



MAJ INVEST FINANCIAL INCLUSION FUND III K/S

Annual report 2024

Arbejdsdokumentation: WIFY-OBUCR-ZKUP-17271-4465-09/25

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STATEMENTS

STATEMENT BY MANAGEMENT

The Executive Board has today discussed and approved the annual report for Maj Invest Financial Inclusion Fund III K/S for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the limited partnership's assets, liabilities and financial position at 31 December 2024 and of the results of the limited partnership's operations for the financial year 1 January – 31 December 2024.

We believe that the Management commentary and the supplementary report in accordance with the Sustainable Financial Disclosure Regulation (EU) include a fair review of the affairs and conditions referred to therein.

We recommend the annual report 2024 for adoption at the annual general meeting.

Copenhagen, 11 June 2025

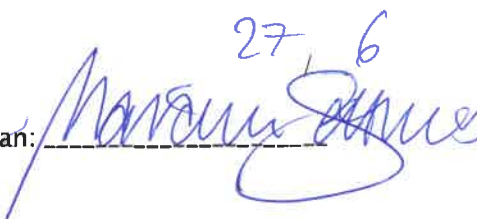
General partner:
MIFIF III GP ApS

Executive Board:

Bjarne Thorup

Karina Isabel Alva Alfaro

The annual report is presented and adopted at the annual general meeting.

on ^{27 6} 2025
Chairman: 

STATEMENTS

Independent auditors' report

To the limited partners in Maj Invest Financial Inclusion Fund III K/S

Opinion

We have audited the financial statements of Maj Invest Financial Inclusion Fund III K/S for the financial year 1 January – 31 December 2024, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2024 and of the results of the Limited Partnership's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Limited Partnership in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Limited Partnership's ability to continue as a going concern, disclosing, as applicable, matters related

STATEMENTS

Independent auditors' report

to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Limited Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a

STATEMENTS

Independent auditors' report

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review and other information in accordance with SFDR
Management is responsible for the Management's review, and other information in accordance with SFDR, hereafter referred to "other information".

Our opinion on the financial statements does not cover the Management's review or other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review as well as other information and, in doing so, consider whether the Management's review and other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review and other information is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review or other information.

Copenhagen, 11 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard, mne28632
State Authorised Public Accountant

Rasmus Berntsen, mne35461
State Authorised Public Accountant

MANAGEMENT COMMENTARY

Fund information

The limited partnership	Maj Invest Financial Inclusion Fund III K/S Gammeltorv 18 DK-1457 Copenhagen K Denmark
Contact information	E-mail: kontakt@majinvest.com Website: majinvest.com
CVR no.	39 40 18 27
Financial year	1 January – 31 December
Registered office	Copenhagen
General partner	MIFIF III GP ApS
Executive Board in MIFIF III GP	Bjarne Thorup Karina Isabel Alva Alfaro
Manager	Maj Invest Equity A/S
Depository	Apex (Denmark) ApS
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 DK-2000 Frederiksberg Denmark

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 USD	2024	2023	2022	2021	2020
Key figures					
Profit/loss					
Income from investments in portfolio companies	75	4.833	11.383	(83)	(69)
Operating profit/loss	(3.736)	652	7.186	(5.022)	(2.965)
Result for the year	(4.365)	642	6.417	(5.040)	(3.142)
Balance sheet					
Investments in participating interests	124.345	107.118	91.535	21.706	17.745
Total assets	125.464	109.093	93.490	22.482	18.654
Equity	125.418	109.022	93.466	17.026	18.529
Financial resources					
Cash	54	32	71	-	3
Remaining commitment	54.563	87.968	92.194	151.163	103.220
Total financial resources	54.617	88.000	92.265	151.163	103.223
Ratios					
Equity ratio	100%	100%	100%	76%	99%
Paid-in capital to committed capital (%)	70%	52%	50%	14%	18%

*Equity ratio = Equity/total assets * 100*

*Paid-in capital to committed capital (%) = Paid-in capital/total commitment * 100*

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 USD

In accordance with the Danish Financial Statement Act, all investments in associates are measured at fair value and positive unrealised value adjustments are made directly in the equity. Other investments are measured at fair value and unrealised value adjustments are recognised in the income statement.

