

AFRINEX Clearing House Ltd
Annual Report for the financial year 2025



AFRINEX CLEARING HOUSE LTD

ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2025

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Corporate Data

| | Name | Date of Appointment | Date of Resignation |
|------------------|---|---------------------|---------------------|
| Directors | 1. Ms. Krishna Gangopadhyay (Non-Executive Non-Independent Director) | 05.03.2021 | 07.08.2025 |
| | 2. Dr. Biswanath Patnaik (Non-Executive Independent Director) | 14.09.2021 | - |
| | 3. Mr. Vijay Goel (Non-Executive Independent Director) | 25.11.2021 | - |
| | 4. Mrs. Uma Shanmukhi Sistla (Non-Executive Independent Director) | 28.03.2024 | 09.03.2025 |
| | 5. Mr. Moses Newling Harding John (Non-Executive Non-Independent Director) | 10.07.2025 | - |

| | | |
|--------------------------|---|---|
| Company Secretary | Mr. Yash Hegde, from 21 st March 2025 till date. | Mr. Vamshi Krishna Javvadi, from 10 th June 2024 till 03 rd April 2025. |
|--------------------------|---|---|

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|--------------------------|---|
| Registered Office | Office A11-01, Level 11, Tower A, 1 Exchange Square, Wall Street, Ebène 72201, Mauritius. |
|--------------------------|---|

| | |
|---------------------------|---|
| Statutory Auditors | KPMG KPMG Centre 31, Cybercity, Ebène, Mauritius. |
|---------------------------|---|

| | |
|--------------------------|---|
| Internal Auditors | Dalal Doctor & Associates Chartered Accountants 224-225, T.V. Estate, S.K. Ahire Marg, Worli, Mumbai -400030. |
|--------------------------|---|

| | | |
|----------------|--|--|
| Bankers | SBI (Mauritius) Limited 7 th Floor, SBI Tower, Mindspace, Bhumi Park, 45, Ebène, Cybercity, Mauritius. | SBM Bank (Mauritius) Limited SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Mauritius. |
|----------------|--|--|

| | |
|-------------------------------------|-----------|
| Business Registration Number | C18158999 |
|-------------------------------------|-----------|

| | |
|----------------|--|
| Website | www.afrinexexchange.com |
|----------------|--|

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2025

The Board of Directors have pleasure in presenting the Seventh (08th) Annual Report of AFRINEX Clearing House Ltd (the "Company/ACHL") for the year ended on 31st December 2025. This Annual Report comprises of the financial statements of the Company, the Corporate Governance Report and other statutory disclosures under the Mauritius Companies Act.

PRINCIPAL ACTIVITY

The principal activity of AFRINEX Clearing House Ltd ("the Company/ACHL") is to provide clearing and settlement services to AFRINEX Limited ("Exchange"), a fully electronic, multicurrency and multi-asset stock exchange offering capital raising, listing and trading of securities. The Exchange offers primary market services as of the reporting date along with secondary market services in pipeline. The Company provides Clearing, Settlement and Depository services for securities listed on AFRINEX platform. Depository Services are offered in participation with banks, capital market intermediaries as clearing member, depository participants, registrar & transfer agents, etc. The Company will also act as central counterparty for applicable trades on AFRINEX trading platform.

There has been no change in nature of business during the year under review.

Results and dividends

The results for the year are shown in the financial statements and related notes.

Financial Highlights

| Particulars | 2025 | 2024 |
|----------------------------|-----------|-----------|
| Total Revenue | 43,222 | 49,544 |
| Total Expenses | 188,431 | 187,655 |
| (Loss) before tax | (149,189) | (128,678) |
| Taxation | - | - |
| (Loss) after tax | (149,189) | (128,678) |
| Other Comprehensive Income | - | - |

Directors

The membership of the Board is set out on page 12.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2025

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS® Accounting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards") have been followed and complied with, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with IFRS Accounting Standards and the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead. Refer to Note 23 for the management's going concern assessment and disclosure.

OPERATIONAL OVERVIEW - 2025

The Company's wide range of depository services includes dematerialization of securities, safekeeping/electronic holding and transfer of securities, issuance of International Securities Identification Number (ISIN), facilitating corporate actions, opening and maintenance of securities accounts through participants etc.

Key Partnerships & Membership

ACHL depository operates through a network of depository participants (DP) to ensure efficiency and stability. During year 2025, the company witnessed an increase in number of depository participants, expanding its offerings to wide range of investors and market participants. In 2025, company successfully onboarded ABSA Bank (Mauritius) Ltd. (Custodian) and SBM Capital Markets Ltd. (Broker) as depository participant with ACHL.

In 2025, Company redefined process of managing corporate actions/redemptions of debt instruments across the ecosystem participants enhancing efficiency and transparency.

The total value of securities with ISIN issued by the Company as of December 2025 is USD 3,255 million and the total value of securities dematerialization as of December 2025 (since inception) has been USD 245 million.

AFRINEX Clearing House Limited is committed to transitioning itself from initial setup phase of depository to more robust technological infrastructure with enhanced services and capabilities to cater to a wide and diverse range of participants, investors and issuers. This evolution is centered on developing capabilities to support a robust, fully electronic secondary market ecosystem powered by BSE Technologies Private Limited (a subsidiary of the Bombay Stock Exchange).

Admission of Investors

Client (Individual/ corporate) opens a securities account with ACHL through participants. A Client may open securities account with several participants from the pool of participants available with ACHL depository.

Registrar and Transfer Agents

Issuers willing to dematerialise securities with ACHL has option to choose ACHL registered registrar and transfer agents in Mauritius ensuring operational efficiency, record keeping, and facilitation of corporate actions.

KEY REGULATORY DEVELOPMENTS FOR THE YEAR ENDED 2025

The Financial Services Commission (FSC), the unified regulator for the non-bank financial sector and global business, strives towards the sustained development of Mauritius as a sound and competitive Financial Services Centre. This is realized through development and regulation of financial products, services, and institutions in Mauritius.

For the year 2025, FSC continued its efforts to refine and enhance the regulatory framework governing various financial activities within Mauritius. This includes updates to regulations related to insurance, capital markets, and other financial services. This regulatory section of the annual report aims to provide updates of the key regulatory developments especially related to capital markets in the last financial year (i.e., FY 2025) to promote ease of doing business in Mauritius and provide world class regulatory environment. They are as follows:

➤ **Mauritius climbs 10 places in the Global Green Finance Index 15 (GGFI)**

Mauritius has improved its ranking by 10 places in the latest edition of the GGFI 15. Mauritius' significant rise in the index is a testament of the country's strategic efforts to position itself as a trusted and forward-looking green finance hub for Africa and the Indian Ocean region.

This progress is underpinned by several key initiatives:

- the implementation of sustainable finance guidelines for financial institutions;
- enhanced regulatory frameworks to support climate risk disclosure, ESG reporting, and issuance of green bonds, and
- strong public-private collaboration in capacity building and innovation in sustainable finance.

➤ **Appointment of Désiré Vencatachellum as Chief Executive**

The Financial Services Commission, Mauritius (FSC) has appointed Mr. Désiré Vencatachellum as new Chief Executive with effect from 16th September 2025. The FSC is confident that under the leadership of Mr. Vencatachellum Mauritius will significantly contribute to positioning as a globally competitive, resilient and innovative financial centre.

➤ **Guidance Notes on the Responsible Use of Artificial Intelligence (AI) in financial services**

The FSC has issued Guidance Notes on the Responsible Use of Artificial Intelligence (AI) in financial services with effect from 19th September 2025. This Guidance Note will guide the licensees on use of Artificial Intelligence. This will help Financial Service Sector in terms of:

1. Improved regulatory compliance
2. Improved revenue and value
3. Improved decision-making
4. Develop training/ knowledge

KEY REGULATORY DEVELOPMENTS FOR THE YEAR ENDED 2025 (CONTINUED)

➤ The Disclosure and Reporting Guidelines for ESG Funds

The FSC has issued the “Disclosure and Reporting Guidelines for ESG Funds” on 10th March 2025. The Guidelines provide for the general principles, to be adopted by Investment Funds with embedded ESG strategies/ objectives aligned with the United Nations Sustainable Development Goals or other widely accepted goals.

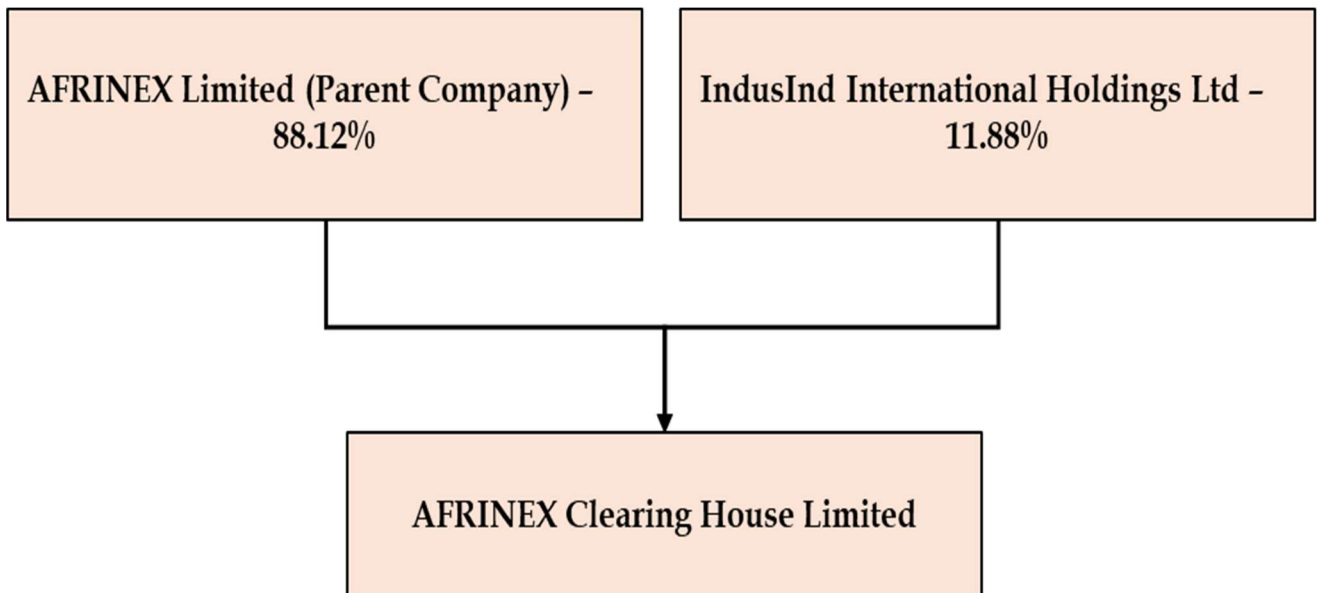
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025

PRINCIPLE 1 - GOVERNANCE STRUCTURE

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

1.1 Structure of AFRINEX Clearing House Ltd

The Company, a subsidiary of AFRINEX Limited, was incorporated in Mauritius on 12th September 2018 under the Mauritius Companies Act and holds a Clearing and Settlement Facility Licence, as issued by the Financial Services Commission of Mauritius (“FSC”).



CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 1 - GOVERNANCE STRUCTURE (CONTINUED)

Governance Framework and Role of the Board

The Company's Board has the overall responsibility for leading and providing effective Corporate Governance over the Company and its activities and ensures compliance with all applicable legal and regulatory requirements. The management team of the Company is responsible for the day-to-day operations and functions of the Company and reports to the Board on the operational and functional performance of the Company. The Board approves all the key guiding documents and policies of the Company and affirms each key governance role.

The managing director performs the following primary functions as may be empowered to exercise or required to perform by the Board:

- (a) The management of the whole of the business of the Company and of all its affairs;
- (b) To exercise all powers and perform all duties and in relation to management of the affairs;
- (c) To lead the management team;
- (d) To make recommendations to the Board regarding strategic issues;
- (e) To be responsible for overall operations, cost control, risk management and development of the Company;
- (f) To manage legal and regulatory issues;
- (g) To be responsible for the implementation of Board decisions and policies; and
- (h) To promote the Company on the international scene.

PRINCIPLE 2 - STRUCTURE OF THE BOARD AND ITS COMMITTEES

"The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors, and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organization. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties."

Size and Composition of the Board

The Board of the Company assumes responsibility for leading and controlling the Company and meeting all legal and regulatory requirements. The Board is committed to have the right balance and composition, as per its requirements from time to time. The Company has a unitary Board which has an appropriate mix of experience, diversity and skills which is instrumental in forming appropriate judgements in Board's decisions. Out of 3 directors, one is resident director and two are Independent Director serving on the Board of the Company as on 31st December 2025.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)**PRINCIPLE 2 - STRUCTURE OF THE BOARD AND ITS COMMITTEES(CONTINUED)**

As of the reporting date, the Board of Directors consists of a total of three (3) directors. The details of the directors are as follows:

| Name | Category | Appointed Date | Residency |
|--------------------------------|------------------------|---------------------------------|-----------|
| Mr. Moses Newling Harding John | Non-Executive Director | 10 th July 2025 | Mauritius |
| Dr. Biswanath Patnaik | Independent Director | 14 th September 2021 | UAE |
| Mr. Vijay Goel | Independent Director | 25 th November 2021 | UK |

Due to the small size of the Company and given that the Company has not yet started secondary market operations in the year 2025, the Board has not appointed any executive director in the year 2025.

The Board of the Company functions as an authoritative decision-making body and meets regularly as required. All the Directors possess expertise and experience in relevant areas such as Corporate Laws, Risk Management, Economics, Product Development. The Board collectively and Directors individually adhere to the highest ethical standards. The Board acts independently from management.

The Board is of the view that the present size and composition of the Board is appropriate for effective discharge of the Board's responsibilities.

Company Secretary

The Company Secretary is appointed by the Board in accordance with the provisions of the Company's Constitution. Mr. Yash Hegde is Company Secretary w.e.f. 21st March 2025.

Board Committees

As at 31st December 2025, given the size of the company's operations, the board does not consider it appropriate to have Board Committees. The Board shall assess the requirement of any Committee or sub-committee (as the case may be), from time to time.

Board Meetings

From 01st January 2025 to 31st December 2025, the Company has convened a total of 5 (five) Board meetings. Details of the same are as follows:

| Name of Directors | Number of Meetings held | Number of Meetings attended |
|---|-------------------------|-----------------------------|
| Mr. Moses Newling Harding John ¹ | 5 | 3 |
| Ms. Krishna Gangopadhyay ² | 5 | 3 |
| Dr. Biswanath Patnaik | 5 | 5 |
| Mr. Vijay Goel | 5 | 5 |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)


PRINCIPLE 2 - STRUCTURE OF THE BOARD AND ITS COMMITTEES(CONTINUED)

¹Mr. Moses Newling Harding John has been appointed on 10th July 2025 as Non-Executive Non-Independent Director to the Board of the Company.

²Ms. Krishna Gangopadhyay ceased to be Managing Director and CEO of the Company w.e.f. 07th August 2025.

Profiles of the Board of Directors

The profile of each member of the Board of Directors of the Company is as follows:

| Mr. Moses Newling Harding John | |
|--|---|
|  | <p>Mr. Moses Harding John is a banking professional with 39 years of experience in specialised domains around Banking and Financial services across Wholesale Banking, International Banking, Global Markets, Wealth & Asset Management and Investment Banking. He possesses overseas experience in the field of Asset & Wealth Management handling Ultra-High Net Worth Individuals (UHNWI) and entities across asset classes covering Fixed Income, Commodities, Currencies, Equities and Structured Investments. He held strategic leadership positions since 1999 at top management level in Private sector banks post the strong junior and middle level foundation in State Bank of India during his initial 13 years of professional career since 1981 in specialised areas of Corporate Banking, International Business, Treasury and Global Markets with hands-on exposure on pre and post liberalization era of 1991 with the No.1 Bank of India with market share of over 70%. His area of specialisation includes economic and social infrastructure financing and investments with systemic important NBFC focussed on financing and project investments. He is also a specialist in start-up and building scale in business leading to best-in-class productivity, profitability and efficiency. He has proven expertise in building process and system driven model leading to an auto-pilot mode to ensure business continuity and sustainability through team building at strategic, tactical and execution levels believing in collection excellence over individual brilliance Apart from AFRINEX Clearing House Limited, Mr. Moses Harding John also holds Directorship in IndusInd International Holdings Limited, Sterling Bank & Trust Limited, Reliance Capital Limited and AFRINEX Limited.</p> <p>Mr. Moses is married with a daughter & 2 granddaughters and is an avid cricket supporter.</p> |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 2 - STRUCTURE OF THE BOARD AND ITS COMMITTEES(CONTINUED)

Mr. Vijay Goel



Mr. Vijay Goel, Independent Director, was appointed to the Board of the Company on 25th November 2021.

Mr. Vijay Goel is a senior partner for the London office of Singhanian & Co. Singhanian & Co.'s areas of practice include corporate laws relevant to technology transfers, joint ventures, foreign collaborations, licensing. He has extensive experience in advising on private equity funds for investment in India and has worked with American and Indian companies for their global listing. He has also assisted Indian companies to acquire Companies abroad.

Dr. Biswanath Patnaik



Dr. Biswanath Patnaik, Independent Director, was appointed to the Board of the Company on 14th September 2021.

Dr. Biswanath Patnaik has completed graduation in Economics, MBA along with Law Degree and holds a vast experience of 11 years. He is an accomplished entrepreneur and has active business interests across multiple sectors viz. finance, mining, healthcare, aviation and construction. He owns controlling stakes in several companies in London, Hong Kong and Singapore and is a member of the board of multiple companies across different sectors.

PRINCIPLE 3 - DIRECTORS APPOINTMENT PROCEDURES

“There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.”

The Board assumes responsibility for succession planning of the key officeholders and for the appointment and induction of new directors to the Board. The non-executive directors are appointed for such term as determined in the ordinary resolution passed by the Board for such appointment or are re-elected each year at the Annual Meeting, pursuant to the provisions of the Constitution of the Company. All the non-executive Directors will submit themselves to re-election by the member at the Company’s forthcoming Annual Meeting.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 3 - DIRECTORS APPOINTMENT PROCEDURES (CONTINUED)

Appointment of Directors in the Year 2025

Mr. Moses Newling Harding John has been appointed on 10th July 2025 as Non-Executive Independent Director to the Board of the Company.

Professional Development of Directors

The Board ensures that all Directors maintain or improve their skills and continue to deepen their understanding. In this regard, Company Secretary communicates to all Directors about relevant training as and when organized by training institutions.

Board Familiarization

A Board Familiarization Programme was conducted during the year to familiarize Directors with the Company, nature of the industry in which the Company operates, business model of the Company, roles, rights and responsibilities of the directors.

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

“Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.”

The Board adopted Code of Ethics for its Directors, Independent Directors, Senior Management and the employees of the Company. The Board shall assess the requirement of any Committee or sub-committee (as the case may be), from time to time and establish the same, if required.

Board Charter

In order to assist the directors in the discharge of their duties, the Company has adopted a Board Charter. The Board Charter embodies the rules of conduct of the Directors of the Board and their commitment to ensure that the Company's governance processes and structures comply with the new principles of the Mauritius Code of Corporate Governance.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)
PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE
(CONTINUED)

Supply of and Access to Information

The Directors have individual and independent access to seek any advice from the management of the Company as may be required, on issues under their respective purview. No restrictions were placed over the right of access to information.

Board Procedures

Board papers are prepared by management to provide relevant facts, analysis and recommendations to enable informed decision-making by the Board. The agenda and papers for meetings are submitted to Directors and Board Committee members well in advance, to enable them to prepare for these meetings.

During meetings, the Chair of the meeting encourages constructive and effective debates and Directors are given the chance to freely express their views or share information with their peers during deliberation as a participative Board. Any Director who has a direct or deemed interest in the subject matter to be deliberated, declares his/her interest and abstains from deliberation and voting on the same during the meeting.

The Company Secretary ensures that there is a quorum for all meetings and that such meetings are convened in accordance with the relevant terms of reference. The minutes are prepared by the Company Secretary for all the board meetings, including the tabling of pertinent issues and the decisions made. In doing so, the Company Secretary internalises the governance principles in the Company and keeps the Board updated on the follow-up action arising from the Board's decisions and/or requests at subsequent meetings. This allows the Board to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

Legal Duties

All the Directors on the Board are fully apprised of their legal duties as laid out under the applicable laws, including the Mauritius Companies Act.

