AFRICA VILLAGE MICROFINANCE S.C.

Company Profile

A licensed microfinance institution serving urban and rural communities across Ethiopia

1. Company Overview

Africa Village Microfinance S.C. (AVMF) is a microfinance institution duly licensed by the National Bank of Ethiopia under License No. MFI/010/1998. The company is registered under Registration Number K/K/AA/3/0008770/2013. Its Head Office is located in Kirkos Sub-City, Woreda 03, Gotera area, between Agona Cinema and St. Yared Church, Addis Ababa, Ethiopia.

AVMF provides loan and saving products to individuals, small and medium enterprises, and group borrowers, with a focus on trade, agriculture, service, climate financing, and micro business activities., the company operates through 25 branches and serves more than 41,000 borrowers and depositors.

2. Corporate History and Key Milestones

AVMF was formally initiated by its promoters in 1993, and its growth since then reflects a steady path from a small promoter-led group into a licensed and expanding financial institution.

Period	Key Milestone
1993	Formal initiation of the company by the promoters
1997	Start of capital mobilization
August 17 to 19, 1997	First General Assembly convened
November 16, 1998	Official license issued by the National Bank of Ethiopia
November 27, 1998	Commercial Registration Certificate issued by the Ministry of Trade and Regional Integration
March 23, 1999	Opening of the first branch
May 4, 1999	Commencement of operations
August 13, 2025	Implementation of the Franc Core Banking System

3. Ownership Structure and Capital Growth

AVMF has expanded its shareholder and capital base gradually since its founding. The company began with a paid-up capital of ETB 200,000 held by 6 shareholders in November 1998. Following several Extraordinary General Meetings, the shareholder base grew to 19 members, and the authorized capital reached ETB 2,000,000,000 by October 2024, following approval at Extraordinary General Meeting No. 13. The company's paid-up capital stood at ETB 197,926,000 with subscription for the latest capital raise still in progress.

4. Products and Services

AVMF offers a diversified range of loan and saving products, all approved by the National Bank of Ethiopia, designed to reach different segments of the population, including women, youth, and rural farmers.

Loan Products

- SME Loan (24 percent): for small and medium enterprises at start-up stage or seeking expansion, in urban and rural areas
- Business and Individual Loan (24 percent): for starting or expanding a business, with a social focus on empowering women and youth in micro enterprises
- Business Group Loan or Micro Loan (26 percent): for groups of 3 to 5 members running small businesses in open markets or shaded areas
- Consumer or Employee Loan (26 percent): for employees to cover medical expenses, education fees, household equipment, and other personal needs
- Agriculture Loan, individual and group (26 percent): for middle income farmers to purchase inputs, fertilizer, improved seed, land rent, oxen, and fattening activities
- Climate Financing Loan (24 percent): a longer term loan for middle income borrowers to purchase electric vehicles
- Housing, Construction and Renovation Loan (24 percent): for finishing and renovating buildings under construction

Saving Products

- Compulsory Saving (7 percent): mandatory deposits linked to loan terms, for individual and group lending
- Voluntary Saving (8 percent): open to both borrowers and non-borrowers
- Women Saving (8 percent): a gender specific product for female clients
- Child Trust Saving (8 percent): for children under the age of 18
- Box Saving (8 percent): designed to reach small savers in urban and rural areas without easy access to saving facilities
- Interest Free Saving: for clients who prefer not to receive interest for religious reasons
- Time Deposit (10 to 11 percent, depending on amount): a fixed term deposit with a set maturity date

AVMF is also developing AfriBirr Digital Lending, a mobile based digital lending platform integrated with its core banking system. The product is currently at the development stage, with commercial launch expected within the next six months.

5. Financial and Operational Performance

The company's loan portfolio and revenue base have grown steadily over the past three years.

