

# **PALLIDUS CREDIT CONNECT (RF) LIMITED**

**(Registration Number 2022/465544/06)**

**Annual Financial Statements  
for the year ended 30 June 2025**

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)  
Annual Financial Statements for the year ended 30 June 2025

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# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Holding entity</b>	Pallidus Issuer Owner Trust
<b>Nature of business and principal activities</b>	The purpose of the company is to extend loans to a specific corporate entity, acquire or invest in debt exposures and other assets and to acquire the related security with regard to such loans, debt exposures and/or assets, with funds raised directly or indirectly through the issuance of notes.
<b>Registered office and business address</b>	TMF Building 2 Conference Lane, Bridgewater One, Block 1 Bridgeways Precinct Century City Cape Town 7446
<b>Postal address</b>	Postnet Suite 294 Private Bag X1005 Claremont Western Cape 7735
<b>Level of Assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Independent Auditors</b>	PKF Pretoria Incorporated
<b>Administrator</b>	Pallidus Capital Proprietary Limited
<b>Company Secretary</b>	TMF Capital Markets Services (South Africa) Proprietary Limited, represented by Marian Griffin-Kloot
<b>Company registration number</b>	2022/465544/06
<b>Tax reference number</b>	9273187261
<b>Compiler</b>	The financial statements were internally compiled by Jacques Jansen van Rensburg CA (SA) under the supervision of Petra van der Linde CA (SA)
<b>Issued</b>	29 September 2025

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Directors' Responsibilities and Approval

The board of directors is required by the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. These annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is its responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company and supported by reasonable and prudent judgements and estimates.

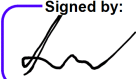
The board of directors acknowledges that it is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all office bearers are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

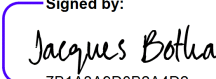
The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board of directors is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the board of directors has no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, PKF Pretoria Incorporated, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 9 to 11.

The annual financial statements set out on pages 4 to 30 which have been prepared on the going concern basis, were approved by the board of directors and were signed on 29 September 2025 on its behalf by:

Signed by:  
  
 7D7D85013DC1446...  
 B Harmse  
 Chairman

Signed by:  
  
 7B1A3A9D0B2A4D2  
 J Botha  
 Executive Director

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

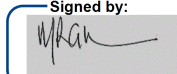
Annual Financial Statements for the year ended 30 June 2025

## Declaration by the Company Secretary

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In terms of section 88(2)(e) of the Companies Act, 71 of 2008 of South Africa, as amended, I declare that to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission all such returns required of a Public Company in terms of the Companies Act of South Africa and that all such returns are true, correct and up to date.

Signed by:



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TMF Capital Markets Services (South Africa) Proprietary Limited, represented by Marian Griffin-Kloot  
Company Secretary

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Directors' Report

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The directors of Pallidus Credit Connect (RF) Limited (the "Company") have pleasure in submitting their report on the Company's financial statements for the year ended 30 June 2025.

### 1. Business activities

The purpose of the company is to extend loans to a specific corporate entity, acquire or invest in debt exposures and other assets and to acquire the related security with regard to such loans, debt exposures and/or assets, with funds raised directly or indirectly through the issuance of notes. There were no major changes herein during the year.

### 2. Results of operations

The operating results and financial position of the Company are set out in the statement of profit or loss and statement of financial position.

The Company generated a profit after tax for the year ended 30 June 2025 of R3,757,342 (2024: R2,484,584).

### 3. Holding entity

Pallidus Issuer Owner Trust owns 100% of the ordinary shares of the Company.

### 4. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

The authorised share capital consists of 1,000 ordinary shares of no par value and 100 cumulative redeemable preference shares of no par value.

### 5. Dividends

Dividends of R4,000,000 were declared and paid to the preference shareholder during the year (2024: R0).

### 6. Directors

The directors currently holding office are:

JD Symington

J Botha

RM Friedericksen (Non-executive)

SS Schrueder (Non-executive)

B Harmse (Non-executive) (Appointed 24 January 2025)

WJ Badenhorst (Non-executive) (Resigned 23 January 2025)

### 7. Company secretary

TMF Capital Markets Services (South Africa) Proprietary Limited, represented by Marian Griffin-Kloot, is the company secretary.

### 8. Independent Auditors

The current period's financial statements were audited by PKF Pretoria Incorporated.

### 9. Administrator

Pallidus Capital Proprietary Limited is the Administrator of the multi-issuer note programme of the company.

### 10. Going concern

The board of directors has satisfied itself that the company has adequate resources to continue in operation for the foreseeable future. The Company's financial statements have accordingly been prepared on a going concern basis.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Directors' Report

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### 11. Events after the reporting period

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

After the end of the financial year, the Company received notice from a Borrower, to which Loans Receivable to the value of R130 million was advanced, that it intends to settle the outstanding facility, together with all outstanding interest up to and including 31 August 2025, by 1 September 2025. The Loans Receivable and the Notes Payable that were issued to fund the Loans Receivable were settled on the same date, together with all outstanding interest up to and including 31 August 2025. The result of the early settlement is that the Company foregoes net interest margin of 1.75% per annum that it would have earned over the remainder of the loan had it not been settled early. The foregone margin will be offset by a 2% refinancing penalty paid by the Borrower for the benefit of the Company.

