



ZIYA INVESTOR REPORT – MAY 2025

Date: June 4th, 2025

Prepared by: Stephanie E. E

Role: Investor Relations & Public Policy Analyst

1. Introduction to Ziya's Model and Vision

Ziya operates at the intersection of ethical finance and digital innovation. Our mission is to close the financial inclusion gap in Africa by offering interest-free, asset-backed loans to individuals and small businesses that have traditionally been underserved by mainstream financial systems.

In practice, Ziya's ecosystem supports female-led businesses, microenterprises, and informal sector workers with lease-to-own models for productive assets such as motorcycles and refrigerators, as well as small working capital loans. These services are delivered through a unique combination of grassroots field operations and scalable digital infrastructure.

Current Geographic Focus: Mombasa County, Kenya (Kisauni and Likoni Sub-counties)

2. May 2025 Operational Milestones

May 2025 was a month of operational resurgence and strategic execution for Ziya. Following a temporary liquidity-related pause in disbursements in April, we resumed lending activities while simultaneously strengthening our systems, deepening community engagement, and advancing investor relations. Importantly, we maintained a 92% on-time repayment rate across the portfolio, demonstrating continued borrower trust and effective loan monitoring.

The restart of disbursements led to a significant uplift in portfolio metrics:

Key achievements in May include:

- **1,603 cumulative loans issued**, up from 1,161, this growth illustrates the latent demand for our offerings and customer confidence in our model.
- **KES 7.2 million** in total cumulative disbursed loans, up from KES 5.77 million in April, this reflects a strong 24.8% month-over-month increase.
- Positive borrower feedback underscored trust in our Shariah-compliant model and its impact on small businesses.
- Active negotiations continued with five potential investors, two of which are in advanced stages.
- Strategic partnerships with Java, GIZ, and FSD Kenya progressed; Mombasa County engagement initiated.
- Final preparations completed for Ziya's **Investor Webinar** scheduled for **June 6, 2025**.

Ziya's renewed momentum reflects its commitment to ethical financial empowerment, operational excellence, and scalable impact.

This growth, achieved after a short disbursement break, is particularly telling. Many microfinance institutions experience borrower churn during such pauses, yet Ziya retained and even grew, its borrower base due to strong

field relationships, trust in our values-based lending model, and continuous communication through both manual and digital means.

3. Client-Centric Feedback and Insights

Borrowers have been vocal about their satisfaction with Ziya's Shariah-compliant, zero-interest model. The sense of alignment with their ethical beliefs fosters trust, while the structure of the loans, tied to assets or income-generation purposes has demonstrated measurable business impact. Many used their loans to increase inventory, purchase tools and equipment, or expand operations.

However, our May feedback sessions also surfaced two main areas for improvement:

- **Loan Application Processing Delays:** Particularly for new clients, onboarding could be slow due to limited digitization and high field officer workload.
- **Post-Loan Support:** Clients requested more frequent business advisory follow-ups to help maximize the benefit of their loans.

In response, we've begun planning for:

- A simplified digital onboarding journey.
 - Financial literacy materials and small group advisory programs.
 - Exploration of savings plans linked to loan products, supporting long-term financial health.
-

4. Investor Relations and Fundraising

Ziya is currently raising **\$750K- \$1M in pre-seed capital**, targeting mission-aligned impact investors, venture capital funds, and diaspora partners. This round is critical for:

- Scaling loan disbursements.
- Expanding into new regions.
- Finalizing our technology stack.
- Increasing headcount strategically.

Progress in May included:

- Fully populating our investor data room for due diligence.
- Advancing 2 of 5 active investor conversations toward term sheet discussions.
- Launching the “Why Ziya?” video series, combining storytelling with impact metrics to connect with potential funders.
- Preparing for our June 6th webinar, designed to serve as both an update and capital-raising catalyst.

This capital round is not just about funding growth, it's about attracting long-term partners who believe in ethical finance as a path to shared prosperity.