Code of Ethics for Directors, Senior Management and Employees of the Company

As a matter of holding high standards of corporate governance, the Company adopted Code of Ethics, in line with the principles of the National Code of Corporate Governance for Mauritius (2016), for its directors, senior management and employees for observance of good governance and corporate practices in the Company. The Board regularly monitors and evaluates compliance with its code of ethics.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Information Security

With a view to ensuring information security and confidentiality, as a first step, the Company has devised Sharing of Information policy to ensure security, confidentiality and non-disclosure of Company's information, assets, information technology systems and sensitive data and documents. Further, the Company has adopted Information Security policy from December 2024. The objective of the policy is to ensure that the information assets of the Company are appropriately protected against the breach of confidentiality, failures of integrity and/ or interruptions to their availability. Information security not only deals with information in various channels like spoken, written, printed, electronic or any other medium but also information handling in terms of creation, viewing, transportation, storage or destruction. The Information Security Policy provides management direction and support towards information security.

Information Security Policy is applicable to all information assets of ACHL. that are electronically created, stored, processed, documented, transmitted, printed and / or faxed. The policy applies to all employees and vendor, Technology Partner which are in scope of ACHL.

Information Security

The Policy deals with inter alia -

1. IT Management
2. Management of Hardware, Software and Licenses
3. Backup and Recovery
4. Business Continuity
5. Physical and Environmental Security
6. Application Security
7. Network Security
8. Internet and Intranet Security
9. Security Breach Enforcement
10. Cybersecurity

Board Evaluation

The Board is in the process of putting in place a formal and regular evaluation of its own performance.

IT Governance

The Board is responsible for the governance of the Company's information strategy, information technology and information security. Any significant technology procurement is evaluated for its purpose, value addition, expenditure and timelines. Any software enhancements, modifications and additions are subject to thorough testing before its implementation in the live environment.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)**PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)**

The Company's Information Security Policy ensures that the information assets of the Company are appropriately protected against the breach of confidentiality, failures of integrity and/ or interruptions to their availability.

Directors' Remuneration

The Board has reviewed the adequacy of directors' remuneration and the form of that remuneration. For the year ended 31st December 2025, the sitting fees paid to Independent Directors were as follows:

Independent Directors

| Name of Directors | No. of Board meetings attended in 2025 | Remuneration/ sitting fees |
|-----------------------|--|----------------------------|
| Dr. Biswanath Patnaik | 5 | 3,000 |
| Mr. Vijay Goel | 5 | 3,000 |

For the year 2025, the Non-Executive Non-Independent Director was not in receipt of any remuneration. Presently, the Non-Executive Non-Independent Director is not entitled to receive share options or bonuses associated with organisational performance of the Company.

Conflict of Interest

The Directors make best efforts to avoid any potential conflict of interest or situations where others might reasonably perceive there to be a conflict of interest. Where a conflict of interest arises or may arise, Directors ensure disclosure of the conflict or potential conflict to the Board. The Directors of the Company shall be required to declare the nature of their interest(s), in the following circumstances:

- at the meeting of the Directors at which the question of entering into any contract or arrangement is first taken into consideration;
- if the Director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or
- in a case where the Directors becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested.

The Code of Ethics also addresses the requirements on avoidance of conflicts of interest or situations where others might reasonably perceive a conflict. In any instances of an actual or potential conflict of interest, the Directors concerned are not present as part of the meeting in which the conflict or potential conflict is discussed and do not participate in the debate or vote on the matter in any Board meeting.

Directorships in Other Companies

The number of other directorships which the directors of the Company's Board hold in listed Companies and the number of shares held by them, both directly and indirectly, are disclosed in the Table 1 below:

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

Table 1: Directorships in Listed Companies

| Names of Directors | Number of Directorship in Listed Companies | Shareholding Percentage held directly in Listed Companies | Number of Shares held indirectly in Listed Companies |
|--------------------------------|--|---|--|
| Mr. Biswanath Patnaik | 2* | 70% & 60% | Nil |
| Mr. Vijay Goel | Nil | Nil | Nil |
| Mr. Moses Newling Harding John | Nil | Nil | Nil |

*Mr. Biswanath Patnaik is an Executive Director in BNP Investments LLC and BNP Investment Fund and he holds 70% and 60% shareholding in respective listed entities.

Table 2: Directorships in Other Companies

| Names of the Directors | Directorship in Other Companies | Type of Directorship Held (Executive / Non-Executive Director) |
|------------------------|--|--|
| Mr. Vijay Goel | 1. Singhania Consultancy Limited | Executive Director |
| | 2. Westminster Consultant Services Limited | |
| | 3. Papachapa Holdings Private Limited | |
| | 4. New World Networks Limited | |
| | 5. Strategic Wealth UK Limited | |
| | 6. Eruna Technologies UK Ltd | |
| | 7. Singhania & Co. Limited | |
| | 8. Spectra AI UK Limited | |
| | 9. Prisma AI Limited | |
| | 10. Westminster International Services Ltd | |
| | 11. Indo-European Business Forum | |
| | 12. India Legal Services Limited | |
| | 13. Singhania & Co Limited | |
| | 14. Indo Global Business Limited | |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

| Names of the Directors | Directorship in Other Companies | Type of Directorship Held (Executive / Non-Executive Director) |
|-------------------------------------|--|--|
| Mr. Biswanath Patnaik | 1. Meenakshi Movies Private Limited | Executive Director |
| | 2. Tirupati Corporate Financial Advisory Private Limited | |
| | 3. Urjani Fuels Private Limited | |
| | 4. BNP Investment Fund | |
| | 5. Mamata Pulse Meditech Private Limited | |
| | 6. BNP Family Office LLC | |
| | 7. BNP Investments LLC | |
| | 8. Cure BNP LLC (DIFC) | |
| | 9. BNP Gold Refinery FZC | |
| | | |
| | 10. BNP Gold Bullion LLC | |
| | 11. BNP Venture Capital Ltd. | |
| | 12. Finnest Holdings Ltd. | |
| | 13. Biswanath Narayan Patnaik Investment LLC | |
| | 14. Meenakshi Gold and Bullion Private Limited | |
| | 15. Finnest Unstoppable Odisha Private Limited | |
| 16. Finnest Fincare Private Limited | | |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

| Names of the Directors | Directorship in Other Companies | Type of Directorship Held (Executive / Non-Executive Director) |
|--------------------------------------|--|--|
| Mr. Moses Newling Harding John | 1. IndusInd International Holdings Ltd | Executive Director |
| | 2. IndusInd Ltd | Non-Executive Director |
| | 3. IndusInd Finance Ltd | |
| | 4. IIHL Capital Limited | |
| | 5. IIHL AMC Holdings Limited | |
| | 6. IIHL AMC Limited | |
| | 7. IIHL BFSI Holdings Limited | |
| | 8. IIHL BFSI(India) Limited | |
| | 9. Indusind Bank & Trust Limited | |
| | 10. Reliance Capital Limited | |
| | 11. Reliance Nippon Life Insurance Company Limited | |
| | 12. AFRINEX Limited | |
| | 13. Invesco Trustee Private Limited | |

A register of interests is also maintained and updated on regular basis. The register of interests is placed before the Board and any related party transactions are placed before the Board for approval. The Register of interests is also available to the shareholders of the Company upon written request to the Secretary of the Company.

Dealing in Shares by the Directors

There was no dealing in the shares of the Company by the directors during the year under the review.

Related Party Transactions

The Board of Directors has established a policy on Conflict of Interest and Related Party Transactions and has put in place suitable procedures to ensure that any Board member with identified conflict of interest is excluded from approval process of related party transactions. Further, the Board has granted omnibus approval for Related Party Transactions from 01st January 2025 to 31st December 2025 at their meeting held on 10th March 2025.

Wherever applicable the Company enters into a written agreement with the related parties concerned for any such related party transactions and requisite approvals from the Board are obtained. During the year under review, the Company has entered into transactions with related parties, the details of which are provided in Note 20 of the financial statements of the Company.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

“The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.”

The Board of Directors has the overall and ultimate responsibility for the Company’s system of internal control and risk management and for reviewing the adequacy and integrity of the system. The Board determines the nature and extent of the principal risks it is willing to take in achieving the Company’s objectives.

Risk Management Mechanism

Oversight of the Company’s risk management process and internal control system is done by the Board. Risk management refers to the process of identification, measurement, monitoring and mitigating various risk the Company is exposed to.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Several risks can impact the achievement of a particular business objective. Similarly, a single risk can impact the achievement of several business objectives. The focus of risk management is to assess risks, deploy mitigation measures and review them, including the risk management policy on a periodic basis. This is done through periodic review meetings.

Further, the Company carries out Business Risk Assessment (BRA) and Customer Risk Assessment (CRA) from Anti Money Laundering/ Combatting the Financing of Terrorism (AML/CFT) perspective.

The Company’s risk in relation to internal control over financial recording and reporting is reviewed by the Board. The Company has implemented few applications in-house that enable internal control. The Company’s internal control systems for 2025 are commensurate with the nature of its business and the size and complexity of operations involved. The Board reviews adequacy and effectiveness of the Company’s internal control environment and monitors the implementation of audit recommendations.

The risk that the organization carries regarding the threat to its information is the result of a combination of factors. Change to any of these factors will alter the risk profile. Reviewing Information Security on a regular basis is vital to ensure that the safeguards employed continue to offer the appropriate level of protection. Towards this, the Board has appointed auditors to assess Systems and Cyber Security practices adopted and identify improvement opportunities thereof.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

For each risk identified, risk reduction can be achieved through the implementation of a managed system architecture that includes the following components:

- Technical
- Financial
- Informational
- Operational
- Procedural
- Physical
- Personnel
- Cyber

The Risk Assessment & Treatment Plan is reviewed once every year or in the event of any major changes brought about within the organization or any of its internal/external functional processes and also in the event a security incident takes place which could have an impact on the Risk Profile.

One of the major risks to which the Company is exposed is financial risk. Please refer to Note 19 of the financial statements for the measures devised to manage those risks.

Internal Financial Controls and its Adequacy

The Board of Directors affirms its overall responsibility for the Company's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system of internal control covers inter alia, governance, risk management, financial, organizational, operational and compliance control.

These includes policies and procedures -

- (a) Pertaining to the maintenance of records that is reasonably detailed, accurately and fairly reflects the transactions and dispositions of the assets of the Company;
- (b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS Accounting Standards as amended from time to time; and
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements. Such internal financial controls over financial reporting were operating effectively as of December 31, 2025.

