incofin
invest for impact

Incofin Microfinance Fund

Annual Report 2025

Our Mission

Incofin Microfinance Fund is an investment fund committed to promoting financial inclusion and sustainable development worldwide. **Our mission is to enhance economic opportunities and living standards of entrepreneurs in low- and middle-income countries, especially those in rural and underserved areas.** We invest in microfinance, SME-finance, agriculture, and other impactful sectors.

Our History

Since our inception in **1992**, we have followed a path of tangible impact. Incofin Microfinance Fund was born out of the belief that **traditional financial systems are inadequate to address the needs of the most vulnerable populations**. Since our humble beginnings, we've steadily built a global network of partnerships and investments that drive real change. Over the years, we've empowered communities, increased access to financial services, promoted sustainable agriculture, and nurtured entrepreneurship.

Our Philosophy

Our philosophy emphasises **sustainability** and **investments for impact**. We exclusively select investments that generate both financial returns and measurable positive social impact. Rigorous due diligence, active engagement with portfolio companies, and continuous impact evaluation guide our strategy.

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01

Letter from our Chairman

Dear Shareholders,

2025 was a year of change and renewed commitment for Incofin Microfinance Fund. It marked the first full financial year under our **new name**, which clearly expresses what we stand for: empowering entrepreneurs in low- and middle-income countries and fostering sustainable financial inclusion. In an international context where solidarity is increasingly under pressure, the importance of this mission has only become more evident. Alongside our new name, we continued to invest in greater transparency and stronger engagement with our shareholders, notably through the launch of our impact calculator and an enhanced presence on social media. In 2026, we aim to further expand this communication, including the organization of small, local investor events across Belgium.

During the past financial year, we continued to invest in microfinance institutions in low- and middle-income countries. Our portfolio expanded further into countries such as Mexico, Tajikistan and the Philippines, bringing the total number of countries in which we are active, together with our partners, to 25. Through these institutions, we supported **3.3 million small entrepreneurs**, nearly two-thirds of whom were women. Behind these figures are individuals, families and local communities for whom access to financial services makes a tangible difference.

At the same time, 2025 was a financially challenging year. The abolition of the favorable tax regime for recognized development funds, combined with an uncertain investment climate, had a noticeable impact on our shareholder base. In addition, persistent difficulties in a number of (South American) investments required us to recognize further impairments, although these were more limited than in 2024. As a result, the financial year closed with a negative result. The Board of Directors therefore proposes not to distribute a dividend for the 2025 financial year.

We understand that this may be disappointing, but we remain confident that the financial foundations of Incofin Microfinance Fund are solid and provide sufficient resilience to continue both our activities and our social mission. Moreover, **we can look ahead to 2026 with confidence**. In February 2026, the Fund successfully completed the sale of its participation in Lovcen Banka, a microfinance institution based in Montenegro, generating a capital gain of EUR 1.3 million. More information is provided in the financial report.

I would like to express my sincere thanks to the members of the Board of Directors, the Investment Committee, the Audit Committee and the Strategic Advisory Council for their continued dedication. I also extend my gratitude to Incofin Investment Management and to all staff members who commit themselves daily to the Fund and its mission. A special word of thanks goes to **Loïc De Cannière**. For 25 years, Loïc was the driving force behind Incofin. Under his leadership, Incofin grew from a modest microfinance player into a global impact investor with more than USD 1 billion under management.

It is with great sadness, but also with deep gratitude and respect, that we share the loss of **Peter Van den Brock** and **Rein De Tremerie**. Over the course of several decades, both committed themselves wholeheartedly to Incofin. Their engagement and humanity have helped shape Incofin Microfinance Fund and remain deeply embedded in the values we uphold today.

In closing, I would like to extend my sincere thanks to you, our shareholders, for your trust and continued engagement. Especially in times when solidarity cannot be taken for granted, your commitment is of inestimable value. Together, we will continue to build a more inclusive and sustainable financial future. The outlook already looks promising!

Kind regards,

Michiel Geers
Chairman Incofin Microfinance Fund

Highlights 2025

2.348 Shareholders

€49.9 million
capital

25
emerging
countries

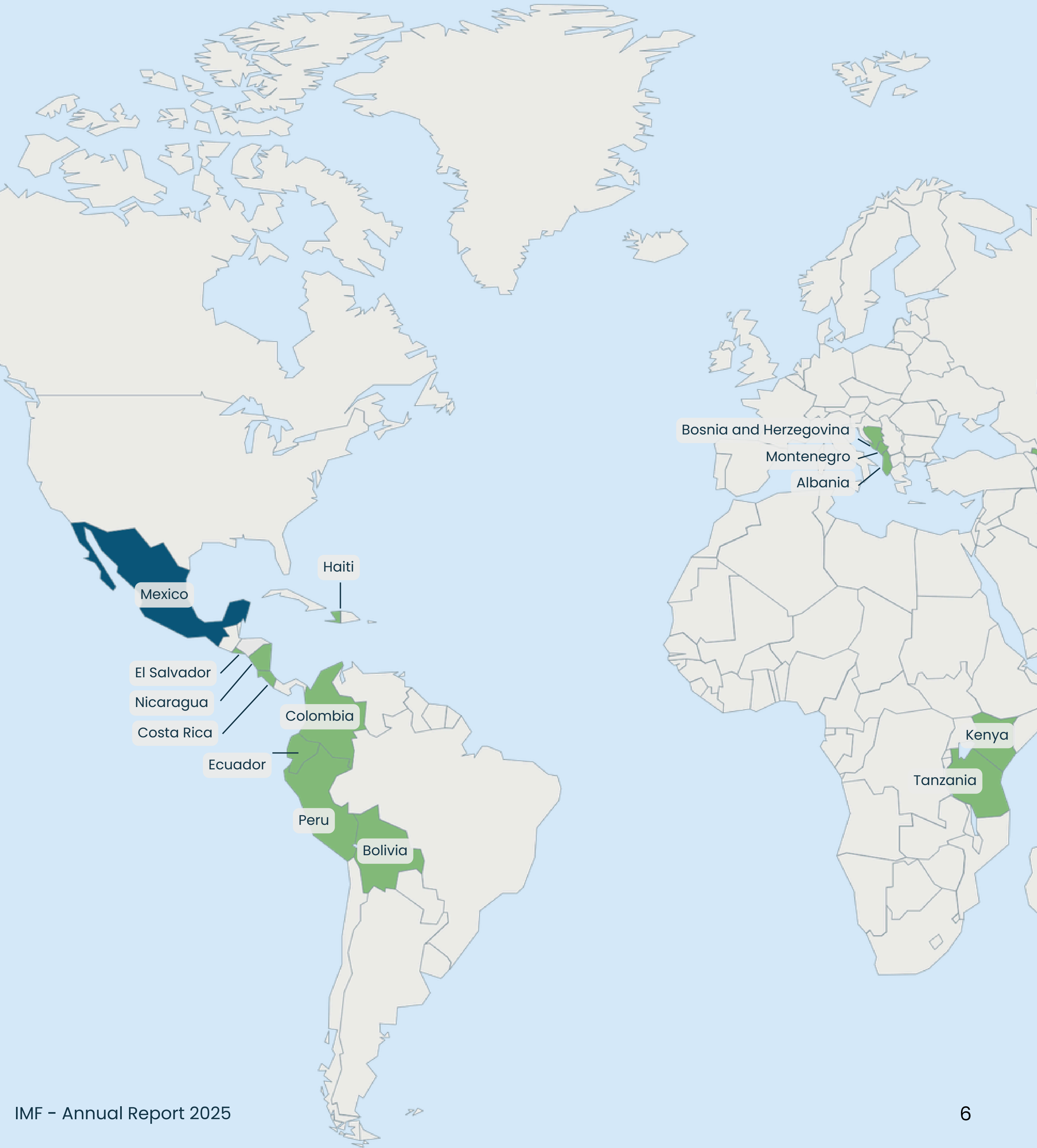
51% rural
entrepreneurs

64% female
entrepreneurs

Incofin Microfinance Fund

3.3 million entrepreneurs
supported

02
Worldwide presence



We have proudly partnered up with **38 organisations** in **25 countries** in Africa, Asia, Latin-America and Eastern-Europe.

03

Review of 2025

2025 marked the first year of Incofin Microfinance Fund under its renewed identity. Alongside important technical and communication milestones, we continued to support 3.3 million entrepreneurs worldwide. In the following pages, we highlight a number of these entrepreneurs whose journeys bring our impact to life.

2,348 shareholders

2,205 retail 143 institutional

49.9 million share capital

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Incofin Microfinance Fund

62.4 million portfolio 60 k TA facitlity

7 MFI equity investments
4 non-MFI equity investments

38 debt investments
of which 13 new in 2025

1 Technical Assistance project

38 partners institutions

Located in 25 coutnries

financial and non-financial products

3.3 million beneficiaries & their families

64% women entrepreneurs 51% rural entrepreneurs

7 Sustainable Development Goals

Loïc De Cannière: a Legacy of Conviction and Impact

This year's General Meeting will be followed by a special moment: **a farewell evening in honour of Loïc De Cannière**, who, after more than two decades, is stepping down as founder of Incofin Investment Management. What began more than 30 years ago in Ghent as a cooperative company grew under his leadership into a leading European impact platform, with a reach far beyond our national borders.

Driven by a strong personal conviction, Loïc embraced microfinancing at a very early stage, long before "impact investing" became a widely used term. He firmly believed that lending can serve those who had for too long been excluded from the financial system. As he puts it himself: "Twenty years ago, we had no roadmap—only a strong conviction. Together, we built Incofin, driven by the ambition to create impact beyond investment."

Colleagues of Incofin who worked closely with him from the early 2000s onward repeatedly highlight his perseverance and personal commitment. Rita, Chief Risk & ESG Officer, recalls how his determination proved decisive at key milestones: his ability to build trust with investors, his hands-on involvement in complex negotiations, and his relentless search for solutions, even in the face of setbacks.
Geert, Chief Investment Officer, emphasizes Loïc's credibility and endurance:

Geert, Chief Investment Officer, emphasizes Loïc's credibility and endurance:

Loïc during one of his many conversations with entrepreneurs

"Investing in distant countries and new sectors required a great deal of explanation. Loïc's personal powers of persuasion and the clear story he was able to convey time and again truly made the difference."

Throughout all those years, one principle remained constant: impact was never to be sacrificed for easy growth. Or, as Rita succinctly puts it: "Impact was always central—even in difficult times, the focus remained firmly on moving forward."

During the farewell evening, partners of the Incofin Microfinance Fund—from Ghent all the way to the Democratic Republic of the Congo—will come together to thank Loïc while also looking ahead. Because this **farewell does not mark an endpoint, but a transition**. "Now, the time has come for me to hand over to a new generation. I do so with full confidence - in our exceptional team, in our mission, and in the partners who will carry it forward," says Loïc.

IMF and Fairtrade Access Fund: a long-term commitment

Incofin Microfinance Fund stood at the origin of **Fairtrade Access Fund (FAF)** and has been a long-term investor since its establishment in 2012. Both funds share a common ambition: to strengthen the position of smallholder farmers by improving access to finance, supporting fairer agricultural value chains and encouraging more sustainable ways of producing food.

Through its investment in FAF, the Fund contributes to fairer and more sustainable agricultural value chains, with a strong focus on coffee, cocoa and other key crops in Latin America, Africa and Asia. Today, FAF reached **more than 528,000 smallholder farmers across 25 countries**, most of whom cultivate less than five hectares of land.

A perfect example is **Detech Coffee.** Detech was founded in 2018 by Ngoc Anh Dao, with the ambition to create more opportunities for smallholder farmers while addressing gender inequalities in the coffee sector.

Ngoc Anh Dao, founder Detech Coffee

Detech Coffee

Son La Region, Vietnam

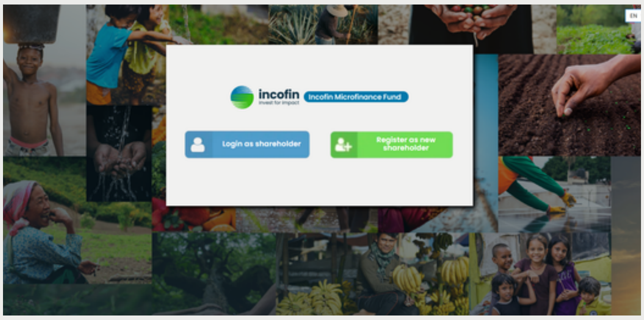
Based in north-west Viet Nam, Detech sources and processes high-quality green Arabica coffee from the Son La region. All of its coffee comes from smallholder farmers, **around 90% of whom belong to the Tai Dam ethnic minority**, a community that has historically faced social and economic marginalization. In the field, Ngoc Anh Dao noticed that much of the farm labor was carried out by **women**, often without access to training or leadership roles.

This observation led to the creation of the Viet Nam chapter of the International Women's Coffee Alliance, offering training in health and safety, coffee quality and leadership. Today, these women play a central role in producing high-quality coffee that meets international standards and earns market premiums.

Sustainability is core to Detech's approach. The company promotes agroforestry, combining coffee with shade trees and complementary crops to diversify incomes, improve soil health and protect farms against climate stress. Shade-grown coffee also matures more slowly, resulting in richer flavours and higher quality.

Since 2023, Detech Coffee has been working with **Fairtrade Access Fund.** Through the Fund's technical assistance facility, more than **1,100** farmers have been trained in sustainable coffee production, supported in obtaining certifications for better market access, and assisted in developing crop insurance solutions to cope with increasingly unpredictable seasons.

Our first year as Incofin Microfinance Fund



Modernizing the Fund went beyond a new name and visual identity. In 2025, we took concrete steps to strengthen our digital presence across the investor portal, our website and social media, making engagement with the Fund more accessible.

01 Stronger engagement through the investor portal

Two years after its launch, the investor portal has become an essential tool for a growing number of shareholders. Today, more than half of our retail investors actively use the portal.

Key highlights from the past year:

- **1,500+ shareholders** successfully logged in to the investor portal;
- This resulted in **8,900**+ completed **actions** on the platform;
- Behind the scenes, our IT team implemented **70+ enhancements** to further improve the user experience;
- The portal became more **inclusive**, allowing shareholders without a mobile phone to securely log in.

02 Making your impact visible: our impact calculator

In 2025, the investor portal became more than a place to follow an investment—it became a way to connect with the impact it creates. With the launch of our own impact calculator, **shareholders can now see how their investment translates into real change**, including how many loans can be provided over a five-year period. Behind each number is an entrepreneur whose activity ripples outward—supporting families, creating jobs and strengthening local communities.

03 Our own Instagram Page

As part of our modernization efforts, we also launched our **own Instagram page**. While our presence is still growing, it already allows us to share stories from the field, highlights from our work and updates from the Fund in a more visual and accessible way. Through these stories, we bring the people behind the impact a little closer to our investors.

The faces of the courageous entrepreneurs we support

Víctor's beekeeping business

ProCredito

Jamay, Jalisco, Mexico

Víctor Velasco never imagined that his path would lead him to beekeeping. His journey began thanks to his father-in-law, who has spent his entire life caring for bees in the town of Jamay, in the Mexican state of Jalisco. What started as shared time and learning soon became a vocation that Víctor embraced with pride.

Today, beekeeping provides a livelihood for Víctor and his family, while generating positive effects well beyond his own household. Bees play a crucial role in pollinating local crops—especially berries, which are among Jamay's main agricultural products—supporting both biodiversity and food production in the region.