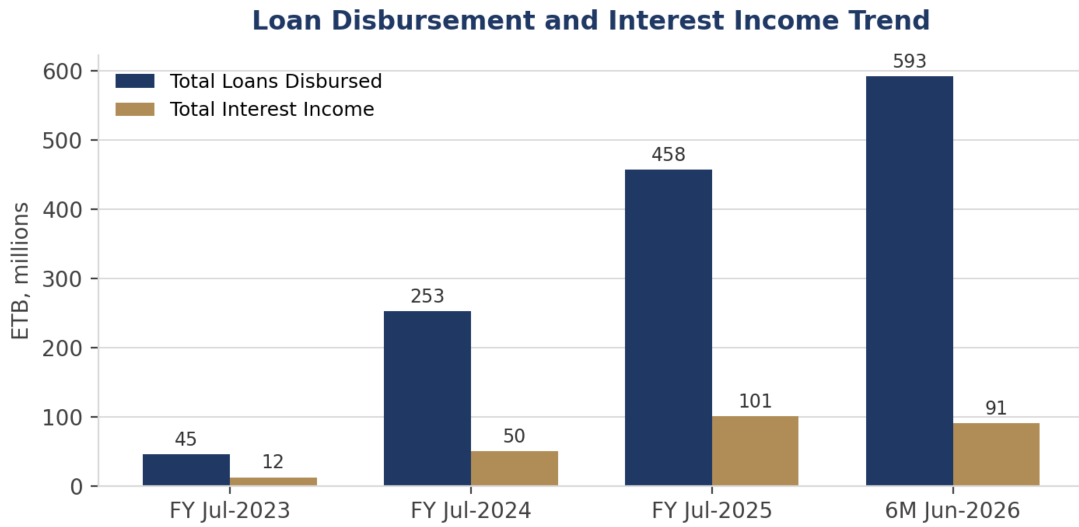

Figure 1: Total loans disbursed and total interest income, in ETB millions, by reporting period

Growth has been driven mainly by the trade and climate financing loan categories, which together account for the largest share of the loan book. Total deposits also grew, reaching ETB 194,700,402.40 up from ETB 25,541,851.00 in the year ended July 7, 2023.

6. Geographic Presence and Customer Base

AVMF currently operates in Addis Ababa, Oromia, Tigray, Dire Dawa, Central Ethiopia, and Amhara Region.

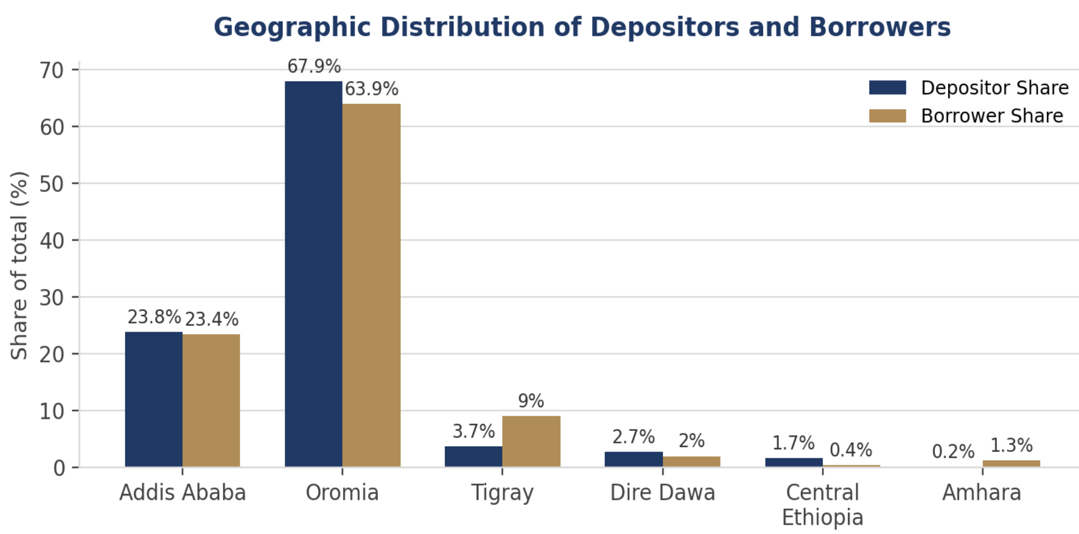

Figure 2: Share of depositors and borrowers by branch location, as of June 30, 2026

The customer base grew from 3,154 in the year ended July 7, 2023 to 39,256 customer as of June 30, 2026, reflecting the company's expanding branch network, which increased from 16 branches in July 2024 to 25 branches by June 2026.

7. Human Capital

AVMF employed 174 permanent staff, made up of 78 male and 96 female employees.