On 4 September 2025, the Company declared a dividend of R1,700,000 to the preference shareholder.

No other material facts or circumstances have arisen between the financial reporting date and the date of this report which affect the financial position or financial performance of the Company as reflected in these financial statements.

### 12. Social and ethics committee

The Company is required in terms of the Companies Act to appoint a Social and Ethics Committee. The Company has applied to the Companies Tribunal for an exemption from that requirement and this exemption was granted on the basis that it is not reasonably necessary, having regard to the nature and extent of the structures and activities of the Company and the public interest, to require the company to have a Social and Ethics Committee. This exemption expires in 2028.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Audit Committee Report

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This report is provided by the audit committee appointed in respect of the financial year ended 30 June 2025 of Pallidus Credit Connect (RF) Limited (the "Company"). The audit committee was constituted on 9 June 2023.

### 1. Members of the Audit Committee

The members of the audit committee are all independent, non-executive directors of the Company and include:

RM Friedericksen (Chairperson)  
SS Schrueder  
B Harmse

### 2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by section 94(7) of the Companies Act 71 of 2008 by holding meetings as a committee on a regular basis. The audit committee will invite certain key individuals to assist them in performing their responsibilities.

### 3. External auditor

The audit committee has nominated Retief Smith, a partner of PKF Pretoria and a registered auditor, as the independent auditor for the audit of the financial year ended 30 June 2025.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The audit committee has considered and pre-approved all non-audit services provided by the external auditors and the fees relative thereto so as to ensure the independence of the external auditors are maintained.

### 4. Annual Financial Statements

Following the review by the committee of the annual financial statements of the Company for the financial year ended 30 June 2025 and based on the information provided to it, the committee considers that, in all material respects, the Company complies with the provisions of the Companies Act No 71 of 2008, as amended, IFRS Accounting Standards, and that the accounting policies applied are appropriate.

### 5. Finance function

The audit committee has considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of the administrator's management responsible for the finance function.

### 6. Company secretary

The committee has satisfied itself that the Company secretary, TMF Capital Markets Services (South Africa) Proprietary Limited, represented by Marian Griffin-Kloot, has the appropriate competence and experience and will maintain an arm's-length relationship with directors.



# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)  
Annual Financial Statements for the year ended 30 June 2025

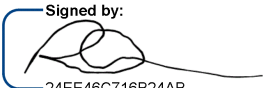
## Audit Committee Report

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### 7. Recommendation of the annual financial statements

The committee has fulfilled its oversight role regarding the reporting process for the annual financial statements and being satisfied with the integrity of this report, recommends that the annual financial statements be approved by the board of directors.

On behalf of the audit committee:

Signed by:  
  
24EE46C716B24AB...  
RM Fredericksen  
Chairperson  
29 September 2025

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**PKF Pretoria**

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Tijger Vallei Office Park, Silver Lakes,  
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Postnet Suite 322, Private Bag X37,  
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0040, South Africa

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## Independent Auditor's Report

**To the Shareholders of Pallidus Credit Connect (RF) Limited**

**Report on the audit of the financial statements for the year ended 30 June 2025**

### Opinion

We have audited the financial statements of Pallidus Credit Connect (RF) Limited (the company) set out on pages 12 to 30 which comprise the statement of financial position as at 30 June 2025, statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pallidus Credit Connect (RF) Limited as at 30 June 2025, and its financial performance and cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

### Final Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

**Directors:** P R Smith | B Robinson | S Fernandes

PKF Pretoria is a member of PKF South Africa, the network of member firms of PKF South Africa Inc., and PKF Global, the network of member firms of PKF International Limited. Each member firm is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.



Final materiality amounted to R5 300 000, which represents 2% of the total assets of the Company.

Total assets have been recognised as an appropriate benchmark for assessing materiality for the company due to the nature of the company. The purpose of the company extending loans to a specific corporate entity to acquire or invest in debt exposures with funds raised directly or indirectly through the issuance of notes, the users of the financial statements are more likely to be concerned with the asset value of the Company rather than the profitability.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Pallidus Credit Connect (RF) Limited Annual Financial Statements for the period ended 30 June 2025" the Declaration by the Company Secretary, Directors' Report and Audit Committee Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting



- from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on other legal and regulatory requirements


### *Audit Tenure*

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that PKF Pretoria Incorporated has been the auditor of Pallidus Credit Connect (RF) Limited for 3 years.

### *Disclosure of Fee-related Matters*

In terms of the EAR Rule, we disclose the following fee-related matters:

Audit fee for the 30 June 2025 financial year, R205,000. No other fees were charged for the current year.

