KREON FINNANCIAL

StuCred
REAL-TIME STUDENT CREDIT

To

The Corporate Relations Department,
The Bombay Stock Exchange Limited,
Floor No. 25, P.J. Towers, Dalal Street,
Mumbai-400001, Maharashtra, India.

August 26, 2026

Dear Sir/Madam,

<u>Sub: Chairman's Speech at 32nd Annual General Meeting</u>

<u>Ref: Scrip Code - 530139</u>

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the Chairman's Speech for the 32nd Annual General Meeting of the Company held on Wednesday, August 26, 2026 at 11:00 AM.

Kindly take the above in your record.

Thanking You.

Yours faithfully,

For **KREON FINNANCIAL SERVICES LIMITED**

NIHARIKA GOYAL
Digitally signed by NIHARIKA GOYAL
Date: 2026.08.26 17:44:08 +05'30'

(NIHARIKA GOYAL)
Chief Compliance Officer

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CHAIRMAN'S ADDRESS

32nd Annual General Meeting

Dear Shareholders, Members of the Board, colleagues, partners and all our stakeholders, Good morning, and welcome to the 32nd Annual General Meeting of Kreon Finnancial Services Limited.

It is a privilege to address you today, and I thank you for the trust and confidence you continue to place in the Company.

FY 2025-26 was an important year for Kreon. We grew our income and lending activity substantially. We returned to profitability. We strengthened our capital position. And we continued building the systems, controls and capabilities expected of a listed and regulated financial institution.

But the importance of the year goes beyond the numbers.

The results showed us that the technology-led model we have built can scale. They showed us that operating discipline can convert growth into profitability. And they showed us that widening access to finance can go hand in hand with responsible lending, sound risk management and strong governance.

The theme of this year's Annual Report is **Creating Enduring Value.**

For us, enduring value is not value created in a single quarter, through a single product or during one favourable market cycle. It is the value of a stronger institution: one that serves customers responsibly, creates opportunity for its people, protects shareholder capital and earns the confidence of regulators, lenders and partners through consistent conduct.

Our objective is not simply to grow. It is to build an institution that can sustain growth with discipline.

Let me walk you through, heading by heading.

A YEAR OF PROFITABLE GROWTH

Let me begin with our financial performance. During FY 2025-26, total income increased by approximately 63% from ₹26.65 crore to ₹43.35 crore. Revenue from operations grew by nearly 66% to ₹38.68 crore. Over the same period, total expenses increased by approximately 9%.

In practical terms, our income grew far faster than our cost base. This reflects the operating leverage in our technology-led model: as the platform expanded, a meaningful part of the additional income translated into improved profitability.

The Company moved from a net loss of ₹4.14 crore in FY25 to a net profit of ₹7.26 crore in FY26. EBITDA improved from negative ₹44 lakh to positive ₹13.14 crore. Return on Equity improved to 20.12% and Return on Assets was approximately 10%.

What gives us confidence is not only the turnaround itself, but the way it was achieved.

It was not the result of one exceptional item or a temporary benefit. It came from several improvements working together: the scale-up of lending operations, stronger collections and recoveries, tighter control of operating expenditure and disciplined management of funding costs.

This year therefore represents more than a return to profit. It marks our transition towards a more scalable and financially resilient operating model.

STUCRED: SCALE WITH A CLEAR PURPOSE

StuCred remains at the center of Kreon's growth and purpose.

During the year, we disbursed ₹357.61 crore across approximately 18.9 lakh loans. Disbursement value increased by more than 54% over the previous financial year. Assets Under Management increased from ₹29.72 crore to ₹49.17 crore, a growth of approximately 65.5%.

Since StuCred was launched in 2018, cumulative credit extended have crossed 1000 crores.

These figures demonstrate scale. But scale alone does not explain why StuCred matters.

Students and young adults often enter the financial system without regular income proof, an established credit history or collateral. Traditional underwriting models are not always designed to understand them. StuCred was built around this structural gap, using digital processes, alternate data and behavioural insights to make credit decisions suited to the realities of younger borrowers.

For many customers, a StuCred loan may be one of their first interactions with formal credit. That gives us both an opportunity and responsibility.

The opportunity is to widen access. The responsibility is to ensure that access remains transparent, proportionate and responsible.

That is why we do not view a disbursement as an isolated transaction. We view it as one step in a longer relationship with a customer whose financial needs, behaviour and capacity will evolve over time.

