons learned, improvement actions will be deployed, both at Baobab group level and at individual affiliates level. The performance and impact measurement cycle will resume after some adjustements, with the objective to achieve higher score at the next cycle.
Baobab strives to continue adjusting its SEPM framework, standards and practices to align with the best practices of the inclusive finance sector.

Our Subsidiaries

Supporting Agricultural Development in Burkina Faso

Why is the agricultural sector a priority for Baobab Burkina?

Agriculture is at the heart of Burkina Faso's economy. It employs nearly 90% of the active population and contributes around 40% of the national GDP — 25% from agriculture, 12% from livestock, and 3% from forestry and fishing. Yet, out of 11.8 million hectares of arable land, only 5.7 million are currently cultivated.
Given its importance, we conducted a thorough assessment of the agricultural finance market to better understand the dynamics and constraints faced by actors in this sector. This led to the launch of a dedicated range of products in 2021: Avance Tréso, Agri Campagne, and Agri Production.
These offerings are designed not only for farmers, but also for key actors in the agricultural value chain — including input suppliers, crop buyers, and processors. Our goal is to support this large segment of the population with tailored financial products that meet their real needs and advance our mission of financial inclusion.

What are the main challenges faced by smallholder farmers today?

Despite progress in recent years, the sector continues to face major obstacles: low productivity, climate shocks, declining soil fertility, poor infrastructure, weak value chain organization (outside of cotton), limited investment, and insufficient training. Small producers in particular face even more constraints. They often lack access to financing, don't have formal land titles, and are unable to provide guarantees for substantial loans. Most practice subsistence farming and lack the means or knowledge to modernize their operations or invest in equipment.

3. How does Baobab Burkina's offer address the specific needs of farmers and small agri-businesses?

Our agricultural financing solutions are designed to be flexible and accessible:

- Loan durations of up to 36 months, depending on activity
- Interest rates adapted to local market conditions
- Flexible collateral options
- Tailored loan amounts, based on a professional needs assessment
- Repayment schedules adapted to the seasonal nature of agricultural income

We also provide non-financial support through a team of professionals who understand local crops and practices. They guide clients throughout the production cycle with practical advice to maximize yields and profitability.

4. Do you have a concrete example of impact on the ground?

Yes — one of our proudest success stories is Mr. Soura Lassina, a client of our Banfora branch. Over four consecutive loan cycles, we've supported him as his credit line grew from 1.7 million CFA to 5.3 million CFA. He started farming 2 hectares — one planted with eggplant, the other with maize. With our financial and technical support, he acquired an additional 5 hectares. Today, he manages over 7 hectares of well-developed farmland, producing a mix of high-value vegetables like onions, chili peppers, eggplants, and cabbage.
His story shows how access to finance and proper guidance can transform a small farm into a thriving, income-generating business — and contribute to local development.

5. What are your priorities moving forward to better serve the agricultural sector?

We aim to further improve access to finance by deploying dedicated agricultural field agents and increasing our support to cooperatives.
We also plan to offer indexed agricultural insurance, helping farmers build resilience to climate risks. Non-financial services are a key focus too: we will expand risk management awareness campaigns and provide advisory support for farm management.
We're investing in digital tools like USSD mobile banking, to bring financial services to even the most remote areas. And finally, we're strengthening partnerships with agricultural support services, producer organizations, and public institutions, to offer holistic, sustainable support to farmers.
We believe that collaboration — through co-financing, shared guarantee funds, and information sharing — is essential to creating resilient, locally adapted financial solutions.

“Agriculture is a vital sector for Burkina Faso’s economy”

Missa ADJE
Country Manager Baobab Burkina Faso

Baobab Banque Madagascar

Hugues BONSHE
Country Manager
Baobab Madagascar

Baobab Bank Madagascar launched its first operations in December 2006. Thanks to its diversified offering, the institution has been able to support very small businesses as well as small and medium-sized businesses with their projects. In 2024, Baobab Bank Madagascar provided financing to 76,312 active customers. It has a country-wide presence with 37 branches and 284 banking agents.

Human capital key figures

76,312
active customers

765
employees

37
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€56m
loan portfolio

€52m
total deposits

€2,374
average loan amount

9.3%
portfolio at risk 30 days

Meet Hantanirina Rabenarivo

Meet Hantanirina: Driving Growth and Impact at Baobab Madagascar From Executive Assistant to Head of Marketing and Communication, Hantanirina's journey at Baobab Madagascar is a testament to growth, adaptability, and unwavering commitment. Since joining the institution in 2015, she has steadily expanded her field of expertise—first contributing to Internal Communication and Social Performance Management, and later moving into more strategic roles where she now leads the entire marketing and communication function of the company. Today, she also continues to champion the values of social performance, which remain close to her heart.

What sets Hantanirina apart is not only her professional evolution, but her mindset. She believes that challenges are not roadblocks—they're stepping stones. "Every day is a new opportunity to push further and crush my KPIs!" she says with conviction. Her work is driven by clear goals, but also by a deep inner motivation to give her best and inspire others to do the same.

When asked what makes Baobab unique, she doesn't hesitate: it's the people. "Our real strength lies in our teams—their energy, their desire to collaborate, and the kind of leadership that dares to go beyond what's expected."

Her guiding belief is simple yet powerful: "All things work together for good for those who love God." With a deep sense of purpose, she approaches every task with faith, passion, and the desire to leave a positive mark.

Hantanirina is more than a leader—she is a reflection of Baobab's philosophy: when people are empowered and grow, the company moves forward with them.

Baobab Madagascar Financial Statement

Balance Sheet (IN M €)

ASSETS	2024	2023
Cash and cash equivalents	17.26	7.57
Net loan portfolio	69.31	56.43
Other assets	13.86	10.34
TOTAL ASSETS	**100.43**	**74.35**
LIABILITIES		
Clients liabilities	69.53	52.95
Borrowings	14.35	6.22
Other liabilities	5.48	3.8
TOTAL LIABILITIES	**89.18**	**62.97**
EQUITY		
Total Equity	11.07	11.46
TOTAL EQUITY AND LIABILITIES	**100.43**	**74.43**

Income Statement

IN M€	2024	2023
Interest and similar income	20.03	17.27
Interest and similar expense	(6.89)	(5.57)
Net Interest Income	**13.20**	**11.69**
Loan loss provision	(2.99)	(2.53)
Net interest income after allowances	**9.95**	**9.16**
Net other financial income	2.88	1.26
Operating income	**13.76**	**11.18**
Operating expenses	(12.34)	(10.19)
Operating result	**1.42**	**0.99**
Net non-operating income	0.00	1.09
Income Taxes	(0.38)	(0.27)
PROFIT FOR THE YEAR	**1.05**	**1.81**

Ampela: Empowering Women for Madagascar's Socio-Economic Transformation

What inspired the Ampela project?

Launched in 2023, the Ampela Project was born from Baobab's ambition to strengthen women's empowerment in Madagascar. Although women represent 50% of the institution's client base, they face persistent barriers to accessing financial services. Ampela aims to close this gap by promoting financial inclusion, business development, and visibility for women entrepreneurs.

Women are central to Madagascar's economy, yet their contributions often go unrecognized. Ampela seeks to equip them with the tools and support they need to grow their businesses, strengthen their independence, and become key drivers of socio-economic development. The initiative also encourages younger women to pursue entrepreneurship and leadership opportunities.

How Does the Ampela Project Work?

Built around three pillars: INFORM, CONNECT, INVEST (ICI), Ampela provides financial literacy and business training tailored to women's needs. In partnership with the International Finance Corporation (IFC) and Goldman Sachs, Baobab offers access to the 10,000 Women online training program.

In 2024, over 300 women took part in leadership and personal development workshops, including a session attended by the First Lady of Madagascar and supported by the HOPE program. Special Ampela AfterWork events were also introduced, creating spaces where women entrepreneurs can share experiences, build confidence, and grow their networks.

The project also works to strengthen access to markets and business networks, ensuring that women-led enterprises can scale their impact both nationally and internationally.

What are the key milestones in 2024 and the challenges for 2025?
In 2024, Ampela supported 300 women from diverse backgrounds through targeted training and two AfterWork sessions. These gatherings played a key role in fostering peer learning and community building.

In 2025, Ampela will scale up its reach, aiming to impact up to 300,000 women across Madagascar. The program will expand beyond the capital through the deployment of Ampela Ambassadors, who will serve as local contact points for guidance and support.

Another highlight will be the launch of the Ampela Trophy, which will recognize outstanding women in five categories, including digital innovation and export excellence.

What's next for Ampela?

Ampela remains focused on developing tailored financial products for women's associations and cooperatives. The initiative is also exploring microinsurance solutions to improve access to healthcare and social protection, key to enhancing women's resilience.

Success will be measured not only by the number of women reached or trained, but by the tangible growth of their businesses and the broader impact on household stability and economic empowerment. Ampela is paving the way for a more inclusive, sustainable future for Madagascar, led by women.

Baobab Senegal

Mamadou CISSÉ
Country Manager
Baobab Senegal

Baobab Senegal opened its first branch in Dakar in September 2007. Today, Baobab Senegal has become a leader in microfinance, offering increasingly innovative, differentiated services that are unique on the market. The Baobab Senegal network now covers almost the whole country with 44 branches and 339 «Points Baobab». Thanks to a BBB+/ Stable/w-3 rating by the GCR-Rating Agency on its regional scale, Baobab Senegal has benefitted from better financing conditions on the West African market.

Human capital key figures

187,574
active customers

738
employees

44
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€258m
loan portfolio

€141m
total deposits

€2,973
average loan amount

1.6%
portfolio at risk 30 days

Meet Awa Niang

Awa is a dynamic vendor operating at the bustling fish market of Yarakh, Dakar. Her journey with Baobab began in 2015, back when the institution was still known as Microcred. From the very start, she received personalized support, benefiting from attentive guidance and a relationship built on trust. Over the years, this bond grew stronger, reinforced by regular interactions marked by professionalism and a touch of warmth.

Awa initially secured a first loan of 200,000 FCFA, a modest amount that helped strengthen her business. As her activity grew, so did her financial needs. She subsequently accessed additional loans of 330,000 FCFA, 500,000 FCFA, and eventually 2,000,000 FCFA, reflecting her entrepreneurial success and the mutual trust established with Baobab.

One aspect Awa particularly values is the flexibility of her partnership with Baobab. Even in times of payment delays, she benefits from understanding and attentive support. Today, with the My Baobab mobile app, she can conveniently manage her repayments without leaving her stall—a true time-saver for her thriving business.

At Yarakh market, Baobab has become a trusted reference among vendors. "My twin sister also works with Baobab, just like my elder sister," she shares proudly. Awa hopes that the institution will continue supporting women entrepreneurs and expresses her gratitude to Baobab for its unwavering support, which has transformed her journey.

Baobab Senegal Financial Statement

Balance Sheet (IN M €)

ASSETS	2024	2023
Cash and cash equivalents	14.61	9.11
Net loan portfolio	255.62	224.48
Other assets	8.25	7.56
TOTAL ASSETS	**278.48**	**241.14**
LIABILITIES		
Clients liabilities	141.5	122.27
Borrowings	86.78	66.19
Other liabilities	7.01	15.72
TOTAL LIABILITIES	**235.29**	**204.19**
EQUITY		
Total Equity	43.19	36.95
TOTAL EQUITY AND LIABILITIES	**278.48**	**241.14**

Income Statement

IN M€	2024	2023
Interest and similar income	49.03	41.98
Interest and similar expense	-8.28	-6.82
Net Interest Income	**40.75**	**35.16**
Loan loss provision	-3.29	-1.75
Net interest income after allowances	**37.45**	**33.41**
Net other financial income	4.13	3.59
Operating income	**41.59**	**37**
Operating expenses	-28.45	-25.88
Operating result	**13.13**	**11.13**
Net non-operating income	0.68	0.13
Income Taxes	-4.38	-3.19
PROFIT FOR THE YEAR	**9.43**	**8.06**

Digitalization at the heart of financial inclusion

From September 2 to 7, 2024, Baobab Senegal highlighted technological innovation with a special week on the theme "Digitalization at the heart of financial inclusion." Concrete initiatives were implemented in 44 branches across Senegal. Teams promoted various digital channels to customers, showing how these tools simplify the day-to-day management of their activities. Roadshows were also organized to meet customers outside of branches. A highlight of the event was the celebration of the customer who made the millionth transaction with partner Wave Senegal at a cocktail party attended by employees and partners.

Baobab Nigeria

Eric Ntumba
Country Manager
Baobab Nigeria

Baobab opened its Nigerian subsidiary in March 2010 and is one of eight national microfinance banks licensed to operate in Nigeria. In addition to cash transactions, Baobab Nigeria offers other payment solutions through its electronic channels and the NIBSS platform. Customers can make payments and instant repayments via dedicated terminals or partner banks. Baobab aims to fill the gap faced by 47% of Nigerians who have no access to the traditional banking sector and to be a driver of economic development in Nigeria.

Human capital key figures

46,112
active customers

719
employees

31
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€39m
loan portfolio

€22m
total deposits

€2,066
average loan amount

1.4%
portfolio at risk 30 days

Meet Stephen Chukwudi Ikechukwu Aro

Meet Stephen Chukwudi Ikechukwu Aro: Fostering Talent and Integrity in Microfinance

Stephen Chukwudi Ikechukwu Aro plays a key role in shaping the future of microfinance in Nigeria. As Training Coordinator at Baobab Nigeria, he supports talent development and helps reinforce the company’s commitment to ethical, responsible finance.
When Stephen joined Baobab over three years ago as an HR Officer, he hadn’t planned a long-term future in microfinance. But that quickly changed. As he discovered the sector’s potential for inclusive socio-economic impact, he found a purpose that deeply resonated with him.

A major milestone in his journey was redesigning the onboarding process for new Portfolio Managers and Client Service Officers. The effort was demanding, but the results were clear: smoother integration and improved operational efficiency.
Stephen is guided by two core values: Integrity and Responsibility. In a sector marked by constant change, he believes these principles are essential to building trust and driving sustainable progress.

As Training Coordinator, he acts as a bridge—connecting employees with the tools and knowledge they need to grow and contribute meaningfully. For him, professional development is about unlocking purpose, not just skills.
To aspiring microfinance professionals, Stephen’s message is simple: embrace the mission—it’s a chance to create real impact.
His journey is best summed up in a quote that inspires him daily:
“Circumstance does not make a man; it reveals him to himself.” – James Allen.

Baobab Nigeria Financial Statement

Balance Sheet (IN M €)

ASSETS	2024	2023
Cash and cash equivalents	10.2	9.12
Net loan portfolio	31.9	38.75
Other assets	2.6	3.19
TOTAL ASSETS	**44.7**	**51.06**
LIABILITIES		
Clients liabilities	17.3	21.98
Borrowings	17.9	18.36
Other liabilities	4.8	3.43
TOTAL LIABILITIES	**40**	**43.77**
EQUITY		
Total Equity	4.7	7.56
TOTAL EQUITY AND LIABILITIES	**44.7**	**51.33**

Income Statement

IN M€	2024	2023
Interest and similar income	13.94	19.98
Interest and similar expense	-5.13	-12.53
Net Interest Income	**8.81**	**7.45**
Loan loss provision	-0.57	-1.18
Net interest income after allowances	**8.25**	**6.27**
Net other financial income	0.59	0.08
Operating income	**8.83**	**6.35**
Operating expenses	-8.14	-12.72
Operating result	**0.69**	**-6.36**
Net non-operating income	0.03	8.14
Income Taxes	-0.25	-0.49
PROFIT FOR THE YEAR	**0.47**	**1.29**

Middle Managers graduate from Middle Management Training Program

The training program, designed specifically for middle managers, emphasized the importance of soft skills in effective leadership. Recognizing that technical expertise alone is not sufficient for managerial success, the program covered a range of essential skills such as communication, emotional intelligence, conflict resolution, and team-building.
These competencies are crucial for managers who aspire to inspire their teams, drive innovation, and navigate the complexities of today's business environment.