DocuSigned by:  
  
 7F3AE8F837D04A0...  
**PKF Pretoria Incorporated**  
**PR Smith**  
**Director**  
**Registered Auditor**

Date: 29 September 2025 | 4:04:48 PM SAST

**Emwil House West**  
**Ground Floor**  
**15 Pony Street**  
**Tijger Vallei Office Park**  
**Silver Lakes**  
**0081**

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Statement of Financial Position

	Notes	2025 R	2024 R
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax asset	5	154,685	-
Loans receivable	3	225,000,000	50,000,000
<b>Total non-current assets</b>		<b>225,154,685</b>	<b>50,000,000</b>
<b>Current assets</b>			
Loans receivable	3	50,000,000	180,000,000
Interest receivable	4	1,752,832	-
Current tax assets	6	348	3,959
Trade and other receivables	7	-	82,977
Cash and cash equivalents	8	4,957,263	6,098,348
<b>Total current assets</b>		<b>56,710,443</b>	<b>186,185,284</b>
<b>Total assets</b>		<b>281,865,128</b>	<b>236,185,284</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	-	-
Retained income		2,866,407	3,109,065
<b>Total equity</b>		<b>2,866,407</b>	<b>3,109,065</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Notes payable	10	225,000,000	50,000,000
<b>Current liabilities</b>			
Notes payable	10	50,000,000	180,000,000
Trade and other payables	11	653,945	183,912
Finance costs payable	12	3,344,776	2,892,307
<b>Total current liabilities</b>		<b>53,998,721</b>	<b>183,076,219</b>
<b>Total liabilities</b>		<b>278,998,721</b>	<b>233,076,219</b>
<b>Total equity and liabilities</b>		<b>281,865,128</b>	<b>236,185,284</b>

PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)  
Annual Financial Statements for the year ended 30 June 2025

Statement of Profit or Loss

	Notes	2025 R	2024 R
<b>Revenue</b>			
Interest income	13	46,265,802	27,589,709
Finance costs	14	(40,484,188)	(23,435,857)
<b>Gross profit</b>		<b>5,781,614</b>	<b>4,153,852</b>
Other income		226,951	-
Operating expenses	15	(861,521)	(750,312)
<b>Profit before tax</b>		<b>5,147,044</b>	<b>3,403,540</b>
Taxation	16	(1,389,702)	(918,956)
<b>Profit for the year</b>		<b>3,757,342</b>	<b>2,484,584</b>

PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)  
Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity

	Share capital R	Retained earnings R	Total R
Balance at 1 July 2023	-	624,481	624,481
Total comprehensive income for the financial period	-	2,484,584	2,484,584
Balance at 30 June 2024	-	3,109,065	3,109,065
Balance at 1 July 2024	-	3,109,065	3,109,065
Total comprehensive income for the year	-	3,757,342	3,757,342
Distributions to preference shareholder	-	(4,000,000)	(4,000,000)
Balance at 30 June 2025	-	2,866,407	2,866,407
Notes	9		

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Statement of Cash Flows

	Notes	2025 R	2024 R
<b>Cash flows from operating activities</b>			
Profit before tax		5,147,044	3,403,540
Non-cash flow movements and adjustment to profit before tax	17.1	(5,781,614)	(4,153,852)
Changes in operating assets and liabilities	17.2	616,613	36,091
Interest income received	17.3	44,449,366	27,727,217
Tax paid	17.4	(1,540,776)	(924,078)
Finance costs paid	17.5	(40,031,719)	(20,617,454)
Loans receivable - repayments received		38,828,625	-
Loans receivable - advances paid		(20,000,000)	-
Loans payable - repaid		(39,828,625)	-
Loans payable - advances received		21,000,000	-
<b>Net cash from operating activities</b>		<b>2,858,915</b>	<b>5,471,462</b>
Dividends paid		(4,000,000)	-
<b>Net cash flows (used in) / from operating activities</b>		<b>(1,141,085)</b>	<b>5,471,462</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,141,085)</b>	<b>5,471,462</b>
Cash and cash equivalents at the beginning of the year		6,098,348	626,886
<b>Cash and cash equivalents at the end of the year</b>	8	<b>4,957,263</b>	<b>6,098,348</b>



# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### 1. Accounting policies

#### 1.1 Statement of compliance

These financial statements of Pallidus Credit Connect (RF) Limited (the “Company”) are prepared in accordance with IFRS Accounting Standards, in accordance with the requirements of the Memorandum of Incorporation and the Companies Act of South Africa, as amended.

#### 1.2 Basis of preparation

The financial statements provide information about the financial position, results of operations and changes in financial position of the Company. They have been prepared under the historical cost convention, as modified by the accounting policies below. The accounting policies have been consistently applied to the period presented. The financial statements have been prepared on the going concern basis.

#### 1.3 New standards, interpretations and amendments issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for periods beginning after 30 June 2025, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

##### 1.3.1 Annual Improvements to IFRS Accounting Standards—Volume 11

The improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. The effective date of the amendments is 1 January 2026 and initial application is not expected to have a material impact on the Company.

##### 1.3.2 Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

The amendments relate to changes to the requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The effective date of the amendments is 1 January 2026 and initial application is not expected to have a material impact on the Company.

##### 1.3.3 IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. The new standard will improve the quality of financial reporting by requiring defined subtotals in the statement of profit or loss, requiring disclosure about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. IFRS 18 has an effective date of 1 January 2027 and the impact of initial application is not yet known although assessments of the effect of the implementation of the new, standard is ongoing.