BUILDING A DURABLE CUSTOMER FRANCHISE

During the year, StuCred's registered user base crossed 10 lakhs. Our active user base stood at approximately 3.94 lakh, and more than 2.23 lakh unique new transacting users joined the platform. Our reach expanded to nearly 40,000 colleges across every State and Union Territory in India.

One of the most encouraging indicators was the reported customer retention rate of 91%. More than 2 lakh customers were repeat borrowers. Repeat and extension disbursements reached approximately ₹129 crores and represented more than 36% of total disbursement value.

These numbers tell us that the relationship is increasingly moving beyond a single transaction. As customers build a history with the platform, our understanding of their behaviour improves. That, in turn, can support better segmentation, more informed underwriting and more appropriate engagement.

At the same time, customer acquisition costs remained at approximately ₹96, below our internal ceiling of ₹150. The combination of repeat usage and acquisition discipline is important to the long-term economics of the platform.

In financial services, strength is not determined simply by how many customers we acquire. It is determined by the trust, relevance and quality of the relationships we build with them.

TECHNOLOGY AS AN ENABLER; TRUST AS THE FOUNDATION

Technology has been integral to Kreon's development from the beginning. As the Company grows, its role is becoming broader. It now supports customer acquisition, loan processing, underwriting, collections, workflow controls, management information and governance.

During FY26, we continued strengthening credit assessment through improved bureau filtering and alternate-data analysis. In collections, we introduced AI-based calling for early-stage delinquency. This allows our human collection teams to focus their time and judgement on cases that require deeper engagement and intervention.

Across functions, we are using automation to reduce manual dependence, improve turnaround times, strengthen process consistency and provide better real-time visibility.

Our approach is deliberate. We do not invest in technology because it is fashionable. We invest where it can improve customer experience, credit outcomes, operating efficiency, control and accountability.

This commitment must be matched by an equally strong focus on information security, data protection, system resilience and the responsible use of technology. In a digital financial business, trust is not an abstract benefit. It is a core operating asset.

Technology enables scale. Trust determines whether that scale can endure.

CAPITAL STRENGTH AND STEWARDSHIP

Sustainable growth also requires a strong and resilient capital base.

During FY26, the Company's net worth increased by approximately 16.6% to ₹36.08 crore. Importantly, this increase was supported by internal accruals, without a fresh equity infusion during the year.

Our Capital Adequacy Ratio improved from 45.25% to 49.45%, giving us meaningful headroom to support future balance-sheet growth.

But capital strength is not an end. It brings with it a responsibility—to allocate capital carefully and to evaluate opportunities not only for growth, but also for risk-adjusted returns, regulatory suitability, liquidity needs and their capacity to create value across cycles.

As custodians of shareholder capital, we will continue to balance ambition with prudence. Growth creates momentum. Disciplined capital allocation creates durability.

RISK MANAGEMENT AND ASSET QUALITY

Risk management remains central to our business model.

Our principal borrower segment may not have stable income, established credit histories or collateral. This requires a risk framework that is dynamic, data-led and closely aligned with customer behaviour.

Collection efficiency during FY26 remained strong at approximately 95.38%. At the same time, Gross NPA increased from 6.93% to 8.91%.

We acknowledge this increase clearly. Strong growth cannot be considered separately from asset quality, and we do not take comfort from collection efficiency alone. The increase in Gross NPA reinforces the need to keep strengthening underwriting, portfolio monitoring, early-warning systems and collections execution.

Enhanced credit filtering, behavioural risk analytics and AI-led intervention in early delinquency are part of this effort. We will continue calibrating our credit policies and collections strategies as portfolio performance evolves.

Responsible lending does not mean eliminating risk; no lending institution can do that. It means identifying, pricing, monitoring and managing risk within a clearly defined appetite—and responding early when the indicators change.

As the Company grows, our risk capabilities must grow ahead of the balance sheet. That remains a priority for management and the Board.

GOVERNANCE AND INSTITUTIONALISATION

As a BSE-listed company and an RBI-regulated NBFC, Kreon's license to operate rests on the confidence of many stakeholders. Governance, compliance and internal control must therefore develop in step with commercial growth.

During the year, we reviewed and strengthened SOPs across functions. We introduced automated approval and reminder workflows to reduce manual intervention and improve accountability. Our internal audit framework continued to assess key processes and controls independently, with findings placed before and reviewed by the Audit Committee.