Víctor takes great pride in promoting beekeeping in his birthplace, a hardworking community to which he feels deeply connected. By creating jobs and contributing to sustainable agriculture, he gives back to the place where he grew up. Looking ahead, Víctor dreams of helping transform Jamay into one of the leading honey-producing municipalities in Jalisco, building a future rooted in tradition, environmental care and shared prosperity.

With his loan , he can expand his hives and secure treatments needed to protect his bees and prepare for the next production cycle.

Transcapital

Ulaanbatur, Mongolia

Shiilegmaa's atelier

Shiilegmaa started her career in sewing business alongside her mother in 2007, carrying the family tradition, renting an apartment near a local market in Ulaanbaatar. Initially focusing on small clothing alteration service, she realized the need to modernize her workshop to address her clients' demand.

Her small business expansion needed financial support from someone who not only finances, but understands and provides nonfinancial services to such businesses. As of today, she has already received two loans from Transcapital and secured contracts from large local brands such as Urban Jeans and uniform brand Murdus. This transition allowed her to streamline their operation to produce products in volume. Shiilegmaa takes pride in her family business tradition, prioritizing every customer satisfaction.

The faces of the courageous entrepreneurs we support

Maureen's cafeteria

In the bustling municipality of Taytay, Rizal, Maureen's entrepreneurial journey reflects how discipline, determination, and the right financial partner can transform a small livelihood into a sustainable family enterprise.

Maureen, a 38-year-old mother of two, began her business journey in 2021, at a time when many Filipinos were still recovering from the economic impact of the pandemic. With limited capital but strong resolve, she started by selling simple snacks to her community while juggling motherhood and a virtual assistant side hustle.

One Puhunan

Taytay, Rizal, Philippines

A year later, her relatives introduced her to OnePuhunan, a turning point that enabled her to think bigger. "Before, we only sold pizza and burgers. When I got a loan from OnePuhunan, I thought of opening a canteen." Today, she runs a full-service cafeteria complemented by a small grocery section and fresh vegetable sales.

The growth of her business has directly supported her family's needs. "This business has allowed me to send my Grade 10 child to school, as well as help my parents and my siblings," she shares.

Looking ahead, Maureen is focused on sustainability and long-term security. "You should save up while you're still strong, because we're not forever capable," she says. Her vision includes opening another canteen branch and, ultimately, building her businesses on her own property rather than continuing to rent, to turn borrowed capital into lasting assets for her family.

Financiera FDL

Nueva Segovia, Nicaragua

Maricelva comes from the province of Nueva Segovia in Nicaragua. Coffee farming runs in her blood: it is a family tradition that has been passed down through generations. Today, she works the land together with her children and provides employment to six people from the local community. She sells her coffee production through a cooperative.

Maricelva has been working with FDL for more than seven years. During this period, she received seven loans, which she used purposefully to improve her production step by step. Her investments included improving agricultural land, purchasing additional plots and building her own coffee-processing facility. "With the support of FDL, we have been able to keep moving forward," she explains.

In addition to financial support, Maricelva also benefitted from technical guidance.


Maricelva's coffee farm

She learned how to optimise her coffee production while taking care of the environment, by applying environmentally friendly farming techniques. This combination of knowledge and capital made a meaningful difference for her.

Today, Maricelva looks to the future with confidence. Together with her husband, she dreams of continuing to grow, developing her own farm and further strengthening her business.

04
Our impact

Incofin Microfinance Fund continuously monitors the environmental and social performance of the microfinance institutions (MFIs) it invests in. Two key tools used to measure progress in this area are the Sustainable Development Goals (SDGs) and the SPI-ALINUS tool.
Let us take a closer look at three SDGs that are particularly high on our agenda.

Impact Certificates

For more information, please visit
www.towardssustainability.be.

Renewal of Towards Sustainability Label

In 2025, IMF successfully extended the Towards Sustainability label which remains valid until June 30th, 2026. This label promotes responsible investing and supports the transition to a more sustainable economy by providing clear and transparent information on environmental, social, and governance (ESG) criteria. It assures that the labelled fund adheres to sustainability practices, as measured by the Quality Standards, which include portfolio and process-level requirements covering areas like exclusion, impact, engagement, transparency, and accountability.

The integrity of the Quality Standard and the label is safeguarded by independent supervision from the Central Labelling Agency (CLA), a non-profit organization under Belgian law, along with third-party verification.

Since its launch in 2019, the Towards Sustainability label has become not only a benchmark for sustainable financial products in Europe but also a powerful force in the market. Incofin Microfinace Fund is proud to be part of this network, which now includes over 700 labelled products. These are managed by nearly 90 leading financial institutions across more than 10 countries, overseeing assets totaling more than 500 billion EUR. Together, we are making an undeniable collective impact.

Sustainable Development Goals brought into action

IMF contributes to **SDG1: no poverty** by expanding access to responsible financial services for vulnerable and excluded populations. Across the portfolio, **88% of investees intentionally target low-income and underserved groups**, offering products with an average loan size below USD 10,000, ensuring affordability and relevance for borrowers at or near the base of the pyramid.

A clear example is **Juhudi Kilimo** in **Kenya**, an equity investee that serves smallholder farmers and micro-entrepreneurs in rural areas traditionally overlooked by mainstream banks. Its focus is firmly on low-income households: 98% of loans are below USD 2,000, and the average loan size as of December 2025 is just USD 191. Moreover, group lending – representing more than 60% of its portfolio – helps reduce barriers to credit for rural women and first-time borrowers.

Similarly, the Fund's debt investment in **One Puhunan** (CreditAccess **Philippines**) strengthens financial inclusion among self-employed, low-income households in peri-urban areas. Clients typically earn USD 3-15 per day, placing them at the base of the economic pyramid. The institution reaches those with very limited alternatives: 59% of its borrowers lack access to good credit options, and 47% are first-time loan recipients, according to the 2024 60 Decibels Microfinance Index.

Sustainable Development Goals brought into action

Gender Equality

IMF advances **SDG 5: Gender Equality** by channeling capital to institutions that reach large numbers of women with responsible financial services. The fund's portfolio naturally supports women's economic empowerment: **64% of end beneficiaries are women**, reflecting the inclusive business models of its investees.

In **Uzbekistan**, debt investee **Hamkor Bank** plays a pivotal role in expanding financial inclusion for women and women-led MSMEs. Supported through partnerships with ADB, EBRD, and FMO, the bank has scaled its gender-focused lending significantly: the gross loan portfolio dedicated to women rose to USD 526.5 million by end-2024, an increase of 63 percentage points.

During 2022–2024, the number of women clients grew from 73,555 to 95,730 (+30%), representing 39–40% of the customer base, with a majority residing in rural areas. Hamkor Bank has also institutionalized its gender commitment through regular capacity-building initiatives, including seminars such as Women in Business in Central Asia and Gender and Access to Finance, empowering female clients and entrepreneurs.

In **Nicaragua**, investee **FDL** demonstrates gender inclusion through internal leadership and workforce representation. Women occupy 55% of top management roles, constitute 52% of total staff, and represent 54% of credit officers, ensuring that products and services are informed by women's perspectives. By promoting gender equity, diversity, and equal participation at all organizational levels, FDL reinforces a strong multiplier effect that benefits women clients, employees, and the broader community.

Decent Work and Economic Growth

The Fund also contributes to **SDG 8 by promoting decent work and fostering sustainable economic** growth across all its investees. All institutions in the portfolio apply solid labor practices, as reflected in their SPI5-ALINUS Staff Treatment scores, which exceed 60%. This demonstrates that they provide fair and transparent working conditions, safeguard employee rights, and invest in staff development and wellbeing. By ensuring that decent work principles are embedded at the institutional level, the fund helps build more resilient organizations and contributes to the broader objective of inclusive and sustainable economic growth.

At the same time, the fund's investees play an important role in expanding access to finance for productive activities. **Arnur Credit** in **Kazakhstan** dedicates its entire loan portfolio to income-generating purposes and positions itself as a trusted partner for rural entrepreneurs in Southern Kazakhstan. By offering timely liquidity and tailored financial products, Arnur Credit enables micro-entrepreneurs to sustain and expand their businesses, supporting livelihoods in regions where economic opportunities remain limited.

Similarly, **Samunnati** in **India** channels 100% of its lending into productive activities that span the agricultural value chain. Serving individual farmers, farmer collectives, and small to mid-scale processors, Samunnati seeks to unlock higher economic potential by improving market access and strengthening value chain efficiency. Its combined offering of financial intermediation, market linkages, and advisory services helps farmers and agri-enterprises operate more effectively and capture greater value from their activities.

Progress Towards the Sustainable Development Goals

The **Sustainable Development Goals (SDGs)** serve as a global framework to address the world's most pressing social, environmental, and economic challenges. By mapping its portfolio against selected SDGs, Incofin Microfinace Fund monitors how its investments support long-term, sustainable development for underserved communities.

SDG	Indicator	2025	2024
1 NO POVERTY	% of investees who offer services and products targeting vulnerable or excluded groups (average loan size < USD 10,000)	88%	97%
	# of end-borrowers	3,285,589	3,243,076
	% of rural end-borrowers	51%	47%
2 ZERO HUNGER	% of investees having more than 20% of loan portfolio in agriculture	47%	39%
	Total USD$ in agriculture financing by investees	1,784m	1,676m
4 QUALITY EDUCATION	% of investees providing non-financial services, including financial literacy education	80%	85%
5 GENDER EQUALITY	% of women end-borrowers	64%	63%
	% of women staff employed by investees	40%	53%
8 DECENT WORK AND ECONOMIC GROWTH	% of investees having more than 50% of loan portfolio in productive activities	88%	94%
	% of investees following best practices on labor rights (SPI-ALINUS dimension on staff treatment >60%)	100%	100%
10 REDUCED INEQUALITIES	% of investees who have an anti-discrimination policy	100%	100%
	% of investees offering remittance services	47%	54%
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	% of FI investees who offer dedicated green loans	62%	58%

The Fund continued to exhibit strong impact performance in 2025 through its sustainable investments. **88% of portfolio companies continue to target vulnerable and excluded populations**, and although the share slightly decreased (reflecting the entry of new investees with higher average loan sizes rather than a shift in mission), the portfolio still reaches a large majority of underserved clients.

The **number of end-borrowers** continued to grow **reaching 3.3 million,** and the proportion of **rural end-borrowers increased further to 51**%, highlighting deepened outreach. In addition, both the share of agriculture-focused portfolio companies and total agricultural financing expanded. **Women end-beneficiaries rose slightly from 63% to 64%,** while the share of women staff decreased from 53% to 40% due to new portfolio companies with lower female representation. Labor-rights practices remained consistently strong.

The small decline in **productive-portfolio to 88%** was driven by updated data from two portfolio companies, but this ratio remains strong. **Green lending** continued to gain traction as reflected in the increase to 62% of portfolio companies offering dedicated green products.

Measuring impact with the SPI5 Alinus Tool

The **SPI5-ALINUS tool** plays a key role in assessing impact performance, both during due diligence—when potential investments are evaluated—and throughout the investment period to monitor the impact of MFIs in the portfolio.

Designed by and for investors, ALINUS is a robust assessment tool for managing social and environmental performance. It is based on the **Social Performance Indicators (SPI)** framework developed by **CERISE**, a French nonprofit that has been pioneering social performance management and supporting socially committed microfinance institutions since 1998.

Strong Alinus Scores for Incofin Microfinace Fund's portfolio

A high score indicates that the entity has:

- processes and practices that are aligned with best practices
- more capacity to mitigate potential adverse impact risks related to its business.

The 2025 ALINUS results confirm the fund's ability to select investees with strong environmental and social management. The portfolio's overall score rose from 77% to 79%, with improvements across most dimensions—particularly in Social Strategy, Committed Leadership, Client Protection, and Environmental Performance Management. These gains highlight the solid ESG practices of our portfolio companies and reinforce the fund's disciplined approach to investing in institutions that integrate responsible management into their core operations.

	2025	2024
Overall ALINUS score	**79%**	**77%**
Dimension 1 - Social Strategy	71%	67%
Dimension 2 - Committed Leadership	82%	78%
Dimension 3 - Client-Centered Products and Services	83%	83%
Dimension 4 - Client Protection	93%	91%
Dimension 5 - Responsible Human Resources Development	92%	91%
Dimension 6 - Responsible Growth and Returns	84%	85%
Dimension 7 - Environmental Performance Management	51%	46%

Want to know more: https://en.spi-online.org/tools

05

More than financing

The Technical Assistance (TA) program is a cornerstone of Incofin Microfinace Fund's commitment to capacity building of our partner organizations (i.e. portfolio companies). Through this initiative, we aim to strengthen the portfolios of our portfolio companies and amplify the impact of our investments. It is funded by an annual contribution from Incofin Microfinace Fund's budget.

CRO Circle capacity building- Strengthening risk management in Latin America

From March to November 2025, the CRO Circle 2025 (Spanishspeaking edition) was implemented as a structured capacity-building and leadership development program for **Chief Risk Officers and senior risk managers** from MSME banks and microfinance institutions in Latin America. The cohort included professionals from **four Incofin Microfinance Fund investees** (Proempresa, Optima, Bayport and Sempli), reinforcing Incofin Microfinance Fund's commitment to strengthening risk management capacity across its portfolio.

The program combined onsite sessions, online technical modules, individual mentoring and applied institutional projects. Its ambition was to go beyond technical training, supporting senior risk professionals in strengthening their strategic role, leadership skills and peer collaboration in complex operating environments.

Program Design

The CRO Circle followed a blended and experiential learning approach. Over six structured sessions participants deepened their knowledge of credit, market, operational and ESG risks, while also addressing leadership and governance topics critical to their roles.
A core component of the program was the development of applied risk management projects. Each participant designed and implemented a project within their own institution, translating learning directly into practice. These projects were discussed during capstone sessions, encouraging peer feedback and collaborative problem-solving.
Experiential learning was central throughout the program , with case studies, simulations and structured peer exchange fostering trust and open dialogue. Participants retained access to digital learning materials through a dedicated learning platform, supporting continued learning beyond live sessions.

Outcomes and impact

The program delivered tangible results at individual, institutional and network level.

- **Stronger strategic risk management**

Participants reported a deeper, more strategic understanding of risk management, moving beyond technical tools to actively influence decision-making, governance and institutional positioning. Their ability to structure, communicate and present risks to senior management and committees also improved significantly.

- **Enhanced leadership and confidence**

Participants experienced clear growth in leadership presence, communication skills and self-awareness. Individual mentoring and coaching played a key role in driving both professional development and personal transformation.

- **Direct institutional application**

Through their projects, participants implemented new practices within their own institutions, supported by peer input and expert guidance. Discussions demonstrated a strong understanding of each other's organizational contexts and challenges.

- **A lasting peer network**

The programme created a confidential and trusted environment that enabled open discussion of real-world challenges. This resulted in a cross-country professional network that continues to collaborate beyond the formal programme.

Participant satisfaction was consistently very high across all phases of the program. Qualitative feedback highlights the transformational impact of the CRO Circle and strong appreciation for its experiential and peer-driven approach.

"The program gave me a more strategic view of the risk function and better tools to evaluate and present risks at committee level.**"**
CRO participant

06 Interview: Fondi Besa in Albania

Since the mid-1990s, Fondi Besa has been a cornerstone of microfinance in Albania, supporting small entrepreneurs, family businesses and self-employed people who are often excluded from traditional banking. Incofin Microfinance Fund has worked closely with Fondi Besa since 2019.