##### 1.3.4 IFRS Accounting Taxonomy 2023—Update 1 International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability

When the International Accounting Standards Board (IASB) issues new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards, it also updates the IFRS Accounting Taxonomy to reflect new or amended presentation and disclosure requirements. These updates ensure that the IFRS Accounting Taxonomy accurately reflects IFRS Accounting Standards. The effective date of the amendments is 1 January 2027 and initial application is not expected to have a material impact on the Company.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### *Accounting policies (continued)*

#### **1.3.5 IFRS Accounting Taxonomy 2023—Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update**

General improvements are changes to the IFRS Accounting Taxonomy content other than those resulting from changes to IFRS Accounting Standards or from analyses of common reporting practice. General improvements include, for example, improvements to data models to support consistent tagging or improvements to elements and labels to better reflect the presentation and disclosure requirements in IFRS Accounting Standards. The effective date of the amendments is 1 January 2027 and initial application is not expected to have a material impact on the Company.

#### **1.4 Revenue**

Revenue comprises of interest income on loans receivable.

##### **1.4.1 Interest income**

Interest income is recognised in profit or loss using the effective interest method taking into account the expected timing and amount of cash flows. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

#### **1.5 Current and deferred tax**

The income tax charge for the financial period comprises current and deferred tax. Income tax is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in OCI. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to OCI.

Deferred tax is not recognised on temporary differences that arise from:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction that is not a business combination which, at the time of the transaction, affects neither the accounting nor taxable profit or loss; and
- Temporary differences associated with investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available, against which the unutilised tax loss and deductible temporary differences can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### *Accounting policies (continued)*

#### 1.6 Financial instruments

##### 1.6.1 Recognition and initial measurement

Financial instruments comprise of loans receivable, interest receivable, cash and cash equivalents, notes payable, finance costs payable and trade and other payables.

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the particular instrument.

Financial instruments are initially recognised at fair value plus, in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

##### 1.6.2 Classification

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments. The classification possibilities, which are adopted by the Company, as applicable, are as follows:

###### **Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

###### **Financial assets measured at amortised cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortised cost.

Loan receivable, interest receivable and cash and cash equivalents are classified as financial assets carried at amortised cost.

###### **Financial liabilities measured at amortised cost**

This category includes all financial liabilities, other than any measured at fair value through profit or loss. The Company includes in this category notes payable, finance costs payable and trade and other payables.

##### 1.6.3 Derecognition

The Company derecognises a financial asset when and only when:

- The contractual rights to the cash flows arising from the financial asset have expired or been forfeited by the Company; or
- It transfers the financial asset including substantially all the risks and rewards of ownership of the asset; or
- It transfers the financial asset, neither retaining nor transferring substantially all the risks and rewards of ownership of the asset, but no longer retains control of the asset.

##### 1.6.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expense items are offset only to the extent that their related instruments have been offset in the statement of financial position.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Accounting Policies

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### *Accounting policies (continued)*

#### 1.6.5 Specific instruments

##### **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and balances with less than 90 days maturity from the date of acquisition including cash and balances with banks but excluding cash and cash equivalent instruments held for investing purposes. Cash equivalents are classified as financial assets at amortised cost and are measured at amortised cost which approximates their fair value.

##### **Loan receivable and listed notes payable**

The loans receivable and notes payable are non-derivative financial assets and liabilities with fixed or determinable payments that are not quoted in an active market other than those classified as at fair value through profit or loss. All receivables and payables are initially recognised at fair value plus any directly attributable transaction cost, subsequent to initial recognition these receivables and payables are measured at amortised cost. Interest income is recognised as part of revenue and finance costs is recognised as part of expenses.

##### **Finance costs payable and trade and other payables**

Finance costs payable and trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method.

#### 1.7 Impairment of financial assets

The Company recognises loss allowances for expected credit losses ("ECL") on the net amount of financial assets, measured at amortised cost. The Company measures loss allowances at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- i) An obligor does not pay on the due date any amount of interest, fees, expenses and/or costs due and payable by it under a finance document, at the place and in the currency in which it is expressed to be payable;
- ii) The borrower does not repay the capital outstanding on the final repayment date, or does not, on a repayment date other than the final repayment date, repay the portion of the capital outstanding required to be repaid on such repayment date;
- iii) An obligor fails to comply with any provision of any other finance document;
- iv) Any financial covenant is breached and not remedied appropriately within five business days; or
- v) There is any cross default, misrepresentation, material adverse changes, cessation of business, sanctions, audit qualification, financial irregularity, contravention of applicable laws, insolvency and business rescue, unlawfulness, repudiation, issues with security, litigation, judgement in excess of R200,000, or expropriation.

If the Company identifies a significant increase in credit risk since initial recognition, the ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit impaired, the ECL is measured as a Lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

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## Accounting Policies

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### *Accounting policies (continued)*

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

### **1.8 Share capital**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary and preference shares are classified as share capital in equity. Dividends on preference shares declared are recognised in equity.

### **1.9 Retained earnings**

Retained earnings comprises accumulated profits generated by the Company since incorporation and are net of any dividends distributed.