The Internal Audit provides assurance to the Board regarding the adequacy and effectiveness of the internal control systems. Internal Audit report specifying significant issues along with management responses are put up to the Board to address the observations. The Company has an Internal Control Team which was set up to mitigate the financial risks.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Whistle-blowing Mechanism

Considering the size and nature of the Company in the year under consideration, the Company had not adopted a Whistle Blowing Policy and all matters and concerns, if any, were addressed by the Board of Directors. The Company proposes to adopt a suitable whistle blowing policy in future if the need arises.

PRINCIPLE 6 - REPORTING WITH INTEGRITY

"The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website."

The Board of Directors affirms its responsibility for the preparation of financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss and cash flow for the financial year.

Directors acknowledge and understand their responsibilities for:

- (a) adequate accounting records and maintenance of effective internal control systems.
- (b) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the cash flows for that period and which comply with IFRS Accounting Standards; and
- (c) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

In observation of their responsibilities towards preparation of financial statements, the Directors have ensured that appropriate accounting policies are used, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.

The Directors have ensured that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company enabling them to ensure that the financial statements comply with the Mauritius Companies Act. The Directors have taken such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 6 - REPORTING WITH INTEGRITY (CONTINUED)

Human Resource Policies

The Company has adopted several HR policies which include Equal Opportunities in Employment Policy, Leave and Attendance Policy, Policy on Smoke, Drug and Alcohol Prohibition and Anti-Sexual Harassment Policy, in line with the applicable laws including the Equal Opportunities Act 2008 and Workers Rights Act, 2019. During the year ended 31st December 2025, no complaints pertaining to the aforesaid matters have been received.

The Company has adopted several additional and suitable Human Resources policies for the growth and welfare of its workforce and will continue to do so on an ongoing basis. The Company complies with the provisions of the Occupational Safety and Health Act 2005 regarding the safety and health of its employees. There was no complaint about this matter for the year under review.

Training courses are being provided for employees based on need and merit to enhance their skills.

Political donations

No political donation was made by the Company during the financial year 2025.

Website

The annual report of the Company for the year ended 2024 is fully published on website www.afrinexexchange.com.

Health and Safety practices

The Company is fully committed to bring about a health and safety culture. The Company maintains a very conducive working environment within its premises for higher productivity and the well-being of its employees which includes medical insurance, personal accident insurance cover. The Company's objectives are to identify, remove, reduce or control material risks relating to fires and accidents or injuries to employees.

Assessment of the Company's financial, environmental, social and governance position, performance, and outlook

Given the current scale of operations of the Company, there is no significant impact on the environmental and social position, performance and outlook of the Company. The Company has not generated profit during the year hence there was no Corporate Social Responsibility tax incurred by the Company.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 6 – REPORTING WITH INTEGRITY (CONTINUED)

The Company has always been sensitive to environmental considerations and has implemented the following actions to contribute to the protection of the environment –

1. Minimisation of use of paper by sending any statements of accounts by electronic mail;
2. Online applications for claiming any internal reimbursements;
3. Online system for Board and Committee meetings and sending all Board and Committee papers through application;
4. Avoidance of unnecessary in-house printing;
5. Reduction or avoidance of single use paper consumption within office;
6. Avoidance of single-use plastic consumption within office; and
7. Avoidance of water or electricity wastage within office.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable.

PRINCIPLE 7 – AUDIT

“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management.

The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation’s internal and external auditors.”

External Audit

The external auditor evaluates 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. After evaluating the independence and effectiveness of the external auditors, KPMG was re-appointed as the statutory auditors for the financial year ended 31st December 2025 at the Board's meeting held on 10th March 2025.

The total duration of the audit assignment is for a period of one year with the possibility of reappointment subject to approval at the annual meeting of the members of the Company.

Audit fees

Fees payable to the external auditors for audit services for the year are as follows:

| Year | 2025 | 2024 |
|-----------------------|-----------|-----------|
| External Auditor Name | KPMG | KPMG |
| Fees | USD 9,775 | USD 9,315 |

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 7 – AUDIT (CONTINUED)

Internal Audit

The Company has appointed an external party as internal auditor. Internal Auditors will carry out the evaluation as and when required and report to the Board. The Company has also set-up an in-house internal control department to mitigate financial risk.

The internal audit reports and irregularities identified during audits are presented to the Board of Directors on a half yearly basis. The internal audit reports also include a timeframe within which corrective action must be taken for any residual issue.

The Internal Auditors report their observations relating to the deficiencies/ non-compliances of various audit areas and give suggestions/recommendations and control directives to mitigate the shortcomings and make the process, procedure, system and functions more robust, accountable, reliable and compliant.

The Internal Auditors performed verification of various audit areas such as finance, procurement, information technology, membership, banking, secretarial, human resource, operations, compliance for the financial year 2025 and had access to all necessary information and personnel.

IT Systems and Cyber-Security Audit for FY 2024

An IT audit is an evaluation of an organization's information technology infrastructure, policies, and procedures. It's designed to ensure that IT systems are functioning properly and securely.

In terms of the conditions for issuance of license by FSC, Mauritius, the Company shall on an annual basis have its system audited by external and independent agency, with the relevant expertise and forthwith submit the report to the Commission.

IT audit will help in re-validating the corporate objectives of securing corporate assets, data and information, identify potential inefficiencies in the existing IT system / processes and take steps to mitigate the same, maintain an adequate level of security compliance measures and adopt to the evolving cyber-security needs and standards.

In view of the above statutory requirement and to assure clients, an independent auditor was appointed to undertake IT Systems and Cyber Security audits for the FY 2024.

As of the reporting date, the IT systems Audit Report and Cyber Security Audit Report for FY 2024 was placed before the Board and IT and cyber security gaps that existed in 2024 are being evaluated by the Company and implemented.

Non-Audit Services

KPMG has not provided any non-audit services to the Company, as of date.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 8 – RELATIONS WITH THE MEMBER AND OTHER KEY STAKEHOLDERS

“The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

Annual General Meetings

Annual General Meeting is held within three (3) months from the end of the financial year and the notice of the Annual General Meeting is sent to the shareholders of the Company at least twenty-one (21) days before the meeting. The notice clearly explains the procedures on proxy voting and includes the deadline for receiving proxies. The financial statements of the Company are tabled, and the shareholders take note of the financial position and performance.

Shareholders and the Percentage Shareholdings

As at 31st December 2025, the stated capital of the Company comprised 100,940 ordinary shares. The table below summarises the list of shareholders of the Company and the relative number of ordinary shares held by them as at 31st December 2025:

| List of Shareholders | Total number of shares as at 31 st December 2025 | % Holding as at 31 st December 2025 |
|-------------------------------------|---|--|
| AFRINEX Limited | 88,946 | 88.12% |
| IndusInd International Holdings Ltd | 11,994 | 11.88% |

Dividend Payment

No dividend has been declared and paid during the financial year ended 31st December 2025.

Annual General Meeting

The previous Annual General Meeting of the Shareholders of the Company was held on 24th March 2025.

AFRINEX Clearing House Ltd
Annual Report for the financial year 2025



CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 2025 (CONTINUED)

PRINCIPLE 8 – RELATIONS WITH THE MEMBER AND OTHER KEY STAKEHOLDERS (CONTINUED)

Auditors

The auditors, KPMG, was appointed during the financial year ended 31st December 2025.

In accordance with Section 221(1)(h) of the Mauritius Companies Act, the remuneration of the Auditors is as under:

| Year | 2025 | 2024 |
|-----------------------|-----------|-----------|
| External Auditor Name | KPMG | KPMG |
| Fees | USD 9,775 | USD 9,315 |

For and on Behalf of the Board

Director
Vijay Goel

Director
Moses Newling Harding John

Date: 31.03.2026

AFRINEX Clearing House Ltd
Annual Report for the financial year 2025



STATEMENT OF COMPLIANCE FOR THE YEAR ENDED 31st DECEMBER 2025

We, the Directors of AFRINEX Clearing House Ltd, confirm to our best knowledge that the Company has complied with its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016).

For and on Behalf of the Board

A handwritten signature in blue ink, appearing to be 'Vijay Goel', written over a horizontal line.

Director
Vijay Goel

A handwritten signature in blue ink, appearing to be 'Moses Newling Harding John', written over a horizontal line.

Director
Moses Newling Harding John

Date: 31.03.2026

AFRINEX Clearing House Ltd
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Secretary's Certificate to the member of AFRINEX Clearing House Ltd under Section 166 (d) of the Mauritius Companies Act

I certify, to the best of my knowledge and belief, that I have filed with the Registrar of Companies all such returns as are required of "AFRINEX Clearing House Ltd" under Section 166(d) of the Mauritius Companies Act during the financial year ended 31st December 2025.

A handwritten signature in blue ink that reads 'Yash' followed by a stylized flourish.

Yash Hegde
Company Secretary

Date: 31.03.2026



KPMG
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31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AFRINEX CLEARING HOUSE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AFRINEX Clearing House Ltd (the Company), which comprise the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information, as set out on pages 35 to 78.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AFRINEX Clearing House Ltd as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Data, Directors' Report, Operational Overview 2025, Key Regulatory Developments, Corporate Governance Report and Secretary's Certificate, but does not include the financial statements and our auditors' report thereon.



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AFRINEX CLEARING HOUSE LTD**

Report on the Audit of the Financial Statements

Other Information (continued)

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 Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in compliance with the requirements of the Mauritius Companies Act, 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AFRINEX CLEARING HOUSE LTD**

Report on the Audit of the Financial Statements

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the 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 auditors' 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 auditors' 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.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AFRINEX CLEARING HOUSE LTD

Report on the Audit of the Financial Statements

Use of our Report

This report is made solely to the Company's shareholders as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholders as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other Legal and Regulatory Requirements

Mauritius Companies Act


We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Services Act Circular letter CL281021

Our responsibility under the Financial Services Act Circular letter CL281021 is to report on the compliance with the Code of Corporate Governance ("the Code") disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has complied with the requirements of the Code.

