

Helios Microfinance Plc – Q3 2025 Financial Report

1. Highlights of the Quarter (Narrative)

During the third quarter of 2025, Helios Microfinance Plc ("Helios") continued to execute its strategy of expanding digital micro-lending and micro-savings products to underserved customer segments in rural and peri-urban markets. The company launched a new mobile-based nano-credit offering, integrated with local e-wallet providers and agricultural cooperatives, which contributed to a sharp increase in disbursement volumes in September.

Market conditions remained mixed. While headline inflation moderated to mid-single digits, food price volatility and irregular rainfall patterns impacted borrowers' repayment capacity in certain provinces. Helios responded by tightening underwriting standards for first-time borrowers, while extending restructuring options to existing clients whose repayment difficulties were assessed as temporary and climate-related.

2. Key Operating Metrics

Metric	Unit	Q3 2025	Q2 2025	Q3 2024
Number of active borrowers	thousand	1,284	1,176	1,012
Gross loan portfolio	USD million	542.3	503.7	412.5
Weighted average loan size	USD	422	408	378
Portfolio at risk >30 days (PAR30)	%	4.8	4.3	5.9
Write-off ratio (annualised)	%	1.6	1.7	2.1
Deposits from customers	USD million	268.4	249.0	213.8
Average effective interest rate	%	24.1	24.3	24.7
Operating expense ratio	% of avg. assets	9.7	10.1	11.4

The gross loan portfolio grew 7.7% quarter-on-quarter and 31.5% year-on-year, with growth driven primarily by group loans to women entrepreneurs and smallholder farmers. PAR30 increased moderately to 4.8%, largely concentrated in flood-affected districts; however, the overall risk profile remains within the board-approved range. The operating expense ratio continued its downward trajectory as technology investments delivered scale benefits in loan processing and customer servicing.

3. Condensed Statement of Profit or Loss

	Q3 2025	Q2 2025	Q3 2024
Interest and similar income	48.2	45.3	37.9
Interest and similar expense	(12.4)	(11.7)	(9.8)
Net interest income	35.8	33.6	28.1
Fee and commission income	6.7	6.1	4.9
Net trading and FX income	1.2	0.9	0.7
Other operating income	0.6	0.5	0.4
Total operating income	44.3	41.1	34.1
Personnel expenses	(14.8)	(14.2)	(13.7)
Depreciation and amortisation	(2.1)	(2.0)	(1.8)
Other operating expenses	(7.6)	(7.3)	(6.9)
Total operating expenses	(24.5)	(23.5)	(22.4)
Operating profit before impairment	19.8	17.6	11.7
Net impairment loss on loans	(7.4)	(6.3)	(5.9)
Profit before tax	12.4	11.3	5.8
Income tax expense	(3.0)	(2.7)	(1.4)
Profit for the period	9.4	8.6	4.4

Profit before tax increased 9.7% compared to the previous quarter and more than doubled relative to Q3 2024. The improvement was driven by stable net interest margins, higher fee income from mobile transaction services, and operating leverage. Impairment charges remained elevated due to climate-related stress in certain agricultural portfolios. Management continues to closely monitor these exposures and has initiated portfolio diversification into non-farm microenterprise lending in affected regions.

In August, Helios successfully refinanced a USD 40 million syndicated loan facility, extending its maturity profile and reducing average funding spreads by approximately 80 basis points. The transaction attracted participation from new impact investors, reflecting continued confidence in Helios's social mission and financial performance.