The Statutory Auditors issued an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.

These are important foundations. But governance is never a one-time certification. It is the cumulative result of clear accountability, reliable information, timely escalation, effective oversight and a culture that is prepared to address issues candidly.

As Kreon becomes larger and more diversified, we will continue investing in our governance architecture, compliance capacity, cybersecurity, auditability and Board-level visibility.

Good governance protects the value we create today. It also creates the conditions for greater value tomorrow.

THE NEXT PHASE OF GROWTH

The capabilities we have developed through StuCred extend beyond a single product. Over the years, we have built digital infrastructure, alternate-data underwriting, behavioural analytics, collection systems and operating knowledge of underserved borrower segments.

Our next phase will focus on extending these capabilities selectively and responsibly into adjacent opportunities.

One such opportunity is MDPD—My Day Pay Day—an Earned Wage Access solution intended to enable salaried employees to access wages they have already earned before the scheduled payday. We are also evaluating opportunities across the wider financial lifecycle of younger customers as they move from education towards employment and financial independence.

Our long-term ambition is to develop Kreon into a diversified, technology-led financial services platform serving underserved communities across India. But we will not pursue expansion for its own sake.

Every opportunity will be evaluated against regulatory clarity, genuine customer need, capital availability, risk-adjusted economics, operational readiness and our capacity to execute. New products will be scaled only when the underlying model demonstrates the discipline expected of a regulated financial institution.

Enduring value is not created by pursuing every available opportunity. It is created by choosing the right opportunities—and executing them consistently.

OUR PEOPLE

The progress reported this year is the collective outcome of the efforts of our people.

The scale achieved—₹357.61 crore in disbursements, approximately 18.9 lakh loans, more than 10 lakh registered users and a return to profitability—required teams across technology, risk, collections, operations, finance, compliance and customer service to work with commitment and resilience.

Our colleagues adopted new technologies, strengthened processes, addressed complex operating challenges and continued serving customers through a period of significant expansion.

On behalf of the Board, I thank every member of the Kreon team for their contribution.

Our responsibility is to create an environment in which people can learn, exercise judgement, take ownership and grow. We will continue strengthening professional development, equal opportunity, employee well-being and a culture of accountability.

Institutions are built through systems and capital. But they are sustained by people.

THE ROAD AHEAD

As we look to FY27 and beyond, our priorities are clear.

We will deepen our relationship with existing StuCred customers while continuing to serve new customers responsibly. We will strengthen underwriting and collections through data, automation and artificial intelligence. We will improve operating efficiency and management visibility. We will pursue adjacent products selectively. And we will continue investing in risk management, compliance, governance and information security.

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Eight years ago, StuCred began with a focused proposition: to design a financial product around the realities of India's students.

Today, the platform has more than 10 lakh registered users, reaches nearly 40,000 colleges and has facilitated cumulative credit extend of more than 1000 crores.

The journey from an idea to this scale has required patience, resilience and a willingness to learn. Above all, it has required trust—the trust of our customers, our employees, our lenders, our partners, our regulators and you, our shareholders.

FY26 demonstrated that the foundation we have built can support growth, profitability and scale. Our task now is to strengthen that foundation further, so that the Company can perform consistently across products and economic cycles.

We are conscious that the next phase will bring greater opportunity—and greater responsibility. We intend to approach both with the same discipline.

ACKNOWLEDGEMENTS

I express my sincere appreciation to my fellow Board Members for their guidance, oversight and constructive counsel.

I thank the Reserve Bank of India, the Securities and Exchange Board of India, BSE Limited and the other regulatory and statutory authorities for their guidance and oversight.

I thank our lenders, business partners and service providers for their continued confidence and support.

To our customers, particularly the students who have chosen StuCred as their financial partner, thank you for your trust.

To our employees, thank you for your dedication, resilience and determination.

And to our shareholders, thank you for your continued confidence in Kreon and in the long journey we are building together.

Our ambition extends beyond one successful year. It is to build an institution that creates value responsibly, compounds that value sustainably and retains the trust required to endure.

With the continued support of all our stakeholders, we will remain focused on building a stronger, more disciplined and more enduring Kreon.

Thank you.

JAIJASH TATIA

Chairman and Managing Director

Kreon Finnancial Services Limited