Initial


KPMG
Ebène, Mauritius

Signed by:

E73AAB06E2A64AA...
Imtiaz Ajeda
Licensed by FRC

Date: 31 March 2026

AFRINEX Clearing House Ltd
Annual Report for the financial year 2025




STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

| | <u>Note</u> | 2025 <u>USD</u> | 2024 <u>USD</u> |
|--------------------------------------|-------------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 13 | 9,385 | 26,022 |
| Right-of-use asset | 11 | 72,123 | 83,252 |
| Intangible assets | 14 | 792 | 3,359 |
| Total non-current assets | | <u>82,300</u> | <u>112,633</u> |
| Current assets | | | |
| Cash and cash equivalents | 15(a) | 560,504 | 467,179 |
| Investments in term deposit | 15(b) | - | 176,036 |
| Trade and other receivables | 16 | 24,731 | 27,682 |
| Total current assets | | <u>585,235</u> | <u>670,897</u> |
| Total assets | | <u>667,535</u> | <u>783,530</u> |
| Equity | | | |
| Stated capital | 17 | 1,009,400 | 1,009,400 |
| Share application money | 17 | 241,100 | 241,100 |
| Accumulated losses | | (760,201) | (611,012) |
| Total equity | | <u>490,299</u> | <u>639,488</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | 11 | 56,295 | 66,970 |
| Contract liabilities | 12 | 5,999 | - |
| Total non-current liabilities | | <u>62,294</u> | <u>66,970</u> |
| Current liabilities | | | |
| Trade and other payables | 18 | 97,030 | 65,008 |
| Lease liabilities | 11 | 11,922 | 10,931 |
| Contract liabilities | 12 | 5,990 | 1,133 |
| Total current liabilities | | <u>114,942</u> | <u>77,072</u> |
| Total liabilities | | <u>177,236</u> | <u>144,042</u> |
| Total equity and liabilities | | <u>667,535</u> | <u>783,530</u> |

These financial statements have been authorised and approved for issue by the Board of directors on 31.03.2026 and signed on its behalf by:


.....
Director
Vijay Goel


.....
Director
Moses Newling Harding John

The notes on pages 38 to 77 form an integral part of these financial statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

| | <u>Note</u> | <u>2025</u> <u>USD</u> | <u>2024</u> <u>USD</u> |
|---|-------------|---------------------------|---------------------------|
| Income | | | |
| Revenue | 5 | 43,222 | 49,451 |
| Other income | 6 | - | 93 |
| | | ----- | ----- |
| Gross profit | | 43,222 | 49,544 |
| | | ----- | ----- |
| General and administrative expenses | 7 | (183,598) | (187,655) |
| Impairment loss from Trade, other receivable and contract liabilities | 8 | (4,833) | - |
| | | ----- | ----- |
| Total expenses | | (188,431) | (187,655) |
| | | ----- | ----- |
| Total loss before finance cost and tax | | (145,209) | (138,111) |
| | | ----- | ----- |
| Finance income /(cost) | | | |
| Finance income | 9(b) | 2,997 | 19,105 |
| Finance cost | 9(a) | (6,977) | (9,672) |
| | | ----- | ----- |
| Net finance cost | | (3,980) | 9,433 |
| | | ----- | ----- |
| Loss before income tax expense | | (149,189) | (128,678) |
| Income tax expense | 10 | - | - |
| | | ----- | ----- |
| Loss for the year | | (149,189) | (128,678) |
| | | ----- | ----- |
| Other comprehensive income | | - | - |
| | | ----- | ----- |
| Total comprehensive income for the year | | (149,189) | (128,678) |
| | | ===== | ===== |

The notes on pages 38 to 77 form an integral part of these financial statements

AFRINEX Clearing House Ltd
Annual Report for the financial year 2025



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

| | <u>Stated capital</u> USD | <u>Share application money</u> USD | <u>Accumulated losses</u> USD | <u>Total</u> USD |
|--|----------------------------------|---|--------------------------------------|---------------------|
| Balance as at 1 January 2024 | 849,270 | 241,100 | (482,334) | 608,036 |
| Total comprehensive income for the year | | | | |
| Loss for the year | - | - | (128,678) | (128,678) |
| Total comprehensive income | - | - | (128,678) | 479,358 |
| Transactions with owners recorded directly in equity | | | | |
| <i>Contributions</i> | | | | |
| Issue of ordinary shares | 160,130 | - | - | 160,130 |
| | 160,130 | - | - | 160,130 |
| Balance as at 31 December 2024 | 1,009,400 | 241,100 | (611,012) | 639,488 |

| | <u>Stated capital</u> USD | <u>Share application money</u> USD | <u>Accumulated losses</u> USD | <u>Total</u> USD |
|--|----------------------------------|---|--------------------------------------|---------------------|
| Balance as at 1 January 2025 | 1,009,400 | 241,100 | (611,012) | 639,488 |
| Total comprehensive income for the year | | | | |
| Loss for the year | - | - | (149,189) | (149,189) |
| Total comprehensive Income | - | - | (149,189) | 490,299 |
| Transactions with owners recorded directly in equity | | | | |
| <i>Contributions</i> | | | | |
| Issue of ordinary shares | - | - | - | - |
| | - | - | - | - |
| Balance as at 31 December 2025 | 1,009,400 | 241,100 | (760,201) | 490,299 |

The notes on pages 38 to 77 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

| | Notes | 2025 <u>USD</u> | 2024 <u>USD</u> |
|--|-------|--------------------|--------------------|
| <i>Cash flows from operating activities</i> | | | |
| Loss for the year | | (149,189) | (128,678) |
| <i>Adjustments for:</i> | | | |
| Depreciation and amortisation | 7 | 30,333 | 32,726 |
| (Gain) on sale of asset | 6 | - | (93) |
| Accrued interest in term deposits | 15(b) | - | (1,036) |
| Impairment loss | 8 | 4,833 | - |
| Finance Income | 9(b) | - | (6,828) |
| Finance cost | 9(a) | 5,909 | 8,469 |
| | | <u>(108,114)</u> | <u>(95,440)</u> |
| <i>Changes in working capital:</i> | | | |
| Change in trade and other receivables | | (1,882) | (1,876) |
| Change in trade and other payables | | 42,878 | 1,679 |
| Interest income received | 15(b) | 1,801 | 4,087 |
| | | <u>(65,317)</u> | <u>(91,550)</u> |
| Net cash outflow from operating activities | | | |
| <i>Cash flows from investing activities</i> | | | |
| Proceeds for purchases of property, plant, and equipment | | - | 93 |
| Investment in term deposit | 15(b) | (100,000) | (495,000) |
| Proceeds from redemption of term deposit | 15(b) | 274,235 | 315,913 |
| | | <u>174,235</u> | <u>(178,994)</u> |
| Net cash inflow/(outflow) from investing activities | | | |
| <i>Cash flows from financing activities</i> | | | |
| Issue of ordinary shares* | 17 | - | 90,260 |
| Payment of lease liabilities | 11 | (16,225) | (15,242) |
| | | <u>(16,225)</u> | <u>75,018</u> |
| Net cash (outflow)/inflow from financing activities | | | |
| Net movement in cash and cash equivalents | | | |
| Cash and cash equivalents at start of year | | 467,179 | 664,346 |
| Effect of exchange rate on cash and cash equivalents | | 632 | (1,641) |
| | | <u>560,504</u> | <u>467,179</u> |
| Cash and cash equivalents at end of year | | | |

* In prior year, the Company issued shares with a total value of USD 160,130, out of which USD 69,870 was by way of non-cash settlement against outstanding payable balances to holding company.

The notes on pages 38 to 77 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

AFRINEX Clearing House Ltd (the "Company") was incorporated in Mauritius under the Mauritius Companies Act on 12 September 2018 as a public company with liability limited by shares. It holds a Clearing and Settlement Facility Licence as issued by the Financial Services Commission of Mauritius. The address of the Company's registered office is at Office A11-01, Level 11, Tower A, 1 Exchange square, Wall Street, Ebène 72201.

The principal activity of AFRINEX Clearing House Ltd ("the Company") is to provide clearing and settlement services to AFRINEX Limited ("Exchange"), a fully electronic, multicurrency and multi-asset trading platform offering listing and trading of securities. It currently offers Depository Services including in participation with banks, capital market intermediaries as clearing member, depository participants, registrar & transfer agents, etc. The Company will also act as central counterparty for applicable trades on the AFRINEX trading platform.

The financial statements of the Company are presented in United States Dollars ("USD").

2 BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in compliance with the Mauritius Companies Act.

b) Basis of measurement

The financial statements have been prepared using the going concern principle under the historical cost basis.

c) Functional and presentation currency

These financial statements have been presented in United States Dollar ("USD") which is the Company's functional and presentation currency. All financial information presented in USD have been rounded to the nearest dollar unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

2 BASIS OF PREPARATION (CONTINUED)

d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in Note 4.

e) Going concern

The financial statements have been prepared on the going concern basis.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except if mentioned otherwise.

(a) Foreign currency transactions

The financial statements are presented in United States Dollars (USD). Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Interest income of fixed deposits, Foreign exchange differences are generally recognised in profit or loss account and presented within 'finance costs' or 'finance income'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) *Expenses*

Expenses are accounted in profit or loss on an accruals basis. There is a cost sharing agreement between AFRINEX Limited and AFRINEX Clearing House Ltd. Clause 1.4 of the agreement provides the basis of the cost sharing apportionment between the two parties. Refer to note 7 of this financial statement.

(c) *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(d) *Long-term employee benefits*

Long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior period. There are no accruals for the current reporting period as it is not material to the Company.

(e) *Finance income and finance costs*

The Company's finance income and finance costs include:

- Bank charges;
- Lease interest expenses;
- Foreign currency gain or loss;
- Interest income of fixed deposits.

Interest expense is recognised using the effective interest method. Bank charges and lease interest expense are recorded in the profit and loss on an accrual basis.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount on the financial asset; or
- The amortised cost of the financial liability.

In calculating interest expense, the effective interest is applied to the amortised cost of the liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***(f) Revenue*

The Company recognises revenue from contracts with customers based on a five-step model as set out in 'IFRS 15 - Revenue from Contracts with Customers' as follows:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met. The Company recognises customer agreements in the form of executed membership and depository participant and service agreement with clearing members, registrar and transfer agents and depository participants.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. The primary streams of revenue and associated performance obligations are as follows:

1) Depository services:

Depository services include off-market settlements, Debit/Credit transaction charges and corporate actions which are recognised at the point in time as and when transaction occurs. Further, depository services include safekeeping fee which is recognised over time.

2) Annual maintenance fees:

Annual maintenance fee is recognised over time from date of onboarding of members/depository participants/Registrar and Transfer agents/issuers. Revenue from annual maintenance fees is thus recognised over the period for which the service is being performed.

3) Others:

Others fees include corporate accounts, ISIN issuance and ISIN modification fee which are recognised at one point in time.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. It is determined based on the pricing outlined in the Company's approved rate memorandum, which is applied consistently across all customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) *Revenue (continued)*

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when performance obligation is satisfied: The revenue streams as enumerated in step 2, have only one single performance obligation. Once the performance obligations are met, the revenue is recognised as per the transaction price agreed with the customer and the invoice is accordingly issued to the customer.