From Local Entrepreneurship to National Impact: Fondi Besa in Albania

In this interview, Prof. Assoc. Dr. Altin Muça, Deputy Executive Director at Fondi Besa, shares his perspective on the role of microfinance in Albania today, Fondi Besa's social mission, and how targeted financial solutions help create lasting impact for women, youth and small businesses across the country.

To start, could you introduce yourself and your role at Fondi Besa?

I have a long professional history with Fondi Besa, having joined the institution in 2000. Before that, I worked as a lecturer in the Department of Marketing and Tourism at the Faculty of Economics of the University of Tirana. Alongside my academic career, I have conducted several scientific studies and publications, as well as research related to microfinance.

Since September 2011, I have been an Associate Professor Doctor in Economics. Today, as Deputy Executive Director and Head of the Debt Collection Department, I am involved in ensuring the sustainability of Fondi Besa's activities, while supporting its mission to serve micro and small entrepreneurs through responsible lending practices.


Prof. Assoc. Dr. Altin Muça

For readers who may be less familiar with Albania, what defines the country's economic landscape today?

In the 1990s, Albania transitioned from a communist regime to a democratic system. This political shift was accompanied by a profound economic transformation, moving from a centrally planned economy to a mixed market economy.

Today, Albania's economy is largely driven by services (more than 50%), agriculture (over 20%) and industry (around 25%), with tourism playing an increasingly important role.

In 2025 alone, tourism is estimated to contribute 26.4% of Albania's GDP, corresponding to approximately USD 7.3 billion. At the same time, micro, small and medium-sized enterprises form the backbone of the Albanian economy. They account for 99.9% of all enterprises and provide employment to more than 82% of the workforce.

Youth unemployment, however, remains one of Albania's main economic challenges. Despite improvements in overall employment, unemployment among young people remains persistently high and significantly above the European average. Limited job opportunities and skills mismatches continue to drive youth emigration.

Why is microfinance still so important in Albania today?

Microfinance remains vital in Albania because it fills the significant gap left by traditional banks, which are often unwilling to lend to poorer households, rural populations and informal businesses. By providing financial services to these underserved groups, microfinance institutions foster entrepreneurship, contribute to poverty reduction and support broader economic development.

At Fondi Besa, our mission is to contribute to economic growth and poverty reduction in urban and semi-urban areas by promoting micro and small enterprises in Albania. In addition to financing, Fondi Besa also provides training to entrepreneurs.

By implementing this mission, Fondi Besa contributes directly to job creation, which plays an important role in both economic and social development — not only through poverty alleviation, but also through social integration. Our objective is to balance financial and social goals by strengthening the capacity of marginalized groups to engage in productive economic activities, while ensuring the long-term sustainability of our interventions.

Can you introduce the history of Fondi Besa?

Fondi Besa was founded in 1994 as part of a World Bank-supported initiative aimed at providing credit to micro and small businesses in Albania. Thanks to strong portfolio management and close relationships between credit officers and borrowers, the institution was able to maintain the integrity of the program, and gradually expand its activities into both existing and new areas.

Between 1994 and 1999, a solid foundation was established for the institution's further development. Over time, Fondi Besa evolved into the country's largest microfinance institution, while remaining true to its original social mission. Today, we operate through a wide network of 75 offices across the country, most of which are located in rural areas, allowing us to stay close to our clients. Fondi Besa currently employs around 610 staff members.

Who are the borrowers of Fondi Besa?

As of August 2025, Fondi Besa served approximately 28,000 borrowers, with an average loan size of around EUR 6,000. Keeping loan sizes relatively small allows us to remain aligned with our mission of providing access to finance for underserved clients.

Our clients are primarily active in the services sector, followed by trade and agriculture. Women represent 35% of our client base, reflecting our strong focus on women's financial inclusion. Going forward, we aim to build on this progress and reach an even larger number of women entrepreneurs.

Women's financial inclusion is a clearly a key focus for Fondi Besa. Why is this so important?

Women play a central role in Albania's economy, both as entrepreneurs and as key contributors to household stability. However, they often face additional barriers when accessing finance, particularly with regard to collateral requirements and formal documentation.

To address this challenge, Fondi Besa introduced dedicated loan products for women in 2022, designed to support business activities, agribusiness initiatives and certain household-related investments. These products aim to strengthen women's financial autonomy and enable them to grow their economic activities with confidence. Importantly, these loans do not require collateral or guarantees from the women borrowers.

Can you share an example of the impact this has at client level?

One example among many is Edlira from Durrës, the second city in Albania, who received a loan of approximately EUR 6,000 to invest in her hairdressing business. Prior to receiving financing, she operated mainly from home and by visiting clients privately. With support from Fondi Besa, she was able to rent a commercial space, purchase essential equipment and furnish a professional hairdressing salon.

The location of the salon on a main road significantly increased its visibility, leading to a growing and more diverse client base. The investment improved both the quality of services and the number of clients, allowing her to expand beyond her initial network and grow her business in a more sustainable way.

Edlira entrepreneur in Durrës

How does Fondi Besa support young entrepreneurs?

As mentioned, youth unemployment remains a significant challenge in Albania. Through dedicated youth loan products and flexible financing solutions, Fondi Besa aims to give young people the opportunity to start or consolidate their own businesses, offering alternatives to migration and informal employment.

Our extensive branch network also allows us to reach clients in semi-urban and rural areas, where access to finance is often limited. By maintaining a strong local presence, our teams can better understand clients' realities and provide solutions that are adapted to their specific needs.

What are the main challenges Fondi Besa faces today?

Like many microfinance institutions, Fondi Besa faces challenges related to operational costs and increasing competition from traditional banks. In addition, population migration and broader economic uncertainty require us to remain agile and strongly client-focused.

At the same time, these challenges encourage us to innovate, enhance our digital solutions and further strengthen our impact-driven approach. Our priorities include digital transformation, expanding our product offering, strengthening financial education, and continuing to support sectors with strong growth potential such as tourism, agriculture and green energy.

Ultimately, our goal remains unchanged: to maximise our positive impact on Albanian families and small businesses by providing responsible finance that supports long-term development.

What does the partnership with Incofin Microfinance Fund mean for Fondi Besa?

Incofin brings valuable experience, expertise and a strong commitment to impact-driven investing. Our partnership goes beyond financing and is rooted in shared values around sustainability, transparency and long-term development. Since 2019, Incofin Microfinance Fund has supported Fondi Besa through six loans. This collaboration enables us to grow responsibly and continue supporting entrepreneurs who are often overlooked by the traditional financial sector.

Is there a message you would like to share with Incofin Microfinance Fund investors?

Your investment supports thousands of entrepreneurs who are building their futures through hard work and determination. Together, we are not only financing businesses, but also contributing to job creation, social inclusion and economic resilience across Albania.

One of Fondi Besa’s offices in Durrës

07
Future perspectives

In a world that is changing at an ever-faster pace, one observation remains unchanged: the need for inclusive financial services for micro and small entrepreneurs in low- and middle-income countries remains as strong as ever. At the same time, recent years have shown that Incofin Microfinance Fund continues to be relevant, resilient and future-oriented in this context. We remain firmly committed to our core mission: supporting strong local financial institutions that enable entrepreneurs to grow their activities, strengthen their incomes and look to the future with confidence.

During the recent meeting of the Strategic Advisory Council, we reaffirmed this mission. What the Fund has built over the past ten years reflects a strong long-term commitment. We have invested in **114 partner organizations**, with a **cumulative investment volume of approximately EUR 255 million**, complemented by nearly **USD 700,000 in technical assistance** to further strengthen these institutions. Our partnerships have an **average duration of seven years**, underscoring our deliberate choice for sustainable, long-term relationships. We invest in institutions that grow in a healthy manner, develop new and relevant products, and support entrepreneurs responsibly. A**verage loan amounts remain below EUR 8,500** and are predominantly used for **productive activities** — a clear confirmation that we remain close to our mission.

Looking ahead to **2026**, we do so with both ambition and discipline. We aim to further expand our impact and **reach even more people**, without compromising on quality. This means continuing to build a **strong and diversified portfolio**, with a clear focus on **senior loans** and a deliberate **diversification across countries and partner institutions**. We will continue to grow selectively, where impact is greatest, and focus on institutions that combine a strong social and inclusive mission with solid financial fundamentals.

Our investment model also continues to evolve. The **successful equity exit from Lovcen Banka**, completed in early 2026, represents an important milestone in this regard. This participation, initiated in 2020, resulted in a capital gain of approximately EUR 1.3 million, corresponding to a **return of around 9%**. This exit confirms our conviction that impactful investing can go hand in hand with financial discipline. We intend to build on this positive momentum and will continue to actively seek well-executed, **responsible equity exits**, always with due attention to the continuity and societal role of our partner institutions.

In addition, we aim to remain **close and visible to our investors**. In the coming period, we therefore plan to organize **investor meetings in Brussels and other Belgian cities**. These will not be one-way communication moments, but opportunities for dialogue and engagement, where we make our impact tangible and look ahead together. We are convinced that Incofin Microfinance Fund, with its clear profile and long track record, can continue to grow in both engagement and visibility among existing and new investors alike.

The foundations of the Fund are solid. A strong social mission goes hand in hand with sound risk management and a clear long-term vision. This enables us to remain on course even in challenging circumstances and to continue building sustainable impact.

Our objective remains clear and unchanged: **to structurally create societal value by generating strong social impact while delivering a modest financial return to our investors.**

Serkan Alhan
Fund Manager
Incofin Microfinance Fund

08

Financial report

01 Key Figures

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04 Explanatory Notes

05 Compliance

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07 Annual Report of the Board of Directors

08 Auditors Report

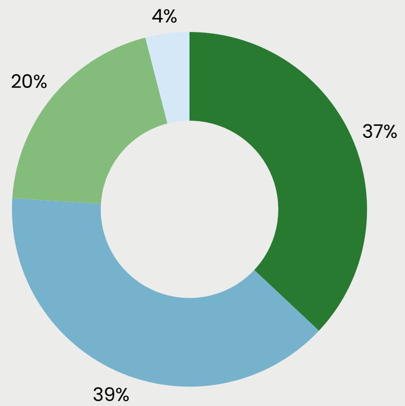
01 Key Figures in k€

	2025	2024
Balance sheet total	**65,541**	**66,556**
Portfolio	62,441	57,112
• *Equity portfolio*	*17,422*	*17,731*
• *Subordinated loan portfolio*	*7,500*	*7,116*
• *Loan portfolio*	*37,519*	*32,265*
Average amount invested in MFIs	1,382	1,376
Average loan amount provided to MFIs	1,185	1,158
Equity	53,496	55,992
Capital	49,953	51,217
Debt financing	10,100	8,600
Available (uncalled)	10,000	12,000
Leverage	19%	15%
General provision	1,087	75
% van (subordinated)loan portfolio	2.41%	0.19%
PAR 90 + Restr	12.12%	4.98%
Total risk coverage	111%	187%

	2025	2024
Return		
Return on subordinated loan portfolio (IRR)	8.06%	4.32%
Return on loan portfolio (IRR)	6.52%	5.80%
Weighted average financing cost	3.87%	3.07%
Dividend	0.00%	0.00%

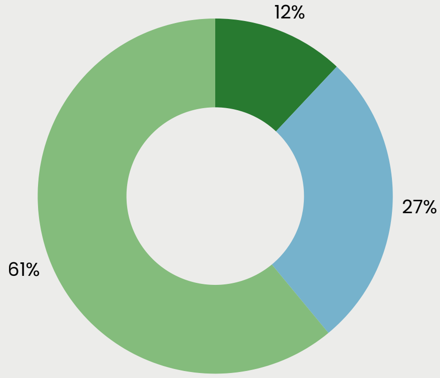
	2025	2024
MFI perfromance		
MFI portfolio (m USD)	13,144.77	13,026.33
Average loan amount (USD)	7,359.00	6,519.00
Total number of clients reached (thousands)	3,285.00	3,241.00
% women	64.00%	63.00%
Number of MFIs	38	38
Number of countries	25	23

MFI portfolio by region



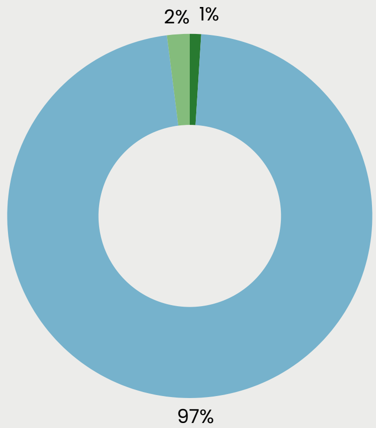
- Latin America and the Caribbean
- Eastern Europe, Caucasus and Central Asia
- Southeast Asia
- Africa

MFI portfolio by product



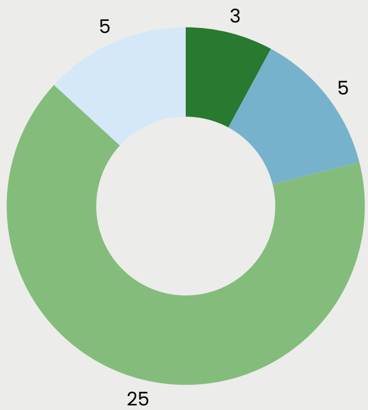
- Subordinated loans
- Equity
- Loans

MFI portfolio by segment



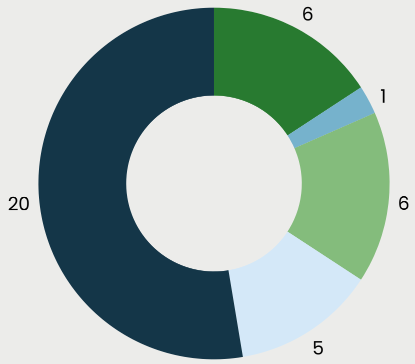
- Agro finance
- Microfinance institutions (MFIs)
- SME finance

MFI portfolio by size MFI



- Small MFI (€5mio > portfolio)
- Medium sized MFI (€20mio > portfolio > €5mio)
- Large MFI (portfolio > €20mio)
- Data unavailable

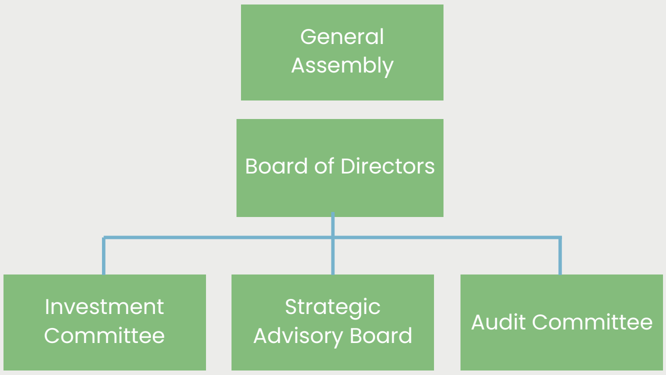
MFI portfolio by average loan amount (ALA) MFI



- Very small loan amount (€500 > ALA)
- Small loan amount (€1000 > ALA > €500)
- Medium loan amount (€2000 > ALA > €1000)
- Large loan amount (ALA > €2000)
- Data unavailbale

02 Corporate Governance

The general management structure of Incofin Microfinance Fund is as follows:



The members of the Board of Directors are appointed by the General Assembly. The duration of the mandate is six years. Members shall be eligible for re-election. The Board of Directors usually meets four times per year.

