GRAND MICROFINANCE INSTITUTION S.C.

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2026

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የመ. ሣ. ቁ 30937 አዲስ አበባ ኢትዮጵያ
ስልክ ቁ 0116 630105 / 0912 095872
ፋክስ 0116 630105

Tsega Reta Certified Audit Firm
Certified Public Accountant
Certified Auditor(Eth)
P.O.B 30937, Addis Ababa, Ethiopia
Tel No 0116 630105 / 0912 095872
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Grand Micro Finance Institution S.C
Company Profile
For the year ended June 30, 2026

Corporate information

Company registration number 45
License number MFI/45/2019

Directors (As of June 30, 2026)

		Appointment Date
Gosaye Demissie	Chair person, Board Of Directors	March 30, 2025
Dr.Yohannes Petrose	Member,BoDs	March 31, 2025
Kumneger Dereje	Member, BoDs	March 30, 2025
Tilahun Kuma	Member, BoDs	March 30, 2025
Yohannes Abebe	Member, BoDs	March 30, 2025
Hidase Telecom/ Anteneh Agar/	Member, BoDs	March 30, 2025
Eng.Dereje Negawo	Member, BoDs	March 30, 2025

Senior Management

Ato Debela Fekadu	Chief Executive Officer	20-Feb-20
Ato Bahiru koricho	Finance & Administration Department Man	11-Jul-25
Ato Abera Edessa	Operations Department Manager	16-May-22
Ato Kibebew Tesfaye	Marketing,Business Development & Planning Department manager	1-Apr-23

Independent Auditor

Tsega Reta Certified Audit Firm
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Registered office

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Around Beklobet
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Addis Ababa, Ethiopia
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Principal Bankers
Commercial Bank of Ethiopia
Oromia Co-Operative Bank S.C
Oromia Bank S.C
Abyssinia Bank S.C
Awash Bank S.C.
Birhane Bank S.C
NIB International Bank
Buna Bank

Grand Micro Finance Institution S.C
Statement of Directors' Responsibilities
For the year ended June 30, 2026

In accordance with Microfinance Business Proclamation No. 626/2009, the National Bank of Ethiopia (NBE) may direct Microfinance to prepare financial statements in accordance with international financial Reporting standards, whether their designation changes or they are replaced, from time to time.

The Managment is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in Ethiopia and in the manner required by the Commercial Code of Ethiopia of 2013, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Microfinance is required to keep such records as are necessary to:

a) exhibit clearly and correctly the state of its affairs;

b) explain its transactions and financial position; and

c) enable the National Bank to determine whether Microfinance had complied with the provisions of the Microfinance Business Proclamation and regulations and directives issued for the implementation the aforementioned Proclamation.

The Mangement accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards, Microfinance Business Proclamation, Commercial code of 2013 and the relevant Directives issued by the National Bank of

The Mangement has an opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The Mangement further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Mangement to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of :

Gosaye Demissie
Chairperson, Board Chairperson
October 8, 2026

Debela Fekadu
Chief Executive Officer
October 8, 2026

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRAND MICROFINANCE INSTITUTION SHARE COMPANY

Opinion

We have audited the accompanying financial statements of Grand Microfinance Institution Share Company which comprise the Statement of Financial Position as of 30 June 2026 and the related Statement of Profit & Loss and Other comprehensive income, Statement of Change in equity and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Grand Microfinance Institution Share Company. as of 30 June 2026, and of its financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibility for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Ethiopia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Responsibilities of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs)., and for such internal control as management determines 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, 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 management either intends to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility for the audit of 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

Addis Ababa
October 8, 2026

Tsega Reta Certified Audit Firm

Grand Micro Finance Institution S.C
Statement of profit or loss and other comprehensive income
For the year ended June 30, 2026

	Notes	30-Jun-2026 Birr	30-Jun-2025 Birr
Interest income	5	82,194,744	65,956,792
Interest expense	6	(24,658,152)	(16,753,294)
Net interest income		**57,536,592**	**49,203,498**
Net fees and commission income	7	8,073,780	6,895,196
Other operating income	8	8,563,565	4,477,933
Total operating income		**74,173,937**	**60,576,627**
Loan impairment charge recovery	9	1,090,707	(5,918,589)
Interest Recivable impairment	16	-	(1,850,000)
Net operating income		**75,264,645**	**52,808,038**
Salary and Other Employee Benefits	10	23,688,758	19,993,403
General and administrative expenses	11	14,261,809	10,040,941
Depreciation on property, plant and equipment	12	625,940	577,666
Impairment on other assets	13	8,557	1,727
		38,585,063	30,613,738
Profit before tax		**36,679,581**	**22,194,300**
Income tax expense		(10,969,372)	-
Profit after tax		**25,710,209**	**22,194,300**
Other comprehensive income (OCI) net on income tax			
Remeasurement gain / (loss)		-	-
Remeasurement gain/(loss) on retirement benefits obligations		-	-
Deferred tax (liability)/asset on remeasurement gain or loss		-	-
Total comprehensive income for the period		**25,710,209**	**22,194,300**
Earning per share	27	250	293

The notes on pages 9 to 57 are an integral part of these financial statements.