Based on current available capital and average weekly disbursement volumes, our liquidity position supports approximately 5–6 weeks of continued lending activity at current scale. This calculation underscores the urgency of closing active funding discussions to ensure continuity and scale-up capacity.

5. Field Operations and Default Management

Ziya's strength lies in its field-level presence. In May, our officers maintained a consistent presence in Kisauni while preparing to expand into Likoni. These efforts included:

- Weekly community check-ins.
- Group leader meetings to reaffirm repayment culture.
- Repossession of a motorcycle from a non-compliant borrower — our first high-value recovery, which was conducted smoothly and serves as a model for future asset control.

This balance of empathy and operational rigor ensures that we remain aligned with our clients' needs while protecting the sustainability of our capital pool.

6. Advancements in Technology

A significant focus in May was placed on our digital infrastructure:

- **Loan Management System (LMS):** Now supports real-time data syncing and repayment tracking, dramatically increasing the efficiency of backend operations and reporting.
- **Customer App:** Development progressed on our Android MVP. Logged-in users can now view their profiles; upcoming features include loan status, repayment history, and group association visibility.
- **Bulk SMS Messaging:** The integration of automated messaging via Switch Link has created a reliable channel for repayment reminders and updates, reinforcing Ziya's brand as a trusted and professional partner.
- **AI Credit Scoring:** Initial pilot tests are underway to use AI for smarter loan grading, enabling future cycle upgrades, dynamic repayment terms, and more accurate portfolio risk management.

These enhancements are foundational for future scale, reducing operational costs, increasing transparency, and building investor confidence.

7. Strategic Partnerships

Our partnership strategy is multifaceted, targeting both funding and distribution channels. May's highlights include:

- **Java House:** A proposal for workplace-based financing for their employees.
- **GIZ and FSD Kenya:** Submissions for technical assistance and catalytic grants.
- **Mombasa County:** Outreach initiated to explore co-financing and policy alignment opportunities.
- **Car & General:** Final negotiation stages for distribution of mobility assets under a lease-to-own framework.

We're also in discussions with appliance and solar equipment distributors to create financing options for women-led businesses and energy-poor households. These partnerships are core to our "beyond microloans" vision, enabling our clients to access income-generating or life-enhancing durable goods.

8. Internal Systems and HR Progress

Internally, the company advanced HR process formalization and finalized job descriptions for most roles. Office infrastructure improvements were planned, and HR policies are in development. These internal developments are part of our commitment to formalize systems ahead of our July 2025 employment contract rollout.

9. Financial Performance Overview

While final revenue and expense figures for May are under reconciliation, key metrics already show strong traction:

- Loan volume increased from **KES 5.77 million to KES 7.2 million**.
- Cumulative loans rose by **442**, marking a 38% month-on-month growth in issuance.
- Repayment performance stood at an impressive 92% on-time rate, signaling consistent financial behavior from our borrowers and validating the strength of our underwriting and field engagement processes. This high rate of timely repayments affirms borrower satisfaction and the effectiveness of our operational support.

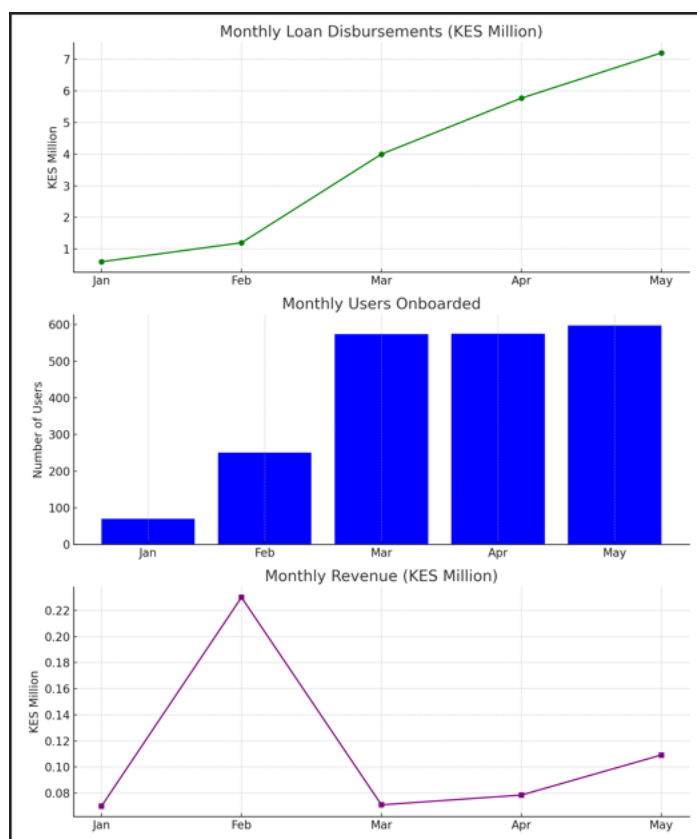
These figures reflect Ziya's capacity to scale, even with constrained liquidity. With the capital raise underway, we expect to maintain this momentum, fund continued disbursements, and meet upcoming salary, tech, and expansion obligations.