### **1.10 Critical accounting estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Company's business that typically require such estimates are impairments of financial assets.

The impairment of financial assets is accounted for as set out in note 1.7.

The ECL exposure recognised has been set out in notes 3 and 21.

The Company classifies dividends paid as cash flow from operating activities. Under IAS 7, such dividends may be classified either as operating or financing activities provided that this policy is applied consistently year-on-year.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

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## Notes to the Annual Financial Statements

2025  
R2024  
R

### 2. Financial assets and liabilities

The Company is exposed to financial risk through its financial assets and financial liabilities. Note 21 discusses the financial risk management of the Company. This section provides a detailed analysis of the composition of financial assets and liabilities.

#### 2.1 Categories of financial instruments by category

The analysis of assets and liabilities into their categories as defined in IFRS 9 is set out in the table below. All gains and losses on measuring the financial assets and liabilities at each reporting date are included in the determination of profit or loss for the period.

	At amortised cost R	Total R
<b>Year ended 30 June 2025</b>		
<b>Assets</b>		
Loans receivable (Note 3)	275,000,000	275,000,000
Interest receivable excluding non-financial assets (Note 4)	1,752,834	1,752,834
Cash and cash equivalents (Note 8)	4,957,263	4,957,263
	<b>281,710,097</b>	<b>281,710,097</b>
<b>Liabilities</b>		
Finance costs payable (Note 12)	3,344,776	3,344,776
Notes payable (Note 10)	275,000,000	275,000,000
Trade and other payables excluding non-financial liabilities (Note 11)	81,037	81,037
	<b>278,425,813</b>	<b>278,425,813</b>

The above amounts approximate their fair values as per IFRS 7.

	At amortised cost R	Total R
<b>Year ended 30 June 2024</b>		
<b>Assets</b>		
Loans receivable (Note 3)	230,000,000	230,000,000
Cash and cash equivalents (Note 8)	6,098,348	6,098,348
	<b>236,098,348</b>	<b>236,098,348</b>
<b>Liabilities</b>		
Finance costs payable (Note 12)	2,892,307	2,892,307
Notes payable (Note 10)	230,000,000	230,000,000
Trade and other payables excluding non-financial liabilities (Note 11)	183,913	183,913
	<b>233,076,220</b>	<b>233,076,220</b>

The above amounts approximate their fair values as per IFRS 7.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>3. Loans receivable</b>		
<b>Loans receivable comprise balances receivable from the following:</b>		
Loans funded by listed notes	75,000,000	100,000,000
Loans funded by unlisted certificated notes	130,000,000	130,000,000
Loans funded by unlisted uncertificated notes	70,000,000	-
	<b>275,000,000</b>	<b>230,000,000</b>
Non-current assets	225,000,000	50,000,000
Current assets	50,000,000	180,000,000
	<b>275,000,000</b>	<b>230,000,000</b>

The loan receivable funded by listed notes bears interest at the 3-month Johannesburg Interbank Average Rate ("JIBAR") plus a fixed margin of 11.25% per annum, payable monthly in arrears. The loan was repayable in four equal instalments starting on 17 September 2024 and every 6 months thereafter up to the final repayment date of 17 March 2026. During the current year, the repayment dates were amended to occur on 17 January 2025, 17 September 2025, 17 March 2026 and 17 September 2026.

The Company has the following security in respect of the loan:

- Guarantee from shareholders and material subsidiaries;
- Subordination and cession of all shareholder and intergroup loans;
- Cession over material contracts and shares of one of the obligors;
- Mortgage bond over two distinct properties; and
- Cession and pledge of listed shares.

The loan receivable funded by unlisted certificated notes bears interest at the 3-month JIBAR rate plus a fixed margin of 9.5% per annum, payable monthly in arrears. The loan was repayable in full upon its maturity on 22 July 2024 on which date the maturity date of the loan receivable was extended to 22 July 2026.

The Company has the following security in respect of the loan:

- Guarantees from the shareholder of the borrower, the ultimate beneficial owner of the borrower and a fellow-subsubsidiary of the borrower;
- Subordination of any and all claims the shareholder of the borrower and the ultimate beneficial owner of the borrower have against the borrower;
- Cession of the ultimate beneficial owner's right, title and interest in and to the loans granted or to be granted by him to the borrower and each other group company from time to time;
- Cession of the holding company of the borrower's shares in the fellow-subsubsidiary of the borrower; and
- Cession of the holding company of the borrower's claims against the fellow subsidiary of the borrower, which includes a loan to the value of R291,913,549.

The loan receivable funded by unlisted uncertificated notes was ceded to the Company on 31 October 2024 in exchange for the Company assuming the obligations for the underlying borrowings which the Company funded through the issue of unlisted uncertificated notes as per note 10. A further R8 million was advanced on 30 April 2025 and R12 million on 2 May 2025. The loan bears interest at the 3-month JIBAR rate plus a fixed margin of 7.5% per annum, payable quarterly in arrears. The loan is repayable in full upon its maturity on 26 October 2026.