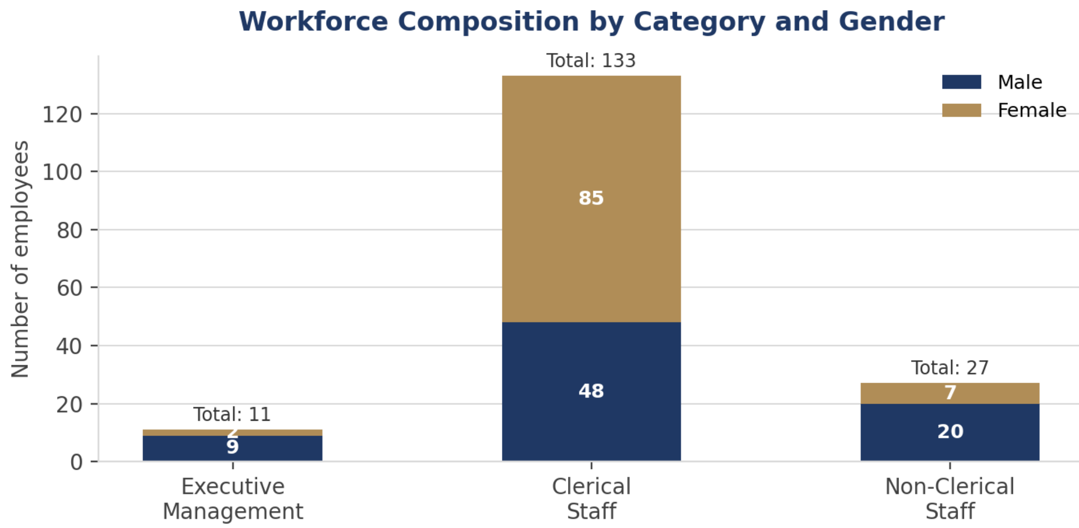

Figure 3: Workforce composition by employment category and gender, as of June 30, 2026

In addition to the categories shown above, staff are distributed across locations as 25 employees at the Head Office and 149 at branches.

Beyond salary, AVMF provides a package of employee benefits including housing allowance, transport allowance, medical insurance, mobile airtime, pension contribution, staff training, and performance bonuses. The company does not operate a share based payment scheme for staff.

8. Governance and Leadership

AVMF is governed by a Board of Directors with strong academic and professional backgrounds across accounting, management, and leadership disciplines.

Board Member	Bachelor's Degree	Master's Degree
Desalegn Tesfagabr Gebrehaweriya	BA in Geography	MA in Community Development and Leadership
Melesse Girma Mulugeta	BA in Management	Master in Business Administration
Tarekegne Samuel G/Micael	BA in Accounting	MBA in Leadership
Birhanu Sied Ali	BA in Accounting	Bachelor of Arts in Accounting
Mengistu Demsis Sefer	BA in Accounting	Master of Business Administration
Woinitu Sied Ali	BA in Management	Master of Business Administration

9. Assets, Investments and Borrowings

AVMF holds fixed assets that support its long term operations, including a G+3 commercial center in Sendafa, acquired in October 2007, and commercial condominium properties in Addis Ketema and Kirkos sub-city, with the Kirkos property acquired in March 2007.

The company has made recent capital investments in its core banking system, building construction, furniture and equipment, vehicles, and branch expansion. AVMF also holds equity investments in Inclusive Financial Technology S.C. and Ethiopian Securities Exchange S.C. It does not hold treasury bills, bonds, or similar instruments, and does not have any subsidiaries.

To support its growth, AVMF has secured term loans from Awash International Bank S.C. and the Development Bank of Ethiopia under the Rural Financial Intermediation Program (RUFIP). These facilities are being repaid according to agreed schedules, with collateral including commercial properties held by the company.

10. Key Dependencies and Risk Management

AVMF depends on a small number of external partners for critical parts of its operations. These include Ethio Telecom for telecommunications and network connectivity, the Franc Core Banking System vendor for its core banking platform, an SMS gateway provider, and a mobile banking platform provider. The company reported no operational interruptions in any of its operating regions over the past 12 months.

Materiality at AVMF is defined using both quantitative and qualitative criteria. Quantitatively, a matter is considered material if it affects 5 percent or more of the company's paid-up capital, results in a financial or operational impact exceeding 5 percent of projected annual gross income, or involves litigation or contingent liabilities equal to or greater than 5 percent of paid-up capital. Qualitatively, matters are treated as material regardless of financial size if they relate to regulatory compliance with the National Bank of Ethiopia, fraud or misconduct involving the Board or Executive Management, conflicts of interest, or major strategic, governance, or technology changes. The Board of Directors, supported by Executive Management, is responsible for determining materiality and ensuring proper disclosure.

11. Outlook

With a growing branch network, an expanding customer base, and the upcoming launch of its digital lending platform, AfriBirr, Africa Village Microfinance S.C. continues to build its position as a growing microfinance institution in Ethiopia, committed to extending affordable financial services to underserved individuals, small businesses, and rural communities.