The Board of Directors has the most extensive proxies to carry out all acts of management and administration that fall within the scope of the corporate objective.

The Board of Directors is responsible, in particular, for the following matters:

- approval of the annual budget;
- preparation of the annual accounts and the annual report for the General Meeting;
- defining the general policy and strategy of the company, in light of the evolution of the microfinance market.

The members of the Board of Directors do not receive any remuneration or benefits of any nature whatsoever, unless the General Assembly decides to grant remuneration for carrying out the mandate.

In accordance with Article 20 of the Articles of Association, the Board of Directors has established an **Investment Committee**, a **Strategic Advisory Board** and an **Audit Committee**. The committees operate on the basis of a delegation, which is given to them by the Board of Directors.

The composition, operation, powers and reporting of the Board of Directors and of the committees have been laid out in an amended Internal Regulation, which was approved by the Board of Directors during its meeting of September 19th, 2023.

The members of the committees are not remunerated, unless the general assembly decides to grant a remuneration for carrying out their mandate.

2.1 General Assembly

The annual General Assembly of Shareholders is held each year on the last Wednesday of April. . In 2025, this took place on April 30th, 2025.

2.2 Board of Directors

The Board of Directors met five times in 2025. During these meetings, the financial figures, the annual budget and the general operation of Incofin Microfinance Fund were discussed.

The members of the **Board of Directors** do not receive any remuneration or benefits of any kind in return for their mandate.

The composition of the Board of Directors at the time of approval of the financial statements is as follows:

1. Michiel Geers (Chair)
2. Willy Bosmans
3. Frank De Leenheer
4. Anne Van Autreve
5. Annette Terpstra
6. Steven Brusselle
7. Frank Vereecken
8. Patrick Vandenberghe
9. Guy Pourveur
10. Nancy Govaerts
11. Frank Degraeve
12. Maurice Vrolix
13. Katrien Yde
14. Marijn van Zundert

Ms. Annette Terpstra resigned from the Board of Directors, effective December 9th, 2025.

Mr. Marijn van Zundert and Ms. Katrien Yde were coopted as board member in 2025. They will be proposed to be reappointed to the Board of Directors on the annual general meeting of April 29th, 2026.

Furthermore, the following members were appointed as honorary directors:

1. Johan De Schamphelaere
2. Yvan Dupon
3. Anne Van Impe
4. Frank Vereecken
5. Ignace Schatteman
6. Henri Vansweevelt
7. Dirk Vyncke
8. Tony Janssen
9. Rein De Tremerie (†)
10. Marc Timbremont
11. Jan Bevernaege
12. Erik Bruyland
13. Frank Lambert
14. Guido Lamote
15. Paul Steppe
16. Walter Vandepitte
17. Roland Van der Elst
18. Jos Daniels
19. Vic Van de Moortel
20. Frans Samyn
21. Peter Van den Brock (†)

We regret to inform you the passing of Mr. Peter Van den Brock, former member of the Board of Directors, on November 15th, 2025. Mr. Peter Van den Brock was posthumously appointed honorary director.

2.3 Strategic Advisory Board

The main objective of the Strategic Advisory Board is to provide input, advice and recommendations to the Board of Directors about:

- The mission, current and long-term strategies, objectives and plans, and the positioning of the Company; and
- Governance related issues, more specifically with regard to:
  - The creation, operation and composition of the committees within the Board of Directors; and
  - The appointment and/or resignation of directors in accordance with the internal Regulations

The **Strategic Advisory Board** is composed as follows:

1. Michiel Geers
2. Willy Bosmans
3. Frank De Leenheer
4. Guy Pourveur
5. Anne Van Autreve
6. Frank Vereecken
7. Nancy Govaerts
8. Patrick Vandenberghe
9. Frank Degraeve
10. Steven Brusselle
11. Johan De Schamphelaere
12. Tony Janssen
13. Ignace Schatteman
14. Yvan Dupon
15. Dirk Vyncke
16. Jan Verheeke
17. Leen Van den Neste
18. Hans Diels
19. Marleen Hoste
20. Maurice Vrolix
21. Freek Van Loo
22. Piet Verbrugge
23. Katrien Yde
24. Marijn van Zundert

We regret to inform you of the passing of Ms. Rein De Tremerie on March 21st, 2026. Ms. Rein De Tremerie was honorary director and member of the Strategic Advisory Board.

Ms. Annette Terpstra resigned from the Strategic Advisory Board, effective December 9th, 2025.

Ms. Katrien Yde was appointed as member of the Strategic Advisory Board, effective September 16th, 2025.

Mr. Marijn van Zundert was appointed as member of the Strategic Advisory Board, effective December 9th, 2025.

2.4 Investment Committee

The Investment Committee is responsible for advising Incofin Investment Management NV ("Incofin IM") with regards to the investment and divestment decisions to be taken by Incofin IM as the fund manager of Incofin Microfinance Fund. The Investment Committee is composed of at least 5 members appointed by the Board of Directors, who are specialized in financial affairs and development issues. The Committee meets regularly, at least once every quarter. The committee met twelve times in 2025.

The **Investment Committee** is composed as follows:

1. Johan De Schamphelaere (Chair)
2. Tony Janssen
3. Michiel Geers
4. Ignace Schatteman
5. Freek Van Loo
6. Piet Verbrugge

The mandate of the Investment Committee is not remunerated.

2.5 Audit Committee

The Audit Committee assists the Board of Directors in its supervision of exercise of the duties of Incofin IM as the fund manager of Incofin Microfinance Fund. The Audit Committee is composed of a minimum of three members appointed by the Board of Directors.

The Audit Committee met four times in 2025.

The members of the **Audit Committee** are:

1. Maurice Vrolix (Chair)
2. Marleen Hoste
3. Katrien Yde

Ms. Katrien Yde was appointed as member of the Audit Committee, effective September 16th, 2025.

The mandate of the Audit Committee is not remunerated.

2.6 Auditor

Deloitte Bedrijfsrevisoren, represented by Tom Renders, was appointed as Auditor of Incofin Microfinace Fund for 3 years at the General Assembly of Shareholders of April 26th, 2023.

The Auditor will be nominated for reappointment for a three-year term at the Annual General Assembly on April 29th, 2026.

03 Financial Statements as of 31.12.25 in k€

3.1 Balance Sheet

Assets	12/2025	12/2024
Equity Portfolio	17,422	17,731
• Acquisition value	11,536	11,572
• *Stock dividends*	7,933	7,262
• *Impairments*	-2,047	-1,103
Subordinated loan portfolio	7,500	7,116
• *Subordinated loan portfolio > 1 year*	11,375	11,375
• *Subordinated loan portfolio < 1 year*		
• *Impairments*	-3,875	-4,259
Loan portfolio	37,519	32,265
• *Loan portfolio > 1 year*	26,271	14,831
• *Loan portfolio < 1 year*	13,123	17,783
• *Impairments*	-1,875	-349
Available provision	-1,087	-75
Current assets	1,485	1,280
• *Other receivables*	1,057	1,068
• *Deferred charges and accrued income*	428	212
Cash and cash equivalents	2,702	8,239
Assets	**65,541**	**66,556**

Liabilities	12/2025	12/2024
Equity	53,496	55,992
• *Capital*	49,953	51,217
• *Reserves*	1,597	1,597
• *Result caried forward*	1,946	3,178
Loan capital	10,100	8,600
• *Debt capital > 1 year*	7,600	8,100
• *Debt capital < 1 year*	2,500	500
Current liabilities	1,945	1,964
• *Other payables*	1,539	1,590
• *Dividends*		
• *Provision for technical assistance*	60	100
• *Accruals and deferred income*	346	274
Liabilities	**65,541**	**66,556**

3.2 Income Statement

Income Statement	12/2025	12/2024
Operating Revenues	**216**	**1,297**
Equity portfolio	-179	833
• *Cash dividends*	84	253
• *Stock dividends*	671	628
• *Gain/(loss) on sale*	10	
• *Impairments*	-944	-48
Subordinated loan portfolio	1,017	-4,380
• *Interest*	627	124
• *Upfront Fees*	6	14
• *Impairments*	348	-4,518
Loan portfolio	315	2,466
• *Interest*	1,685	2,333
• *Upfront Fees*	124	182
• *Impairments*	-1,493	-49
Risk provisions	-1,012	2,288
Other revenues	75	90
Operational costs	**-1,232**	**-1,406**
Management fee Incofin IM	-1,055	-1,181
Provision Technical Assistance(TA)		47
Communication	-52	-127
Other goods and services	-125	-144
Net operating result	**-1,015**	**-108**
Financial results	-202	-423
• *Interest*	-279	-438
• Miscellaneous	77	15
Result before tax	**-1,217**	**-531**
• *Corporate tax*		
• *Interest withholding tax*	-15	-127
Result after tax	**-1,232**	**-658**

3.3 Cash Flow

Cash flow	12/2025	12/2024
Operating cash flow		
EBIT	-1,015	-108
Other cash results	64	-112
Non-cash results	2,386	1,637
Equity portfolio	272	-580
• *Impairments*	944	48
• *Stock dividends*	-671	-628
Subordinated loan portfolio	-384	4,518
• *General provision*		
• *Impairments*		4,518
• *Impairment reversal*	-384	
Loan portfolio	1,526	80
• *General provision*		
• *Impairments*	1,526	80
• *Impairment reversal*		
Accrual of general provision	1,624	508
Utilization of general provision	-612	-2,796
Technical Assistance (TA)	-40	-93
Corporate tax		
(Increase)/decrease current assets/liabilities	-186	-825
Cash flow based on results	**1,249**	**591**
Investment cash flow		
(Increase)/decrease equity portfolio	37	
(Increase)/decrease subordinated loan portfolio		366
(Increase)/decrease loan portfolio	-6,780	7,307
Free cash flow	**-5,494**	**8,264**
Financial cash flow		
Increase/(decrease) capital	-1,265	617
Dividends paid		-993
Increase/(decrease) in debt financing	1,500	-3,050
Interest paid on debt financing	-277	-450
Increase/(decrease) in interest payable	-2	13
Net cash flow	**-5,538**	**4,400**
Cash and cash equivalents previous period	8,240	3,839
Cash and cash equivalents current period	**2,702**	**8,240**

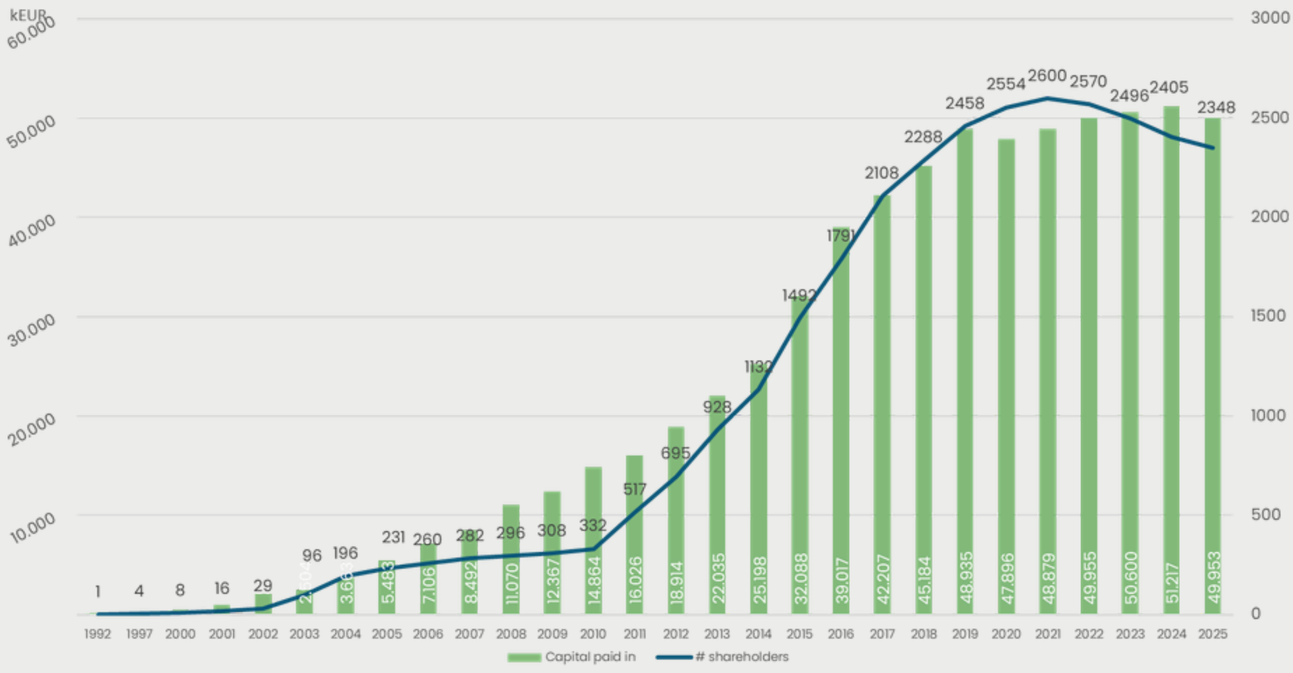
04 Explanatory Notes

4.1 Financing Structure

4.1. 1 Capital in k€

In 2025 the share capital decreased by k€1,264 to k€49,953, an decrease of 2.5% compared to 2024. The capital is represented by 2,348 shareholders.