Baobab Côte d'Ivoire

Ruben DIEUDONNÉ
WAEMU Regional Director
Country Manager Baobab CI

Baobab Côte d'Ivoire is one of the biggest subsidiaries of Baobab Group. It was founded in 2009, but only opened its first branch in October 2010 due to the 2010 political crisis. Baobab Côte d'Ivoire began active operations in June 2011 and contributed to improving the lives and livelihoods of its customers. Until 2013, the institution was only present in Abidjan with five branches. The following year, Baobab Côte d'Ivoire expanded outside Abidjan, opening more than fifteen branches in the provinces. Today, Baobab Côte d'Ivoire has 35 branches and 295 banking agents.

Human capital key figures

110,432
active customers

863
employees

35
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€256m
loan portfolio

€122m
total deposits

€4,501
average loan amount

2.2%
portfolio at risk 30 days

Meet Lassissi

For nearly a decade, Mme Lassissi has managed a boutique specializing in baby products and household goods. She offers a wide selection of carefully curated items, from newborn sets and cribs to cookware and dinnerware, sourced from the United States, Ghana, Togo, and Côte d'Ivoire.

Mme Lassissi's journey with Baobab began in 2014 when the institution was still known as Microcred. On the recommendation of a friend, she took out an initial loan of 800,000 FCFA to expand her business, with the promise of increased financing based on her repayment history.

True to her word, Mme Lassissi has consistently met her repayment obligations, which has strengthened her relationship with Baobab. Over time, her loan grew from 1,000,000 FCFA to 5,000,000 FCFA, each step contributing to the growth of her business.

What Mme Lassissi values most is the personalized support she receives from Baobab: “Whenever I face challenges, they are always there to help.” This support has been pivotal in helping her overcome obstacles and expand her business.

Baobab Côte d'Ivoire Financial Statement

Balance Sheet (IN M €)

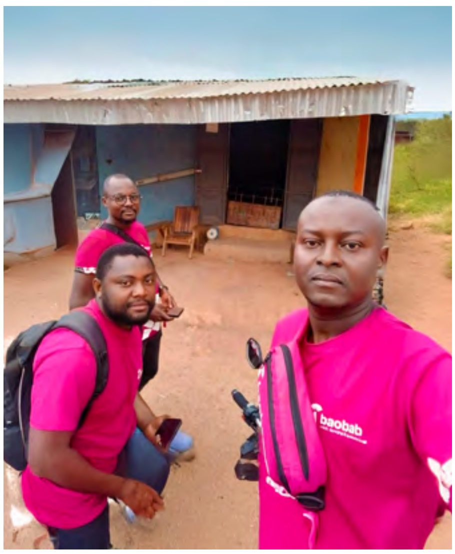
ASSETS	2024	2023
Cash and cash equivalents	15.32	7.13
Net loan portfolio	253.49	222.56
Other assets	0.61	-4.57
TOTAL ASSETS	**269.43**	**225.12**
LIABILITIES		
Clients liabilities	122.003	105.4
Borrowings	91.532	67.66
Other liabilities	8.526	11.43
TOTAL LIABILITIES	**222.061**	**184.49**
EQUITY		
Total Equity	47.368	40.62
TOTAL EQUITY AND LIABILITIES	**269.429**	**225.11**

Income Statement

IN M€	2024	2023
Interest and similar income	45.04	39.92
Interest and similar expense	-8.15	-7.28
Net Interest Income	**36.89**	**32.63**
Loan loss provision	-6.56	-4.67
Net interest income after allowances	**30.33**	**27.96**
Net other financial income	9.84	11.49
Operating income	**40.17**	**39.44**
Operating expenses	-28.2	-27.94
Operating result	**12**	**11.5**
Net non-operating income	0.3	0.28
Income Taxes	0	0
PROFIT FOR THE YEAR	**12.3**	**11.79**

Extending Reach, Strengthening Connections

In 2024, Baobab Côte d'Ivoire intensified its field presence through a series of client acquisition campaigns conducted across diverse local communities. These initiatives aimed to expand access to our services while fostering direct and meaningful engagement with prospective clients.
By meeting entrepreneurs in their everyday environments, our teams created space for genuine dialogue understanding needs, answering questions, and laying the groundwork for relationships built on trust and mutual respect.
These efforts reflect an ongoing commitment to stay close to the realities of the people we serve. They also embody a practical approach to financial inclusion—one that values presence, attentiveness, and long-term connection.



Baobab Mali

Mor Talla Diop TINE
Country Manager
Baobab Mali

Baobab Mali opened its first branch in Bamako in September 2013. The institution is one of the country's leading financial inclusion specialists. Today, Baobab Mali has 36,183 active customers, mostly working in the retail trade sector. Its network consists of 18 branches, with nine in Bamako and nine in the regions. The subsidiary employs 318 people, half of whom work out in the field.

Human capital key figures

36,183
active customers

318
employees

18
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€52m
loan portfolio

€26m
total deposits

€2,496
average loan amount

2.8%
portfolio at risk 30 days

Meet Lala Aichata Traore

Meet Lala Aichata Traoré: From Intern to Leader at Baobab Mali
Lala Aichata Traoré's journey at Baobab Mali is one of steady growth, determination, and passion. She joined the company in May 2016 as an intern in the Client Department and quickly proved her potential. In 2017, she became an Operations Assistant, then advanced to Business Development Manager in 2018. Since January 2020, she has been leading the Marketing and Communications Department with vision and energy.

For Lala, Baobab is more than a workplace—it's a family. She speaks of a highly motivated team, united by shared goals and a genuine spirit of collaboration. Each day, she finds inspiration in the professionalism of her colleagues and the strength of the company's leadership.

Her career path reflects a deep commitment to both personal growth and collective success. As a leader, she values clarity, teamwork, and purpose-driven communication that supports Baobab's mission in Mali.

Her guiding belief comes from filmmaker Xavier Dolan, and it mirrors her own story: "Anything is possible for those who dream, dare, work hard, and never give up."
Lala embodies the power of perseverance—and shows how dedication and teamwork drive impact at Baobab Mali.

Baobab Mali Financial Statement

Balance Sheet (IN M €)

ASSETS	2024	2023
Cash and cash equivalents	2.94	0.82
Net loan portfolio	50.76	55.12
Other assets	3.15	1.54
TOTAL ASSETS	**56.86**	**57.49**
LIABILITIES		
Clients liabilities	26.81	26.6
Borrowings	23.16	23.81
Other liabilities	-0.22	1.57
TOTAL LIABILITIES	**49.75**	**51.97**
EQUITY		
Total Equity	7.1	5.51
TOTAL EQUITY AND LIABILITIES	**56.86**	**57.49**

Income Statement

IN M€	2024	2023
Interest and similar income	12.45	11.39
Interest and similar expense	-3.85	-2.84
Net Interest Income	**8.61**	**8.56**
Loan loss provision	-1.25	-0.42
Net interest income after allowances	**7.36**	**8.14**
Net other financial income	1.68	1.82
Operating income	**9.04**	**9.95**
Operating expenses	-8.01	-8.61
Operating result	**1.03**	**1.34**
Net non-operating income	-0.05	0.14
Income Taxes	-0.54	-0.75
PROFIT FOR THE YEAR	**0.43**	**0.72**

Baobab Mali Launches PUMA

To strengthen its development and enhance operational resilience, Baobab Mali has launched PUMA 25–26, a strategic plan that embodies the Group’s vision of inclusive, responsible, and high-impact finance. This new roadmap is designed to boost productivity, optimise risk management, and consolidate savings mobilisation—all key drivers of long-term performance.

At the heart of the PUMA 25–26 plan lies a renewed commitment to entrepreneurs and small businesses, with a focus on expanding the microloan portfolio to better meet their financing needs. Equally essential is the ambition to improve the recovery of written-off loans, ensuring that resources are protected and reinvested in growth initiatives. In parallel, Baobab Mali is placing greater emphasis on savings mobilisation to diversify its funding base and support sustainable expansion.
Digital innovation is also a cornerstone of the strategy. The institution is accelerating its use of mobile money solutions, digital channels, and dynamic, data-informed marketing to enhance customer experience and reach underserved populations more effectively.

Through PUMA 25–26, Baobab Mali reaffirms its determination to move forward with purpose—driven by collective effort, guided by clear priorities, and committed to delivering lasting impact for its clients and communities.

Baobab Burkina Faso

Missa ADJE
Country Manager
Baobab Burkina Faso

Baobab Burkina Faso started operations with the opening of its first branch in September 2016 in Ouagadougou. To better serve its customers, in addition to traditional credit and savings, the institution offers the Taka nano credit and Alip automated loan renewal. In five years, Baobab Burkina Faso has opened 14 branches, including seven in Ouagadougou, two in Bobo-Dioulasso, one in Koudougou, one in Koupela and one in Banfora. The 372 employees of Baobab Burkina Faso work together to support their 49,730 customers.

Human capital key figures

49,730
active customers

372
employees

14
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€70m
loan portfolio

€34m
total deposits

€1,910
average loan amount

1.3%
portfolio at risk 30 days

Meet Zoungrana

Zoungrana, a dynamic entrepreneur from Pouytenga, Burkina Faso, is involved in multiple sectors, including beverage sales, water sachet production, and livestock farming. He discovered Baobab in 2021 through a field agent and quickly decided to trust the institution. Since then, he has benefited from several loans, the latest being a loan of 29 million CFA, which supports and expands his business operations.

For Mr. Zoungrana, Baobab stands out due to its quality support and the responsiveness of its services. «The personalized follow-up and commitment to small businesses make all the difference,» he says. Despite being located 16 km from the agency, he regularly visits and especially appreciates the warm welcome he receives there.

Although he does not yet use the My Baobab app, Mr. Zoungrana actively recommends Baobab to his network, highlighting the significant role the institution has played in the growth of his business. He also suggests expanding financing options, particularly in the construction sector, as he plans to venture into it in the near future. Thanks to Baobab's support, Mr. Zoungrana's business has thrived, and he has created new jobs in his community. "Your financing has truly unlocked my potential," he concludes gratefully.

Baobab Burkina Faso Financial Statement

Balance Sheet (IN M €)

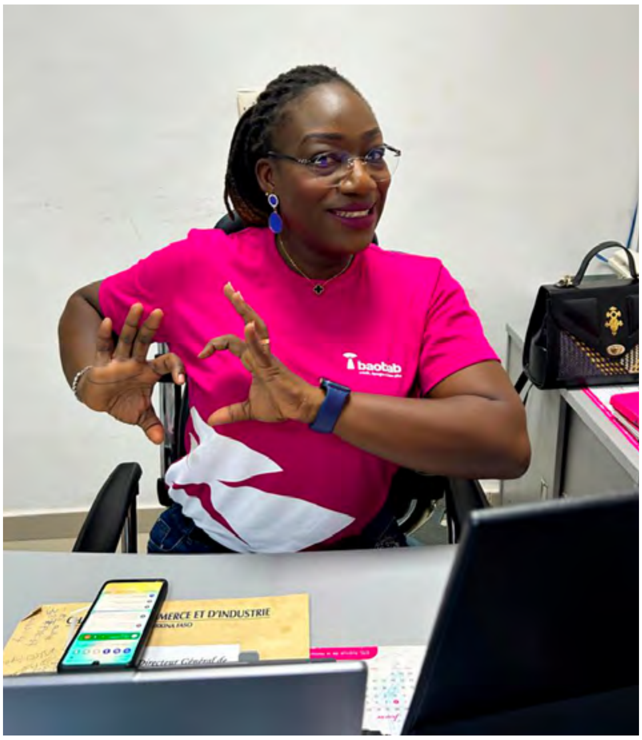
ASSETS	2024	2023
Cash and cash equivalents	2.2	2.9
Net loan portfolio	69.2	56.6
Other assets	2.3	3.2
TOTAL ASSETS	**73.7**	**62.7**
LIABILITIES		
Clients liabilities	34.4	27.4
Borrowings	25.9	24.1
Other liabilities	3.4	2.9
TOTAL LIABILITIES	**63.7**	**54.3**
EQUITY		
Total Equity	10.05	8.4
TOTAL EQUITY AND LIABILITIES	**73.7**	**62.7**

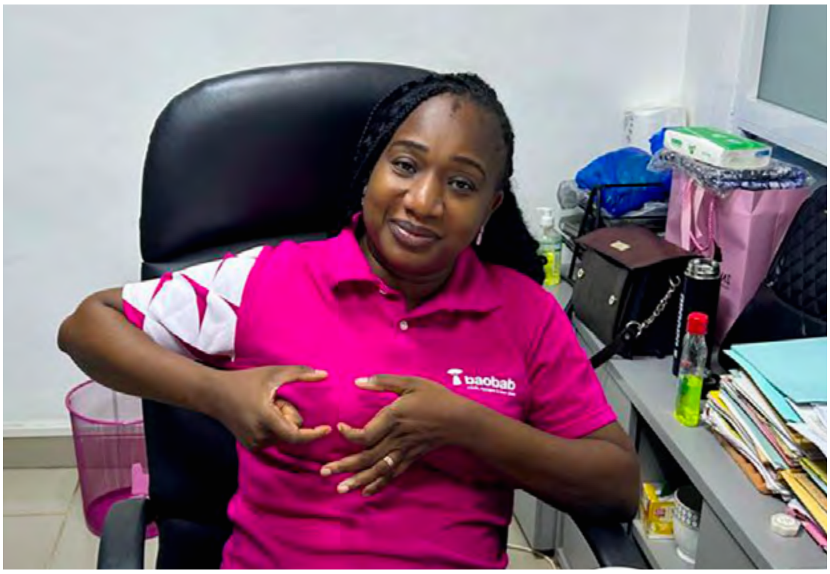
Income Statement

IN M€	2024	2023
Interest and similar income	13.22	10.96
Interest and similar expense	-3.1	-2.46
Net Interest Income	**10.1**	**8.5**
Loan loss provision	-1.5	-0.97
Net interest income after allowances	**8.5**	**7.54**
Net other financial income	1.6	1.26
Operating income	**10.1**	**8.8**
Operating expenses	-8.4	-7.23
Operating result	**1.8**	**1.57**
Net non-operating income	0.3	0.16
Income Taxes	-0.6	-0.55
PROFIT FOR THE YEAR	**1.49**	**1.18**

Breast Cancer Awareness month

In October, Baobab Burkina Faso joined the international movement for Octobre Rose, standing in solidarity with all those affected by breast cancer. The team united to honour this cause, demonstrating a collective commitment to care, awareness, and compassion. Through simple yet powerful gestures—wearing pink, sharing moments of solidarity, and participating in awareness efforts—the employees of Baobab Burkina helped amplify an essential message: early detection saves lives.
This moment of engagement reflects the human values that shape our identity as a Group. It is a reminder that our strength also lies in our ability to stand together for causes that matter.





Baobab DR Congo

Sandrine Mayindombe
Country Manager Baobab
Democratic Republic of Congo

In 2017, Baobab Group acquired OXUS DRC, a microfinance institution that began operating in July 2013. It currently provides financing to over 19,793 active customers, mostly micro-enterprises and small and medium-sized companies. Baobab DRC supports the needs of its customers, particularly by rendering its offering more digital.

Human capital key figures

19,793
active customers

306
employees

9
total branches

Note :
m : amounts are in millions
€ : euro

Financial key figures

€48m
loan portfolio

€14m
total deposits

€5,049
average loan amount

3.4%
portfolio at risk 30 days

Meet Elysée Loufe

Madame Elysée Loufe was introduced to Baobab through a prospecting visit. Initially skeptical, she soon found herself convinced. «I had doubts at first, but after trying the services, I became attached to them.»

Her journey with Baobab started with a modest loan of under USD 5,000, which laid the foundation for a long-lasting partnership. Today, her business benefits from a loan of USD 14,000, providing vital support for its ongoing growth.

Although Madame Loufe does not frequently visit the Bandal branch in person, she remains a loyal client. Most daily transactions are handled by her agents, but she greatly appreciates the quality of service she consistently receives. "The professionalism and courtesy of my portfolio manager leave me speechless."

While she has not yet explored the My Baobab app, she plans to download it soon for enhanced flexibility.

Empowered by this trusted partnership, Madame Loufe has ambitious plans for the future. "I aim to acquire surrounding properties to expand my business. I hope Baobab will continue to support me in becoming a landlord."

This is a goal she pursues with confidence, backed by a partner she can trust..