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>Loans receivable (continued)</b>		
The Company has the following security in respect of the loan:		
<ul style="list-style-type: none"> <li>• Cession over shares held by the Borrower;</li> <li>• Cession over all claims held by the Borrower against its investee company; and</li> <li>• Cession over the Debt Service Reserve Account and the cash amounts standing to the credit thereof from time to time.</li> </ul>		
As part of the measurement of credit risk and expected credit losses ("ECL"), no ECL provision has been recognised for the current period in relation to any of the loans receivable.		
<b>4. Interest receivable</b>		
Interest on loans receivable	1,752,832	-
<b>5. Deferred tax</b>		
<b>Deferred tax asset</b>		
Income received in advance	154,685	-
<b>Reconciliation of deferred tax asset</b>		
At beginning of year	-	
Movement in temporary differences on income received in advance	154,685	
	154,685	-
<b>6. Current tax assets</b>		
Current tax asset that cannot be set off	348	3,959
<b>7. Trade and other receivables</b>		
<b>Trade and other receivables comprise the following balances:</b>		
Prepaid expenses	-	82,977
<b>8. Cash and cash equivalents</b>		
<b>Cash</b>		
Balances with banks	4,957,263	6,098,348



# PALLIDUS CREDIT CONNECT (RF) LIMITED

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>9. Share capital</b>		
<b>Authorised and issued share capital</b>		
<b>Authorised</b>		
1000 Ordinary shares of no par value	-	-
100 Cumulative Redeemable Preference shares of no par value	-	-
<b>Issued</b>		
10 Ordinary shares of no par value	-	-
1 Cumulative Redeemable Preference share of no par value	-	-

Each ordinary share entitles the holder to vote at ordinary shareholders' meetings, to receive ordinary dividends if declared, and to receive the remaining net assets of the Company upon liquidation (subject to the rights of the preference shares).

The preference shares shall rank pari passu with each other and shall confer the right to receive a fixed cumulative preferential dividend (the "Preferential Dividend") out of the Company's statutory net profits after taxation available for distribution by way of dividends, as determined by the directors from time to time, in priority to any payments of dividends to the holders of the ordinary shares in the capital of the Company, calculated as follows: the Preferential Dividend will be an amount equal to the cash that is available for this purpose in the priority of payments. Upon liquidation, preference shareholders will receive a return of the consideration paid for such shares and any arrear Preferential Dividends. Preference shareholders shall not be entitled to vote at any general meeting, or to participate in the profits or assets of the Company or, upon a winding up, in any of the surplus funds of the Company.

## 10. Notes payable

### Notes payable comprise:

Unlisted certificated notes	130,000,000	130,000,000
Listed uncertificated notes	75,000,000	100,000,000
Unlisted uncertificated notes	70,000,000	-
<b>Total notes payable</b>	<b>275,000,000</b>	<b>230,000,000</b>

The unlisted certificated notes bear interest at the 3-month JIBAR rate plus a fixed margin of between 7.5% and 8% per annum, payable monthly in arrears. The notes were redeemed in full upon its maturity on 22 July 2024 and on this day new notes with a redemption date of 22 July 2026 were issued to the noteholders.

The listed notes bear interest at the 3-month JIBAR rate plus a fixed margin of 8% per annum, payable monthly in arrears. The notes were redeemable in four equal instalments starting on 17 September 2024 and every 6 months thereafter up to the final redemption date of 17 March 2026. During the current year, the repayment dates were amended to occur on 17 January 2025, 17 September 2025, 17 March 2026 and 17 September 2026.

The unlisted uncertificated notes were issued on 31 October 2024. A further R8 million in notes were issued on 30 April 2025 and R12 million on 2 May 2025. The notes issued on 31 October 2024 and 2 May 2025 bear interest at the 3-month JIBAR rate plus a fixed margin of 7.5% per annum, payable quarterly in arrears. The notes issued on 30 April 2025 bear interest at the 3-month JIBAR rate plus a fixed margin of 6% per annum, payable quarterly in arrears. The notes are redeemable in full upon its maturity on 26 October 2026.

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>Notes payable (continued)</b>		
Non-current portion of notes payable	225,000,000	50,000,000
Current portion of notes payable	50,000,000	180,000,000
	<b>275,000,000</b>	<b>230,000,000</b>
<b>11. Trade and other payables</b>		
<b>Trade and other payables comprise:</b>		
Trade creditors	81,037	120,308
Income received in advance	572,908	63,604
<b>Total trade and other payables</b>	<b>653,945</b>	<b>183,912</b>
<b>12. Finance costs payable</b>		
<b>Finance costs payable comprise:</b>		
Interest payable on listed notes	-	1,343,289
Interest payable on unlisted notes	3,344,776	1,549,018
<b>Total finance costs payable</b>	<b>3,344,776</b>	<b>2,892,307</b>
<b>13. Finance income</b>		
<b>Finance income comprises:</b>		
Interest received on cash and cash equivalents	305,244	134,612
Interest received on loans receivable funded by unlisted notes	28,937,253	7,767,447
Interest received on loans receivable funded by listed notes	17,023,305	19,687,650
<b>Total finance income</b>	<b>46,265,802</b>	<b>27,589,709</b>
<b>14. Finance costs</b>		
<b>Finance costs included in profit or loss:</b>		
Finance costs on bank overdraft	3	-
Finance costs on listed notes payable	14,140,599	16,428,745
Finance costs on unlisted notes payable	26,343,586	7,007,112
<b>Total finance costs</b>	<b>40,484,188</b>	<b>23,435,857</b>

