

CapitalSage Technology Limited

Rated entity	Rating class	Rating scale	Rating	Outlook
CapitalSage Technology Limited	Long Term Issuer	National	BBB _(NG)	Stable
	Short Term Issuer	National	A3 _(NG)	

Analytical entity: CapitalSage Technology Limited

CapitalSage Technology Limited (CapitalSage or the company), formerly CreditAssist Investment Limited, was incorporated in July 2018 and commenced operations in October 2018. CapitalSage's product offerings include agency banking, payment solutions, and value-added services, which are anchored on three strategic pillars of financial inclusion, entrepreneurship development, and wealth creation. The company became a wholly owned subsidiary of CapitalSage Holding Company Limited (the group) in 2022, following the incorporation of the group in the first quarter of the same year.

The group is a non-operating holding company with operations across various sectors, such as healthcare, financial technology (fintech), agriculture, hospitality, and microfinance through its subsidiaries. CapitalSage is considered a non-core operating entity within the group, contributing a moderate 10% and 9.5% of the group's total assets and operating revenue respectively as of 31 December 2024 (31 December 2023: 15% and 14.5% respectively). As such, we have assessed CapitalSage as a standalone entity, with an established cap at the group's Anchor Credit Evaluator.

Exhibit 1: Shareholding structure as of 31 December 2024		
Shareholders	Units of shares	% held
CapitalSage Holding Company Limited	25,500,000	51.0%
Mr John Alamu	24,500,000	49.0%
Total		100.0%

Source: CapitalSage

Credit profile summary

Strengths

- Well-contained risk profile
- Sound cash flow and leverage metrics
- Strong earnings supported by planned expansion and diversified operations

¹ The last rating announcement was in September 2025. Rating reports are updated at least once a year from the date of the last announcement

Weaknesses

- Modest competitive position constrained by limited operational scale due to its niche business model
- Weak liquidity profile, with liquidity sources covering liquidity uses by less than 1x

Rating summary

The ratings of CapitalSage balance its strong cash flow and leverage metrics and strong earnings against its modest market position and sustained liquidity strains.

Outlook statement

The Stable Outlook reflects our expectations that the cash flow and leverage and earnings metrics would be sustained at sound levels. We also expect the additional equity injection and planned bond issuance to support the liquidity position.

Rating triggers

A rating upgrade could result from a significant improvement in liquidity coverage above 2x on a sustainable basis, alongside maintaining the sound leverage and earnings metrics. Conversely, a rating downgrade could be triggered if liquidity metric remains below 1x, as well as a significant deterioration in earnings, which strains leverage and cashflow metrics.

Risk score summary

Rating Components & Factors	Risk scores
Operating environment	5.50
Country risk score	3.50
Sector risk score	2.00
Business profile	(1.50)
Competitive position	(1.50)
Sustainability	0.00
Financial profile	2.50
Leverage and Cashflows	2.00
Earnings vs Risk	0.75
Liquidity	(0.25)
Comparative profile	0.00
Group support	0.00
Government support	0.00
Peer analysis	0.00
Total Score	6.50

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Related criteria and research

Criteria for the GCR Ratings Framework, May 2024
Criteria for Rating Financial Services Companies, May 2024
GCR Ratings Scales, Symbols & Definitions, May 2023
GCR Country Risk Scores, October 2025
GCR Financial Institutions Sector Risk Scores, August 2025

Ratings history

CapitalSage Technology Limited					
Rating class	Review	Rating	Rating	Outlook/Watch	Date
Long term Issuer	Initial	National	BBB _(NG)	Stable	May 2021
Short Term Issuer	Initial	National	A3 _(NG)	-	May 2021
Long term Issuer	Last	National	BBB _(NG)	Rating Watch Evolving	August 2024
Short Term Issuer	Last	National	A3 _(NG)	-	August 2024

Operating environment

Country risk

Nigeria's economic outlook is cautiously optimistic, supported by recent fiscal and monetary reforms aimed at restoring macroeconomic stability and investor confidence. The government has made commendable progress in revenue generation, policy reforms, and external reserve accumulation. The passage of the 2025 tax law is a key milestone, designed to broaden the tax base, digitize revenue collection, and incentivize investment in strategic sectors such as agriculture, manufacturing, compressed natural gas (CNG), and renewable energy. However, these gains are tempered by persistent structural challenges, including high inflation, rising debt servicing costs, and under-investment in human capital. Achieving the objectives of the ongoing policy corrections will depend on the government's ability to sustain reform momentum, manage transitional shocks, and address the highlighted vulnerabilities.

Over the past two years, Nigeria's economic resilience has been tested by abrupt but necessary reforms. The liberalisation of the Naira, deregulation of petrol prices, and the partial removal of electricity subsidies have triggered inflationary pressures and exchange rate volatility. The sharp devaluation of the Naira led to a significant contraction in GDP at current prices - from USD363.8 billion in 2023 to USD187.6 billion in 2024 - while GDP per capita fell to a 20-year low of USD824. Although the recent GDP rebasing exercise may uplift growth projections to 3.5%-4.5%, this remains below the regional average. However, we expect stronger GDP per capital post-rebasing, incorporating a broader base of economic activities. Inflation peaked at 34.8% in December 2024, and while rebased figures show a decline to 22.7% by May 2025, food inflation remains a concern due to insecurity and climate-related disruptions.