Baobab DR Congo Financial Statement

Balance Sheet (IN M €)

ASSETS	2024	2023
Cash and cash equivalents	9.19	7.53
Net loan portfolio	46.71	33.28
Other assets	2.14	2.71
TOTAL ASSETS	**58.05**	**43.52**
LIABILITIES		
Clients liabilities	14.04	10.46
Borrowings	27.85	20.53
Other liabilities	2.91	1.47
TOTAL LIABILITIES	**44.8**	**32.46**
EQUITY		
Total Equity	13.25	11.11
TOTAL EQUITY AND LIABILITIES	**58.05**	**43.57**

Income Statement

IN M€	2024	2023
Interest and similar income	18.77	15.29
Interest and similar expense	-2.59	-2.31
Net Interest Income	**16.18**	**12.98**
Loan loss provision	-1.89	-1.93
Net interest income after allowances	**14.29**	**11.06**
Net other financial income	-0.11	0.31
Operating income	**14.17**	**11.37**
Operating expenses	-0.47	-8.21
Operating result	**4.71**	**3.16**
Net non-operating income	-0.001	0.26
Income Taxes	-1.54	-0.64
PROFIT FOR THE YEAR	**3.16**	**2.78**

Arbor Day

In 2023, Baobab RD Congo led an aggressive field acquisition campaign in Kinshasa and Lubumbashi. This strategic initiative aimed to increase Baobab's presence in these two major cities, by directly engaging local communities and offering financial services tailored to their needs. The campaign raised Baobab's profile and broadened its customer base, while supporting financial inclusion in the country.

Baobab Plus

Key figures

5
countries

425,000
solar products

2,550,000
Baobab Plus Beneficiaries since the launch

75%
Increase of study time

Expertise: Energy & Digital

Access to energy

Access to clean, reliable electricity and clean cooking is essential for poverty alleviation, economic growth and improved living standards. Baobab+ commercializes innovative solar products that meet the needs of households and entrepreneurs such as clean cookstoves, solar home systems, freezers or generators.

Pay-As-You-Go financing

In addition to make our products available via Baobab branches network, a PAYG offer extends access to all. The client makes weekly or monthly payments, as his or her cash flow allows to activate the product and build towards ownership.

Access to digital

Digital technology will be vital in facing tomorrow's challenges. Baobab+ takes part in this digital revolution by equipping thousands of households with digital products. We partner with local telco operators such as Orange, MTN or Airtel to distribute this offer.

Financial inclusion

Thanks to our partnership with Baobab Group our clients who previously were not eligible for microfinance institutions, can now become eligible for financial products thanks to their Pay-As-You-Go credit history.

Solar Energy for Economic Empowerment

Interview with
Kolawole Osinowo
Director of Baobab+ Nigeria

As the Director of Baobab+ Nigeria, what are you most proud of?

One of my greatest sources of pride is the successful implementation of our PAYGo Centre of Excellence, which today supports over 60,000 satisfied solar customers across Nigeria. This milestone reflects not only the relevance of our solutions, but also the incredible commitment of our team. At Baobab+, we place strong emphasis on team values such as resilience, collaboration, and customer-centricity. It's thanks to this spirit that we've been able to make such meaningful progress.

What are the key challenges and opportunities you are currently facing?

Like many businesses operating in emerging markets, we face several external challenges — notably exchange rate volatility and occasional stock shortages, which can disrupt our supply chain and operations. However, the opportunities far outweigh the challenges. Nigeria remains a high-potential market with millions still lacking access to reliable energy. We're especially excited about the launch of our PULSE productive-use solar kits, which are designed to empower entrepreneurs and support income-generating activities. This is a major step forward in linking energy access with economic inclusion.

How will 2025 look like for you?

2025 will be a year of scaling and deepening our impact. We aim to grow our footprint, diversify our offer, and strengthen our partnerships to serve even more households and businesses. We're also committed to expanding our support to entrepreneurs or SMEs through tailored solar solutions.

And a final word?

Energy access is not just about light — it's about opportunity, dignity, and empowerment. At Baobab+ Nigeria, we're proud to be building a more inclusive future, one solar panel at a time!

Financial Statements

Statutory Auditors' report on the financial statements

For the year ended December 31, 2024

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Baobab SAS for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from January 1, 2024 to the date of our report.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the following notes: II. Notes to the parent company financial statements 1. "Significant events of the year", 4.2 "Financial debts" and 6.2 "Financial assets" and III. Additional notes, 5. "Subsequent events" in the notes to the parent company financial statements, which describe the accounting impacts of the Baobab Plus business disposal.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the following matters that, in our professional judgment, were the most significant in our audit of the financial statements.
These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Accounting estimates

Equity securities, of which the net amount appearing on the balance sheet at December 31, 2024 totalled €71,820,533, are measured at acquisition cost and are impaired based on their value in use as described in Note 2. «Accounting principles and methodologies», section j) «Risk hedging», 4.2 Financial debts and 6.2 Financial assets, a) Other investments to the financial statements. Our work consisted of assessing the data and assumptions on which these estimates are based, in particular the cash flow forecasts prepared by management, reviewing the calculations made by the Company and reviewing the procedures for the approval of these estimates by management.

We assessed the reasonableness of these estimates.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Chairman's management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.
We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The financial statements were approved by the Chairman.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their 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 the internal control procedures 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 internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

In accordance with French law, we inform you that we were unable to issue our report on the financial statements within the statutory time frame due to the late receipt of the data and documents necessary for its preparation.

Marseille and Sarcelles,
June 24, 2025

The Statutory Auditors

PricewaterhouseCoopers Audit	Cabinet Jean Lebit
Vincent Thyssen	Jean Lebit


baobab
baobab

Contents

Unless otherwise indicated, financial information is presented in thousands of Euros (K €). "K €" and "M €" represent "thousands of Euros" and "millions of Euros" respectively.

Consolidated Balance Sheet

in thousands of EURO (KEUR)

ASSETS	Notes	2024	2023	Variation
Cash and cash equivalents	**10**	**104,980**	**59,994**	**44,986**
Cash in hand		22,682	18,093	4,589
Deposits		82,298	41,901	40,397
Demand deposits and short-term investments		73,856	38,150	35,706
Deposits to central banks		8,442	3,751	4,690
Loans (net outstanding and accrued interest)	**8**	**783,839**	**683,790**	**100,049**
Loans (gross outstanding and accrued interest)		798,782	696,796	101,986
Loans impairment		(14,943)	(13,006)	(1,937)
Other assets		**82,324**	**211,810**	**(129,486)**
Intangible assets	4	9,058	13,962	(4,904)
Tangible assets	5	23,852	23,594	258
Financial assets	6	1,511	1,381	131
Inventory		0	7,761	(7,761)
Deferred tax assets	7	9,094	12,388	(3,294)
Other receivables	9	27,115	32,962	(5,847)
Non-current assets held for sale		11,694	119,763	(108,069)
TOTAL ASSETS		**971,143**	**955,594**	**15,549**

LIABILITIES	Notes	2024	2023	Variation
Debts to clients	**12**	**438,036**	**368,676**	**69,360**
Demand deposits		193,666	156,089	37,577
Term deposits - Clients		40,848	54,619	(13,770)
Term deposits - Institutions		86,891	60,380	26,512
Mandatory deposits		116,630	97,588	19,042
Debts to financial institutions	**12**	**336,434**	**301,387**	**35,047**
Senior debt		326,912	297,600	29,312
Subordinated debt		9,522	3,787	5,735
Provisions	**13**	**4,085**	**5,050**	**(965)**
Non-current liabilities held for sale		**21,154**	**79,828**	
Other Liabilities	**13**	**39,544**	**46,764**	**(7,220)**
Total Equity	**11**	**131,890**	**153,890**	**(22,000)**
Share capital and share premium		109,821	109,821	(0)
Reserves		45,279	63,308	(18,029)
Net result, Group share		(8,383)	(17,273)	8,890
Translation reserves		(15,874)	(12,303)	(3,571)
Equity, Group share		***130,842***	***143,552***	***(12,710)***
Minority interests		1,048	10,338	(9,290)
TOTAL LIABILITIES AND EQUITY		**971,143**	**955,594**	**15,549**

Consolidated Income Statement

IN K€	Notes	2024	2023	Variation
Received interest and related income	18	176,549	160,387	16,162
Interest paid and related expenses		(39,346)	(32,748)	(6,599)
Net interests		**137,202**	**127,639**	**9,563**
Commission	18	17,495	17,211	284
Other financial income	19	(813)	(1,479)	666
Financial expenses		(7,013)	(8,890)	1,877
Financial income		6,200	7,411	(1,211)
Gross financial income		**153,884**	**143,371**	**10,513**
Cost of risk	20	(19,160)	(13,438)	(5,722)
Net financial income		**134,724**	**129,934**	**4,791**
Baobab plus income		0	0	0
Other income		8,288	6,943	1,345
INCOME FROM OTHER BUSINESS		8,288	6,943	1,345
TOTAL OPERATING REVENUE		**143,012**	**136,877**	**6,135**
Personnel expenses		(60,804)	(56,040)	(4,764)
External expenses		(45,053)	(41,522)	(3,530)
Operating allowances		(18,608)	(9,921)	(8,687)
Taxes and duties		(4,647)	(4,500)	146
TOTAL OPERATING EXPENSES	**21**	**(129,111)**	**(111,984)**	**17,127**
PRE-TAX INCOME		**13,901**	**24,893**	**(10,992)**
Tax on profits	**22**	**(8,711)**	**(6,793)**	**(1,917)**
Deferred tax		(570)	414	(984)
Current tax		(8,140)	(7,193)	(948)
Tax credit		0	(15)	15
NET INCOME FROM CONTINUING OPERATIONS		**5,190**	**18,090**	**(12,909)**
Net income from continuing operations, Group share		*3,524*	*11,924*	*(8,400)*
Net income from discontinued operations		**(14,008)**	**(33,617)**	**19,610**
NET INCOME		**(8,817)**	**(15,518)**	**6,700**
Minority interests		(434)	1,755	(2,189)
NET PROFIT/LOSS, GROUP SHARE		**(8,383)**	**(17,273)**	**8,890**

Other Comprehensive Income

	2024	2023
Total Net profit/loss	**(8,817)**	**(15,518)**
Other comprehensive income	3	(143)
Impact of changes in scope of consolidation on discontinued operations	0	(4,954)
Total income and expenses recognised through other comprehensive income		0
Total translation gains and losses from continuing operations	(3,787)	(8,534)
Total gains and losses on translation of discontinued operations	(496)	(4,445)
Comprehensive income for the year	**(13,097)**	**(33,593)**
Of which group share	(11,954)	(28,094)
Of which minority interests	(1,142)	(5,499)

Changes in equity

	Capital	Share premium	Consolidated reserves	Relations with minority interests	Currency Translation Gain/Loss	Net Result Group Share	Total Equity Group Share	Total Equity Minority Interest	Total Consolidated Equity
Equity as of 31/12/2022	**84,176**	**25,643**	**46,727**	**(10,387)**	**(1,518)**	**17,870**	**162,512**	**33,336**	**195,848**
Allocation of the income from the previous period			17,870			(17,870)			
Capital increase	2						2		2
Operations resulting from share-based payment plans									
Dividends distributed								(2,583)	(2,583)
Prior years adjustments			(370)				(370)	(33)	(403)
Additional goodwill on minority buy-out									
Impact of Put and Swap options and changes in scope				9,502			9,502	(14,884)	(5,381)
Sub-total of movements related to shareholder relations	**2**		**17,500**	**9,502**		**(17,870)**	**9,134**	**(17,500)**	**(8,366)**
Profit/loss of the period						(17,273)	(17,273)	1,755	(15,518)
Other comprehensive income									
Translation adjustments					(10,786)		(10,786)	(2,193)	(12,979)
Gains and losses directly recognized in equity								(5,062)	(5,062)
Other items			(35)				(35)		(35)
Equity as of 31/12/2023	**84,178**	**25,643**	**64,192**	**(885)**	**(12,304)**	**(17,273)**	**143,552**	**10,338**	**153,890**
Allocation of the income from the previous period			(17,273)			17,273			
Capital increase	0								
Operations resulting from share-based payment plans									
Dividends distributed								(838)	(838)
Prior years adjustments			(117)				(117)	34	(82)
Additional goodwill on minority buy-out									
Impact of Put and Swap options and changes in scope				(639)			(639)	(7,344)	(7,982)
Sub-total of movements related to shareholder relations			**(17,390)**	**(639)**		**17,273**	**(756)**	**(8,147)**	**(8,902)**
Profit/loss of the period						(8,383)	(8,383)	(434)	(8,817)
Other comprehensive income									
Translation adjustments					(3,571)		(3,571)	(712)	(4,282)
Gains and losses directly recognized in equity									
Other items								3	3
EQUITY AS OF 31/12/2024	**84,178**	**25,643**	**46,802**	**(1,523)**	**(15,874)**	**(8,383)**	**130,842**	**1,048**	**131,891**

Cash Flow statement

	INKEUR	2024	2023
ActivityrelatedOperations	Consolidated net result	(8,817)	(15,518)
	Net depreciation	18,608	13,263
	Net provision expenses	1,668	33,165
	Changes in deferred tax	570	(1,645)
	Other unpaid income and expenses	29,333	(5,077)
	Operating cash flow	***41,361***	***24,189***
	Net disbursements on loan portfolio	(105,085)	(126,845)
	Loans disbursed	(1,001,106)	(1,140,379)
	Loans paid back	896,021	1,013,534
	Changes in working capital requirements	**(25,887)**	**10,344**
	Changes in customer deposits	69,360	31,641
	Working capital requirements	***(61,612)***	***(10,805)***
	Net operating cash flow from discontinued operations	(11,418)	26,251
	A-Net Operating cash flows	**(31,669)**	**39,635**
InvestmentOperations	Acquisition of intangible assets	4,904	(4,597)
	Acquisition of tangible assets	(258)	(2,165)
	Acquisition of financial assets	(131)	(46)
	Assets entry in scope	(15)	(13,659)
	Disposal of financial assets	27,600	438
	Disposal of fixed assets: deconsolidation	(5,375)	
	Dividends paid to minority shareholders	(838)	(2,583)
	Net cash used in investing activities from discontinued operations	(3,212)	(1,098)
	B-Net cash flows provided by/used in investing activities	**22,675**	**(23,709)**
FinancingOperation	Capital increase		
	Change in minority interests	9,290	22,998
	Change inborrowings	35,047	(9,121)
	Net cash flow from discontinued operations	(3,384)	(13,202)
	C-Net cash flows provided by/used in financing activities	**40,953**	**675**
	Effects of the foreign exchange gains/losses	(2,297)	(12,994)
	IFRS5 cash reclassification	8,031	(14,460)
	Cash flows	**37,692**	**(10,852)**

	Cash and cash equivalent at opening	53,409	64,261
	Cash and cash equivalent at closing	91,101	53,409

Notes to the Consolidated Accounts

The notes below are an integral part of the consolidated financial statements.

Key Highlights of the 2024 Financial Year

Baobab SAS experienced several significant developments during the 2024 financial year:

- Strong Growth of African Financial Institutions
  The Group's African financial institutions achieved outstanding results, recording a 14% increase in the loan portfolio within this geographical area. Financial income from underlying loans grew by 9%, resulting in a total revenue increase of €15 million across all microfinance entities.

- Strategic Withdrawal from China
  In 2023, the Supervisory Board endorsed a strategic decision to withdraw from the Chinese market, aiming to refocus the Group's operations on Sub-Saharan Africa.
  This process was successfully completed in September 2024 with the sale of the Group's stakes in its Chinese subsidiaries to a local investor for a total consideration of €27.6 million.

- Divestiture of "Baobab Plus" Operations
  Continuing the Group's strategic realignment toward core microfinance activities in Sub-Saharan Africa, the Supervisory Board decided to divest its participation in the "Baobab Plus" business.
  Following this decision, the financial data of the Baobab Plus subsidiaries were reclassified under "Non-current assets held for sale" in accordance with IFRS 5.
- Changes in Shareholding Structure
  In September 2024, Maj Invest sold its 16.4% equity stake in Baobab SAS to Gojo, a Japanese investment fund specializing in microfinance.

Note 1 – Group Profile

Baobab S.A.S. is a simplified joint stock company headquartered in Paris (France) and created in 2005. Its corporate purpose is to create and develop a network of microfinance institutions serving clients excluded from or with limited access to the traditional financial system.

Baobab invests in microfinance banks and companies and provides them with the technical assistance they need to become leading microfinance institutions in their country.

Details of the institutions held by Baobab S.A.S. at the end of 2024 are provided in Note 2.3.