(g) Contract liabilities related to contract with customers

A contract liability is the obligation to transfer services to a customer for which the Company has received full or partial consideration from the customer. In cases where the customer pays consideration before the Company transfer services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the Company perform the obligation under the contract.

(h) *Leases*

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) *Leases (continued)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over its useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurements of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) *Leases (continued)*

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight -line basis over the lease term.

(i) *Income tax*

Income tax expense comprises current income tax and deferred tax. Current income tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each

reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company has the following non-derivative financial assets: Trade and other receivables, cash and cash equivalents and investments in term deposits.

(i) *Recognition and initial measurement*

Financial assets and liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) *Financial assets: classification and subsequent measurement*

On initial recognition, the Company classifies financial assets as measured at amortised cost. The Company does not have financial assets at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) *Financial instruments (continued)*

(ii) *Financial assets: classification and subsequent measurement (continued)*

The Company has determined that it has one business model:

- Held-to-collect business model: this includes trade and other receivables, cash and cash equivalents and investments in term deposits. These financial assets are held to collect contractual cash flow.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) *Financial instruments (continued)*

(ii) *Financial assets: classification and subsequent measurement (continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

At the reporting date, the Company's financial assets were classified as at amortised cost.

Financial assets: Subsequent measurement

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) *Financial liabilities: Classification and subsequent measurement*

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. At the reporting date, the Company has the following financial liabilities: Trade and other payables, Lease liabilities which are classified as financial liabilities at amortised cost.

These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)***(j) Financial instruments (continued)**(iv) Derecognition**Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) *Property, plant and equipment*

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant or equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) *Subsequent costs*

The cost of replacing part of an item of plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is based on the cost of items of property, plant and equipment less their estimated residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

| | |
|-------------------------------|--------------|
| Property, Plant and Equipment | 3 to 5 years |
|-------------------------------|--------------|

Depreciation methods estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate, at each financial period end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) *Property, plant and equipment (continued)*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

(l) *Intangible asset*

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred. Amortisation is charged to profit or loss on a straight-line basis over the useful lives of the individual intangible assets.

Computer software

The estimated useful life of the intangible asset is:

| | |
|-------------------|---------|
| Computer software | 5 years |
|-------------------|---------|

Amortisation methods estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate at each financial period end.

(m) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, bank balances, and highly liquid short-term investments with original maturities of less than three months. These assets are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(n) *Investment in term deposits*

Investments in term deposits refer to fixed deposits placed with financial institutions. Term deposits with maturities of less than three months at the time of placement are classified as cash equivalents and included in the cash flow statement under cash and cash equivalents.

Interest earned on fixed deposits is classified as finance income, as it does not arise from the Company's core operations. The investment in term deposits is a use of excess cash for a financing activity. Therefore, interest income is reported as finance income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) *Impairment*

(i) *Non-derivative financial assets*

The Company recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

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 its repayment terms has lapsed.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any held).

The Company considers a financial asset to have a low risk when the amount receivable is with related parties.

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).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) *Impairment (continued)*

(i) *Non-derivative financial assets (continued)*

The Company measures the loss allowance for the financial assets by applying 'general approach' which is prescribed by IFRS 9. These dictate the estimate of expected credit losses should reflect:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the reporting date.

Expected credit losses under the 'general approach' is described using the following formula: Probability of Default (PD) x Loss given Default (LGD) x Exposure at Default. Under this approach, a forward looking scenario will effectively develop an expected credit loss using this formula and probability weight the outcomes.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any held) or the financial asset is more than 90 days past due.

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 the default events that are possible within the 12 months after the reporting date (or a short period if the expected life of the instrument is less than 12 months).

Measurement of ECLs

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). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) *Impairment (continued)*

(i) *Non-derivative financial assets (continued)*

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(ii) *Non-financial assets*

At each reporting date, the Company reviews the carrying amount of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) *Impairment (continued)*

(ii) *Non-financial assets (continued)*

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

(p) *Stated capital*

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Share application money

Share application money represents funds received from investors who have applied to purchase shares in the Company but have not yet been allotted those shares. Share application money is recognised under equity section in the financial statements upon receipt, pending the issuance of shares or the revocation of the application.

Upon the issuance of shares, the share application money pertaining to those shares is reclassified as share capital and/or share premium, as appropriate, in accordance with the Company's capital structure and legal requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
3 MATERIAL ACCOUNTING POLICIES (CONTINUED)
(q) Comparatives

Where necessary, the comparative figures have been amended to confirm with changes in presentation in the current year.

(r) New standards, amendments and interpretations adopted during the year

The company have considered all amendments that became effective for the current reporting period. Management have assessed the potential impact of these newly effective standards and amendments on the financial statements.

Based on this assessment, none of the newly effective standards or amendments have had a material impact on the amounts reported in the financial statements or the company's accounting policies. Accordingly, no changes have been made to the company's accounting policies.

(s) New standards, interpretations and amendments issued but not yet effective

The following new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and early adoption is permitted. The Company has not early adopted any of the forthcoming new or amended standards in preparing the financial statements.

| Standard/Interpretation | | Effective date Periods beginning on or after |
|-------------------------|---|--|
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |

Presentation and Disclosure in Financial Statements (IFRS 18)

IFRS 18 promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories being, operating, investing and financing activities, based on a company's main business activities. However, the company's net profit will not change.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**(s) *New standards, interpretations and amendments issued but not yet effective (continued)***

IFRS 18 also requires the disclosure of Management Performance Indicators (“MPMs”) which are subject to audit. They are designed to capture some but not all ‘non-GAAP’ measures. The standard requires MPMs to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management’s view of financial performance.

For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconciled to an amount determined under IFRS Accounting Standards. Furthermore, a company must state that it provides management’s view of financial performance and is not necessarily comparable to those of other companies. Any changes or new MPMs must also be explained.

This standard applies for annual reporting periods beginning on or after January 01, 2027. The Company is still assessing the impact of this standard on the financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS Accounting Standards requires the directors and management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition, therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgements that have a material effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Critical judgement areas

Determination of functional currency

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

Accordingly, management has to exercise significant judgement in determining the functional currency.

AFRINEX Clearing House Ltd will act as a clearing and settlement house for its shareholder AFRINEX Limited which will operate as an exchange offering a platform to traders and brokers across the globe. It will offer listing of various types of securities and financial instruments. Therefore, the United States Dollar (USD) has been used as the functional currency as it is aligned with its future business strategy.

The directors have determined that these financial statements be presented in USD. The Company has obtained approval from the Registrar of Companies for presenting the financial statements of the Company in USD.

Estimates and assumptions

Going concern

The directors are of the opinion that the Company has adequate resources to continue operations for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Company's financial statements. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5 REVENUE

| | 2025 | 2024 |
|-------------------------|---------------|--------|
| | USD | USD |
| Depository services | 19,689 | 26,936 |
| Annual maintenance fees | 20,633 | 17,370 |
| Others | 2,900 | 5,145 |
| | ----- | ----- |
| Total revenue | 43,222 | 49,451 |
| | ===== | ===== |

Others include revenue from corporate accounts, processing charges and ISIN fees.

6 OTHER INCOME

| | 2025 | 2024 |
|---|-------|-------|
| | USD | USD |
| Gain on sale of property, plant and equipment | - | 93 |
| | ----- | ----- |
| Total other income | - | 93 |
| | ===== | ===== |

7 GENERAL AND ADMINISTRATIVE EXPENSES

| | 2025 | 2024 |
|---|----------------|---------|
| | USD | USD |
| Licenses | 11,537 | 18,003 |
| Salaries and benefits | 56,817 | 48,913 |
| Travel and accommodation | - | 1,015 |
| Professional and consultancy fees | 29,237 | 40,689 |
| Depreciation of property, plant and equipment | 16,637 | 19,111 |
| Depreciation on right-of-use asset | 11,128 | 11,047 |
| Amortisation of intangible assets | 2,568 | 2,568 |
| Audit fees** | 16,578 | 15,965 |
| VAT on rent | 2,428 | 2,337 |
| Others | 36,668 | 28,007 |
| | ----- | ----- |
| Total general and administrative expenses* | 183,598 | 187,655 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7 GENERAL AND ADMINISTRATIVE EXPENSES (CONTINUED)

General and administrative expenses include network and information technology-related operational expenditures, office-related operational costs, and other expenses such as salaries and benefits, audit fees, and license fees. The parent company, AFRINEX Limited, and the Company have entered into a cost sharing agreement. Clause 4.1 of the agreement lays the basis of the cost sharing between the two entities. Common IT-related expenses for shared use, operation or deployment incurred by the parent company will be allocated between the parent company and the Company in a 75:25 ratio. Similarly, shared office-related operational expenditures will be allocated in an 80:20 ratio.

* Out of total general & administrative expenses, **USD 22,194** (2024: USD 32,497) are paid by parent company on behalf of Company. Refer Note 20 for the details.

** Audit fees include statutory audit fees of **USD 9,775** (2024: USD 9,315). The remaining relates to internal audit fees, cybersecurity audit fees and systems audit fees.

8 IMPAIRMENT LOSS FROM TRADE AND OTHER RECEIVABLE

In the previous financial year, certain trade receivables were identified as having experienced a significant increase in credit risk, and an impairment provision was recognised accordingly. During the current financial year, management reassessed receivables arising from transactions with these counterparties and recognised additional impairment provisions where the recoverability of the outstanding balances is considered uncertain.

| | 2025 | 2024 |
|-------------------------|---------|-------|
| | USD | USD |
| Opening balance | - | - |
| Impairment for the year | (4,833) | - |
| | ----- | ----- |
| Closing balance | (4,833) | - |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

9 NET FINANCE INCOME/(LOSS)

(a) FINANCE COST

| | 2025 | 2024 |
|---|--------------|-------|
| | USD | USD |
| Bank charges | 1,067 | 1,203 |
| Interest expense on lease liabilities (Refer Note 11) | 5,117 | 5,790 |
| Foreign exchange loss | 792 | 2,679 |
| | ----- | ----- |
| Total finance costs | 6,977 | 9,672 |
| | ===== | ===== |

(b) FINANCE INCOME

| | 2025 | 2024 |
|-----------------------------------|--------------|--------|
| | USD | USD |
| Foreign exchange gain | - | 6,828 |
| Interest Income on term deposits | 2,997 | 11,241 |
| Accrued Interest on term deposits | - | 1,036 |
| | ----- | ----- |
| Finance income | 2,997 | 19,105 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**10 INCOME TAX EXPENSE**Income Tax

Under the applicable laws, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. The Company is also liable to 2% Corporate Social Responsibility (CSR) tax on previous year's chargeable income.