Gosaye Demissie
Chairperson, Board Chairperson
October 8, 2026

Debela Fekadu
Chief Executive Officer
October 8, 2026

Grand Micro Finance Institution S.C
Statement of financial position
As at June 30, 2026

	Notes	30-Jun-2026 Birr	30-Jun-2025 Birr
ASSETS			
Current Assets			
Cash and balances with banks	14	171,136,805	34,538,453
Cash in Tele birr	15	63,694	63,694
Loans and receivables	16	325,204,797	244,226,094
Assets Held for sale	17	202,765	202,765
Other Assets & Prepayments	19	1,445,580	2,586,666
		498,053,642	281,617,672
Non-Current Assets			
Investment	18	3,021,000	2,368,000
Property, plant and equipment	21	5,059,056	5,311,460
Deferred tax Liability	30	10,915	-
		8,090,971	7,679,460
Total Assets		**506,144,613**	**289,297,132**
LIABILITIES			
Current Liabilities			
Security and Compulsory Savings	22	46,180,792	36,472,816
Voluntary and Individual Savings	22	106,469,671	78,229,441
Bank loan current maturity	23	65,714,843	18,881,380
Accrued Interest on Customer Deposit	22	5,841,113	3,811,593
Other Payable	24	16,828,985	12,445,735
Employee benefits, current	25	1,613,984	1,500,677
Current Tax Liability	29	10,980,287	-
		253,629,675	151,341,643
Non-Current Liabilities			
Bank loan	23	122,041,852	35,065,421
Employee benefit (Severance)-non-current	25	358,036	203,642
		122,399,888	35,269,063
Total liabilities		**376,029,563**	**186,610,705**
EQUITY			
Paid-up Capital	26	102,781,000	79,978,000
Legal reserve	31	2,909,351	1,623,841
Retained earnings	28	24,424,699	21,084,585
Total equity		130,115,050	102,686,426
Total equity and liabilities		506,144,613	289,297,132

The notes on pages 9 to 57 are an integral part of these financial statements.

The financial statements on pages 5, 6 ,7 to 8 were approved and authorised for issue by the board of directors on and were signed on its behalf by:

Gosaye Demissie
Chairperson, Board Chairperson
October 8, 2026

Debela Fekadu
Chief Executive Officer
October 8, 2026

Grand Micro Finance Institution S.C
Statement of Changes in Equity
For the year ended June 30, 2026

	Notes	Paid up Capital Birr	Legal reserves Birr	Retained Earnings Birr	General reserve Birr	Total Birr
Balance as at June 30, 2024		71,773,000	514,126	2,399,998	-	74,687,124
Profit (Loss) for the year	28	-	-	22,194,300	-	22,194,300
Increase of the share capital	26	8,205,000	-	(2,056,000)	-	6,149,000
Share Under par value(Payable)				(343,998)		(343,998)
Transfer to legal reserve	31	-	1,109,715	(1,109,715)	-	-
As at June 30, 2025		79,978,000	1,623,841	21,084,585	-	102,686,426
Balance as at June 30, 2025		79,978,000	1,623,841	21,084,585	-	102,686,426
Profit (Loss) for the year	28	-	-	25,710,209	-	25,710,209
Transfer to Capital	26	20,891,000	-	(20,891,000)	-	-
Share Under par value(Payable)	26	-	-	(193,585)	-	(193,585)
Contribution to Capital	26	1,912,000	-	-	-	1,912,000
Transfer to legal reserve	31	-	1,285,510	(1,285,510)	-	-
Balance as at June 30, 2026		102,781,000	2,909,351	24,424,699	-	130,115,050

The notes on pages 9 to 57 are an integral part of these financial statements.

Gosaye Demissie
Chairperson, Board Chairperson
October 8, 2026

Debela Fekadu
Chief Executive Officer
October 8, 2026

Grand Micro Finance Institution S.C
Statement of cash flows
For the year ended June 30, 2026

	Notes	30-Jun-2026 Birr	30-Jun-2025 Birr
Cash flows from operating activities			
Profit Before Taxation	32	36,679,581	22,194,300
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	12	625,940	577,666
		37,305,521	22,771,966
Changes in working capital:			
Decrease/ (Increase) in loans and advances to customers	32	(80,978,703)	(87,748,435)
Decrease/ (Increase) in other assets	32	1,141,086	1,349,079
Increase/ (Decrease) in deposits from customers	32	39,977,725	49,366,089
Increase/ (Decrease) in other liabilities	32	4,473,785	5,278,409
		(35,386,107)	(31,754,859)
Net cash (outflow)/inflow from operating activities		1,919,414	(8,982,892)
Cash flows from investing activities			
Purchase of property, plant and equipment	21	(389,956)	(123,000)
Purchase of Equity Investments	18	(653,000)	(364,000)
Net cash (outflow)/inflow from investing activities		(1,042,956)	(487,000)
Cash flows from financing activities			
Proceeds (Settlements) for Loan-(NET)	23	133,809,894	316,708
Additional Capital Contributions	SCE	1,912,000	6,149,000
Net cash (outflow)/inflow from financing activities		135,721,894	6,465,708
Net increase/(decrease) in cash and cash equivalents		**136,598,352**	**(3,004,184)**
Cash and cash equivalents at the beginning of the year		34,538,453	37,542,637
Cash and cash equivalents at the end of the year	32	**171,136,805**	**34,538,453**

The notes on pages 9 to 57 are an integral part of these financial statements.

Gosaye Demissie
Chairperson, Board Chairperson
October 8, 2026

Debela Fekadu
Chief Executive Officer
October 8, 2026