The financial statements of the Group Baobab ("the Group" or "Baobab") are in KEUR unless otherwise stated.

On 10 June, 2025, the Chairman approved Baobab S.A.S.'s accounts. The accounts shall be submitted to the General Assembly of Shareholders.

Note 2 - Accounting principles and methodologies applied to the evaluation and presentation of the consolidated financial statements

2.1 General principles applied to the evaluation and presentation of the consolidated financial statements

The consolidated financial statements of Baobab and its subsidiaries (the Group) are presented in euros and have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

These standards include: International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) texts.

The Baobab Group's consolidated financial statements for the year ended 31 December, 2024 have been prepared on a going concern basis. The continuing conflict in Ukraine, as well as other geopolitical crises and prolonged inflation, are parameters that have been taken into account during the closing work, particularly with regard to the assessment of credit risk.
The accounting methods and principles applied for the consolidated financial statements at 31 December, 2024 are identical to those used in the consolidated financial statements at December 31, 2023.

The entry into force of the standards, amendments and interpretations whose application is compulsory from January 1, 2024 had no effect on the Group's financial statements at 31 December, 2024. The Group has not anticipated the application of new standards, amendments and interpretations adopted by the European Union where application in 2024 is optional.

2.2 Estimates used to prepare the financial statements

The preparation of financial statements requires the Management to make assumptions and estimates that are reflected in the determination of revenues and expenses in the income statement, the valuation of assets and liabilities in the balance sheet and the preparation of the related notes. The company trusts its managers to use their analytical skills and rely on all the information available when preparing the financial statements to make the necessary estimates. Obviously, the future results of operations may differ noticeably from the estimates made, due in particular to unforeseeable market conditions, which may affect the financial statements.

This is the case in particular for:

- the determination of impairment losses to cover credit risk and possible impairment of financial assets
- provisions for post-employment benefits
- estimates based on data included in the business plan of the subsidiaries (estimation of the value of debts related to the buyout of minority interests). This assessment requires the Group to estimate future cash flows and discount rates
- deferred tax assets recognition. Deferred tax assets are recognised on tax losses if it is likely that the Group will have future taxable profits that could be used to offset these losses. To determine the amount of deferred tax assets that can be recognised, the Management must put forward assumptions both on the period of consumption of the deferred losses and on the amount of future taxable profit.

2.3 Scope of Consolidation

The consolidated accounts include the financial statements of the French entities (Baobab S.A.S., Baobab Plus S.A.S.) and of the foreign companies making up the Baobab Group. The financial statements of foreign subsidiaries, prepared in accordance with local accounting rules, have been restated to comply with the accounting principles adopted by the Group on 31 December 2024.

At the closing date, Baobab S.A.S. holds more than 50% of the shares and voting rights of its subsidiaries, and consequently, the subsidiaries are fully consolidated. In addition, the Group has no other interests in any joint venture or associate.
During the 2024 financial year, the Group increased its stakeholding in its subsidiaries Baobab Senegal & Microcred China, bringing to 89.3% and 85.7%, respectively.

In case of minority interests acquisition, in accordance with the provisions of IFRS 3, the difference between the purchase price of these shares and the additional share of consolidated shareholders' equity that these shares represent at the date of acquisition has been charged to Group shareholders' equity without any change in the initial value of goodwill.

Subsidiaries' financial statements are prepared for the same accounting period as the parent company. Consolidation adjustments may be recorded in order to harmonise all the Group's accounting methods and principles. Restatements and reclassifications necessary to bring the accounts of all consolidated subsidiaries in line with the Group's accounting principles are made.

The determination of the percentage of control takes into account potential voting rights granting access to additional voting rights when they are immediately exercisable or convertible.

The accounting methods used are consistent with those of the previous year. The scope of consolidation as of 31/12/2024 is as follows:

			% of stakeholding	
Company	**Country**	**Currency**	**Dec-24**	**Dec-23**
Baobab S.A.S	France	EUR	100.0%	100.0%
Baobab Madagascar	Madagascar	MGA	100.0%	100.0%
Baobab Senegal	Senegal	FCFA	89.3%	69.3%
Baobab Nigeria	Nigeria	NGN	80.1%	80.1%
Baobab Côte d'Ivoire	Côte d'Ivoire	FCFA	95.4%	95.4%
Baobab Mali	Mali	FCFA	100.0%	100.0%
Microcred China [i]	Hong Kong	HKD	85.7%	71.1%
Microcred Nanchong [i]	China	CNY	85.7%	71.1%
Microcred Sichuan [i]	China	CNY	85.7%	71.1%
Baobab Services	Senegal	FCFA	100%	100%
Baobab Burkina Faso	Burkina Faso	FCFA	100%	100%
Baobab Money Madagascar	Madagascar	MGA	100.0%	100.0%
Microcred DRC	DRC	USD	99.96%	99.96%
Baobab + Holding [ii]	France	EUR	73.4%	100%
Baobab + Côte d'Ivoire [ii]	Côte d'Ivoire	FCFA	73.4%	100%
Baobab + Madagascar [ii]	Madagascar	MGA	73.4%	100%
Baobab + Mali [ii]	Mali	FCFA	73.4%	100%
Baobab + Senegal [ii]	Senegal	FCFA	73.4%	100%
Baobab + Nigeria [ii]	Nigeria	NGN	73.4%	100%
Baobab + DRC [ii]	DRC	CDF	73.4%	100%

i Entities excluded from the scope of consolidation in 2024 following the divestment of the Group's interests
ii Entities whose data have been reclassified as "Non-current assets held for sale" in accordance with IFRS5

All entities included in the scope of consolidation are fully consolidated as of 31/12/2024,
except for the Baobab Plus subsidiaries, which were reclassified as "Assets and Liabilities Held for Sale".

The subsidiaries' financial statements are included line by line in the consolidated financial statements from the date control is obtained until the date control ceases.

- Companies removed from the scope of consolidation as of 31 December 2024

The Chinese entities — Microcred China, Microcred Nanchong, and Microcred Sichuan — were sold to a Chinese investor for approximately €30 million.
The majority of the impact from this divestment had already been anticipated in the financial statements as of December 31, 2023, reflecting the expected capital loss on this transaction. An additional impact of -€7.5 million was recorded in the 2024 financial year, mainly due to a further reduction in the sale price (-€6.4 million) and transaction-related costs amounting to -€1.1 million.
Furthermore, the cumulative translation reserves accrued since the inception of the investment in China were recycled through the income statement for an amount of +€3.8 million.

- Newly consolidated companies as of 31 December 2024

None

2.4 Elimination of intra-group transactions

Balances of gains and losses on transactions between Group entities and intra-group transactions, such as intra-group billing, allowances or reversals of provisions for impairment of consolidated investments, are eliminated.

2.5 Minority interest

Stakes that do not grant control (minority interests) are presented separately in the consolidated net income, as well as in the consolidated balance sheet under equity. Losses are allocated to the Group and the minority interests in proportion to the equity held.

2.6 Foreign currency translations

The accounts of foreign subsidiaries using another currency are translated at the closing exchange rate. Accordingly, all the monetary and non-monetary items recorded in Assets and Liabilities are translated at the closing exchange rate. The revenues and expenses are translated at the period's average exchange rate. The exchange rates used are those available on documented databases recognised in particular by local regulators.
The currency translation adjustments on items of the balance sheet and profit and loss account are recorded, for the Group's share, in Other comprehensive income.

In the event of disposal or partial disposal of an investment in a foreign entity outside the eurozone resulting in a change in the investment (loss of control, significant influence or joint control), the currency translation adjustment recorded in equity at the date of liquidation or disposal shall be reallocated to the profit and loss account. This was the case in 2024 in connection with the sale of the Chinese subsidiaries, resulting in an impact of +€3.8 million.

If a change in the percentage of interest does not modify the nature of the investment, the currency translation adjustment is reallocated to the Group share and the minority interests if the entity is fully consolidated.
The Group is exposed to foreign exchange sensitivity due to stakeholdings in subsidiaries implemented in countries where the functional currency is different from the Group reporting currency (Nigeria, Madagascar, China, etc.). In particular, the devaluation of the Nigerian Naira, which began in June 2023, continued in 2024, with the EUR/NGN exchange rate moving from 990 NGN at the end of 2023 to 1,606 NGN at the end of 2024.

2.7 Business combinations and goodwill valuation

Business combinations are recorded using the acquisition method. Accordingly, the assets, liabilities and contingent liabilities acquired and meeting the IFRS recognition criteria are recorded at fair value at the acquisition date. Non-current assets and assets held for sale are recorded at market value net of the disposal costs. The acquisition cost is equal to the market value, or its equivalent, at the date of exchange of the assets given, the liabilities representing a present obligation at the date of acquisition of control and whose market value can be reliably estimated, or the equity instruments issued to obtain control of the acquired company.
Costs directly related to the business combination are a separate transaction from the business combination and are recognised in profit or loss.

Goodwill is the difference between the acquisition cost and the acquirer's share in the market value of the assets, liabilities and contingent liabilities at the date of purchase. At this date, positive goodwill is recorded in Assets in the acquirer's accounts, and negative goodwill is recorded as a loss. The value at stake is denominated in the currency of the purchased company and translated at the closing exchange rate. Changes in the market value of assets, liabilities and contingent liabilities of the Group share are recorded against the reserves.

Any earn-outs are included in the acquisition cost at fair value at the acquisition date. At the date of acquisition of control of an entity, any stake previously held in that entity is revalued to its market value and offset against the income statement.

If the Group raises its share in an entity over which it already exercises exclusive control, the difference between the price paid for the additional stake and the share acquired in the net equity of the entity at that date is recorded in consolidated reserves, Group share. Similarly, any reduction in the Group's stake in an entity over which it keeps sole control is recorded as an equity transaction in the accounts.

Goodwill is the difference between the acquisition cost of securities and the share of ownership in the equity of the entity whose securities were acquired. Goodwill is subject to a periodic analysis based on the discounted future cash flows generated by the activities to which it is allocated, corresponding to the most probable assumptions used by Group Management.

This impairment test is based on assumptions in terms of growth rates, credit risk, discount rates and tax rates. The assumptions used are based on the five-year business plans of each subsidiary.
This assessment is performed annually or whenever an indication of risk of impairment is identified. However, actual results may differ from projections. An impairment loss is recorded when the valuation reveals a shortfall in the value of the intangible items assessed.

2.8 Intangible assets

Intangible assets acquired separately are recognised at purchase cost.

Software and information systems that qualify as assets are recorded on the balance sheet for the value of the direct development costs, which mainly include external costs. After initial recognition, intangible assets are recognised at cost less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. The assets are depreciated over their estimated useful lives according to the straight-line method.

When incurred, software maintenance costs are recognised as an expense in the profit and loss account. On the other hand, expenses that contribute to improving the functions of existing software or to extending its service life are recognised as an additional acquisition or production cost.

2.9 Tangible assets

In accordance with the provisions of IAS 16, tangible assets are recorded at the acquisition cost, excluding maintenance expenses, after deducting accumulated depreciation and accumulated impairment losses. The costs incurred by replacing or renewing parts of the asset can be included if the accounting criteria are met. Depreciation is calculated on the estimated useful life of assets according to the straight-line method. Assessments are carried out on a regular basis to make sure that there is no major discrepancy between the book value and the fair value of the assets.

Where an asset comprises several components that can be replaced at regular intervals, have different uses and/or do not produce benefits simultaneously, each component is accounted for separately, and each component is depreciated according to its own depreciation schedule.

Depreciable assets are tested for impairment when, at the balance sheet date, there is an indication that the asset may be impaired. If there is any indication of impairment, the new recoverable amount of the asset is compared with the net book value of the asset. If the event of an impairment loss, an impairment loss is recognised in the income statement. The impairment loss is reversed if there is a change in the estimate of the recoverable amount or if there is no indication of impairment.

The depreciation life of the Group's fixed assets is as follows:

Depreciation life of fixed assets	
Software and information systems	3 /7 years
Computer supplies	3 /4 years
Office furnitures and supplies	5 / 10 years
Fixtures and fitting works	3 /9 years
Vehicles	4 / 5 years

2.10 Rights-of-use

Since 1 January 2019, the Group has applied the standard IFRS 16 "Leases".

According to IFRS 16, the definition of leases involves, on the one hand, the identification of an asset and, on the other hand, the lessee's control of the right to use that asset.

IFRS 16 requires the lessee to recognise leases in the balance sheet in the form of a right of use of the leased asset presented as an asset under property,

plant and equipment and a lease liability. The lease liability is a financial liability that corresponds to the present value of the outstanding lease payments over the term of the lease.
The right of use is amortised on a straight-line basis, and the lease liability is amortised actuarially using the Group's incremental borrowing rate as the discount rate.

The main impact on the income statement is the replacement of rent previously recorded on a straight-line basis in general expenses by an increase in interest charges in net banking income due to lease liabilities and an increase in depreciation charges due to right of use.
The charge for the lease liability is included in interest expense within the financial result, while the depreciation charge for the right of use is included in operating expenses.

Baobab's implementation of IFRS 16 focuses, to a very large extent, on property assets leased for operational purposes as offices and branches.

2.11 Current and deferred tax

Tax assets and liabilities (IAS 12) for the current and the previous financial years are determined on the basis of the amount the company can reasonably expect to pay or recover. The tax rates and rules used to calculate this amount are those in force at the closing date or shortly coming into force.
Deferred taxes are recorded in the event of a timing difference between the book value of the assets and liabilities and their tax base. Deferred tax liabilities are recognised for all taxable timing differences.

Deferred taxes are valued using the liability method. Deferred tax assets are recognised when the company is likely to recover such tax benefits. Deferred taxes on tax losses are recognised in view of the prospects of tax recovery. They are presented in the balance sheet under the items "Deferred tax assets" or "Liabilities", depending on whether the position is active or passive. When conditions do not allow it (no foreseeable tax benefits), all or part of the deferred tax assets generated by tax losses are not recognized.

The income tax expense is determined for each subsidiary on the basis of the rules and rates of the operating country over the relevant financial year. The tax rates in force in current operating subsidiaries are as follows:

Country	Tax rate
France	25.0%
Madagascar	20%
Senegal	30%
China	25%
Nigeria	30%
Côte d'Ivoire (MicroFinance)	0%
Côte d'Ivoire (standard rate)	25%
Mali	30%
Burkina Faso	27.5%
Democratic Republic of the Congo	30%

The subsidiary Baobab Côte d'Ivoire entity is not subject to corporate income tax due to its microfinance business, which grants it the status of an entity exempt from corporate income tax by the local tax authorities. However, the Baobab Plus Côte d'Ivoire subsidiary, which markets non-financial products, is subject to the 25% standard tax rate.

Deferred tax assets and liabilities can offset each other if they originate in the same tax group, relate to the same tax authority and if there is a legal right to do so.

The impact of a change in tax rates is recorded in the consolidated statement or in equity, depending on the item it is related to.

2.12 Financial instruments

Classification and measurement of financial assets and liabilities

IFRS 9 provides for the classification of financial assets into three categories (amortised cost, fair value through profit or loss and fair value through equity) based on the characteristics of their contractual flows and the way the entity manages its financial instruments (business model).

Business model

The business model reflects how the entity manages its assets in order to generate cash flows. Judgement should be applied in assessing the business model.

The determination of the business model should take into account all the information on how the cash flows were collected in the past, as well as any other relevant information.
At the Baobab Group, the business model under IFRS 9 is determined by Management based on the actual circumstances prevailing at the time of the assessment. The main decision criteria are:

- The Group's business and risk strategy
- The state of the Group's performance and

monitoring of the strategy's implementation as reported to the Baobab Group's Executive and Supervisory Boards
- In the case of portfolio disposals in the past, the frequency, volume and reasons for such transactions.

Financial Assets at Amortised Cost

Financial assets are classified at amortised cost if both of the following criteria are met: the business model consists of holding the instrument to collect the contractual cash flows ("collection"), and the cash flows consist solely of principal and interest payments on the principal.
Assets at amortised cost are basic financial assets held in a collection model. All the credits granted by the Group are classified in this category.

Upon initial recognition, financial assets are recognised at market value, including transaction costs directly attributable to the transaction and commissions related to the provision of loans. They are subsequently measured at amortised cost, including accrued interest not due and net of principal repayments and interest payments made during the period. These financial assets are also initially subject to an impairment calculation for expected credit risk losses. Interest is calculated using the effective interest rate method determined at the start of the contract.