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>15. Operating expenses</b>		
Operating expenses comprises:		
Administrative expenses		
Accounting fees	5,750	28,750
Auditors' remuneration	189,750	172,500
Bank charges	40,953	18,802
Directors' fees	195,960	273,604
Legal fees	205,563	-
Secretarial fees	178,556	208,022
Subscriptions	20,494	14,134
Trustees' fees	24,495	34,500
<b>Total operating expenses</b>	<b>861,521</b>	<b>750,312</b>
<b>16. Taxation</b>		
<b>16.1 Income tax recognised in profit or loss:</b>		
Current tax		
Current year	1,544,387	918,956
Deferred tax		
Originating and reversing temporary differences	(154,685)	-
	<b>1,389,702</b>	<b>918,956</b>
<b>16.2 The income tax for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax	5,147,044	3,403,540
Income tax calculated at 27%	1,389,702	918,956
<b>17. Notes to the statement of cash flows</b>		
<b>17.1 Non-cash flow movements and adjustment to profit before tax</b>		
Interest income	(46,265,802)	(27,589,709)
Finance costs	40,484,188	23,435,857
	<b>(5,781,614)</b>	<b>(4,153,852)</b>
<b>17.2 Changes in operating assets and liabilities</b>		
Trade and other payables	533,636	119,068
Trade and other receivables	82,977	(82,977)
	<b>616,613</b>	<b>36,091</b>

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

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## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>Notes to the statement of cash flows (continued)</b>		
<b>17.3 Interest income received</b>		
Interest (payable) / receivable at the beginning of the period	(63,604)	73,904
Interest income for the period	46,265,802	27,589,709
Interest income (receivable) / payable at the end of the period	(1,752,832)	63,604
	<b>44,449,366</b>	<b>27,727,217</b>
<b>17.4 Tax paid</b>		
Tax receivable / (payable) at the beginning of the period	3,959	(1,163)
Tax expense for the period	(1,544,387)	(918,956)
Tax receivable at the end of the period	(348)	(3,959)
	<b>(1,540,776)</b>	<b>(924,078)</b>
<b>17.5 Finance costs paid</b>		
Finance costs payable at the beginning of the period	(2,892,307)	(73,904)
Finance costs for the period	(40,484,188)	(23,435,857)
Finance costs payable at the end of the period	3,344,776	2,892,307
	<b>(40,031,719)</b>	<b>(20,617,454)</b>
<b>18. Related parties</b>		
Related party relationships exist between the Company and its ordinary shareholder, Pallidus Issuer Owner Trust, its directors, the holder of the preference share and its administrator.		
The directors currently holding office are:		
JD Symington		
J Botha		
RM Friedericksen (Non-executive)		
SS Schrueder (Non-executive)		
B Harmse (Non-executive) (Appointed 24 January 2025)		
WJ Badenhorst (Non-executive) (Resigned 23 January 2025)		
Transactions with TMF Capital Markets Services (South Africa) Proprietary Limited:		
Non-executive directors fees	195,960	184,000
Non-executive directors fees - paid for 2023	-	89,604
Secretarial fees	178,556	208,022
Trustees' fees	24,495	34,500
	<b>399,011</b>	<b>516,126</b>
No fees were paid out to the remainder of the board.		

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
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**19. Events after the reporting date**

After the end of the financial year, the Company received notice from a Borrower, to which Loans Receivable to the value of R130 million was advanced, that it intends to settle the outstanding facility, together with all outstanding interest up to and including 31 August 2025, by 1 September 2025. The Loans Receivable and the Notes Payable that were issued to fund the Loans Receivable were settled on the same date, together with all outstanding interest up to and including 31 August 2025. The result of the early settlement is that the Company foregoes net interest margin of 1.75% per annum that it would have earned over the remainder of the loan had it not been settled early. The foregone margin will be offset by a 2% refinancing penalty paid by the Borrower for the benefit of the Company.

On 4 September 2025, the Company declared a dividend of R1,700,000 to the preference shareholder.

No other material facts or circumstances have arisen between the date of the statement of financial position and the date of this report which affect the financial position or financial performance of the Company as reflected in these financial statements.

**20. Going concern**

The board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. The Company's financial statements have accordingly been prepared on a going concern basis.

**21. Financial risk management**

Effective risk management is integral to the Company's objective of consistently adding value to the business. The focus of risk management is on identifying, assessing, managing and monitoring risk. Exposure to capital adequacy, credit, market and liquidity risk arises in the normal course of the Company's business. Market risk compromises interest and currency rate risk.

The Company is exposed to financial risk through the financial assets and financial liabilities that it holds, but principally due to the nature of its business.