Shareholders holding more than 1% of the capital		**31/12/2025**
Professional organisation	3,304	7%
Volksvermogen	1,711	3%
vdk bank	1,562	3%
We Make Hope	1,562	3%
BRS Microfinance Coop CV	1,560	3%
Abdij der Norbertijnen van Averbode	1,133	2%
LINTRUST Comm, V.	1,042	2%
Omnivale Gcv	1,003	2%
Congrégation Hospitalière des Soeurs de la Charité de J.M.	1,003	2%
Vlaamse overheid - Departement Internationaal Vlaanderen	1,000	2%
VMOB Solidaris Verzekering	1,000	2%
Sociaal Fonds van de Bedienden van Voedingsnijverheid	727	1%
de Kade vzw	685	1%
Gimv	521	1%
Crelan NV	521	1%
Individual shareholder	503	1%
Labido Invest	500	1%
Individual shareholder	495	1%
Shareholders with < 1% of the capital	30,123	60%
	49,953	**100%**



4.1.2 Debt Financing in k€

	> 1 year			< 1 year			bookvalue	
	12/2024	+/-	12/2025	12/2024	+/-	12/2025	12/2024	12/2025
Professional organisation	4,500		4,500				4,500	4,500
Belfius	2,000		2,000		2,000	2,000	2,000	4,000
vdk bank*								
Anonymous	500	-500		500		500	1,000	500
Credit Sud	100		100				100	100
Solidaris	1,000		1,000				1,000	1,000
	8,100	**-500**	**7,600**	**500**	**2,000**	**2,500**	**8,600**	**10,100**

*Credit line available but not drawn

4.1.3 Funding Level in k€

	12/2025
Equity	49,953
Debt financing	10,100
Funding level (max 50%)	19%
Max increase debt financing	43,396
Uncalled appropriations	10,000

4.2 Portfolio Overview

4.2.1 Equity portfolio in k€

				acquisition value			stock dividend			impairment			bookvalue	
Partner organisation	**date**	**currency**	**country**	**12/2024**	**+/-**	**12/2025**	**12/2024**	**+/-**	**12/2025**	**12/2024**	**+/-**	**12/2025**	**12/2024**	**12/2025**
Acme	14/7/2009	HTG	Haiti	1,053		1,053				-326		-326	727	727
Akiba	30/4/2008	TZS	Tanzania	530		530	59		59	-467		-467	123	123
Banco FIE	28/8/2008	BOB	Bolivia	1,356		1,356	7,104	671	7,776		-671	-671	8,460	8,460
Proempresa	25/8/2010	PEN	Peru	284	43	327	98		98	-48	-126	-174	334	250
Juhudi Kilimo	7/5/2019	KES	Kenya	2,023		2,023					-147	-147	2,023	1,876
Sempli	23/9/2019	COP	Colombia	1,747		1,747				-262		-262	1,485	1,485
Lovcen Banka	19/11/2020	EUR	Montenegro	2,639		2,639							2,639	2,639
MFI portfolio				**9,633**	**43**	**9,675**	**7,262**	**671**	**7,933**	**-1,103**	**-944**	**-2,047**	**15,791**	**15,561**
Incofin IM	23/7/2009	EUR	Belgium	923		923							923	923
Fair Trade Fund	3/9/2012	USD	Luxembourg	583		583							583	583
MFX LLC	25/6/2009	USD	United States	355		355							355	355
FPM SA	7/10/2014	USD	Congo, DRC	79	-79								79	
non MFI portfolio				**1,940**	**-79**	**1,860**							**1,940**	**1,860**
Equity portfolio				**11,572**	**-37**	**11,536**	**7,262**	**671**	**7,933**	**-1,103**	**-944**	**-2,047**	**17,731**	**17,422**

4.2.2 Subordinated loan portfolio in k€

MFI	**investments**			**> 1 year**			**< 1 year**			**Impairment**				**Bookvalue**	
	date	**currency**	**country**	**12/2024**	**+/-**	**12/2025**	**12/2024**	**+/-**	**12/2025**	**12/2024**	**+/-**	**Writte off**	**12/2025**	**12/2024**	**12/2025**
Desyfin	12/21/2018	USD	Costa Rica	1,742		1,742	-		-	- 1,742			- 1,742	-	-
Pacifico	6/29/2020	USD	Peru	2,132		2,132	-		-	- 2,132			- 2,132	-	0
Banco Ecofuturo	3/31/2022	EUR	Bolivia	3,000		3,000	-		-	- 384	384		-	2,616	3,000
Bank Respublika	31/3/2023	USD	Azerbaijan	2,000		2,000	-		-	-				2,000	2,000
Ipak Yuli	27/6/2024	USD	Uzbekistan	2,500		2,500								2,500	2,500
Total Quasi Equity portfolio				**11,375**	**-**	**11,375**	**-**	**-**	**-**	**-4,259**	**384**	**-**	**-3,875**	**7,116**	**7,500**

4.2.3 Loan portfolio in k€

MFI					> 1 year			< 1 year			Impairment			Bookvalue	
	currency	Country	Region	Date investment	12/2024	+/-	12/2025	12/2024	+/-	12/2025	12/2024	+/-	12/2025	12/2024	12/2025
EXISTING LOANS					**14,831**	**-7,096**	**7,735**	**17,783**	**-7,161**	**10,623**	**-349**	**-1,526**	**-1,875**	**32,265**	**16,482**
Bayport Colombia S.A	COP	Colombia	LAC	1/6/2021				95	-95					95	
Huimin microfinance	EUR	China	Asia	17/3/2022				1,500	-1,500					1,500	
Banco Solidario	USD	Ecuador	LAC	20/12/2021				1,324	-1,324					1,324	
Maquita	USD	Ecuador	LAC	28/2/2022				559	-559					559	
Fondi Besa	EUR	Albania	ECCA	23/5/2022				250	-250					250	
Bayport Colombia S.A	COP	Colombia	LAC	22/6/2022				534	-120	414		-207	-207	534	207
Bina Artha Ventura	IDR	Indonesia	Asia	6/9/2022				474		474	-80	80		394	474
Credisol Honduras	HNL	Honduras	LAC	1/7/2022				150	-150					150	
Mikra	EUR	Bosnia and Herzegovina	ECCA	21/12/2022				500	-500					500	
Jardín Azuayo	USD	Ecuador	LAC	30/12/2022				471	-471					471	
PT Esta Dana Ventura	IDR	Indonesia	Asia	30/6/2023				750	-750					750	
Fondi Besa	EUR	Albania	ECCA	23/5/2023	125	-125		125		125				250	125
Crecer	USD	Bolivia	LAC	1/6/2023				468	-375	94		-94	-94	468	
SAVE Solutions	INR	India	Asia	30/6/2023	912	-912			912	912				912	912
Bayport Colombia S.A	COP	Colombia	LAC	15/6/2023	927		927	927		927		-927	-927	1,854	927
Vision Fund Ecuador	USD	Ecuador	LAC	14/8/2023				1,215	-1,215					1,215	
MCC "Bailyk Finance" LLC	KGS	Kyrgyzstan	ECCA	20/7/2023	500	-500		300	200	500				800	500
Fanikiwa Microfinance	TZS	Tanzania	Afrika	3/10/2023	473	-473		473		473				945	473
XacBank	USD	Mongolia	ECCA	8/12/2023				2,756	-2,756					2,756	
EVN Finance	USD	Vietnam	Asia	3/6/2024	2,304	-2,304			2,304	2,304				2,304	2,304
Mikra	EUR	Bosnia and Herzegovina	ECCA	21/12/2023	250	-250		250		250				500	250
NOA Albania	EUR	Albania	ECCA	2/4/2024	1,000	-500	500		500	500				1,000	1,000
Mikrofin	EUR	Bosnia and Herzegovina	ECCA	24/4/2024	1,400	-600	800	600		600				2,000	1,400
SAVE Solutions	INR	India	Asia	24/6/2024	1,431		1,431							1,431	1,431
Mufin Green Finance Limited	INR	India	Asia	28/6/2024	2,465		2,465							2,465	2,465
Arnur Credit	KZT	Kazakhstan	ECCA	13/6/2024	1,000	-1,000		1,000		1,000				2,000	1,000
Fama	USD	Nicaragua	LAC	2/7/2024	464	-464		464		464				928	464
Vision Fund Ecuador	USD	Ecuador	LAC	14/8/2024	600	-400	200		400	400				600	600
Abaco	USD	Peru	LAC	19/9/2024		1,412	1,412	1,619	-1,412	207	-270	-378	-647	1,349	971
Mikra	EUR	Bosnia and Herzegovina	ECCA	21/12/2024	500	-500		500		500				1,000	500
Optima	USD	El Salvador	LAC	23/12/2024	481	-481		481		481				962	481
NEW LOANS						**18,536**	**18,536**		**2,500**	**2,500**					**21,036**
Huimin microfinance	EUR	China	Asia	14/7/2025					1,500	1,500					1,500
NOA Albania	EUR	Albania	ECCA	10/04/2025		1,000	1,000								1,000
Hamkor Bank	EUR	Uzbekistan	ECCA	28/3/2025		3,000	3,000								3,000
FDL	USD	Nicaragua	LAC	4/8/2025		1,727	1,727								1,727
Humo	TJS	Tajikistan	ECCA	4/9/2025		1,000	1,000		1,000	1,000					2,000
Transcapital	MNT	Mongolia	ECCA	22/8/2025		1,715	1,715								1,715
Procredito	MXN	Mexico	LAC	31/12/2025		849	849								849
Mikra	EUR	Bosnia and Herzegovina	ECCA	22/12/2025		1,000	1,000								1,000
Fondi Besa	EUR	Albania	ECCA	8/12/2025		1,000	1,000								1,000
MCC "Bailyk Finance" LLC	KGS	Kyrgyzstan	ECCA	4/12/2025		1,715	1,715								1,715
Optima	USD	El Salvador	LAC	2/12/2025		1,290	1,290								1,290
One Puhunam	EUR	Phillipines	Asia	12/11/2025		2,500	2,500								2,500
Fama	USD	Nicaragua	LAC	9/12/2025		859	859								859
Samunnati Finance	USD	India	Asia	29/4/2025		880	880								880
TOTAL LOAN PORTFOLIO					**14,831**	**11,440**	**26,271**	**17,783**	**-4,661**	**13,123**	**-349**	**-1,526**	**-1,875**	**32,265**	**37,519**

05 Compliance

5.1 Fund Guidelines

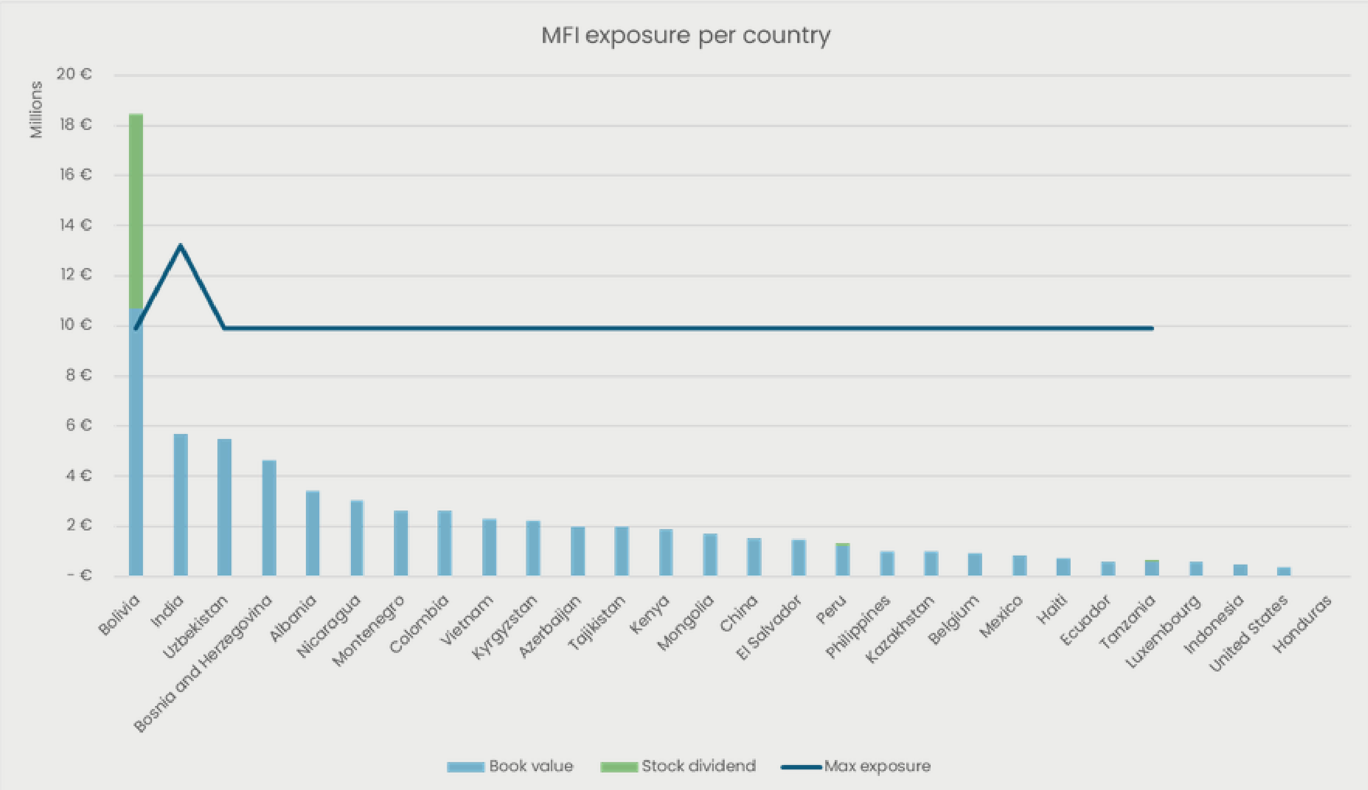
According to the fund guidelines, the following risk spread was determined:

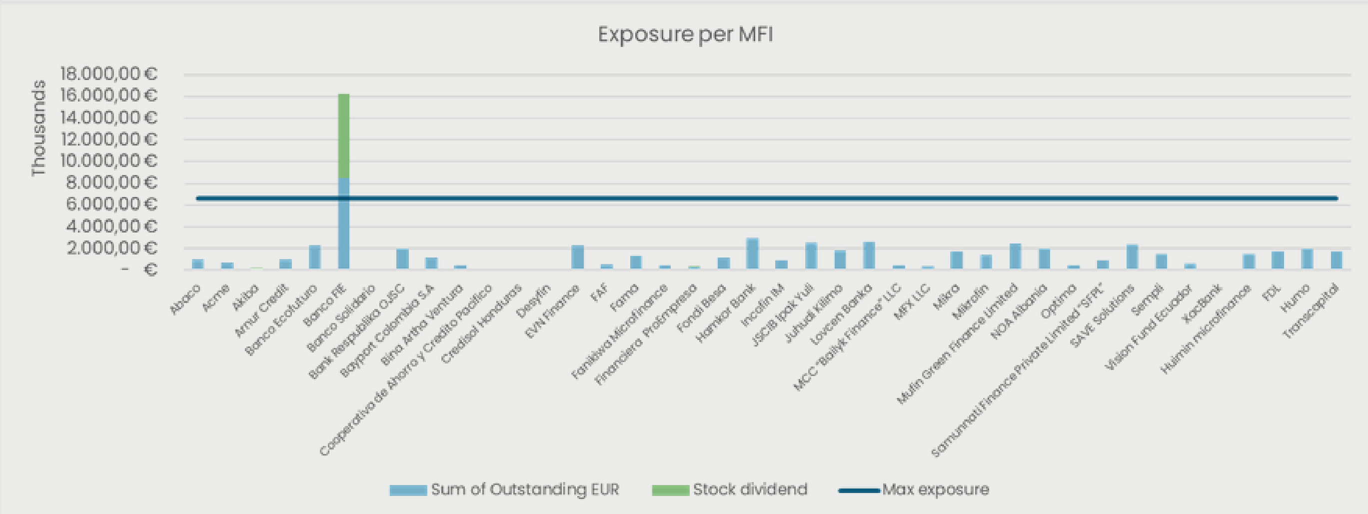
1. The book value by country and Microfinance Institution (MFI) may not exceed 15% (or 20% for India) and 10% of the total assets of Incofin Microfinance Fund respectively.

2. Incofin limits its participation (via participation and subordinated loans) in MFI's and other funds to a maximum of 75% of its equity.

5.2 Risk diversification in the portfolio

Banco Fie (in Bolivia) exceeds the limit set by issuing stock dividends.





06 Valuation Rules

Without prejudice to the specific valuation rules mentioned below, the valuation rules as they are determined in accordance with the provisions of the Royal Decree of 29 April 2019 in implementation of the Companies Code with regard to the valuation rules, apply. Unless otherwise stated, the article numbers refer to the relevant articles of the aforementioned Royal Decree of 29 April 2019.

Assets

Without prejudice to the specific valuation rules mentioned below, each individual asset is valued separately at acquisition value and included in the balance sheet for that amount, after deduction of the depreciation and amounts written down on the individual asset concerned (art. 3:13, first paragraph).

Intangible Assets

Intangible fixed assets are booked at acquisition value, excluding additional costs. They are depreciated over the useful life of the assets, i.e. 5 years for software.

Tangible Assets

Tangible fixed assets are booked at acquisition value, excluding additional costs. They are depreciated over the useful life of the assets, specifically:

- Office equipment 5 years
- Computers 3 years
- Furniture 10 years

Participations and shares

Participations and shares are valued at acquisition price, excluding the additional costs (art. 3:19, §2). An impairment is made in the event of a lasting loss of value or a devaluation, justified by the situation, profitability or prospects of the company in which the participations or shares are held (art. 3:44, §2).