Cash and cash equivalent

Cash and cash equivalents recognised in the balance sheet comprise cash at bank, cash in hand, deposits with central banks and short-term deposits with an original maturity of three months or less.

Offsetting financial assets and liabilities

Assets and liabilities are offset (so as to present a net balance) only in cases when the Group has a legal right to offset the recognised amounts and intends either to settle the net amount or to realise the assets and settle the liabilities simultaneously.
The conditions are not met for the Group to make such offsetting.

Derecognition of financial assets or liabilities

The Group derecognises all or part of a financial asset when the contractual rights to the cash flows of the asset expire or when the Group has transferred the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership of that asset. If all of these conditions are not met, the Group retains the asset on its balance sheet and recognises a liability representing the obligations arising upon the transfer of the asset. The Group derecognises all or part of a financial liability when all or part of the liability is extinguished.

Credit risk

IFRS 9 introduces a model based on the recognition of expected credit losses. As a result, impairment and provisions are recognised upon initial recognition of financial assets, funding commitments and financial guarantees without waiting for the occurrence of an event triggering an incurred credit risk.

Credit risk is the risk of impairment losses on account receivables carried by institutions, existing or potential due to given commitments, and resulting in the downgrading of the credit quality of debtors up to their default. The measurement of this probability of default and the expected recovery in the event of default is the essential element for measuring credit quality.
The risk cost includes, in respect of credit risk, provisions and reversals of provisions for depreciation of loans and receivables on clients, losses on bad debts and recoveries on amortised receivables.

2.13 Impairment of financial assets at amortised cost

The credit risk impairment model is based on expected losses.
Financial assets at amortised cost are systematically subject to an impairment or provision for expected credit losses. These impairments and provisions are recorded as soon as the loans are granted, or the commitments are concluded without waiting for the appearance of an objective indication of impairment.
To determine the amount of impairment or provisions to be recognised at each balance sheet date, these assets and liabilities are divided into three categories based on the change in credit risk noted since their initial recognition. An impairment or provision for credit risk must be recorded in the outstanding amounts of each of these categories.

The Group identifies three "*strata*", each corresponding to a specific situation with respect to the change in the credit risk of the counterparty since the initial recognition of the asset.

Stages	Criteria
Stratum 1 *(healthy contracts that have not experienced a significant increase in their credit risk)*	All contracts with a number of days past due less than or equal to 30 at the balance sheet date
Stratum 2 *(healthy contracts that have experienced a significant increase in their credit risk)*	All contracts with a number of days past due between 31 and 90 at the balance sheet date
Stratum 3 *(defaulting contracts)*	All contracts with a number of days past due more than or equal to 91 at the balance sheet date

- Expected credit losses at 12 months ("Stratum 1"): If, at the balance sheet date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is subject to an impairment allowance for an amount equal to the expected credit losses at 12 months (resulting from default risks in the next 12 months).

- Credit losses at maturity for non-impaired assets ("Stratum 2"): The impairment provision is measured for an amount equal to the expected credit losses over the lifetime (at maturity) if the credit risk of the instrument has significantly increased since the initial recognition without the financial asset being considered impaired or doubtful.

- Expected credit losses at maturity for impaired or doubtful financial assets ("Stratum 3"): The impairment allowance is also measured for an amount equal to the credit losses expected at maturity.

This general model is applied to all instruments within the scope of impairment under IFRS 9, namely financial assets at amortised cost.

Definition of the default

The default for the purposes of ECL provisioning is defined as the past due generally of more than ninety days unless special circumstances show that the past due results from causes unrelated to the debtor's situation.

The definition of "default" is applied consistently to all financial instruments unless information becomes available that indicates that another definition of "default"
is more appropriate for a specific financial instrument.

The notion of Expected Credit Loss "ECL"

ECL is defined as the present probability-weighted expected value of the credit loss (principal and interest). It is the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).
The ECL approach aims to anticipate the recognition of expected credit losses as soon as possible.

Governance and measurement of ECL

The governance of the IFRS 9 measurement system is based on the organisation set up by the Group Finance Department, Data Department and Group Risk Department. They are responsible for defining the methodological framework and the supervision of the mechanism for provisioning the outstanding amounts.
The calculation formula integrates the parameters for the probability of default, loss in case of default and exposure at the time of the default.

Expected credit losses for the next 12 months are a portion of expected lifetime credit losses and represent cash flow shortfalls in the event of a default in the 12 months following the balance sheet date (or a shorter period if the expected lifetime of the financial instrument is less than 12 months), weighted by the probability of default.

Expected credit losses are discounted at the nominal rate determined upon initial recognition of the financial instrument. The IFRS 9 parameters are measured and updated according to the methodologies defined by the Group; therefore, they make it possible to establish a first reference level, or shared base, for provisioning.

The back-testing of the models and parameters used is done at least once a year.

In accordance with IFRS 9, these calculations are performed based on an analysis at the balance sheet date (Point in Time) while taking into account historical losses in the assessment of the parameters used. The calculated parameters are specific to the credit risk profiles of each entity in the Group. They are calculated on a collective basis.

Forward Looking factors

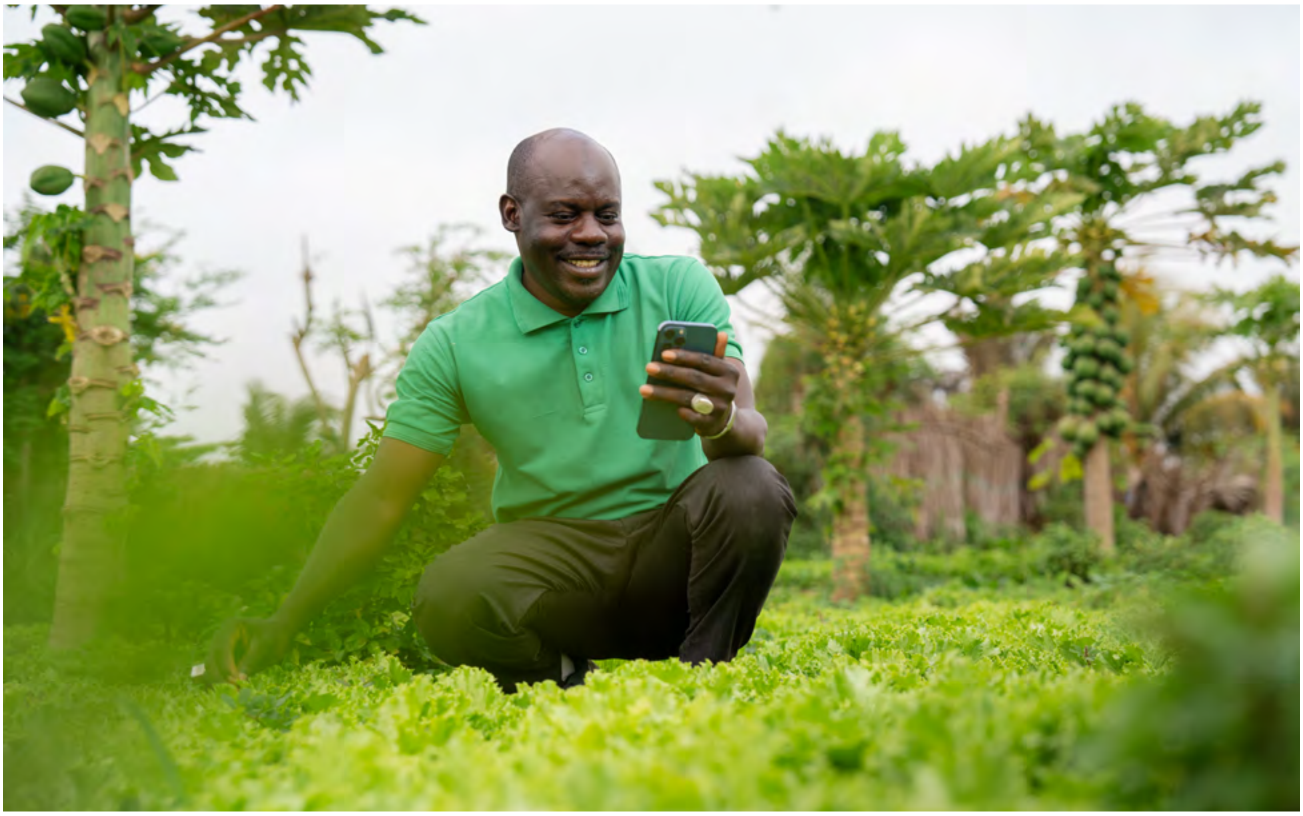
Until year-end 2022, based on the analyses performed and the absence of any correlation between the risk parameters and the macroeconomic environment of each country, the implementation of forward-looking data was deemed insignificant.
Specifically, an analysis of the change in the default probabilities taking into account the variation in certain parameters was carried out, and this analysis did not reveal any correlation between the two parameters. Despite these results showing no clear correlation, other criteria have been considered based on their availability and relevance to Baobab's markets.

Thus, for the year 2023, specifically for the Baobab Nigeria subsidiary, our work has demonstrated a correlation between the crude rate as well as inflation with default rates. On this basis, a forward looking factor has been integrated into the model for calculating the ECL of Baobab Nigeria.

In 2024, the main objective of the work on this topic was to strengthen the methodology already initiated in 2023, with a focus on the selection of macroeconomic factors, improved correlation with indicators, and their integration into the methodology.

For the other subsidiaries, this work to identify relevant correlations with the indicators will continue throughout 2025. Moreover, it is complicated to find reliable databases for regular indicators (monthly or quarterly) in the geographical areas where the Group's subsidiaries are located. In this context, the standard also states that its application should be based on reasonable and supportable information and states that "for the purposes of this standard, the reasonable and supportable information is information that is reasonably available at the closing date without incurring unreasonable costs or efforts, including information about past events and current circumstances and forecasts of future economic conditions."

However, given the current geopolitical context and widespread inflation, the Group anticipated a further deterioration of credit risk in its various subsidiaries by integrating a forward-looking stress test (by expert judgement), which resulted in a 10% increase in the probability of default on Stratum 1 loans.

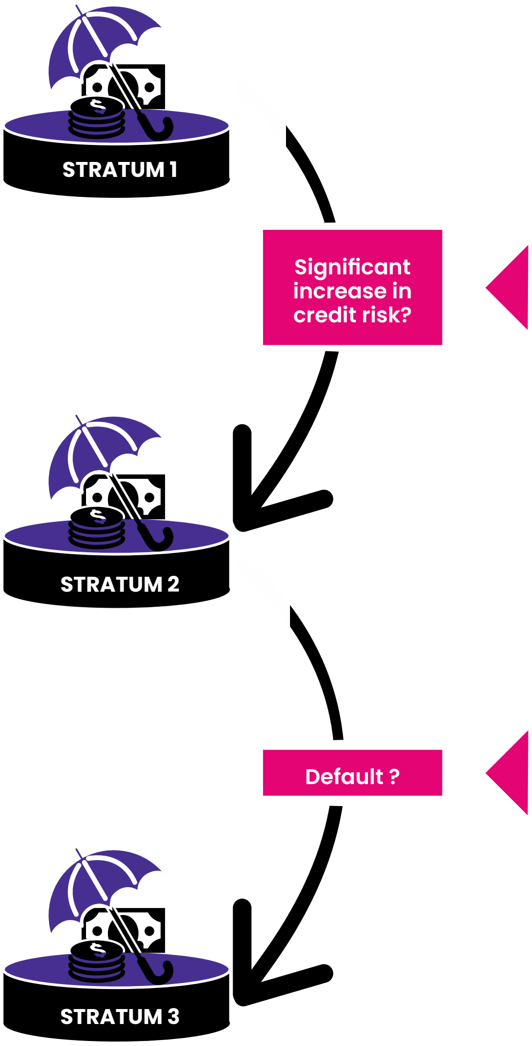


Significant deterioration in credit risk

All the Group entities must measure, for each financial instrument, the deterioration in the credit risk from the outset at each balance sheet date based on the number of days past due. This measurement of the change in credit risk leads entities to classify their operations by risk class (Strata).

The Baobab Group retains the absolute threshold of more than 30 days past due as the ultimate threshold of significant deterioration and classification in Stratum 2 as a quantitative criterion. However, in addition to the number of days past due, the Group can also consider qualitative criteria to judge the deterioration in a credit (historical past due, taking into account the client's economic situation, etc.).

If the outstanding payments are settled, the impairment is reduced to losses expected at 12 months.
The measurement of the increase in credit risk is as follows in relation to these categories:



Assessment of the increase in credit risk - Baobab Group's approach

- Assessment relative to the level of risk at granting
- Significant increase in risk usually occurs prior to loss
- Assessment without taking guarantees into account
- Assessment of the significance of the increase in credit risk on a collective basis (IFRS9 B5.5.1-6)
- No rebuttal of the presumption relating to arrears of more than 30 days (IFRS9 B5.5.19-21)
- Consideration of reasonable and justifiable information that can be obtained without unreasonable cost or effort (IFRS9 B5.5.15-18)

Identification of Defaulting Contracts - Baobab Group's Approach

- Definition of defect used and linkage with regulatory requirements: Defect from 90 days of unpaid invoices onwards
- Distinction from technical defects
- Consideration of qualitative indicators

Non-recoverability

When a receivable is deemed unrecoverable, i.e. there is no more hope of recovering all or part of it, the amount deemed unrecoverable should be derecognised in the balance sheet and written off.
The assessment of the period before the write-off is based on expert judgement. Each entity must therefore determine it, together with its Risk Department, based on its knowledge of its activity.

Before any writing-off, a stratum 3 provision will have to be created (with the exception of assets at fair value through profit or loss).

For loans at amortised cost or at fair value through recyclable equity, the amount written off is recorded under Allocation for provisions for client loans and loan losses for the par value and the interest.

2.14 Fees from services

Revenues and expenditures derived from the provision of services are recorded in profit or loss according to the type of service provided:

- fees and commissions, which are an integral part of the yield of a financial instrument, are recognised as a yield adjustment of this instrument and integrated into the effective interest rate;
- if the result of a transaction involving the provision of services can be reliably estimated, the commission income associated with that transaction is recognised under "commissions" and, depending on the stage of completion of the transaction, at the date of closing

a) fees and commissions collected or paid as remuneration for one-time services are recorded in profit or loss. Fees and commissions due to be paid or collected, and subject to the achievement of a performance condition, are recorded only if all the following requirements are met:

- the amount of the fee can be reliably estimated;
- the economic benefits associated with the transaction are likely to be collected by the company;
- the stage of completion of the transaction can be reliably determined, and the costs incurred for the provision of services and the completion of the transaction can be reliably estimated.

b) fees and commissions collected for the provision of ongoing services are spread over the duration of the service provided.

2.15 Debts to financial institutions and client deposits

Amounts due to financial institutions and client deposits are broken down according to their initial term and type: demand (demand deposits and current accounts), savings accounts and term debt. Accrued interest on these amounts is recorded as related payable through profit and loss.

Financial liabilities include borrowings and long-term financial debt. They are initially recorded at fair value, less directly attributable transaction costs.

2.16 Provisions

Provisions are recognised if the Group has a present obligation (legal or constructive) resulting from a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if the amount at stake can be reliably estimated. The net amount of the provision is presented as an expense in the profit and loss account for its amount net of any repayment.

2.17 IFRIC 23

The Group has applied IFRIC 23 "Uncertainty about tax treatments" in preparing its consolidated financial statements. This standard results in the reclassification of provisions for uncertainties relating to income taxes to the heading "Current and deferred tax liabilities".

2.18 Operating subsidies

Operating subsidies are recognised when there is reasonable assurance that they will be paid and that the company will comply with any conditions attached to the grant. A grant receivable as compensation for costs already incurred should be recognised as income on a systematic basis and over the appropriate period to link it to the expense it is meant to cover.
For the Baobab Plus business, in accordance with IAS 20.29, subsidies received to finance the business and, in particular, the acquisition of inventory for sale have been recognised as a reduction in the purchase cost of this inventory.

2.19 Staff benefits

Group staff benefits fall into four categories:

- short-term benefits such as wages and annual leave;
- long-term benefits, such as paid leaves;
- termination benefits;
- post-employment benefits, in particular bonuses allocated upon retirement.