Capital Gains Tax

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt in Mauritius from any withholding tax.

| | 2025 | 2024 |
|-------------------------|-------|-------|
| | USD | USD |
| Tax charge for the year | - | - |
| | ===== | ===== |

A reconciliation of the actual income tax based on accounting profit and the actual income tax expense is as follows:

| | 2025 | 2024 |
|---|------------------|------------------|
| | USD | USD |
| Current tax expense | - | - |
| | ===== | ===== |
| Loss before income tax expense | (149,189) | (128,678) |
| | ===== | ===== |
| Income tax using tax rate of 15% | (22,378) | (19,302) |
| Net foreign exchange gain | 119 | (622) |
| Depreciation and amortisation expense | 4,550 | 4,909 |
| Deferred tax not recognised for tax purposes* | 17,709 | 15,015 |
| | ----- | ----- |
| Tax charge for the year | - | - |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**10 INCOME TAX EXPENSE (CONTINUED)**

The Company was not liable to CSR charge as it had not generated any chargeable income (2024: no chargeable income).

*The Company has not recognised deferred tax asset amounting to **USD 17,709** (2024: USD 15,015) in respect of tax losses carried forward since it is a newly set up company and has not fully launched its operations. There is no certainty that taxable profits will be available in the foreseeable future against which losses of the company may be recognised.

| | <u>2025</u> | <u>2024</u> |
|--------------------------------------|------------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| Loss before income tax expense | (149,189) | (128,678) |
| Adjustments: | | |
| Depreciation on amortisation expense | 30,333 | 32,726 |
| Net foreign exchange gain | 792 | (4,149) |
| | ----- | ----- |
| Tax losses for the year | (118,064) | (100,101) |
| | ===== | ===== |

11 LEASES

The Company leases office space and the office space facilities. The leases typically run for a period of 5 years, with an option to renew the lease after that date for another 5 years. The lease has been renewed in October 2025. As a result, the right-of-use asset is being depreciated over 10 years.

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

| Office space | 2025 | 2024 |
|----------------------------------|---------------|-------------|
| | USD | USD |
| At the beginning of the year | 83,252 | 94,299 |
| Depreciation charge for the year | (11,129) | (11,047) |
| | ----- | ----- |
| Balance at 31 December | 72,123 | 83,252 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**11 LEASES (CONTINUED)**Lease liabilities**Maturity analysis – contractual undiscounted cash flows**

| | 2025 | 2024 |
|--|---------------|---------------|
| | USD | USD |
| Less than one year | 16,225 | 15,928 |
| One to five years | 66,204 | 63,713 |
| More than five years | - | 15,500 |
| | ----- | ----- |
| Total undiscounted lease liabilities at 31 December | 82,429 | 95,141 |
| | ===== | ===== |

Lease liabilities included in the statement of financial position at 31 December

| | 2025 | 2024 |
|-------------------------------|---------------|---------------|
| | USD | USD |
| Current | 11,922 | 10,931 |
| Non-current | 56,295 | 66,970 |
| | ----- | ----- |
| Balance at 31 December | 68,217 | 77,901 |
| | ===== | ===== |

Amount recognised in profit or loss

| | 2025 | 2024 |
|---|-------|-------|
| | USD | USD |
| Interest on lease liabilities (Refer Note 9(a)) | 5,117 | 5,790 |
| | ===== | ===== |

Amount recognised in the statement of cash flows

| | 2025 | 2024 |
|-------------------------------|----------|----------|
| | USD | USD |
| Total cash outflow for leases | (16,225) | (15,242) |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

11 LEASES (CONTINUED)

The lease cash flows of **USD 16,225** (2024: USD 15,242) have been paid by the holding company on behalf of the Company. The resulting receivable balance is interest-free and repayable on demand. Refer to note 21 for related party disclosures.

The Company’s leases have been valued and accounted for based on the lease agreements. There were no indicators of impairment, as the right-of-use assets are being amortised over the lease term.

12 CONTRACT LIABILITIES

| | 2025 | 2024 |
|--------------------------------|---------------|-------|
| | USD | USD |
| Opening balance | 1,133 | - |
| Advances received in the year* | 11,989 | 1,133 |
| Revenue recognised in the year | (1,133) | - |
| | ----- | ----- |
| | 11,989 | 1,133 |
| | ===== | ===== |
| | | |
| | 2025 | 2024 |
| | USD | USD |
| Current | 5,990 | 1,133 |
| Non-current | 5,999 | - |
| | ----- | ----- |
| | 11,989 | 1,133 |
| | ===== | ===== |

* Advance received include billing made to customers for Listing fees. Refer to Note 3 (g) for the accounting policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13 PROPERTY, PLANT AND EQUIPMENT

| | Furniture and office equipment 2025 USD | Furniture and office equipment 2024 USD |
|---------------------------------|--|--|
| <i>Cost</i> | | |
| At 01 January | 116,370 | 116,479 |
| Additions during the year | - | - |
| Disposal during the year | - | (109) |
| | ----- | ----- |
| At 31 December | 116,370 | 116,370 |
| | ===== | ===== |
| <i>Accumulated depreciation</i> | | |
| At 01 January | 90,348 | 71,346 |
| Charge for the year | 16,637 | 19,111 |
| Disposal during the year | - | (109) |
| | ----- | ----- |
| At 31 December | 106,985 | 90,348 |
| | ===== | ===== |
| <i>Carrying amounts</i> | | |
| At 31 December | 9,385 | 26,022 |
| | ===== | ===== |

There were no indicators of obsolescence or damage to the Company's plant and equipment items. Normal wear and tear were accounted for through depreciation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14 INTANGIBLE ASSETS

| | Computer Software 2025 USD | Computer Software 2024 USD |
|---------------------------------|----------------------------------|----------------------------------|
| <i>Cost</i> | | |
| At 01 January | 12,837 | 12,837 |
| Additions during the year | - | - |
| | ----- | ----- |
| At 31 December | 12,837 | 12,837 |
| | ===== | ===== |
| <i>Accumulated amortisation</i> | | |
| At 01 January | 9,478 | 6,911 |
| Charge for the year | 2,568 | 2,568 |
| | ----- | ----- |
| At 31 December | 12,046 | 9,478 |
| | ===== | ===== |
| <i>Carrying amounts</i> | | |
| At 31 December | 792 | 3,359 |
| | ===== | ===== |

Intangible assets represent IT software's - MS Licenses. These software's are amortised over a period of 5 years.

15(a) CASH AND CASH EQUIVALENTS

| | 2025 USD | 2024 USD |
|---------------|----------------|----------------|
| Bank balances | 560,504 | 467,179 |
| | ----- | ----- |
| | 560,504 | 467,179 |
| | ===== | ===== |

15(b) INVESTMENT IN TERM DEPOSIT

| | 2025 | | 2024 | |
|---|-----------------------|---------------------|-----------------------|---------------------|
| | USD | USD | USD | USD |
| | Less than 3 months | 3 months or more | Less than 3 months | 3 months or more |
| Opening balance | - | 176,036 | 220,322 | - |
| Investment in term deposits | 220,000 | 100,000 | 925,000 | 495,000 |
| Proceeds from redemption of term deposits | (218,805) | (274,235) | (1,138,168) | (315,913) |
| Accrued interest | - | - | - | 1,036 |
| Interest income | (1,195) | (1,801) | (7,154) | (4,087) |
| | ----- | ----- | ----- | ----- |
| | - | - | - | 176,036 |
| | ===== | ===== | ===== | ===== |

Investment in term deposit having maturity less than three months is classified as cash equivalents. The deposits are not subject to any restrictions. The amount can be withdrawn at any time from the bank without penalty.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

16 TRADE AND OTHER RECEIVABLES

| | 2025 USD | 2024 USD |
|--|---------------|---------------|
| Trade Receivables | 11,383 | 11,006 |
| Provision for impairment loss on trade and other receivables | (4,833) | - |
| Deposits receivable | 3,602 | 3,602 |
| Prepayment | 14,580 | 13,074 |
| | ----- | ----- |
| | 24,731 | 27,682 |
| | ===== | ===== |

Receivable outstanding for more than 12 months are deemed to have experienced a significant increase in credit risk. For these credit-impaired receivables, a full lifetime expected credit loss is recognised. As on 31 December 2025, the allowance for expected credit losses amounted to USD 4,833.

17 STATED CAPITAL AND RESERVES**Ordinary shares**

| | No of shares | 2025 USD | 2024 USD |
|---|----------------|------------------|------------------|
| <i>Authorised, issued and fully paid up</i> | | | |
| At start of the year | 100,940 | 1,009,400 | 849,270 |
| Issued during the year | - | - | 160,130 |
| | ----- | ----- | ----- |
| At the end of the year | 100,940 | 1,009,400 | 1,009,400 |
| | ===== | ===== | ===== |

| | 2025 USD | 2024 USD |
|--------------------------|----------------|----------------|
| Share application money | | |
| At start of the year | 241,100 | 241,100 |
| Received during the year | - | - |
| Refunded during the year | - | - |
| | ----- | ----- |
| At the end of year | 241,100 | 241,100 |
| | ===== | ===== |

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

18 TRADE AND OTHER PAYABLES

| | 2025 | 2024 |
|---|--------|--------|
| | USD | USD |
| Payable to holding company (Refer to Note 20) | 60,783 | 22,364 |
| Payable to other related parties (Refer to Note 20) | 1,912 | 3,629 |
| Trade payables | 2,915 | 15,323 |
| Other payables | 9,305 | 3,052 |
| Audit fee payable | 22,115 | 20,640 |
| | ----- | ----- |
| | 97,030 | 65,008 |
| | ===== | ===== |

The payable to holding company is interest free, unsecured and repayable on demand. Payable to other related parties include director sitting fee payable to Independent Non-Executive Director.