Ziya Monthly Performance Trends (Jan–May 2025)

This visual illustrates:

- Growth in loan disbursements from KES 0.6M in January to KES 7.2M in May.
- Steady increase in user onboarding from 70 users in January to nearly 600 by May.
- Revenue growth from KES 70,000 to over KES 109,000, reflecting enhanced portfolio performance.

These trends validate our model's strong market fit and ability to scale responsibly.



10. Challenges and Mitigation Strategies

Ziya operates in a dynamic environment, and while progress has been strong, several operational risks and challenges continue to require active management. These include liquidity pressures, field-level inefficiencies, all of which we are mitigating through structured interventions and strategic planning.

The repossession of a non-performing motorcycle loan marked a significant milestone in operational rigor and served as a proof point for Ziya's asset-backed lending model. It reaffirmed our ability to safeguard capital through structured recovery protocols and underscored the practical enforceability of our lease-to-own agreements. The asset was safely recovered and is pending reassignment. Default rates remain minimal, and our repayment rates have remained solid.

| Challenge | Mitigation Strategy |
|----------------------------------|---|
| Liquidity Constraints | Active investor conversations, webinar, and pilot fixed-return investment product |
| Onboarding and Processing Delays | Digital onboarding enhancements and reduced manual steps in pipeline to instant rollouts. |
| Field Data Quality | Group leader-led customer verification underway |
| Staff Contract Delays | Team-level follow-up and full conversion to employment contracts in July |
| Asset Recovery Risks | Proven repossession processes and new asset tracking protocols established |

11. Strategic Priorities for June 2025

Our focus in June includes:

- Reaching 1,800 cumulative loans.
 - Launching operations in Likoni, building on Kisauni's success.
 - Deploying the customer app MVP.
 - Hosting the June 6 investor webinar.
 - Closing at least \$500,000 in our pre-seed raise.
-

12. Conclusion

Looking ahead, Ziya has outlined strategic goals for June. We aim to reach 1,800 cumulative loans, pilot operations in Likoni, launch our loan app MVP, complete our investor webinar, and close the first \$500,000 in our capital raise.

In conclusion, May 2025 was a month of reactivation, growth, and groundwork. Ziya reinforced its resilience and deepened its foundation for scale. Our blend of ethical finance, smart technology, and deep community trust positions us uniquely in Kenya's financial inclusion space. We remain committed to driving lasting impact and look forward to welcoming aligned investors and partners on this transformative journey. The resumption of disbursements, coupled with positive borrower feedback and advanced investor engagement, positions us for a strong close to Q2.

As we prepare for our flagship Investor Webinar, finalize partnership agreements, and continue digitizing operations, Ziya remains steadfast in its mission to deliver dignified, ethical, and scalable financial services for Africa's unbanked.

Ziya – Simple. Ethical. Future.

For inquiries or investment opportunities, please contact:

Herbert Rajula

Investor Relations & Public Policy Lead

+254 736 710 073

herbert.rajula@ziya.co.ke / irpp@ziya.co.ke