The participations and shares that appear under financial fixed assets are not reevaluated (art. 3:35, §1). Once an impairment has been made, the value of the participation concerned will be increased again up to a maximum of the level of the original acquisition price if the situation, profitability or prospects of the company (to be assessed by the Board of Directors) justify this.

Fixed Income Securities

Fixed-income securities are valued at acquisition cost. The difference between the acquisition cost and the redemption value is recognized in the income statement on a straight-line basis over time.

Amounts receivable within and after one year

Without prejudice to the provisions of articles 3:45, §2, 3:46 and 3:51, receivables are recorded at their nominal value (art. 3:45, §1) on the closing date of the financial year.

In accordance with article 3:46, impairments are recorded if there is uncertainty about the payment of all or part of the receivable on the due date.

In order to take into account the particular credit and currency risk arising from granting credit to high-risk countries with unstable economic and political conditions, a global impairment is recognized annually of 1.11% for loans and 5.38% for quasi-equity. These percentages are applied to the outstanding investment portfolio, expressed as receivables, and weighted according to the ECA risk scores published per country. The impairment rates are based on the lifetime loss rate and are reviewed and adjusted on an annual basis.

These global impairments are recognized in accordance with article 3:25, as they relate to receivables with the same technical and legal characteristics.

The level of this impairment may be adjusted based on historical loss experience. Where specific risks are identified on outstanding receivables, the Fund has, since 2020, the possibility to recognize a specific provision for these exposures.

Investments in cash and cash equivalents

They are recorded at their acquisition value or the realization value at the closing date, if this is lower (art. 3:52).

Liabilities

Provisions for risks and charges

Provisions are set up to cover clearly defined losses or charges that are probable or certain by their nature at the balance sheet date, but the amount of which is not fixed (art. 3:28).

Amounts payable within and after one year

Without prejudice to the other provisions of articles 3:55, 3:45, §2 et 3:51, debts are booked at their nominal value (art. 3:45, §1).

Conversion of foreign currency (Art. 3:12)

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

All foreign currency receivables and payables are hedged against possible exchange rate differences through cross-currency or forward contracts. Such receivables or payables are valued at the contractually agreed hedging rate.

Other monetary assets and liabilities denominated in foreign currencies are converted at the closing rate on the balance sheet date. Profit and losses resulting from transactions in foreign currencies and from the conversion of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary items valued at acquisition cost in a foreign currency are converted at the exchange rate in force on the date on which the acquisition cost is determined.

The financial results reflect the positive and negative exchange rate differences on a net basis.

07 Annual Report of the Board of Directors

On the financial statements for the financial year ended on 31st December 2025

In accordance with the legal and statutory obligations, we have the honour to report to you on the exercise of our mandate during the financial year ended on 31 December 2025 (the "**Financial Year 2025**") and hereby submit the annual accounts for your approval.

Important introductory information regarding the objective and activities of the Fund

IMF is a cooperative company recognised as a social enterprise. The Fund does not pursue profit maximisation for its shareholders, but operates with a clear social mission. The emphasis lies on the social dimension, whereby IMF's investments contribute to socio-economic development. More specifically, IMF invests in microfinance institutions ("**MFIs**") to support small entrepreneurs based in low- and middle-income countries.

IMF is a non-public alternative investment fund within the meaning of the Act of 19 April 2014 on alternative investment funds and their managers (the "**AIFM Act**").

Incofin Investment Management NV ("**Incofin IM**" or the "**Fund Manager**") is the appointed management company within the meaning of Article 3, 44° of the AIFM Act. Incofin IM is a manager of alternative investment funds under Belgian law.

Belfius Bank NV has been appointed as the depositary of IMF in accordance with the AIFM Act.

Overview of the Fund's activities

In 2025, the Fund granted fourteen senior loans to fourteen MFIs in Asia, Latin America and Eastern Europe, for a total amount of approximately €21 million. These MFIs provide financial services to small entrepreneurs living and working in rural areas in low- and middle-income countries. No subordinated loans were granted, nor were any new equity participations made. As a result, the total investment portfolio amounted to approximately €61.3 million.

In October 2025, the Fund received an offer to sell its equity participation in Lovcen Banka, an MFI based in Montenegro. The sale of these shares was fully completed in February 2026. IMF acquired its participation in Lovcen Banka in November 2020 for an amount of approximately €2.6 million. This transaction resulted in a gain of approximately €1.3 million, corresponding to a return of approximately 9%.

The Fund continues to fully realize its social mission, thereby supporting the end-clients of the MFIs in the most effective way possible. The positive impact of the Fund's investments on the ground is significant. At year-end 2025, IMF invested in 38 MFIs across 25 countries, often operating in challenging regions. The engagement of these local financial institutions creates a strong leverage effect for the Fund's investments. Together with the MFIs, the Fund supported approximately 3.3 million small entrepreneurs in 2025. Approximately 64% of the MFIs' end-clients are women. More than two-thirds of the MFIs provide non-financial services to their end-clients, such as training to improve financial literacy. In addition, more than half of the MFIs (approximately 62%) offer green loans to their end-clients.

Each year, the Fund allocates a budget for technical assistance. This budget enables the MFIs to draw on technical support, through which external experts are engaged to share their knowledge with the MFIs. This allows the operations of an MFI to be strengthened across various areas (e.g. risk management or product development).For the Fund, technical assistance is an important additional means of realizing its social mission. In 2025, the Fund provided technical assistance to an MFI for an amount of approximately €40,000.

Allocation of the result

The Financial Year 2025 ended with a **loss** amounting to €1,232,005.60. We propose to approve the annual accounts as submitted to you and to allocate this loss, together with the profit carried forward from the previous financial year, as follows:

• Loss to be allocated for the Financial Year 2025	€ -1,232,005.60
• Profit carried forward from the previous financial year	€ 3,177,605.30
• Allocation to equity	0
• Remuneration of the contribution	0
• **Profit to be carried forward**	**€ 1,945,599.70**

We propose **not to distribute any dividend** for the Financial Year 2025. This proposal is subject to the approval of the shareholders at the ordinary general meeting of shareholders scheduled for 29 April 2026.

Commentary on the annual accounts

These annual accounts have been prepared in accordance with the applicable legislation on accounting and the annual accounts of companies, supplemented by the valuation rules specific to the Fund.

Assets

The annual accounts show a **balance sheet total** of €65,540,830.79 for the Financial Year 2025, compared to a balance sheet total of €66,556,085.23 for the previous financial year ended on 31 December 2024 (the "**Financial Year 2024**").

The Fund's **total investment portfolio** amounts to approximately €61.3 million at the end of the Financial Year 2025, compared to approximately €57.1 million at the end of the Financial Year 2024. The Fund's investment portfolio is composed of an equity portfolio and a loan portfolio:

- The equity portfolio consists of equity participations in the capital of, on the one hand, MFIs in low- and middle-income countries and, on the other hand, entities that are not MFIs (e.g. funds, the Fund Manager or hedge counterparties (being counterparties to hedging transactions)).
- The loan portfolio comprises senior loans and subordinated loans granted to MFIs.

The Fund's **equity portfolio** amounted to approximately €17.4 million at the end of the Financial Year 2025, compared to €17.7 million for the Financial Year 2024:

- The difference of approximately €309,000 can be explained by: (i) an additional investment in Financiera Proempresa, an MFI based in Peru; (ii) the sale of the participation in FPM SA, an investment fund based in the Democratic Republic of Congo; and (iii) impairments.

- The Fund has held an equity participation in **Financiera Proempresa**, an MFI based in Peru, since 2004. During the Financial Year 2025, an additional investment of approximately €43,000 was made in this MFI. This investment was required to safeguard the Fund's interests as a shareholder, as without an additional capital injection from the shareholders, the MFI risked no longer meeting the statutory solvency ratio. In view of the disappointing operating results of this MFI in 2025, it was decided to record an impairment of approximately €126,000 on this participation.

- The sale of the participation in **FPM SA**, an investment fund based in the DRC, was completed. The Fund received sales proceeds of approximately €89,156 and realized a capital gain of approximately €9,915.

- The Fund received a cash dividend of approximately €80,000 from **Banco FIE**, an MFI based in Bolivia. This institution recorded strong financial results in 2025. Nevertheless, an impairment of approximately €671,000 was recognized on this participation. The valuation is based on a multiple ("valuation multiple") of the book value of this financial institution. It was decided to reduce this valuation multiple from 0.75 times book value to 0.65 times book value. Although the Bolivian economy appears to be showing signs of recovery, the principle of prudence requires the Fund to lower the valuation of this equity participation.

- The Fund has held an equity participation in **Juhudi Kilimo**, an MFI based in Kenya, since 2019, with a value of approximately €2,023,000. Given the weak operating results of this MFI in 2025, it was decided to record an impairment of approximately €147,000 on this participation.

- The valuation of the Fund's equity participations in MFIs amounts to approximately €15.6 million and consists of **equity participations in seven MFIs based in seven low- and middle-income countries**. The participation in Lovcen Banka, an MFI based in Montenegro, is still included in the equity portfolio in 2025, as the sale was fully completed in February 2026.

- The valuation of the Fund's equity participations in non-MFIs amounts to approximately €1.8 million and consists of equity participations in: (i) Incofin IM, the Fund Manager; (ii) Fairtrade Access Fund, a Luxembourg-based fund that provides loans to companies active in the sustainable agriculture sector in low- and middle-income countries; and (iii) MFX, a U.S. hedge counterparty.

The Fund's **loan portfolio** amounts to approximately €43.9 million at the end of the Financial Year 2025, compared to €39.3 million for the Financial Year 2024:

- The increase of approximately €4.6 million is attributable to a growth in the senior loan portfolio of approximately €6.7 million. However, this strong portfolio growth is partly offset by an impairment of approximately €1.1 million. Following an exceptional impairment of approximately €4.7 million in the Financial Year 2024, the Fund again recognized a significant impairment of approximately €1.1 million on the senior loan portfolio in 2025. Please see below for further explanation.

- During the Financial Year 2025, the Fund granted new senior loans to MFIs for an amount of approximately €21 million. No new subordinated loans were granted. In 2025, MFIs repaid approximately €11 million in principal on outstanding senior loans.

- The loan portfolio comprises **33 senior loans granted to 25 MFIs based in 19 low- and middle-income countries.** At the end of the Financial Year 2025, the valuation of the senior loan portfolio amounted to approximately €37.5 million.

- During the Financial Year 2025, impairments were recognized on four senior loans: (i) the senior loan granted to Abaco, an MFI in Peru; (ii) two senior loans granted to Bayport, an MFI in Colombia; and (iii) the senior loan granted to Crecer, an MFI in Bolivia.

- In 2018, **Abaco**, an MFI in Peru, received a subordinated loan for a principal amount of 3 million U.S. dollars ("**USD**") with a maturity of six years. However, in 2024 this institution entered into a financial crisis, as it was no longer able to meet the tightened capital and liquidity requirements. In order to mitigate the risk for the Fund, three measures were taken in 2024: (i) 40% of the principal amount of the original subordinated loan was repaid by Abaco; (ii) 60% of the original principal amount was refinanced through a new senior loan; and (iii) repayment of the new senior loan was secured by establishing collateral over Abaco's real estate in Peru. The new senior loan, with a principal amount of USD 1.8 million, was impaired in 2024 by approximately €259,000 (being approximately 16.7% of the principal amount). As Abaco's financial performance did not improve in the first half of 2025, the Peruvian regulator decided to place this MFI under a status of vigilance in July 2025. This status provides Abaco with protection against its creditors and allows it to work toward a turnaround. Given the weak operating results of this institution in 2025, it was decided to recognize an additional impairment of approximately €207,000, meaning that approximately 40% of the principal amount of this senior loan has currently been impaired.

- In 2022 and 2023, the Fund granted two senior loans to **Bayport**, an MFI in Colombia, with a total principal amount of USD 3.3 million and a maturity of three years each. This MFI provides loans to public-sector employees and retired civil servants based on their salary income. In 2025, however, Bayport's business model came under pressure as a result of rising interest costs on its own long-term funding and relatively low interest income from the long-term loans granted to its clients. In the final quarter of 2025, Bayport entered into judicial reorganization proceedings with a view to attracting a new shareholder and restructuring its debt, thereby enabling the institution to restart its activities. In light of the judicial reorganization and the arrears in principal repayment, it was decided to recognize an impairment equal to 50% of the principal amount of these senior loans, corresponding to approximately €1,134,000.

- **Crecer**, an MFI in Bolivia, received a senior loan of USD 500,000 in 2023 with a maturity of two years. In June 2025, this MFI was required to fully repay the loan and accrued interest. However, due to the severe shortage of U.S. dollars in Bolivia, Crecer experienced difficulties in purchasing U.S. dollars at an acceptable exchange rate. Consequently, Crecer requested a forgiveness of approximately 30% of the amount due. The Fund accepted this proposal: 70% of the outstanding amount was received, while 30% (corresponding to approximately €94,000) was written off.

- In 2022, the Fund granted a senior loan to **Bina Artha**, an MFI in Indonesia, with a principal amount of USD 1 million and a maturity of three years. In the second quarter of 2024, this MFI requested a payment deferral and a restructuring of its loans from all its international lenders. As a result of this restructuring, an impairment of approximately €80,000 was recognized on this loan in 2024. In 2025, Bina Artha successfully implemented the restructuring plan and timely repaid the overdue amounts under its loans, following which the previously recognized impairment of approximately €80,000 was reversed.

- In addition to the senior loans mentioned above, the loan portfolio also includes **five subordinated loans granted to five MFIs based in five low- and middle-income countries**. At the end of the Financial Year 2025, the valuation of the subordinated loan portfolio amounted to approximately €7.5 million. During the Financial Year 2025, no impairments were recognized, and the impairment previously recognized on the loan granted to Banco Ecofuturo, an MFI in Bolivia, was reversed for an amount of approximately €384,000.

As a result, the total impairment on the loan portfolio amounts to approximately €1.1 million in the Financial Year 2025. In view of the risks inherent to the Fund's investment policy, and in accordance with the principle of prudence, a general provision for risks was established amounting to 1.31% of the senior loan portfolio and 5.38% of the subordinated loan portfolio. At the end of the Financial Year 2025, the total available amount of this general provision for risks amounted to approximately €1.1 million.

The Fund closed the Financial Year 2025 with lower **cash and cash equivalents** compared to the previous financial year: €2,701,119.65 in 2025, compared to €8,239,310.08 in 2024.

Liabilities

Despite the significant impairments recorded on the investment portfolio in the Financial Year 2025, the Fund maintains a strong financial position, with equity remaining sufficient to achieve its objectives and continue its activities.

The Fund's **equity** amounted to €53,495,577.73, representing a decrease compared to the previous financial year (€55,992,085.73).

At the end of the Financial Year 2025, **shareholder contributions** amounted to €49,952,920.69, reflecting a decrease of €1,264,502.40 compared to the Financial Year 2024. This decrease is mainly attributable to the withdrawal of retail investors. The abolition of the favorable tax regime for recognized development funds played a significant role in this development.

The **reserves**, amounting to €1,597,057.34, remained unchanged compared to the previous financial year.