For full details, please see GCR's Country Risk Score report. The Country Risk Scores are available for download at (<https://gcrratings.com/risk-scores>)

Sector risk

The upward revision of the Nigerian Financial Institutions Risk Score to '3.75' reflects the improving regulatory environment, greater transparency, and clearer governance and policy direction by the Central Bank of Nigeria (CBN). Specifically, the CBN's foreign exchange reforms have enhanced foreign currency liquidity

and narrowed the gap between official rates and unofficial market foreign-exchange rates, thereby reducing foreign exchange round-tripping and contributing to the relative exchange rate stability. Additionally, the discontinuation of arbitrary cash reserve requirements (CRR) debits in favour of a more transparent and predictable CRR regime has improved banking sector liquidity management and planning. Nonetheless, the persistently high CRR continues to be a constraint.

The Nigerian banking sector remains competitive, though dominated by the five largest banks which collectively accounted for about 70% of total assets, loan portfolio and customer deposits, respectively. The sector's increased digitalisation and the transition to holding company structures could further support business diversification and competitiveness over the medium term. Additionally, the ongoing recapitalisation efforts by Nigerian banks, ahead of the 31 March 2026 deadline, is expected to enhance the sector's global competitiveness, improve capacity to underwrite large-ticket transactions and enhance the ability to absorb losses from significant external and domestic shocks, particularly those arising from naira devaluation and credit migrations.

A standard negative 1.25 adjustment is usually applied for Non-Bank Financial Institutions (NBFI). Furthermore, negative adjustments up to negative 2.25 could apply for any rated entity in sectors without strong regulatory oversight. As such, we have assigned a sector risk score of 2.00 to CapitalSage to reflect the relatively low regulatory oversight from the CBN. For full details, please see GCR's Sector Risk Score report. This is available for download at (gcratings.com)

Business profile

Competitive position

CapitalSage's competitive position assessment reflects its position as a niche player within the wider Nigerian financial services segment, offering payment solutions, agency banking and other value-added services largely targeted at the underserved populations to drive financial inclusion. The company's operational scale has grown consistently over the last five years, underpinned by its diversified agency networks of about 60,000 and an increased value proposition through its various business segments and service platforms such as Ercas, Camicollect, Kolomoni agency banking in Nigeria and Gambia which also provides digital banking services, cross-border remittances, loans and investments. Thus, supporting the robust operating revenue of NGN50.7 billion in 2024 (2023: NGN30.3 billion), which compares well with some of its peers. Looking ahead, the planned expansion of its Gambian microfinance banking operations and other growth initiatives could further support its earnings generation capacity and diversification over the next 12 to 18 months.

Exhibit 2: Key performance metrics and profitability ratios (December 2021 to 2024)

NGN'millions	Dec 2024	Dec 2023	Dec 2022	Dec 2021
Gross revenue	50,772.5	30,361.5	27,545.0	19,159.5
EBITDA	19,511.3	11,188.2	8,612.8	4,492.1
Net income	8,817.7	5,406.3	4,366.0	3,186.7
Key Ratios (%)				
EBITDA margin	38.4	36.8	31.3	23.4
Cost to income ratio	61.6	63.2	68.7	76.6

source: CapitalSage's financial statements and GCR financial tools

Sustainability

Our sustainability assessment is neutral to the rating, reflecting its good corporate governance practices which align with industry best standards. As of 31 December 2024, the company's board comprised five members, including two executive directors (one of whom is the Managing Director) and three non-executive directors (including the Chairman and one independent director).

There are good levels of transparency and disclosures in the company's financial reporting, publications and other related documents having received an unqualified audit opinion for the financial year 2024 from SIAO Partners (Chartered Accountants).

Financial profile

Leverage and Cashflow

Cash flow and leverage assessment is a major ratings strength, supported by strong cash generation capacity and leverage metrics. As of 31 December 2024, the company's gross debt increased by 229% to NGN16.1 billion, following the issuance of additional private notes during the year. Nonetheless, the leverage metrics remain largely sound, due to its good earnings and operational cash flow. As such, net debt to EBITDA and funds from operations to net debt were strong at 0.76x and 159% respectively as of 31 December 2024 (31 December 2023: 0.42x and 291% respectively). Conversely, EBITDA coverage of interest expenses registered at a lower 5.7x in 2024 (2023: 7.1x) on account of increased financing costs amid the high interest rates. Looking ahead, we expect the cash flow and leverage to remain at sound levels, despite the planned medium-term bond issuance over the next 12 months.

Exhibit 3: Cashflow and Leverage metrics					
	2026(f)	2025 (e)	2024	2023	2022
Net debt to EBITDA (x)	0.5	0.6	0.8	0.4	1.2
FFO to net debt (%)	199.2	167.5	159	297.2	103
EBITDA coverage of interest expense (x)	4.9	5.2	5.8	7.1	8.2

e: GCR estimates; f: GCR forecasts.