Short-term benefits
The company recognises an expense when the economic benefit arising from the employee's services is consumed in exchange for the benefits granted.

Long-term benefits
They are benefits granted to staff members upon termination of the work contract by the Group before the normal age of retirement, or upon an employee's decision to accept voluntary redundancy in exchange for those benefits.

Termination benefits
They are benefits granted to staff members upon termination of the work contract by the Group before the normal age of retirement, or upon an employee's decision to accept voluntary redundancy in exchange for those benefits.

Post-employment benefits
In France, this category refers in particular to supplemental retirement pension schemes and one-time retirement bonuses. The method used to calculate them is called Projected Benefit Obligation (PBO): it consists in calculating the actuarial value of the benefits due to each employee upon retirement, and spreading this amount over the career of the employee.

The Company's aggregate commitments toward this participant (Total actuarial value of Future Benefits) are then calculated by multiplying the estimated benefit by an actuarial factor, considering the following:

- the probability of survival in the participant's business up to the age of payment of the benefit (death or mobility – departure from the company),
- the discounting of the benefit at the date of the valuation.

These aggregate commitments are then allocated to each of the financial years, past and future, resulting in an allocation of rights with the participant's plan.

Opening differences between commitments and recognised amounts have been recorded in equity.

At year-end 2024, provisions for post-employment benefits were recognised for an amount of 1,3M€ for the following entities:
- Baobab SAS
- Baobab Senegal
- Baobab Côte d'Ivoire
- Baobab Mali
- Baobab Burkina Faso
- Baobab Services
- For Baobab Plus subsidiaries previously concerned by this provision, the relevant amount is no longer mentioned directly in the accounts due to the application of IFRS 5 for these entities held for sale.

2.20 Segment information

The segment assets and liabilities include all components of the Group's consolidated balance sheet. Segment reporting is based on business lines (Baobab's business lines are specific groups of assets and operations associated with the provision of products and financial services subject to various risks and generating various incomes) and on geographical criteria (each geographic segment operates within a specific economic environment and provides products and services subject to different risks and generating various incomes).

2.21 Recognition of revenue

As part of the «Baobab Plus» (BB+) ancillary business, part of the revenue is generated by purchases of non-financial products in Baobab branch financed by additional credit granted to customers by Baobab; the price of these products is therefore paid in full to Baobab Plus.

Another part of BB+'s revenue is generated by "PayGo" (Pay as you go). PayGo products are sold via BB+'s own branch network and dedicated agents. The customer benefits from the product but pays according to a schedule defined in the contract.

The possibility of payment deadlines for the customer results in a revenue split between transaction price and financial income. The difference between the contractual transaction price and the price that would have been paid in cash, along with the direct costs incurred in concluding these contracts, represents the financial income component.

Baobab Plus, acting as a manufacturer/distributor with payment facilities granted to its customers, is in a situation of continuous transfer of control for revenue recognition. Thus, IFRS 15 is applicable because the contracts give rise to a five-step recognition process as recommended by this standard:

- Identification of the contract(s) with a customer
- identification of the distinct performance obligations within the contract
- determination of the transaction price
- allocation of the transaction price to the distinct performance obligations
- recognition of revenue when the performance obligations are satisfied.

Note 3 - Goodwill

	2024	2023
Opening Goodwill	89	89
Change in minority interests	0	0
Closing Goodwill	**89**	**89**

	2024	2023
Goodwill on Baobab DRC	89	89
Closing Goodwill	**89**	**89**

Impairment tests were carried out based on 5-year business plans.

Note 4 - Intangible assets

GROSS	End of 2023	Acquisitions	Disposals	Other changes	First-time consolidation	Foreign exchange effect	End of 2024
Concessions, licences and equivalent	5,619	3,194	(3)	1,511			10,321
Lease right	628	590	0				1,218
Goodwill	140	0		0			140
Other intangible assets	21	0	0	(14)	0		7
Assets under construction	11,999	402	(8,000)	(2,151)	0		2,250
Advances and deposits/Immos Inc.		7					7
TOTAL	**18,406**	**4,193**	**(8,003)**	**(653)**	**0**	**0**	**13,943**

Amortisation and depreciation	End of 2023	Allowances	Disposals	Other changes	First-time consolidation	Foreign exchange effect	End of 2024
Concessions, licences and equivalent	3,799	834		62	(450)	(7)	4,238
Lease right	628	469		0	(461)	(9)	627
Goodwill	0			0			0
Other intangible assets	18	2				(1)	19
TOTAL	**4,446**	**1,305**	**0**	**62**	**(911)**	**(17)**	**4,884**

NET	End of 2023	End of 2024
Concessions, licences and equivalent	1,820	6,083
Lease right	(1)	591
Goodwill	139	139
Other intangible assets	3	12
Assets under construction	11,999	2,250
Advances and deposits/Immos inc.		7
TOTAL	**13,960**	**9,058**

The Group is investing in the digitalization of its operations, leading to the renewal of IT tools necessary for operational activities in the subsidiaries. This digitalization project, known as the "Digital Banking Platform" (DBP), encompasses several sub-projects, some of which were deployed during 2024, among which the mobile application "MyBaobab," the client fund collection tool "CollectSmart," and the credit origination tool "LOS."

Furthermore, the project to migrate to a new Core Banking System (CBS), initiated in 2021, was indefinitely suspended in its current form as part of a comprehensive redesign of the initiative, resulting in the write-off of €8 million in previously incurred costs. A restart of the project, with the selection of a new software solution and a new system integrator, is scheduled for 2025.

Note 5 - Tangible assets

GROSS	End of 2023	Acquisitions	Disposals	Other changes	First-time consolidation	Foreign exchange effect	End of 2024
Land	325	5,237					5,562
Office and computer supplies	11,822	1,822	(700)	1,278			14,222
Fixtures / fittings	19,398	1,967	(145)	(5,547)			15,673
Vehicles	8,517	1,847	(749)	(1,673)			7,942
Advances on fixed assets	1,400	781	(22)	(5)			2,153
Construction work in progress	2,229	(1,830)	(34)	(82)			283
Rights of use	14,382	467					14,849
TOTAL	**58,073**	**10,290**	**(1,650)**	**(6,030)**	**0**	**0**	**60,683**

Amortisation and depreciation	End of 2023	Allocations	Disposals	Other changes	First-time consolidation	Foreign exchange effect	End of 2024
Land and buildings	11	1,041					1,052
Office and computer supplies	7,475	1,838	(737)	(231)		(258)	8,087
Fixtures / fittings	12,129	1,509	(122)	(1,436)		16	12,098
Vehicles	4,900	1,144	(584)	(786)		(73)	4,601
Advances on fixed assets							
Construction work in progress							
Rights of use	9,957	1,037					10,993
TOTAL	**34,472**	**6,570**	**(1,443)**	**(2,452)**	**0**	**(315)**	**36,831**

NET	End of 2023	End of 2024
Land	314	4,510
Office and computer supplies	4,347	6,135
Fixtures / fittings	7,269	3,575
Vehicles	3,617	3,341
Advances on fixed assets	1,400	2,153
Construction work in progress	2,229	283
Rights of use	4,425	3,856
TOTAL	**23,595**	**23,852**

Property, plant and equipment comprise office equipment, computer hardware, vehicles, fixtures and fittings. Most Baobab Group institutions do not hold any buildings in their fixed assets, as all subsidiaries rent their premises. Generally speaking, the increase in property, plant and equipment is explained by the costs incurred for new branches'opening in 2024 and to renew the vehicle fleet in some subsidiaries.
Rights of use recognised by the Group correspond mainly to rights relating to offices and branches. The decline in gross value of these rights was mainly due to some lease agreements'termination and the reduction in Euros counter-value of Nigerian rights of use further to the Naira devaluation.

Note 6 - Financial Assets

Financial assets	2023	Increase	Decrease	Entering the perimeter	Foreign exchange effect	2024
Guarantees and deposits	1,376	276	(177)	0	10	1,484
Non consolidated investments	4	27		(4)		27
Total	**1,380**	**303**	**(177)**	**(4)**	**10**	**1,511**

"Guarantees and deposits" are mainly security deposits required under lease terms.

Note 7 - Deferred tax assets

The change in deferred tax assets for the year 2024 is as follows:

End of 2023	Change in profit/loss	Change in OCI	Foreign exchange effects	Change in perimeter	End of 2024
12,388	(570)	0	(10)	2,713	9,094

In accordance with IAS 12 "Income taxes", deferred taxes have been recognized on tax losses, using the liability method. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced if it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

End of 2023	Change in profit/loss	Change in OCI	Change in recognition of deferred tax assets	Foreign exchange effects	Change in perimeter	End of 2024
6,469	40		(1,000)	0	(1,469)	4,040

Deferred tax assets on tax losses have decreased between 2023 and 2024 due to i) the non-recognition of deferred taxes on the Holding Company's loss carryforwards and ii) the presentation under IFRS5 of financial data related to the Baobab Plus subsidiaries.

Deferred tax assets on tax losses have been recognized on the basis of 5-year business plans, which is the horizon over which the Group expects to use most of these losses.

Note 8 - Current Assets

8.1 Inventories

Under IAS 2, inventories are assets held for sale in the ordinary course of business, assets in production for such a sale, or raw materials or supplies to be consumed in the production process.

The cost of inventories must include all acquisition costs, conversion costs and other costs incurred to bring the inventories to their present location and condition.

The acquisition costs of inventories include the purchase price, customs duties and other taxes (other than taxes subsequently recoverable by the entity from tax authorities), as well as transportation, handling and other costs directly attributable to the acquisition of the goods. Trade discounts, rebates and similar items are deducted from the acquisition costs.

- Subsidies received to finance the acquisition of this inventory have been recognised as a reduction in the purchase cost of this inventory *(see Note 2.19)*.

An impairment loss is recognised if the net realisable value of the goods is less than the cost price recognised.

As of December 31, 2024, the value of inventories is nil because all financial data relating to entities holding inventories (Baobab Plus subsidiaries) has been reclassified as "Non-current assets held for sale".

8.2 Loans and claims on clients

		Loans to customers	Total
2024	Gross value	798,782	**798,782**
	Provision	(14,943)	**(14,943)**
	Net value	783,839	**783,839**
2023	Gross value	696,796	**696,796**
	Provision	(13,006)	**(13,006)**
	Net value	683,790	**683,790**

The average provision rate on the YE 2024 outstanding portfolio is 1.87% as for end of 2023, reflecting tight control over operational risk.
There has also been strong growth in the portfolio across all operating subsidiaries.

		Customer loans excluding IFRS5 reclassification	Total
2024	Gross value	798,782	**798,782**
	Provision	(14,943)	**(14,943)**
	Net value	783,839	**783,839**
2023	Gross value	686,559	**714,462**
	Provision	(23,167)	**(51,070)**
	Net value	663,393	**663,393**

The observation of the provisions by "stratum" as of 31 December 2023 and 31 December 2024 is as follows:

Provisions per stratum on 12/31/2023

Baobab Group	Stratum 1	Stratum 2	Stratum 3	Financial Assets Impairments 31/12/2023
Amounts in K€	**4 172**	**2 149**	**6 685**	**13 006**

Provisions per stratum on 12/31/2024

Baobab Group	Stratum 1	Stratum 2	Stratum 3	Impairment of financial assets 31/12/2024
Amounts in K€	**5 203**	**2 289**	**7 451**	**14 943**

The analysis of the change in impairment by stratum is as follows:

	Stratum 1	Stratum 2	Stratum 3	TOTAL
Balance on 31/12/2022	**5 842**	**2 923**	**7 224**	**15 989**
Production and acquisition	4 177	3 245	3 049	10 471
Derecognition and transfers between buckets	(5 847)	(4 019)	(3 588)	(13 454)
Balance on 31/12/2023	**4 172**	**2 149**	**6 685**	**13 006**
Production and acquisition	4 852	2 850	3 034	10 736
Derecognition and transfers between buckets	(3 821)	(2 710)	(2 268)	(8 799)
Balance on 31/12/2024	**5 203**	**2 289**	**7 451**	**14 943**

Note 9.1 – Other receivables

	2024	2023
Suppliers advances and prepayments	667	521
Loans to personnel*	0	976
Trade receivables	0	36
Government receivables	3,253	6,877
Baobab Plus receivables	0	17,131
Escrow accounts	0	670
Prepaid expenses	3,209	2,586
Impact IFRS5	15,326	0
Other receivables	4,660	4,165
Total	**27,115**	**32,962**

*Now classified under loan outstandings (see Note 8)
“Other receivables” include primarily:

- receivables from deceased customers awaiting insurance reimbursement
- deposits to interest-bearing accounts made by subsidiaries to make their excess cash flow profitable
- loans to staff and miscellaneous receivables

Prepaid expenses include, mainly, the rent of premises for branches, which is payable in advance.

All other receivables related to the Baobab Plus activity (trade receivables, deductible VAT, other tax receivables, etc.) have been reclassified under «Non-current assets held for sale» in accordance with IFRS 5.

Note 9.2 – Discontinued activities

An entity must classify a non-current asset (or Group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or Group) must be available for immediate sale in its present condition, subject only to the conditions that are usual and customary for the sale of such assets (or Group), and its sale must be highly probable.

For the sale to be highly probable, management at an appropriate level must have committed to a plan to sell the asset (or Group), and an active program to find a buyer and finalize the plan must have been launched. In addition, the asset (or Group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale could be expected to qualify as a completed sale within one year of the date of its classification, and the steps required to finalize the plan must indicate that it is unlikely that any significant changes will be made to the plan, or that it will be withdrawn.

In 2023, the Group's Supervisory Board approved the decision to divest its non-financial activity "Baobab Plus" as part of a strategic shift to refocus the Group's operations on microfinance in Sub-Saharan Africa.

The search for a potential buyer for Baobab Plus accelerated, leading to the signing of a sale agreement with the Group Biolite in December 2024.

Given these circumstances, the Group concluded that the criteria for applying IFRS 5 were met for its Baobab Plus subsidiaries. Consequently, the financial data relating to these subsidiaries were reclassified under "Assets held for sale" and "Profit from discontinued operations" in the income statement, in accordance with IFRS 5.

In accordance with IFRS 5 on disposal groups, the Group's consolidated financial statements have been adapted as follows:

- assets are reclassified on a separate balance sheet line «Non-current assets held for sale» ;
- liabilities are also reclassified on a separate line «Noncurrent liabilities held for sale»;
- income and expenses are reclassified on a separate line in the income statement under «Net income from discontinued operations».
- Cash flows from discontinued operations are isolated on separate lines of the cash flow statement for each cash flow category.

Details of the financial statements of entities reclassified as non-current assets and liabilities held for sale and as net income from discontinued operations are given below:

Discontinued activities income statement

IN K€	2024	2023	Variation
Baobab Plus revenue	20,848	23,205	(2,358)
Grants	1,813	1,685	128
Personnel expenses	(5,625)	(6,316)	691
Other expenses	(26,527)	(24,751)	(1,776)
PRE TAX INCOME	**(9,491)**	**(6,176)**	**(3,315)**
Income tax	**(1,288)**	**1,157**	**(2,445)**
Deferred tax	(1,198)	1,231	(2,429)
Current tax	(90)	(74)	(16)
Tax credit	0	0	0
NET INCOME	**(10,780)**	**(5,019)**	**(5,760)**
MINORITY INTERESTS	**(434)**	**(1,335)**	**901**
NET INCOME, GROUP SHARE	**(10,346)**	**(3,684)**	**(6,662)**

Note 10 – Cash and cash equivalents

	2024	2023
Petty cash and demand deposit	63,465	41,167
Short term deposit	41,515	18,827
Total	**104,980**	**59,994**
Overdraft	14,047	6,654
Cash and Cash equivalent	**90,933**	**53,341**

The increase in cash is mainly attributable to the strong growth in business activity and effective control of the portfolio at risk (PAR), leading to a very high repayment rate from clients.
Additionally, client deposits rose significantly (by nearly €70 million), further contributing positively to the Group's cash position.

Finally, proceeds from the sale of the Chinese entities also partly explain this increase.
Cash and cash equivalents recognized on the balance sheet include bank balances, cash on hand, short-term deposits with maturities of less than three months, and any monetary investments subject to a negligible risk of changes in value.