The Fund's **financial liabilities** in the form of short-term and long-term loans increased by €1,500,000 during the Financial Year 2025. At year-end, the Fund had drawn financial debt amounting to €10,100,000, representing approximately 19% of the Fund's equity. In addition, the Fund has undrawn credit facilities amounting to €10,000,000. Although the Fund is permitted to incur a higher level of leverage, it has, as a matter of prudence, decided to limit debt financing to 50% of the Fund's equity.

Off-balance-sheet commitments include the hedging transactions entered into to hedge the foreign exchange risks related to outstanding loans granted to MFIs in currencies other than the euro. At the end of the Financial Year 2025, the Fund had outstanding hedging transactions with a total notional amount of €28,743,616.69, representing 65% of the loan portfolio. The remaining 35% of the loan portfolio consists of loans denominated in euros.

Results

The **net income** from the loan portfolio amounted to approximately €2.4 million in the Financial Year 2025. Net income consists of the interest and fees received from the MFIs under the senior loans, net of the costs related to the hedging transactions entered into in connection with these senior loans.

Operating expenses decreased by approximately €174,000 in the Financial Year 2025 compared to the previous financial year. This decrease is mainly attributable to a lower management fee paid to the Fund Manager due to the reduction in the investment portfolio.

In accordance with the principle of prudence, **general provisions for risks** were established amounting to 1.11% for the loans and 5.38% for the subordinated loans. However, the significant impairments recorded on the loan portfolio fully absorbed the existing general provisions of €612,459.55. To compensate for this, an amount of €1,624,288.44 was added, resulting in total available provisions of €1,087,041.89.

The Fund closed the Financial Year 2025 with a **loss** amounting to €1,232,005.60, compared to a loss of €658,242.32 in the previous financial year.

Main risks and uncertainties

The Fund's purpose and the nature of its activities entail a number of risks and uncertainties for the future development of the Fund. The Fund's policy is aimed at managing these risks as effectively as possible without completely excluding them.

The Fund is mainly exposed to the risks described below. However, the list below does not reflect the risks in order of priority, nor is it an exhaustive description of all the risks currently faced by the Fund.

Credit risks

IMF invests in MFIs located in low- and middle-income countries. These MFIs, in turn, provide loans to small entrepreneurs who often cannot provide collateral to secure their loans. It cannot be ruled out that the MFIs in which IMF invests may at some point become insolvent, as a result of which IMF's investment could be lost. IMF manages this risk by:

- performing rigorous financial analysis;
- assessing business planning;
- evaluating management and governance;
- regular reporting on the evolution of the activities; and
- regular on-site follow-up.

Country risks

IMF invests in low- and middle-income countries, which are subject to significant country risks. These risks include political risk (e.g. war or civil war) and transfer risk (the inability of recovering the invested funds from the country due to foreign currency scarcity or other government measures). IMF mitigates the country risk by building general provisions and diversification in its investment portfolio.

Market risks

IMF's investments are exposed to market and environmental risks. These risks include, among others, economic and environmental factors, legal certainty, and the quality of local regulation for MFIs. IMF closely analyzes these issues and moreover uses a healthy geographical spread in the composition of the portfolio in order to limit this risk as much as possible.

Exchange risks

The investments of IMF are subject to exchange rate risk. IMF defines exchange rate risk as the risk that the real value or future cash flows of loans granted to MFIs or the equity participations will fluctuate as a result of exchange rate changes.

- Loans in foreign currency (i.e. a currency other than the euro): IMF actively manages the exchange rate risk on the loans it grants by using hedging techniques, such as cross currency swaps or forwards. If a loan is not repaid in accordance with the agreement (credit risk), IMF must still meet its obligation towards the counterparty of the hedging transaction. In this scenario, IMF faces both exchange rate risk and potential liquidity risk, as foreign currency must be purchased on the spot market at the prevailing exchange rate using the available liquid funds at that time.

- Equity participations in foreign currency (i.e. a currency other than the euro): the exchange rate risk on equity participations in foreign currency is not actively hedged. In those cases, the return on investment is expected to compensate for the potential depreciation of the currency in question.

Interest risk

IMF attracts debt financing on the one hand and places loans in foreign currency with MFIs on the other. The interest on which these operations are carried out over time is subject to market influences. IMF will always ensure that the margin between debit and credit interest remains sufficiently large to allow IMF to continue to grow. The Fund Manager manages this risk by (i) using fixed interest rates for both incoming and outgoing transactions and (ii) by setting a minimum rate of return for all loans.

Liquidity risk

The liquidity risk is the risk arising from IMF's ability to anticipate its liquidity needs in an appropriate and timely manner, taking into account the available sources of funding, in order to meet its financial commitments.

- Liquidity risk in debt financing: IMF's liquidity risk is limited due to the maturity of its loan portfolio as well as the availability of liquid assets. The available liquid assets, the available credit lines that IMF can use, and the outstanding loans maturing in the upcoming year are always sufficient to meet financing obligations and to absorb any defaults in the loan portfolio.

- Liquidity risk due to redemptions from shareholders: Redemptions and exclusions result in outgoing cash flow. The number of redemptions requests may be subject to strong fluctuations, which may have a negative impact on IMF's liquidity position. The board of directors of IMF can refuse the redemption of a shareholders, but not for speculative reasons. If the number of redemptions and exclusions of shareholders cannot be controlled from the liquidity position of IMF, this could result in shareholders not receiving the full nominal value of their shares.

Risks associated with the competence of Incofin IM as the appointed Fund Manager

Notwithstanding the experience of Incofin IM, the Fund Manager of IMF, in the microfinance industry, there is no guarantee that Incofin IM will have the necessary ability to identify sufficient volume of attractive investments to meet the investment objectives of Incofin. Factors that may affect this risk may include, but are not limited to, competition from other funds and fund managers, changes in the political, economic and regulatory environmental factors in the developing countries or changes in the global macroeconomic circumstances.

Important events after the balance sheet date

There are no important events that have taken place after the end of the Financial Year 2025 that have an important impact on the development of the Fund.

Circumstances that could materially affect the development of the company

There are no circumstances that could materially affect the development of the Fund, except for the (i) points mentioned in paragraph "Main risks and uncertainties" and (ii) geopolitical tensions in the Middle East.

Since the end of February 2026, the military escalation between Iran, Israel and the United States has intensified, leading to heightened geopolitical tensions in the Middle East. The initial military actions and subsequent retaliatory measures have caused disruptions to strategic maritime shipping routes, particularly in the Strait of Hormuz, and have contributed to increased volatility in the energy markets.

As of the balance sheet date of this report, the direct impact on the Fund's portfolio remains limited. The Fund's board of directors and the Fund Manager continue to closely monitor further developments and potential indirect effects on the financial markets, in particular with regard to the evolution of energy prices and possible disruptions in global supply chains.

Research and development activities

No research and development activities were carried out during the Financial Year 2025.

Branches

IMF has no branches.

Expertise of the audit committee in accounting and audit

All members of the audit committee have expertise in the Fund's activities and relevant experience in accounting, audit and finance, enabling them to effectively fulfil the responsibilities of the audit committee. The audit committee can rely on the services of the Fund Manager for this purpose. The Fund Manager has appropriate control and risk management systems in place to ensure the integrity and quality of the financial reporting.

Going concern assumption

The board of directors has assessed the going concern of the Fund for a period of at least twelve months from the date of approval of these annual accounts. Despite the losses incurred over the past two financial years, the Fund has **sufficient liquidity** to meet its obligations as they fall due.

In addition, **the available reserves and the result carried forward are more than sufficient** to allow the Fund to continue its activities without any impediment.

There are **no plans** to liquidate the Fund or to discontinue its activities. The investment strategy and operational functioning will be continued unchanged. Based on this assessment, the board of directors is of the opinion that the **going concern assumption** remains appropriate and that **no material uncertainties exist** that could cast significant doubt on the Fund's ability to continue its operations.

08 Auditors Report

The auditor, Deloitte Bedrijfsrevisoren BV, represented by Tom Renders, has issued an unqualified audit opinion on the statutory financial statements. The financial statements as at 31 December 2025 present, in all material respects, a true and fair view of the company's financial position, results and cash flows in accordance with Belgian generally accepted accounting principles.

09 Annex: SFDR Disclosure

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Incofin Microfinance Fund ("IMF") (the "Fund")
Legal entity identifier: 549300O5VTOTJJIS6X96

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

●● ☒ **Yes**	●○ ☐ **No**
☐ It made **sustainable investments with an environmentalobjective:** __%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ Taxonomy in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It made **sustainable investments with a social objective:** 96%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

During the reference period from 1 January 2025 to 31 December 2025, the Fund fullfilled its sustainable investment objective by achieving 96% sustainable investments compared to the minimum threshold of 96% set in the pre-contractual documents. All sustainable investments sufficiently met the three criteria for sustainable investments as defined by the SFDR Article 2 (17) and demonstrated below.

Further assurance regarding the commitment of the Fund to making sustainable investments as per the framework of the Operating Principles for Impact Management (the "Impact Principles" [1]) is provided through an independent limited assurance report conducted by EY on the Investment Manager.[2] This report verfies that the impact management systems of the Investment Manager as described in its policies and procedures and summarized in its annual Disclosure Statement, are aligned, in all material aspects, with the Impact Principles. To satisify the Impact Principles, the Investment Manager must demonstrate that a system is in place to: i) measure contribution to stated impact objectives, ii) assess the expected impact of each investment in a systematic way, and iii) assess, address, monitor and manage potential negative impacts of each investment, among other requirements.

About the Fund

IMF was classified as Article 9 on 10 March 2021. The mission of the Fund is to invest in entities contributing to the social, environmental and/or economic development of vulnerable populations in emerging countries.

Specifically, the social objectives of the Fund are to:

- Provide vulnerable and excluded populations with better access to basic goods and services, with a specific focus on financial inclusion (such as microloans, savings, microinsurance);
- Support local entrepreneurship and raise the standards of living of entrepreneurs and their families;
- Build strong and transparent companies that apply responsible practices and contribute to their customers' capacity building through the provision of non-financial services, such as training services on women empowerment, financial literacy, business development, sustainable agriculture practices, health and other educational services;
- Support the development of the local communities, which can take the form of creating sustainable employment and decent jobs for people excluded from the labor market.

Criteria 1: Investments in an economic activity that contributes to social objectives

During the reference period, the Fund contributed to its social objectives by predominantly investing in Financial Intermediaries targeting bottom-of-the-pyramid (BoP) beneficiaries. By addressing the unique financial needs and constraints of BoP populations, the Fund's investments aimed at helping create more inclusive and resilient economies and societies.

The sustainability performance of the Fund is presented in the next sub-section ("*How did the sustainability indicators perform?*").

Criteria 2: Do no significant harm

During the reference period, the Fund's sustainable investments did not significantly harm any environmental or social objectives as demonstrated by the results of the principal adverse impact

[1] Dated February 2019 and subsequently updated in June 2021. Available at www.impactprinciples.org.
[2] https://incofin.com/wp-content/uploads/2025/09/24CBO0001-Incofin-ISAE3000-2023_signed-verification.pdf

indicators and assessment of minimum safeguards, elaborated in the sub-section "*How did the sustainable investments not cause significant harm to any sustainable investment objective?*".

The application of a strict exclusion list refrained the Fund from financing activities with a high level of environmental and social risk, i.e., excluding target investments that were involved in the production or trade in any illegal product or activity, weapons and munitions, alcoholic beverages (excluding beer and wine), tobacco, radioactive materials, asbestos fibers. The Fund did not finance any investment involved in Forced Labour or Child Labour (as defined by ILO conventions), cross-border trade in waste and waste product, and the destruction of Higher Conservation Value areas.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Criteria 3: Investee companies follow good governance practices

During the reference period, the Fund invested in portfolio companies that followed the minimum requirements for good governance practices. The governance practices of prospective and existing investee companies are thoroughly assessed by the Investment Manager pre-investment and monitored regularly post investment using proprietary tools that embed internationally recognized best practices and includes checks on the following areas: anti-money laundering, financial reporting, ownership and legal structure, board of directors independence and functioning, internal controls, taxation and corruption.

How did the sustainability indicators perform?

In order to track the Fund's contribution to its stated social objectives, the Investment Manager has defined clear sustainable indicators linked to the United Nations Sustainable Development Goals (UN SDGs) as summarized in Table 1. These indicators were selected and defined based on the following criteria: i) availability at the portfolio company level, ii) relevance to the Fund's sustainable investment objectives, and iii) common industry metric, when possible, to enable benchmarking.

The evaluation of sustainability indicators provided below is subject to inherent limitations. These constraints include reliance on the data reporting capacity of portfolio companies, the functionality of their management information system (MIS), potential biases in reporting, and variations in data quality and consistency. The results presented below are not subject to an assurance provided by an auditor or a review by a third party.

During the reference period, the results show that the Fund had a strong sustainability performance, with some metrics improving and others remaining steady.

Table 1: Sustainability Indicators

Sustainable Investment Objectives	#	Indicator	Reference Period	Previous Period
ESG risk score	1	% of the portfolio invested in investees having a minimum SPI-ALINUS score of 60%	100%	100%
SDG 1: No Poverty	2	% of investees who offer services and products targeting vulnerable or excluded groups (average loan size < USD 10,000)	88%	97%
	3	# of end-beneficiaries[3]	3,285,589	3,241,850
	4	% of rural end-beneficiaries	51%	47%
SDG 2: Zero Hunger	5	% of investees having more than 20% of loan portfolio in agriculture	47%	39%
	6	Total $ in agriculture financing by investees	1,784m	1,676m

[3] Ine the context of this disclosure, "end-beneficiaries" refers to the fund's portfolio companies' borrowers.

SDG 5: Gender Equality	7	% of women end-beneficiaries	64%	63%
	8	% of women staff employed by investees	40%	53%
SDG 8: Decent Work & Economic Growth	9	% of investees having more than 50% of loan portfolio in productive activities	88%	94%
	10	% of investees following best practices on labour rights (SPI-ALINUS dimension on staff treatment >60%)	100%	100%
SDG 10: Reduced inequalities	11	% of investees who have an anti-discrimination policy	100%	100%
	12	% of investees offering remittance services	47%	54%
SDG 12: Responsible consumption and production	13	% of FI investees who offer dedicated green loans	62%	58%

The Fund did not establish targets on the above sustainable indicators. The Fund prefers to remain flexible to adapt to changing circumstances, market conditions, or evolving understanding of what constitutes meaningful impact.

…and compared to previous periods?

As shown in Table 1 above, the Fund continued to exhibit strong impact performance in the reference period through its sustainable investments. 88% of portfolio companies continue to target vulnerable and excluded populations, and although the share slightly decreased (reflecting the entry of new investees with higher average loan sizes rather than a shift in mission), the portfolio still reaches a large majority of underserved clients. The number of end-borrowers continued to grow reaching 3.3m, and the proportion of rural end-borrowers increased further to 51%, highlighting deepened outreach. In addition, both the share of agriculture-focused portfolio companies and total agricultural financing expanded.