Source: CapitalSage's financial results and GCR financial tool.

Earnings and Risk

The company's earnings profile is positive to the ratings. Gross revenue grew by 67.2% to NGN50.7 billion (USD34.5 million) as of 31 December 2024, predominantly driven by fees and commission from the agency banking, which accounted for c.80% of operating revenue. Conversely, operating costs increased considerably by 63% to NGN31.3 billion in 2024, due to inflationary pressure. Nonetheless, EBITDA margin was robust at 38.4% in 2024 (2023: 36.8%). Looking ahead, we expect the earnings profile to remain strong, predicated on planned operational expansion.

Exhibit 4: Profitability metrics					
	2026 (f)	2025 (e)	2024	2023	2022
EBITDA margin (%)	49.3	43.2	38.4	36.8	31.3
Return on Equity (%)	42	35	36.8	35.6	44.7
Return on Assets (%)	11	10	17.6	21.1	18.4

e: GCR estimates; f: GCR forecasts.

Source: CapitalSage's financial results and GCR financial tool.

CapitalSage's risk profile is considered sound. The company is exposed to credit risk through lending to banking agents to meet working capital needs. These loans are predominantly short-term in nature with an average tenor of one month. According to management, there is direct access to the agent's wallet account, which could be directly debited in a default scenario. As a result, no impaired loans have been recorded since inception.

Liquidity

CapitalSage's liquidity position has remained constrained over the last three years, with the liquidity sources consistently covering liquidity uses by less than 1x. This was attributed to its asset-heavy operation relative to a funding base largely concentrated in short-term private notes and commercial papers. Looking ahead, we expect the recent NGN5 billion equity injection by its shareholders, alongside a longer funding profile from the planned bond issuance, to strengthen the liquidity position over the rating horizon. Otherwise, our liquidity assessment could be negatively impacted if the liquidity strains persist.

Exhibit 5: Liquidity metrics					
	2026 (f)	2025 (e)	2024	2023	2022
Sources vs Uses (x)	2.0	1.2	0.5	1.7	0.3

e: GCR estimates; f: GCR forecasts.

Source: CapitalSage's financial results and GCR financial tool.

Comparative profile

Peer analysis

The peer analysis is neutral to the ratings.

Group support

Group support is not applicable to the ratings.

Rating adjustment factors

Structural adjustments

No structural adjustments have been made to the Anchor Credit Evaluation in arriving at the final ratings.

Instrument ratings

No instrumental rating adjustments.

Glossary

Affirmation	See GCR Rating Scales, Symbols and Definitions.
Agency	An insurance sales office which is directed by an agent, manager, independent agent, or company manager.
Agent	An agreement where one party (agent) concludes a juristic act on behalf of the other (principal). The agent undertakes to perform a task or mandate on behalf of the principal.
Annuity	A contract that provides a series of payments for a specified period of time which may or may not be contingent on the survival of the annuitant.
Asset	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Assets	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Cash	Funds that can be readily spent or used to meet current obligations.
Coverage	The scope of the protection provided under a contract of insurance.
Credit	A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Diversification	Spreading risk by constructing a portfolio that contains different exposures whose returns are relatively uncorrelated. The term also refers to companies which move into markets or products that bear little relation to ones they already operate in.
Downgrade	The rating has been lowered on its specific scale.
Financial Year	The year used for accounting purposes by a company or government. It can be a calendar year, or it can cover a different period, often starting in April, July or October. It can also be referred to as the fiscal year.
Gearing	Gearing (or leverage) refers to the extent to which a company is funded by debt and can be calculated by dividing its debt by shareholders' funds or by EBITDA.
Income	Money received, especially on a regular basis, for work or through investments.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Leverage	With regard to corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
Operating Cash Flow	A company's net cash position over a given period, i.e. money received from customers minus payments to suppliers and staff, administration expenses, interest payments and taxes.
Private	An issuance of securities without market participation, however, with a select few investors. Placed on a private basis and not in the open market.
Rating Horizon	The rating outlook period
Rating Watch	See GCR Rating Scales, Symbols and Definitions.
Short Term	Current; ordinarily less than one year.
Spread	The interest rate that is paid in addition to the reference rate for debt securities.
Transaction	A transaction that enables an Issuer to issue debt securities in the capital markets. A debt issuance programme that allows an Issuer the continued and flexible issuance of several types of securities in accordance with the programme terms and conditions.
Upgrade	The rating has been raised on its specific scale.

Salient points of accorded ratings

GCR affirms that a.) no part of the ratings process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

The credit ratings have been disclosed to the rated entity.

The ratings above were solicited by, or on behalf of, the rated entities.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- The audited financial results to 31 December 2024
- The unaudited management account as of 30 June 2025
- Other related documents
- Exchange rate sources: Central Bank of Nigeria \$1.00 = NGN1470.2 (31 December 2024).

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