19 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks during the course of its normal business:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Board of Directors oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Categories of financial instruments

The tables below set out the comparison by category and class of carrying amounts of all of the financial assets and liabilities. The carrying amounts of the financial assets and liabilities approximate their fair values due to being short term in nature.

| | 2025 | 2024 |
|---|----------------|----------------|
| | USD | USD |
| Financial assets at amortised cost | | |
| Investment in term deposit | - | 176,036 |
| Cash and cash equivalents | 560,504 | 467,179 |
| Trade receivables* | 6,550 | 11,006 |
| Security deposit receivable | 3,602 | 3,602 |
| | ----- | ----- |
| | 570,656 | 657,823 |
| | ===== | ===== |

* During the year, ECL allowance on trade receivables for the company is USD 4,833 has been excluded from trade receivables.

Prepayments of **USD 14,580** (2024: USD 13,074) have not been included in financial assets.

| | 2025 | 2024 |
|--|----------------|----------------|
| | USD | USD |
| Financial liabilities at amortised cost | | |
| Trade and other payables | 36,247 | 42,644 |
| Payable to holding company (Refer to note 20) | 60,783 | 22,364 |
| Lease liabilities | 68,217 | 77,901 |
| | ----- | ----- |
| | 165,247 | 142,909 |
| | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has established its accounting policies on expected credit losses as enumerated in note 3(o)(i).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company limits its exposure to credit risk by investing through reputable institutions.

Financial assets that potentially expose the Company to credit risk consist principally of cash and cash equivalents, investment in term deposits and trade and other receivables.

A. Methodology and Assumptions

The Company applies the **IFRS 9 General Approach** to measure Expected Credit Losses (ECL) for trade receivables. The Company calculates ECL by multiplying the **Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD)**. Management incorporates forward-looking information by adjusting PDs based on forecasted economic indicators relevant to the financial services sector.

B. Credit Quality and Exposure

The table below displays the credit quality of trade receivables based on the Company's internal credit rating system and IFRS 9 stages:

| Particulars | Stage 1 (<90 days) | Stage 2 (>90 days<365 days) | Stage 3 (Credit Impaired >365 days) | Total |
|----------------------------|--------------------|------------------------------|-------------------------------------|---------------|
| Gross Carrying Amount | 10,152 | 4,833 | - | 14,985 |
| Loss Allowance (Note 8) | - | (4,833) | - | (4,833) |
| Net Carrying Amount | 10,152 | - | - | 10,152 |

The company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

As at 31 December 2025, an allowance for credit loss of **USD 4,833** was made in respect of credit-impaired trade receivables. Management does not expect any other losses from non-performance of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk on cash and cash equivalents and investment in term deposits

The Company's exposure to credit risk arising from cash and cash equivalents and investments in term deposits are limited because the Company transacts with reputable banking institutions. On 31 December 2025, the credit exposure on cash and cash equivalents and term deposits were placed with SBI (Mauritius) Ltd and SBM Bank (Mauritius) Ltd. SBI (Mauritius) Ltd is **Baa3** credit rated (2024: Baa3) while SBM (Mauritius) Ltd is **Baa3** credit rated (2024: Baa3) by Moody's and are considered to be reputed banks.

Trade and other receivables and security deposit

The Company does not have material exposure to trade and other receivables and security deposit as on the reporting date.

The maximum exposure to credit risk at end of the reporting period was:

| | 2025 | 2024 |
|-----------------------------|----------------|----------------|
| | USD | USD |
| Trade and other receivables | 10,152 | 14,608 |
| Cash and cash equivalents | 560,504 | 467,179 |
| Investments in term deposit | - | 176,036 |
| | ----- | ----- |
| | 570,656 | 657,823 |
| | ===== | ===== |

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

During the current year, the Company has not experienced any liquidity issues. The Company has also the financial support of its holding company.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Contractual cash flows

| | Repayable on demand USD | Within one year USD | One to five years USD | More than five years USD | Total amount USD | Total carrying amount USD |
|----------------------------|-------------------------------|---------------------------|--------------------------------|-----------------------------------|------------------------|------------------------------------|
| 2025 | | | | | | |
| Payable to holding company | 60,783 | - | - | - | 60,783 | 60,783 |
| Trade and other payables | - | 36,247 | - | - | 36,247 | 36,247 |
| Lease liabilities | - | 16,225 | 66,204 | - | 82,429 | 68,217 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| | 60,783 | 52,472 | 66,204 | - | 179,459 | 165,247 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

Contractual cash flows

| | Repayable on demand USD | Within one year USD | One to five years USD | More than five years USD | Total amount USD | Total carrying amount USD |
|----------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------|------------------------|------------------------------------|
| 2024 | | | | | | |
| Payable to holding company | 22,364 | - | - | - | 22,364 | 22,364 |
| Trade and other payables | - | 42,644 | - | - | 42,644 | 42,644 |
| Lease liabilities | - | 15,928 | 63,713 | 15,500 | 95,141 | 77,901 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| | 22,364 | 59,705 | 63,713 | 15,500 | 160,149 | 142,909 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
19 FINANCIAL RISK MANAGEMENT (CONTINUED)
Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's exposure to the various types of risks associated to its activity and financial instruments are detailed below.

(i) Currency risk

The Company has entered into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the United States dollars.

The currency profile of the Company's financial assets and liabilities are as follows:

| | | Financial assets 2025 USD | Financial liabilities 2025 USD | Financial Assets 2024 USD | Financial liabilities 2024 USD |
|----------------------------|--|--|---|------------------------------------|---|
| Mauritian Rupees (MUR) | | 11,155 | 70,791 | 13,519 | 92,033 |
| United States Dollar (USD) | | 559,500 | 94,456 | 644,303 | 52,009 |
| | | ----- 570,656 ----- | ----- 165,247 ----- | ----- 657,823 ----- | ----- 144,042 ----- |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (continued)

(i) Currency risk (continued)

A 2% increase or decrease in MUR against USD (2024: 6%) is the sensitivity rate used when assessing the reasonable possible change in foreign exchange rates.

| | Increase / (decrease) in foreign exchange rate | | Effect on profit or loss/ Equity | |
|-----|---|------|-------------------------------------|-------------|
| | 2025 | 2024 | 2025 USD | 2024 USD |
| MUR | 2% | 6% | 1,193 | 4,711 |
| | (2%) | (6%) | (1,193) | (4,711) |

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the Company’s exposure to currency risk for financial instruments in existence at that date, and that all other variables remain constant.

The stated changes represent management’s assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. Results of the analysis as presented in the above table represent the effects on the Company’s profit or loss and retained earnings for any changes in the foreign exchange rate.

The following significant exchange rate has been applied.

| | Year-end rate 2025 | Year-end rate 2024 |
|-----------------|-----------------------|-----------------------|
| Mauritian Rupee | 46.22 | 47.08 |
| | ===== | ===== |

19 FINANCIAL RISK MANAGEMENT (CONTINUED)*Market risk (continued)**(ii) Interest rate risk*

The Company's operations are subject to the risk of interest rate fluctuations. Interest income or expense may fluctuate in amount, in particular due to changes in interest rates. Interest earned on bank balances are not material. The Company holds fixed-rate term deposits, which are classified as financial assets at amortised cost. These deposits are not exposed to cash flow interest rate risk since the interest income remains fixed throughout the term. Additionally, given that these deposits are held to maturity and their carrying amounts approximate their fair values due to short-term maturities, the impact of interest rate fluctuations are not considered to be material. Hence, the Company is not materially exposed to fluctuation of interest rates on financial assets or financial liabilities.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity ratio. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, issue new shares to reduce debt. In the event that the Company requires additional capital, the shareholder will provide the appropriate financial support to the Company. The capital structure of the Company consists of stated capital and retained earnings/accumulated losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

20 RELATED PARTY DISCLOSURES

During the year ended 31 December 2025, the Company transacted with related entities. Details of the nature, volume of transactions and balances with the related entities are as follows:

| Name of Related Party | Relationship | Nature of Transaction | Volume of transaction 2025 USD | Volume of transaction 2024 USD | Outstanding balance at 31 December 2025 USD | Outstanding balance at 31 December 2024 USD |
|-----------------------|--------------------------------|--|-----------------------------------|-----------------------------------|--|--|
| AFRINEX Limited | Parent Company/ shareholder | Amount payable - Expenses and Leases paid on behalf of the Company (Refer Note 7 and 18) | (38,419) | (47,739) | (60,783) | (22,364) |

The holding company, AFRINEX Limited, paid **USD 38,419** (2024: USD 47,739) on behalf of AFRINEX Clearing House Ltd in respect of general and administrative expenses and lease payments, of which **USD 22,194** (2024: USD 32,497) relates to general and administrative expenses and **USD 16,225** (2024: USD 15,242) relates to payment of lease.

The above transactions were carried out on commercial terms and conditions and the repayment is on demand. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash. There has been no guarantee given or provided for any outstanding balance.

Total Directors sitting fee for the year 2025 is **USD 6,000** (2024: USD 6,750) and the outstanding balance towards sitting fee to directors as on the year ended 2025 is **USD 1,912** (2024: USD 3,629).

21 CONTINGENT LIABILITIES

At 31 December 2025, there were no contingent liability arising in the ordinary course of the business.

22 HOLDING COMPANY

The directors consider AFRINEX Limited, a company incorporated in Mauritius, as the Company's parent company.

23 GOING CONCERN

The Company has made loss of **USD 149,189** (2024: USD 128,678) and as of that date its current assets exceeded its current liabilities by **USD 470,293** (2024: USD 593,825) and its total assets exceeded its total liabilities by **USD 490,299** (2024: USD 639,488).

The holding company, AFRINEX Limited ensures that the Company, as its dedicated clearing and settlement facility, be sufficiently funded to run its operations when the exchange launches its trading operations at full scale. The Company has sufficient assets to meet its ongoing financial obligations and settle its liabilities in the ordinary course of business.

Based on this evaluation, the directors made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future which is at least, but not limited to, twelve months from the end of the financial statement approval date, confirmed that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable on a going concern basis. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

24 EVENTS AFTER REPORTING DATE

IMPACT OF GEOPOLITICAL CONFLICTS IN THE MIDDLE EAST

As at the date of the approval of these financial statements, the directors are aware of the recent geopolitical tensions and armed conflicts in the Middle East and do not underestimate the seriousness of these events and the impact this will have on the global economy. Currently there is no direct impact on the Company as it does not have any transactions with countries in the affected regions. Accordingly, the directors have determined that the matter does not have a material impact on the financial statements.

Nevertheless, due to the uncertainty surrounding the duration and extent of the conflict and the potential for broader economic impacts, Management will continue to monitor the situation closely.

Except for the above, there were no material events after the reporting date, which would require disclosure or adjustments to the financial statements for the year ended 31 December 2025.