Women end-beneficiaries rose slightly from 63% to 64%, while the share of women staff decreased from 53% to 40% due to new portfolio companies with lower female representation. Labour-rights practices remained consistently strong. The small decline in productive-portfolio to 88% was driven by updated data from two portfolio companies, but this ratio remains strong. Green lending continued to gain traction as reflected in the increase to 62% of portfolio companies offering dedicated green products.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

In pursuing its sustainable investment objective, the Fund placed a priority on the effective management of potential sustainability harm associated with its investments, with the principle of "do no significant harm" ("DNSH") to any area of environmental or social concern" as a minimum requirement. Towards that end, the Fund implemented and maintained a specific investment process, investees selection criteria, exclusion list, and tools to conduct robust sustainability risk and impact assessment of each potential investment, including a check on principal adverse impacts.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund applied the Principal Adverse Impact indicators (PAIs), as outlined in the Sustainable Finance Disclosure Regulation (SFDR), as an integral component of its DNSH test on investee companies. The most recent available reporting exercise was carried out in early 2025 for the reference period of 1 January 2024 to 31 December 2024, with the disclosure avaialble on the Fund's offical website.[4] The PAI assessment unequivocally affirmed that the Fund's investments yield minimal to negligible adverse impacts on the environment, workforce and the broader community.

The protocol for incorporating PAIs in the decision-making process for sustainable investments is outlined as follows:

- **Pre-investment**: The collection and assessment of PAI indicators occur during the origination phase, pre-due diligence desk review, and on-site due diligence. Data is sourced from various channels, including direct input from the investee company, internal assessment tools, and independent data sources. In instances where data is limited or fails to meet quality standards, proxies are utilized, such as for greenhouse gas emissions. If a PAI indicator is deemed material according to internal guidelines, further assessment are carried out to understand the investee company's capacity to manage such risks and impacts and evaluate the adequacy of existing mitigants.
- **Risk review**: If the DNSH test identifies material risks in accordance with internal limits, the investment proposal is escalated to the Risk & ESG department for a comprehensive risk review. The review aims to determine the acceptability of mitigants and assess whether the investment proposal merits presentation to the Investment Committee.
- **Investment**: In cases where a deal presented to the Investment Committee is flagged for having material risks to the sustainable objectives of the Fund associated with specific PAI indicators, Committee members conduct a thorough review and consideration of the identified risks in their decision-making process.

Due to the recent implementation of regulations on PAI and ongoing industry efforts to address data challenges, the process of incorporating PAI indicators into the Fund's investment procedures as summarized above is continuously evolving. Nevertheless, several of the mandatory PAI indicators are already embedded in the Fund's environmental and social risk assessment tools and directly taken into account when making an investment decision. Specifically, the PAI indicators on exposure to the fossil fuel sector, alignment with the UNGC principles or OECD Guidelines for Multinational Enterprises, gender equality and diversity are thoroughly assessed at the due diligence stage.

For more details on the sustainability risk assessment process, please refer to the section on "*How did this financial product consider principal adverse impacts on sustainability factors?*".

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund's sustainable investments were aligned with the Minimum Safeguards as definedby the Taxonomy Regulation[5] Articles 3 and 18, which include the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Buisness and Human rights. The InvestmentManager implemented a strict screening and investment process to ensure that all partners implement responsible practices, avoid significant harm, and at minimum, abide with local regulations.

During the due diligence, all investments were screened on the basis of social and environmental risk analysis in addition to financial risk analysis using the industry recognized tool ALINUS 3.0 developed by SPTF-CERISE[6] for investments in financial institutions. Investments with ESG scores below 55% and with ESG-related risks that could not be mitigated to a satisfactory extent were excluded from the potential investees' universe.

[4] https://incofin.com/wp-content/uploads/2025/10/2025-PAI-Disclosure-AIFM_Approved-by-MB_new-logo.pdf

[5] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0852&from=EN

[6] https://en.spi-online.org/files/ressources/SPI%20Online%20audit%20tools/factsheet-2-ALINUS.pdf

This ESG rating tool is broadly aligned with international standards such as the UN Guidelines for Business and Human Rights, the ILO Labour conventions, UN Global Compact Principles and OECD Guidelines for Multinational Enterprises, and addressed the following aspects: employment and labour conditions, human rights, environment, information disclosure, combating bribery, customer protection and taxation.

As reported in the Fund's last PAI quantitative disclosure based on self-reported data, 0% of the investee companies were involved in any material violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (PAI Indicator 10). Additionally, 0% of the investee companies lacked processes and mechanisms to monitor compliance with these international standards.

Precisely, none of the Fund's investees reported having been subject to sanctions (e.g. fines, administrative or judicial sanctions), convictions, or non-monetary punishment related to the following topics: i) business practices against the Usury Law or the Consumer Protection Law; ii) non-compliance with National Labor Law; iii) funding environmentally damaging activities; iv) tax evasion or avoidance; v) non-compliance with national Anti Money Laundering Law. This definition is consistent with the approach shared in the Final Report on Minimum Safeguards.

Also, we mapped the ALINUS 3.0 tool with the UNGC principles and OECD Guidelines, and selected 40 indicators related to client protection practices (prevention of over-indebtedness, transparency, fair and respectful treatment, data privacy, etc.), responsible treatment of employees (written HR policy protecting employees' rights and addressing non-discrimination, transparent and fair salary scale, prevention of health and safety risks, formal job documentation, etc.), and a review of these issues by the Management and the Board. We found that all of the Fund's investees were assessed as having sufficient processes and compliance mechanisms in place (all scored above 60%).

How did this financial product consider principal adverse impacts on sustainability factors?

Please see information under question "*How were the indicators for adverse impacts on sustainability factors taken into account?*" above.

The Fund systematically addressed principal adverse impacts on sustainbility factors by incorporating environmental, social and governance criteria throughout its investment process, aiming to evaluate the potential impact of investments on sustainability. The investment strategies employed to prevent signficant harm are outlined as follows:

- **ESG integration**: ESG considerations are seamlessly woven into the investment process, spanning form origination to the post-investment stage. Proprietary ESG risk scoring tools, derived from industry-recognized standards, are employed to conduct systematic assessments.
- **Norms-based screening**: All investments undergo screening against established minimum standards of business practices, aligning with international norms issued by entities such as the UN, ILO, OECD, IFC, and NGOs. These standards are intricately integrated into the risk questionnaire and assessment tools.
- **Exclusionary screening**: Investments are rigorously screened against exclusion criteria rooted in norms and values associated with product categories (e.g., weapons, tobacco), company practices (e.g., child labor), or controversies (e.g., AML-KYC). The Fund's E&S exclusion list consolidates criteria from the i) Harmonized European Development Finance Institution (EDFI) Exclusion List, ii) Harmonised EDFI Fossil Fuel Exclusion List, and iii) International Finance Corporation (IFC) Microfinance Exclusion List.

- **Positive screening/best-in-class**: Financing eligibility is restricted to companies meeting predetermined internal ESG rating thresholds and the Fund's social objectives, ensuring that only entities meeting high ESG standards are included in the Fund.

The Sustainability Risk Policy of the Investment Manager (the "Sustainability Risk Policy") describes the process and tools used to identify, assess, control and monitor sustainability factors that could have a materially negative impact on the value of the investments and/or its sustainability objectives. This Policy is reviewed and approved periodically. The latest version was approved in September 2024.

As outlined in the Sustainability Risk Policy , the Investment Manager considered the sustainability risks of its investments from a double materiality perspective[7] using a 4-step risk management approach:

1. **Identify** - Principal adverse impacts were largely filtered out before an investment was even made through the eligibility criteria, which applied both a positive and negative screening;
2. **Assess** - The materiality of potential sustainability risks were evaluated with ESG rating tools that took into account the probability of occurrence and severity of adverse impact, including their potentially irremediable character. A rigorous due diligence of the company, including onsite verification, was carried out to determine if an adequate ESG management system is in place. The findings during the due diligence could lead to modification of the terms of the transaction. Where ESG-related risks of adverse impacts could not be mitigated to a satisfactory extent, the investment did not proceed.
3. **Control** - Potential sustainability risks were controlled by avoiding or limiting them through various methods including ESG clauses in loan agreements, technical assistance to portfolio companies, requirement for an E&S action plan; and
4. **Monitor and report** - All portfolio companies have been reviewed this year. Indicators were set to track the performance of the portfolio company over the investment period and reported to stakeholders.

Overall, the Investment Manager used an iterative process for the early recognition of sustainability risks and principal adverse impacts, which continued throughout the investment period. Good quality information was the starting point for identifying sustainability risks. The Investment Manager had a specialized team of investment professionals trained to collect relevant information and assess risks with an impact lenses. The main sources of information included:

- Interviews with relevant stakeholders (i.e., Company's senior management and board, industry experts, regulators, end borrowers, etc.);
- Review of external and internal audit reports;
- Historic data analysis;
- Benchmarking against peer group;
- Market and sector information.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is 1 Jan 2025 to 31 Dec 2025

What were the top investments of this financial product?

During the reference period, the largest 15 investments constituted 57% of the Fund's loan investments[8].

Largest investments	Sector	% investments	Country
Banco FIE	Financial and insurance activities	12.7%	Bolivia

[7] Double materiality perspective is referring to the external ESG risks that can negatively impact a portfolio company as well as the internal ESG risks created by the portfolio company through its operations.

[8] The proportion of top investments was calculated on a monthly average.

Banco Ecofuturo	Financial and insurance activities	3.9%	Bolivia
Hamkor Bank	Financial and insurance activities	3.8%	Uzbekistan
Lovcen Banka	Financial and insurance activities	3.6%	Montenegro
XacBank	Financial and insurance activities	3.6%	Mongolia
One Puhunan	Financial and insurance activities	3.4%	The Philippines
JSCIB Ipak Yuli	Financial and insurance activities	3.2%	Uzbekistan
Mufin Green Finance Ltd	Financial and insurance activities	3.1%	India
SAVE Solutions	Financial and insurance activities	3.0%	India
EVN Finance	Financial and insurance activities	3.0%	Vietnam
Bayport Colombia	Financial and insurance activities	2.9%	Colombia
Cooperativa de Ahorro y Credito Pacifico	Financial and insurance activities	2.8%	Peru
Humo	Financial and insurance activities	2.8%	Tajikistan
Juhudi Kilimo	Financial and insurance activities	2.7%	Kenya
Bank Respublika OJSC	Financial and insurance activities	2.6%	Azerbaijan

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

The Fund invested 96% of its assets[9] in sustainable investments, as defined under the SFDR.

What was the asset allocation?

100% of the sustainable investments of the Fund had social objectives and 0% targeted environmental objectives.

The Fund invested 4% of its assets for liquidity management and/or hedging purposes, considered as “not sustainable” investment by the regulation.

#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

[9] Based on net asset value using a snapshot approach at end of year.

Compared to the previous period, the proportion of sustainability-related investments is slightly lower due to a lower disbursement ratio.

In which economic sectors were the investments made?

During the reference period, the Fund invested in the financial inclusion sector by supporting Financial Intermediaries focusing on micro-entrepreneurs and SMEs (100% of the Fund's portfolio).
Financial Intermediaries dedicated on average 14% of their portfolio in agriculture, 11% in manufacturing, 20% in wholesale and retail trade and 20% in consumption.

The Fund does not directly invest in companies active in the fossil fuel sector. The primary activities of our portfolio companies are not in the exploration, mining, extraction, production, processing, storage, refining or distribution in the fossil fuel sector.

Indirectly, 4 investees have exposure to the fossil fuel sector in their underlying portfolio, but it remained marginal, representing on average 10% of their gross loan portfolio. The Fund's exposure to the fossil fuel sector was therefore negligible, standing at only 0.03% of the Fund's total investments.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable, as the proportion of taxonomy-aligned investments was 0%. Further, the Fund did not invest in any debt instruments to central governments, central banks or supranational issuers ("sovereign exposure"). The compliance of the Fund's investments with the EU Taxonomy was not subject to an assurance by auditors or a a review by third parties.

Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[10]?

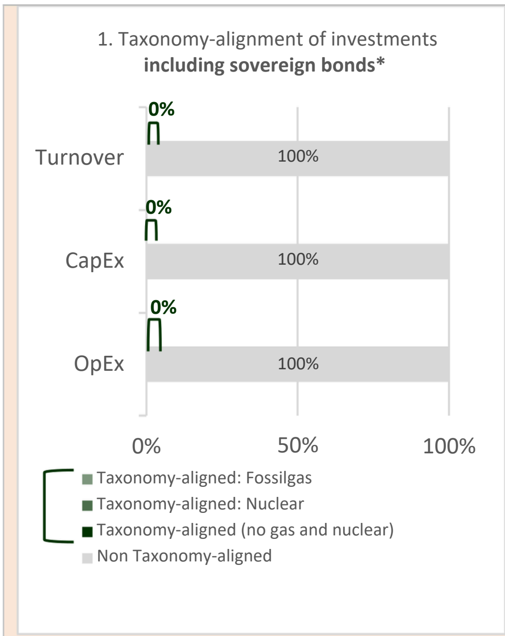
☐ Yes

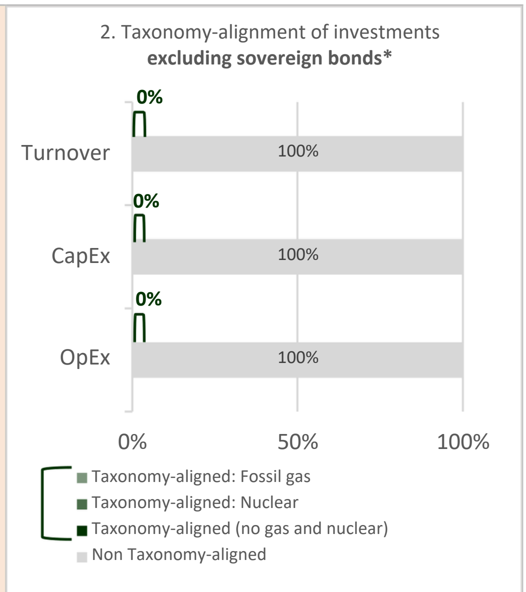
☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

[10] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





This graph represents 100% of the total investments.

For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

Not applicable.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Not applicable.

What was the share of socially sustainable investments?

100% of the sustainable investments of the Fund had a social objective.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Non-sustainable investments of the Fund included liquidity management tools (e.g. maintenance of cash on the accounts of the Fund) or hedging arrangements (to hedge the currency risk of investments in investee companies that are made in other currencies than in USD).
Therefore, minimum environmental or social safeguards were not applicable.

What actions have been taken to attain the sustainable investment objective during the reference period?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

During thereference period, the Fund diligently executed and upheld a specific investment process, adhered tostrict investees' selection criteria, maintained an exclusion list and conducted a comprehensive sustainability risk and impact assessment for each investment case, as explained in preceding sections.

Moreover, a series of strategic initiatives were undertaken to fortify the robustness of the Fund's environmental and social management system, ensuring the achievement of its sustainable investment objective. The key enhancements during this period are outlined below:

1. The Investment Manager formalised ESG Incident Management Procedures to identify, report, and assess ESG incidents, implement corrective and preventive measures, ensure compliance with best practices and enhance transparency and accountability in ESG performance.
2. The Investment Manager updated its Risk Management Policy and ESG Policy for Financial Institutions to address FSMA feedback, finetune the exclusion list and add procedures for managing the exclusion list.
3. The Investment Manager continued to actively participate in industry-level working groups with the aim of standardizing and streamlining the collection and disclosure of Principal Adverse Impact indicators in accordance with the SFDR regulation. Concurrently, efforts were directed towards addressing data limitations on certain indicators.

How did this financial product perform compared to the reference sustainable benchmark?

The Fund did not implement any international or EU index as reference benchmark.

How did the reference benchmark differ from a broad market index?

Not applicable.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

Not applicable.

How did this financial product perform compared with the reference benchmark?

Not applicable.

How did this financial product perform compared with the broad market index?

Not applicable.

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