Note 11 – Equity

The share capital of Baobab S.A.S. is EUR 84,178 K. The issue premium amounts to EUR 25,643 K.
The shareholding of Baobab S.A.S. breaks down as follows:

	2024			2023		
Shareholders	**Number of shares**	**Capital**	**%**	**Number of shares**	**Capital**	**%**
AXA Group	3,384,719	28,837,806	34,26%	3,384,719	28,837,806	34,26%
APIS	2,079,942	17,721,106	21,05%	2,079,942	17,721,106	21,05%
Maj Invest				1,618,577	13,790,276	
DMP				927,452	7,901,891	9,39%
MIFIF II				691,125	5,888,385	7,00%
Gojo & Company, Inc.	1,618,577	13,790,276	16,38%			
BEI	1,508,761	12,854,644	15,27%	1,508,761	12,854,644	15,27%
NMI	1,168,272	9,953,677	11,82%	1,168,272	9,953,677	11,82%
Autres	119,748	1,018,634	1,21%	119,748	1,018,634	1,21%
TOTAL	**9,880,019**	**84,176,143**	**100%**	**9,880,019**	**84,176,143**	**100%**

Note 12 – Debts to clients

12.1 Client deposits

	2024	2023
Demand deposits	193,666	156,089
Term deposits - Clients	40,848	54,619
Term deposits - Institutions	86,891	60,380
Mandatory deposits	116,630	97,588
Total	**438,036**	**368,676**

12.2 Debts to financial institutions

	31/12/2024	31/12/2023
Long-term borrowings	278,949	278,987
Short-term borrowings	44,172	14,179
Subordinated debt	9,522	3,787
Shareholder debt	0	168
Debts on right of use	3,791	4,267
Total	**336,434**	**301,387**

In general, subsidiaries have the possibility of refinancing themselves either with Baobab S.A.S., through advances to shareholders' current accounts within the limits granted by the Supervisory Board of Baobab S.A.S., or locally with financial institutions. Long-term and short-term borrowings include only refinancing from outside the Group.
All subscriptions and renewals of loans are for developing the operating subsidiaries.

Note 13 – Provisions and other liabilities

13.1 Provisions

The "Provisions" item of €4M is mainly composed of:

- a provisions for HR-related risks and charges for €2.6 million
- a provisions for various financial risks in the DRC amounting to €0.8 million
- a provisions for various tax risks (excluding IFRIC 23) for €0.3 million

13.2 Other liabilities

	2024	2023
Suppliers debts	7,381	13,023
Deferred income	2,173	2,101
Payroll liabilities	6,201	5,546
Tax liabilities excl. corporate income tax	7,121	6,834
Other taxes	5,948	4,223
Other debts	10,720	15,037
Total	**39,544**	**46,764**

Most trade payables at 31 December, 2024 were settled during the first quarter of 2025.

The "Other creditors" line item primarily includes deferred income related to Baobab Madagascar, amounting to €5 million.

Note 14 – Breakdown of some assets/ liabilities in the balance sheet according to their residual term

The following table shows the two main aggregates on Baobab Group's balance sheet with a maturity of more than one month.

BAOBABGROUP	Contractual maturity in EUR 000						
31/12/2024	<1M	1-3M	3-6M	6-12M	1-2Y	>2Y	TOTAL
BAOBABHOLDING							
Liquidity	64,075	1,526	9,550	3,634	4,957	4,213	87,956
Loan portfolio	81,152	162,321	194,119	251,701	92,885	15,260	797,438
Other receivables	34,373	437	630	1,608	746	12,596	50,390
Total Assets	**179,601**	**164,284**	**204,299**	**256,944**	**98,588**	**32,068**	**935,783**
Clients deposits	241,956	22,668	81,845	65,298	54,719	13,969	440,454
Financial liabilities	12,858	14,725	39,034	53,374	117,287	83,314	320,591
Other liabilities	35,486	4,230	2,493	9,147	475	3,956	55,787
Total Liabilities	**290,299**	**41,622**	**83,372**	**127,820**	**172,481**	**101,239**	**816,833**
Financial gap	**(110,698)**	**122,662**	**120,927**	**129,124**	**(73,892)**	**(69,171)**	**118,951**
Cumulative gap	**(110,698)**	**11,963**	**132,890**	**262,014**	**188,121**	**118,951**	**118,951**

BAOBAB GROUP	Expected maturity in EUR 000						
31/12/2024	< 1M	1-3M	3-6M	6-12M	1-2Y	> 2Y	TOTAL
BAOBAB HOLDING							
Liquidity	64,075	1,526	9,550	3,634	4,957	4,213	87,956
Loan portfolio	38,559	77,119	115,678	231,356	308,475	-	771,188
Other receivables	34,373	437	630	1608	746	12,596	5,390
Assets	**137,008**	**79,081**	**125,858**	**236,599**	**314,178**	**16,808**	**909,533**
Customers deposits	115,812	55,749	66,521	87,658	97,342	8,780	431,862
Financial liabilities	12,858	14,725	39,034	53,374	117,287	83,314	320,591
Other liabilities	35,486	4,230	2,493	9,147	475	3,956	55,787
Liabilities	**164,155**	**74,704**	**108,048**	**150,179**	**215,104**	**96,050**	**808,240**
Financial gap	**(27,147)**	**4,378**	**17,810**	**86,419**	**99,074**	**(79,241)**	**101,293**
Cumulative gap	**(27,147)**	**(22,710)**	**(4,959)**	**81,460**	**180,534**	**101,293**	**101,293**

The Group manages its liquidity in its various jurisdictions with a conservative approach, namely on a stressed maturity basis. Nevertheless, liquidity remains in surplus even with these stressed scenarios at all maturity dates.

Note 15 – Headcount as of 31/12/2024

	Sales staff	Other employees	Total 2024	Total 2023
France	0	59	59	53
Services	0	121	121	107
Madagascar	610	155	765	837
Senegal	624	114	738	786
China	0	0	0	475
Nigeria	548	171	719	824
Côte d'Ivoire	697	166	863	809
Mali	272	46	318	327
Burkina Faso	319	53	372	283
DRC	257	49	306	294
Total	**3327**	**934**	**4261**	**4,795**

Note 16 – Earnings per share

Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.
Below is information on the results and shares, which was used to calculate the basic earnings per share, for all the activities:

	2024	2023
Net profit attributable to the ordinary shareholders of the entity (in KEUR)	(8,383)	(17,273)
Weighted average number of ordinary shares for basic earnings per share	9,880,019	9,879,924
Total number of shares at end of the year	9,880,019	9,880,019
Profit per weighted average number of shares in Euros	**(0,85)**	**(1,75)**

- Earnings per share are negative due to the impact of restatements related to assets held for sale, i.e. Chinese entities and Baobab Plus *(see note 9.2)*.

Excluding non-current activities held for sale, earnings per share would be as follows:

	2024	2023
Net income from continuing operations attributable to ordinary equity holders of the parent (in KEUR)	3,524	11,924
Weighted average number of ordinary shares for basic earnings per share	9,880,019	9,879,924
Total number of shares at end of the year	9,880,019	9,880,019
Profit per weighted average number of shares in Euros	**0,36**	**1,21**

Note 17 – Segment information

- **Breakdown per activity 2024**

ASSETS	2024	Holding	Institutions
Loans (gross outstanding)	798,782	0	798,782
Provisions for loans	(14,943)	0	(14,943)
Loans (net outstanding)	783,839	0	783,839
Other assets	187,304	60,270	127,034
TOTAL ASSETS	**971,143**	**60,270**	**910,873**

LIABILITIES	2024	Holding Company	Institutions
Customer deposits	438,036	0	438,036
Deposits from banks	336,434	36,931	299,503
Other debts and equity	196,673	23,339	173,408
TOTAL LIABILITIES	**971,143**	**60,270**	**910,946**

IN KEUR	2024	Holding Company	Financial institutions	Baobab Plus
Received interest and related income	176,549	373	176,176	0
Interest paid and related expenses	(39,346)	(2,458)	(36,888)	0
Net interests	**137,202**	**(2,085)**	**139,288**	**(0)**
Commission	17,495	0	17,495	0
Other financial income	(813)	487	(1,300)	0
Financial expenses	(7,013)	(539)	(6,474)	0
Financial income	6,200	1,026	5,174	0
Gross financial income	**153,884**	**(1,598)**	**155,483**	**(0)**
Cost of risk	(19,160)	0	(19,160)	0
Net financial income	**134,724**	**(1,598)**	**136,323**	**(0)**
Baobab plus income	0	0	0	0
Other income	8,288	2,617	5,671	0
Income from other Business	**8,288**	**2,617**	**5,671**	**0**
Total operating Revenue	**143,012**	**1,019**	**141,993**	**(0)**
Personnel expenses	(60,804)	(13,360)	(47,444)	0
External expenses	(45,053)	1,073	(46,126)	0
Operating allowances	(18,608)	(9,330)	(9,278)	0
Taxes and duties	(4,647)	(1,528)	(3,118)	0
Total operating expenses	**(129,111)**	**(23,145)**	**(105,966)**	**(0)**
Pre-tax income	**13,901**	**(22,126)**	**36,027**	**(1)**
Tax on profits	(8,711)	(936)	(7,775)	(0)
Deferred tax	*(570)*	*(928)*	*358*	*0*
Current tax	*(8,140)*	*(8)*	*(8,133)*	*0*
Tax credit	*0*	*0*	*0*	*0*
PROFIT OR LOSS FROM NON-CURRENT ASSETS HELD FOR SALE	**(14,007)**	**(8,605)**	**5,375**	**(10,778)**
Net income	*(8,817)*	*(31,666)*	*33,627*	*(10,779)*
Minority interests	(434)	(344)	2,777	(2,867)
NET PROFIT/LOSS, GROUP SHARE	**(8,383)**	**(32,667)**	**32,196**	**(7,912)**

• Breakdown per activity 2023

ASSETS	2023	Holding Company	Institutions
Loans (gross outstanding)	696,796	0	696,796
Provisions for loans	(13,006)	0	(13,006)
Loans (net outstanding)	683,790	0	683,790
Non-current assets held for sale	119,763		119,763
Other assets	152,041	35,935	116,107
TOTAL ASSETS	**955,594**	**35,935**	**919,659**

LIABILITIES	2023	Holding Company	Institutions
Customer deposits	368,676	0	368,676
Deposits from banks	301,387	57,618	243,769
Non-current liabilities held for sale	79,828		79,828
Other debts and equity	205,704	(21,683)	227,387
TOTAL LIABILITIES	**955,594**	**35,935**	**919,659**

IN KEUR	2023	Holding Company	Financial institutions	Baobab Plus
Received interest and related income	161,320	0	160,387	933
Interest paid and related expenses	(34,196)	(2,437)	(30,311)	(1,448)
Net interests	**127,124**	**(2,437)**	**130,076**	**(515)**
Commission	17,211	0	17,211	0
Other financial income	(4,390)	(98)	(1,359)	(2,933)
Financial expenses	*(13,368)*	*(242)*	*(8,629)*	*(4,497)*
Financial income	*8,978*	*144*	*7,270*	*1,564*
Gross financial income	**139,946**	**(2,535)**	**145,928**	**(3,448)**
Cost of risk	(14,764)	0	(13,438)	(1,326)
Net financial income	**125,182**	**(2,535)**	**132,490**	**(4,774)**
Baobab plus income	23,205	0	0	23,205
Other income	8,628	4,252	2,692	1,685
Income from other Business	**31,834**	**4,252**	**2,692**	**24,890**
Total operating Revenue	**157,015**	**1,717**	**135,182**	**20,117**
Personnel expenses	(62,356)	(12,440)	(43,600)	(6,316)
External expenses	(57,210)	5,134	(45,232)	(17,112)
Operating allowances	(13,263)	(1,166)	(10,201)	(1,896)
Taxes and duties	(5,470)	(1,338)	(3,162)	(970)
Total operating expenses	**(138,299)**	**(9,810)**	**(102,196)**	**(26,293)**
Pre-tax income	**18,716**	**(8,093)**	**32,986**	**(6,176)**
Tax on profits	(5,636)	(900)	(5,893)	1,157
Deferred tax	*1,645*	*(796)*	*1,210*	*1,231*
Current tax	*(7,266)*	*(89)*	*(7,103)*	*(74)*
Tax credit	*(15)*	*(15)*	*0*	*0*
NET INCOME FROM CONTINUING OPERATIONS	**13,080**	**(8,993)**	**27,093**	**(5,019)**
Net income from discontinued operations, Group share	*(28,598)*	*(30,412)*	*1,814*	*0*
NET INCOME	**(15,518)**	**(39,405)**	**28,907**	**(5,019)**
Minority interests	**1,755**	145	2,946	(1,335)
NET PROFIT/LOSS, GROUP SHARE	**(17,273)**	**(39,550)**	**25,961**	**(3,684)**

• Geographical breakdown 2024

ASSETS	2024	France	Africa	Asia
Loans (gross outstanding)	798,782	0	798,782	(0)
Provisions for loans	(14,943)	0	(14,943)	(0)
Loans (net outstanding)	783,839	0	783,839	(0)
Other assets	187,303	60,270	127,034	0
TOTAL ASSETS	**971,142**	**60,270**	**910,873**	**(0)**

LIABILITIES	2024	France	Africa	Asia
Customer deposits	438,036	0	438,036	0
Borrowings from banks	336,434	36,931	299,503	0
Other debt and equity	196,673	23,339	173,335	(0)
TOTAL LIABILITIES	**971,143**	**60,270**	**910,873**	**(0)**

IN KEUR	2024	France	Africa	Asia	Subsidiaries
Interest and similar income received	176,549	373	176,176	0	176,176
Interest and similar expenses paid	(39,346)	(2,458)	(36,889)	0	(36,889)
Net interests	**137,202**	**(2,085)**	**139,287**	**0**	**139,287**
Commission	17,495	0	17,495	0	17,495
Other financial income	**(813)**	**487**	**(1,300)**	**0**	**(1,300)**
Financial expenses	*(7,013)*	*(539)*	*(6,474)*	*0*	*(6,474)*
Financial income	*6,200*	*1,026*	*5,174*	*0*	*5,174*
Gross financial income	**153,884**	**(1,598)**	**155,482**	**0**	**155,482**
Cost of risk	(19,160)	0	(19,160)	0	(19,160)
Provisions, net		0	(1,668)	0	
Write-off		0	(28,420)	0	
Recoveries		0	10,928	0	
Net financial income	**134,724**	**(1,598)**	**136,322**	**(0)**	**136,322**
Baobab Plus income	0	0	0	0	0
Other income	8,288	2,617	5,671	0	5,671
INCOME FROM OTHER ACTIVITIES	**8,288**	**2,617**	**5,671**	**(0)**	**5,671**
TOTAL OPERATING INCOME	**143,012**	**1,019**	**141,993**	**(0)**	**141,993**
Payroll expenses	(60,804)	(13,360)	(47,444)	0	(47,444)
External expenses	(45,053)	1,073	(46,126)	0	(46,126)
Operating allowances	(18,608)	(9,330)	(9,278)	0	(9,278)
Taxes and duties	(4,647)	(1,528)	(3,118)	0	(3,118)
TOTAL OPERATING EXPENSES	**(129,111)**	**(23,145)**	**(105,967)**	**(0)**	**(105,967)**
PROFIT/LOSS BEFORE TAX	**13,901**	**(22,126)**	**36,026**	**(0)**	**36,026**
Tax on profits					
Deferred tax	*(8,711)*	*(936)*	*(7,775)*	*0*	*(7,775)*
Current tax	*(570)*	*(928)*	*358*	*0*	*358*
Tax credit	*(8,140)*	*(8)*	*(8,133)*	*0*	*(8,133)*
net profit from discontinued operations	*(14,008*	*(10,042)*	*(9,341)*	*5,375*	**(3,965**
PROFIT/LOSS, NET	**(8,817)**	**(33,103)**	**18,911**	**5,375**	**24,286**
Minority interests	**(434)**	(344)	(857)	767	**(90)**
NET PROFIT/LOSS, GROUP SHARE	**(8,383)**	**(32,667)**	**19,675**	**4,608**	**24,283**

• Geographical breakdown 2023

ASSETS	2023	France	Africa	Asia
Loans (gross outstanding)	696,796	0	696,796	0
Provisions for loans	(13,006)	0	(13,006)	(0)
Loans (net outstanding)	683,790	0	683,790	0
Non-current assets held for sale	119,763			119,763
Other assets	152,041	35,935	116,107	(0)
TOTAL ASSETS	**955,594**	**35,935**	**799,896**	**119,763**