**Capital adequacy**

**Capital management policies**

Capital is actively managed to ensure that the Company is properly capitalised and funded at all times, having regard to prudent management and the needs of all stakeholders. Specifically, the Company maintains an appropriate level of liquidity at all times and the Company further ensures that it can continue to meet its expected capital and financing needs.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The financial assets which may expose the Company to credit risk are the loans receivable, interest receivable and cash and cash equivalents.

Credit risk arising on loan receivable is mitigated by the corresponding notes payable, because the loans receivable's credit risk is contractually transferred to the lender from which funds are obtained to lend to a specific borrower. These loans received are limited recourse loans and the obligation to repay the loans is contingent upon the Company having received payment under the corresponding loans from borrowers.

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R
<b>Financial risk management (continued)</b>		
<i>Limited recourse</i>		
In respect of each transaction, once the transaction assets are exhausted (whether pursuant to maturity, liquidation or enforcement of security), any remaining amounts owed to the secured creditors in respect of that transaction (including the noteholders) will be extinguished and no debt will remain owing by the issuer.		
Noteholders holding notes issued under one transaction under the programme will have recourse only to the transaction assets of the issuer in relation to that transaction and will not have recourse to the transaction assets of the issuer in respect of any other transaction.		
Similarly, the credit risk arising on interest receivable is mitigated by the corresponding finance costs payable, except for the interest rate differential, whereby the fixed interest % margin receivable exceeds the finance costs % margin payable. This portion is exposed to credit risk.		
The Company measures credit risk and Expected Credit Losses (ECL) using probability of default, exposure at default and loss given default. The Company considers both historical analysis and forward-looking information in determining any ECL. The Company applies judgement in determining whether a significant increase in credit risk took place since initial recognition of the notes payable at amortised cost including both qualitative and quantitative triggers and thresholds used to identify significant increases in credit risk.		
As a result of the above assessment, no ECL provision has been recognised for the current period.		
The notes, whether listed or unlisted, are not rated by a third-party rating agency, however, all the notes are performing as expected at 30 June 2025 and the Company considers the risk of default to be low.		
The Company's cash and cash equivalents are held with Rand Merchant Bank ("RMB"), a division of FirstRand Bank Limited which has a credit rating of BB- per Standard and Poor's.		
<b>Market risk</b>		
Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates, prices, market volatilities and liquidity.		
<b>Interest rate risk</b>		
Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Company's earnings and the value of its assets, liabilities and equity.		
The Company's exposure to interest rate risk is limited to the interest on notes payable and cash and cash equivalents. The variable portion of the interest income on the loan receivable, as well as the finance cost on the notes payable, is based on 3-month JIBAR. Movements in the 3-month JIBAR therefore currently have a Rnil impact on the Company.		
The fixed portion of the interest income on the loan receivable, as well as the finance cost on the notes payable, is based on a fixed margin percentage which is not impacted by fluctuating market interest rates.		
<b>Currency risk</b>		
At 30 June 2025, the Company did not hold any assets or liabilities denominated in a foreign currency and was not exposed to currency risk.		
<b>Liquidity risk</b>		
Liquidity risk is the risk that cash may not be available, at a reasonable cost, to pay obligations when due.		

# PALLIDUS CREDIT CONNECT (RF) LIMITED

(Registration Number 2022/465544/06)

Annual Financial Statements for the year ended 30 June 2025

## Notes to the Annual Financial Statements

	2025 R	2024 R	
<b>Financial risk management (continued)</b>			
Cash flow is managed to control liquidity risk to which the Company is exposed, and the Company has adequate resources at period-end to meet commitments as and when they fall due.			
The tables below analyse assets and liabilities into current and non-current categories based on the remaining contractual period at statement of financial position date to settlement date, as well as future undiscounted cash flows:			
	12 months or less R	1 to 3 years R	Total R
<b>2025</b>			
<b>Assets</b>			
Loans receivable	50,000,000	225,000,000	<b>275,000,000</b>
Interest receivable	41,308,545	5,750,127	<b>47,058,671</b>
Cash and cash equivalents	4,957,263	-	<b>4,957,263</b>
	<b>96,265,808</b>	<b>230,750,127</b>	<b>327,015,934</b>
<b>Liabilities</b>			
Notes payable	50,000,000	225,000,000	<b>275,000,000</b>
Trade and other payables	81,037	-	<b>81,037</b>
Finance costs payable	36,912,762	5,254,840	<b>42,167,603</b>
	<b>86,993,799</b>	<b>230,254,840</b>	<b>317,248,640</b>
	12 months or less R	1 to 3 years R	Total R
<b>2024</b>			
<b>Assets</b>			
Loans receivable	180,000,000	50,000,000	<b>230,000,000</b>
Interest receivable	15,653,702	4,522,187	<b>20,175,889</b>
Cash and cash equivalents	6,098,348	-	<b>6,098,348</b>
	<b>201,752,050</b>	<b>54,522,187</b>	<b>256,274,237</b>
<b>Liabilities</b>			
Notes payable	180,000,000	50,000,000	<b>230,000,000</b>
Trade and other payables	120,308	-	<b>120,308</b>
Finance costs payable	16,039,948	3,772,016	<b>19,811,964</b>
	<b>196,160,256</b>	<b>53,772,016</b>	<b>249,932,272</b>