LIABILITIES	2023	France	Africa	Asia
Customer deposits	368,676	0	368,676	0
Borrowings from banks	301,387	57,618	243,769	(0)
Non-current liabilities held for sale	79,828			79,828
Other debt and equity	205,704	(21,683)	187,451	39,936
TOTAL LIABILITIES	**955,594**	**35,935**	**799,896**	**119,763**

IN KEUR	2023	France	Africa	Asia	Subsidiaries
Interest and similar income received	161,320	0	161,320	0	161,320
Interest and similar expenses paid	(34,196)	(2,490)	(31,706)	(0)	(31,706)
Net interests	**127,124**	**(2,490)**	**129,615**	**0**	**129,615**
Commission	17,211	0	17,211	0	17,211
Other financial income	**(4,390)**	**(98)**	**(4,285)**	**(7)**	**(4,292)**
Financial expenses	*(13,368)*	*(242)*	*(13,119)*	*(7)*	*(13,126)*
Financial income	*8,978*	*144*	*8,834*	*0*	*8,834*
Gross financial income	**139,946**	**(2,588)**	**142,540**	**(7)**	**142,533**
Cost of risk	(14,764)	0	(14,770)	7	(14,764)
Provisions, net		0	(2,754)	0	
Write-off		0	(21,361)	7	
Recoveries		0	9,344	(0)	
Net financial income	**125,182**	**(2,588)**	**127,769**	**0**	**127,769**
Baobab Plus income	23,205	0	23,205	0	23,205
Other income	8,628	4,252	4,377	(0)	4,377
INCOME FROM OTHER ACTIVITIES	**31,834**	**4,252**	**27,582**	**(0)**	**27,582**
TOTAL OPERATING INCOME	**157,015**	**1,664**	**155,352**	**0**	**155,352**
Payroll expenses	(62,356)	(12,440)	(49,916)	0	(49,916)
External expenses	(57,210)	5,134	(62,343)	(0)	(62,343)
Operating allowances	(13,263)	(1,166)	(12,097)	0	(12,097)
Taxes and duties	(5,470)	(1,338)	(4,132)	0	(4,132)
TOTAL OPERATING EXPENSES	**(138,299)**	**(9,810)**	**(128,489)**	**(0)**	**(128,489)**
PROFIT/LOSS BEFORE TAX	**18,716**	**(8,146)**	**26,863**	**(0)**	**26,863**
Tax on profits	(5,636)	(900)	(4,736)	(0)	(4,736)
Deferred tax	*1,645*	*(796)*	*2,441*	*(0)*	*2,441*
Current tax	*(7,266)*	*(89)*	*(7,177)*	*0*	*(7,177)*
Tax credit	*(15)*	*(15)*	*0*	*0*	*0*
NET PROFIT FROM CONTINUING OPERATIONS	**13,080**	**(9,046)**	**22,127**	**(0)**	22,127
net profit from discontinued operations	*(28,598)*	*(30,412)*	*0*	*1,814*	**1,814**
PROFIT/LOSS, NET	**(15,518)**	**(39,458)**	**22,127**	**1,814**	**23,941**
Minority interests	**1,755**	145	1,011	599	**1,611**
NET PROFIT/LOSS, GROUP SHARE	**(17,273)**	**(39,550)**	**21,062**	**1,215**	**22,277**

Note 18 – Operating income

Operating income is mainly made of interests, fees and commissions on loans. The breakdown of operating income per entity is as follows:

• **Revenues derived from the lending activity**

Received interest and related income	2024	2023
Interest received on loans	141,429	130,549
Interest Pay-As-You-Go Baobab Plus	0	933
Commission on loans	21,294	17,807
Fees, penalties / other income	13,826	12,032
TOTAL	176,549	161,320

The absence of Baobab Plus PAYG interest in 2024 is due to the reclassification of data related to this activity under "Net income from discontinued operations."

• **Commissions**

COMMISSION	2024	2023
Total	17,495	17,211

This income is generated mainly by savings products, insurance on loans granted, and commissions and fees collected on various transactions other than loans.

• **Other income**

IN KEUR	2024	2023
Grants	215	227
Other income	9,251	8,401
TOTAL	9,466	8,628

Subsidies are granted to Holding companies or directly to institutions with the aim of contributing to the financial inclusion of the targeted populations in the jurisdictions where the Group operates.
Other income includes €1M in capitalised production costs as part of the resources used for the Group's digitalisation.

Note 19 – Other financial income

In 2024, other net financial income was as follows:

Net foreign exchange losses were mainly recorded in Nigeria, Madagascar, and the DRC, with a greater impact

IN KEUR	2024	2023
Financial revenue	**6,200**	**8,978**
FX gains	6,195	8,926
Net profit on disposal of marketable securities	0	19
Reversals of financial provisions	5	32
Financial expenses	**(7,013)**	**(13,368)**
FX loss	(6,053)	(12,444)
Provisions for securities and depreciation	(286)	(205)
Financial expenses on right-of-use	(634)	(576)
Other financial expenses	(40)	(143)
TOTAL	(813)	(4,390)

in Nigeria, where the devaluation of the naira accelerated in 2024.

Note 20 – Cost of risk

Provisions/losses on loans cover the cost of impairments recognized in respect of the credit risk inherent in customer lending activities.

IN KEUR	2024	2023
Net provision expenses	(1,668)	(2,754)
Financial write-off	(28,420)	(21,354)
Recoveries	10,928	9,344
TOTAL	**(19,160)**	**(14,764)**

The increase in the cost of risk is in line with the strong growth of the portfolio.

Note 21 – Operating expenses

IN KEUR	2024	2023
External expenses	**(49,700)**	**(62,680)**
Purchases and exernal expenses	(45,053)	(57,210)
Tax, duties and similar expenses	(4,647)	(5,470)
Payroll costs	**(60,804)**	**(62,356)**
Operating expenses	**(18,608)**	**(13,263)**
Allowances for depreciation of fixed assets	(15,950)	(9,414)
Allowances for provisions on fixed assets	(377)	(2,719)
Allowances for provisions for risk and liabilities	(1,557)	(537)
Allowances for provisions for pensions	(723)	(593)
TOTAL OPERATING EXPENSES	**(129,111)**	**(138,299)**

As of the end of 2024, expenses are broken down as follows:

- €60,804K in personnel expenses, with the net decrease compared to 2023 mainly attributable to the reclassification of personnel expenses related to the Baobab Plus activity under "Net income from discontinued operations." Personnel expenses are distributed as follows: 78% in Africa and 22% in the holdings, with the portion related to Asia and Baobab Plus reclassified under "Net income from discontinued operations.
- Purchases and external charges decreased by 21% compared to 2023, primarily due to the reclassification of expenses related to Baobab Plus activities — particularly the cost of goods sold — under "Net income from discontinued operations." This item includes:
  - Mission expenses, aimed at ensuring the proper development of the entities (participation in board meetings, information systems audits, etc.) and supporting the search for new investors for the Baobab Group;
  - IT expenses mainly concerning the maintenance of the current IT tool and the development of the loan management software.
  - Fees for the Group's various service providers.
- The increase in depreciation charges is mainly due to the write-off of costs incurred for the Core Banking System migration project, amounting to €8 million (see Note 5).

Note 22 – Reconciliation between nominal and effective tax rates

The tax charge represents the sum of current tax payable and deferred tax. The reconciliation between tax expense and accounting income (for continuing operations) multiplied by the tax rate applicable in France is as follows for the year ended 31 December, 2024.

The theoretical tax rate is the standard tax rate on taxable profits in France at 31 December, 2024, i.e. 25%.

	31/12/24	31/12/24
Profit/loss before tax	**10,673**	**18,716**
Theoretical amount of tax on profits	(2,668)	(4,679)
Tax rate differential in foreign subsidiaries	5,109	2,314
Impact of permanent differences	(5,126)	(625)
Tax credits and withholding taxes	(50)	372
Provision for tax risks	0	129
Non recognition of DTA and deconsolidation effects	(5,870)	(2,281)
Miscellaneous	(14)	(778)
Minimum flat tax	(8)	(74)
Change in tax rates	0	(15)
REPORTED TAX	**(8,711)**	**(5,636)**
EFFECTIVE TAX RATE	**81,61%**	**30,11%**

The increase in the effective tax rate between 2023 and 2024 is due to the non-activation of deferred taxes on tax losses carried forward in excess of €4 million.

Note 23 – Risk management

1. General observations

Risk is inherent in the Group's business and is managed through a continuous process of identifying, monitoring and taking corrective action. This risk management process is essential to the continued profitability of the Group and each of its subsidiaries.

2. Risk management organisation

Risk management objectives within Baobab Group are multiple:

- Identifying the risk areas facing the institution and minimising losses;
- Protecting clients and minimising their financial risks;
- Protecting the interests of its shareholders and investors;
- Preserving its estate (assets);
- Maintaining and expanding its operational structure (including the branch network);
- Providing guidance in line with internationally accepted risk management principles
- Defining a risk management framework appropriate to the microfinance business and structure of the institution

3. Risk management organisation within Baobab

The risk management organisation at Baobab follows the governance principles generally defined for financial services. It is based on the principle of three distinct and successive lines of defence.

The first line of defence is the team, person or department that is responsible for carrying out the tasks. It is completed by the Management overseeing the teams.

The second line of defence is primarily Compliance & permanent control structure. The latter provides risk management expertise to help develop strategies, policies and procedures to mitigate risks and implement risk control measures.
Historically represented by the Compliance function, this structure is now being strengthened within the institution's Risk teams.

The third line of defence is the Internal Audit department, which assesses and improves the effectiveness of risk management, control and governance processes through audits of risk control measures. Internal Audit departments are based at the national headquarters of each microfinance institution and report to both the Audit Committee of the subsidiaries and the Group Audit Department. The intervention of the audit teams is governed by an annual audit plan approved annually by the Boards of Directors of the subsidiaries and the Group.

4. Risks

The main risks faced by the Group are the following:

Credit risk

Credit risk is the risk that a debtor will default or that the debtor's economic situation will deteriorate to the extent that the institution's claim on the debtor is devalued.

The Group manages and controls credit risk by:

- disseminating and strictly monitoring operational procedures and rigorous acceptance criteria to limit the risk of client default
- requiring, where possible, guarantees from its clients in order to reduce losses on loans granted. These guarantees are often in cash (client deposits) but may also be in the form of securities (business assets, stocks, etc.), real estate (land title) or moral guarantees (sureties),
- setting up credit committees in each of the subsidiaries to rule on disbursement requests according to predefined levels of delegation and validated by the Risk Committees
- diversifying its portfolio across different geographical areas. As of 31 December 2022, the Group was investing in West Africa, Central Africa, Madagascar and China.

Operational risk

Operational risk is the risk of loss that may result from inadequate or unapplied internal procedures of people, systems or external events. These risk events are internal or external fraud, client relationship risks, personnel management problems, damage to physical assets, total or partial disruption of systems or processes and poor execution of certain processes, whether internal or external to the financial institution.

The Group manages and controls operational risk through:

- the implementation of policies to describe the operation of control processes: fraud detection and prevention, subsidiary operational risk assessment, business continuity plan, access rights and authorisations training (initial training and regular updating of skills)
- training (initial training and regular updating of skills)
- support for audit teams in carrying out unannounced checks on branches or back-office processes
- setting up teams dedicated to permanent control

IT and technology risks

IT and technology risks are common in microfinance institutions. The Group regularly analyses the risks related to hacking or password sharing, possible changes to data and the roles assigned to different users.

An access audit is conducted at least once a year for this purpose.

To mitigate potential information and technology risks, the Group ensures that its employees have appropriate technical support and IT skills. In addition, the Group ensures that it has an adequate data security policy in place.

Financial risk

Financial risk arises from the imbalance between the institution's uses and resources, both in terms of liquidity and cost (interest and exchange). It is broken up into two categories:

- Liquidity risk: the risk that the company will not be able to meet its payment obligations as they fall due under normal and stressed conditions. Most of the Baobab Group's subsidiaries are able to attract and secure third party financing in local currency, Euros or USD.

  The Group manages and controls liquidity risk through:
  - the implementation of liquidity management policies
  - regular and frequent monitoring of liquidity aggregates, assessed at the level of individual microfinance institutions and on a consolidated basis at Group level.
  - regular holding of ALCO committees

- Rate risk: the risk of unfavourable fluctuations in financing, interest and exchange rates. At the level of the subsidiaries, the exchange rate risk is minimal, as they refinance themselves locally, either by building up savings when their status allows it, or by taking on debt on the local banking market. At the Group level, the exchange rate risk arises from investments spread over countries whose currencies fluctuate strongly and rapidly.

The Group manages and controls interest rate risk through:

- natural hedging, i.e. by offsetting the local currency assets of the institutions, which are essentially the loan portfolio of the subsidiary, against the local currency liabilities.
- regular and frequent monitoring of interest rate and foreign exchange position aggregates, assessed at the level of the microfinance institutions and on a consolidated basis at the Group level
- regular holding of ALCO committees

Legal and tax risk

This risk includes but is not limited to exposure to fines, penalties or damages resulting from supervisory actions by authorities. It is divided into 3 categories:

- Regulatory risk: Non-compliance with local law or regulation.
- Litigation risk: Litigation with a counterparty resulting from any inaccuracy, deficiency or insufficiency of any kind that may be attributable to the institution in its operations and management.
- Tax risk: Unfavourable and unanticipated changes in the tax regulations applied to Baobab.

The Group manages and controls legal and tax risk through:

- continuous monitoring of the regulatory and legal environment, including through legal officers, compliance officers in all countries where the Group operates and with the assistance of consultancy firms where appropriate
- direct relations with regulators
- functional supervision at the Holding Company level through the establishment of a legal department and a compliance department headed by the Secretary General, who is thus the guarantor of all legal issues concerning the Group
- tax monitoring to prevent risks and anticipate new rules imposed on the Group in its various jurisdictions.

Strategical and reputational risks

Strategy risk can arise from poor market positioning, from the launch of a product that is disconnected from client needs, from inappropriate pricing, or from a lack of knowledge of the competition's strategy. It can also be the result of poor planning, which generates a risk to the profitability or sustainability of the institution, poor management of its resources, or a management error or an external event which affects the image of an organisation.

This risk is mitigated by the presence of experienced Management teams in the microfinance business, which allows for adaptation to market needs and local conditions; this also requires the preparation of robust business plans and their updating in line with market developments.
In addition, the Group also assesses its strategic risks by analysing its competitive and reputational risk, its liquidity and credit risk management, and by regularly and carefully monitoring its growth and cost control.

Note 24 – Fees paid to statutory auditors

The fees paid to auditors of Baobab Group can be broken down as follows:
- remuneration of audit services: these services consist of verifying the holding company's consolidated accounts and the subsidiaries' annual accounts;
- remuneration of other audit-related services: These services include those directly related to the audit engagement.

IN KEUR	2024	2023
Audit of Baobab S.A.S	**158**	**121**
Legal audit fees	118	103
Non audit services	40	18
Audit of subsidiaries	**376**	**466**
Legal audit fees	372	430
Non audit services	5	35
TOTAL	535	587

Note 25 – Related Parties

As of 31 December 2024, no material transaction has been recognised between the Group and related parties other than intra-group transactions eliminated in consolidation.

Note 26 – Significant post-closing events

- All of the Group's shareholders (except for Gojo, a recent shareholder) confirmed their intention to sell their shares in the Baobab Group, with a mandate granted to Baobab SAS in 2024 to seek a new investor. This process led to the signing of a share sale agreement on February 10, 2025, by the majority of the Group's shareholders with Beltone Capital, a wholly owned subsidiary of Beltone Holding S.A.E. Beltone Holding S.A.E., listed on the Egyptian Exchange (EGX) under ISIN code EGS691G1C015, is a leading financial services provider in Egypt and the MENA region.

- In mid-February 2025, Baobab SAS completed the acquisition of the shares held by minority shareholder uMunthu in its subsidiary Baobab Nigeria, thereby increasing its ownership stake to 100%.

- The Group sold its entire stake in its Baobab Plus business on April 29, 2025, to Biolite, an American investor specializing in the production of off-grid energy products for outdoor recreation and emerging markets.

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