In case, all unrealised fair value adjustments were recognised in the income statements the key figures for profit/loss would have been as the following:

	2024	2023	2022	2021	2020
Income from investments in portfolio companies	(12.571)	15.521	15.757	(83)	(69)
Operating profit/loss	(16.382)	11.340	11.560	(5.022)	(2.965)
Result for the year	(17.010)	11.331	10.791	(5.040)	(3.142)

MANAGEMENT COMMENTARY

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Maj Invest Financial Inclusion Fund III K/S

The sector-focused closed-end private equity fund Maj Invest Financial Inclusion Fund III K/S (Maj Invest Financial Inclusion Fund III) is a limited partnership and started its activity on 20 December 2019, where the limited partnership had first closing with investors. The investors have entered into a limited partnership agreement (LPA).

The mandate is to invest in financial institutions, financial service providers servicing client groups below the middle class in Latin America, Asia and Africa. The financial services include, but are not limited to, services and products in respect of credit, deposits, lending, payment services, money transfer, insurance, pension, housing and mortgage financing.

The limited partnership is mainly owned by a number of Danish investors and has a total commitment of USD 183.5 million as per 31 December 2024. The investment period ended in December 2024 and consequently, no investments will be made in new portfolio companies, but follow-on investments in existing investments can be made. The Fund has invested in seven portfolio company since inception.

Investment policy and strategy In Maj Invest Financial Inclusion Fund III

Maj Invest Financial Inclusion Fund III has invested with equity in private financial institutions in the growth stage in the well-established top segment of the sector. The portfolio companies had a profitable track record, a high operational efficiency and effective distribution system and strong funding base. Maj Invest Financial Inclusion Fund III had selected high-quality proprietary deals in niche markets with significant growth – deals that are otherwise difficult to gain access to. Maj Invest Financial Inclusion Fund III has a broad geographic mandate that provides the opportunity to select the most attractive investments in the market and, at the same time mitigate risks via diversification. The strategy has low correlation with the global equity markets. The Fund will create value by providing growth equity, improving strategy formulation, financial management, corporate governance and providing best practice in the financial inclusion sector. The strategy is perceived to be less volatile compared to average emerging markets volatility of listed equities.

Maj Invest Financial Inclusion Fund III has minority positions in unlisted companies.

Maj Invest Financial Inclusion Fund III K/S promotes social characteristics and support the Sustainable Development Goals (SDGs). The Fund has invested in financial institutions with a strong social mission which may advance the clients' livelihood by providing access to formal and fair financial services as an alternative to the traditional black market.

Sustainability policy

As part of the Maj Invest group, Maj Invest Equity has been a signatory to the UN-backed Principles for Responsible Investment (PRI) since 2010, demonstrating its commitment to responsible investing.

MANAGEMENT COMMENTARY

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Maj Invest Financial Inclusion Fund III focuses on long-term value creation and is committed to promoting social characteristics by investing in financial institutions and providers that leverage technology to deliver accessible and affordable financial services to underserved populations, as well as micro and small businesses in emerging markets.

Investing in financial institutions with a strong social mission helps improve clients' economic development and livelihood by providing access to formal and fair financial services. Financial inclusion is also essential for enabling access to basic needs such as education, skill training, healthcare, clean water, and sanitation facilities.

As a part of the investment process, an ESG assessment of potential portfolio companies is conducted. This assessment includes the integration of investor guidelines for responsible investment as well as an exclusion list. The fund's Sustainability Policy considers the provisions laid down in international ESG standards. These include the Client Protection Principles, the Universal Standards for Social Performance Management of the Social Performance Task Force, the Principles for Investors in Inclusive Finance as well as IFC's Exclusion List. Through implementation of its Sustainability Policy, the fund aims to generate both sound financial return and positive social impact for its investors.

The fund is classified as article 8 under the Sustainable Financial Disclosure Regulation (EU) 2019/2088. This annual report includes a supplementary report in accordance with SFDR (EU), to which we refer for further information.

Maj Invest Financial Inclusion Fund III organisation

As end of 2024, the advisory team consist of the Managing Partner for Maj Invest Equity A/S (Maj Invest Equity), the executive board of Maj Invest Equity, two partners, an executive advisor, one investment director, one investment manager, one senior sustainability manager, three associates, one analyst as well as three back-office staff involved in finance, legal matters and administrative duties.

Ownership

Maj Invest Financial Inclusion Fund III is owned by a number of professional and institutional investors holding a stake of 97.5%. The remaining stake is owned by Maj Invest Holding A/S (Maj Invest Holding), Maj Invest Equity and Maj Invest Equity Management and staff involved in investments as well who have all invested as special limited partners in Maj Invest Financial Inclusion Fund III. Any profits earned by such special limited partners are subject to tax under current Danish and local tax rules. The special limited partners do not pay management fees and partnership formation costs to the Fund.

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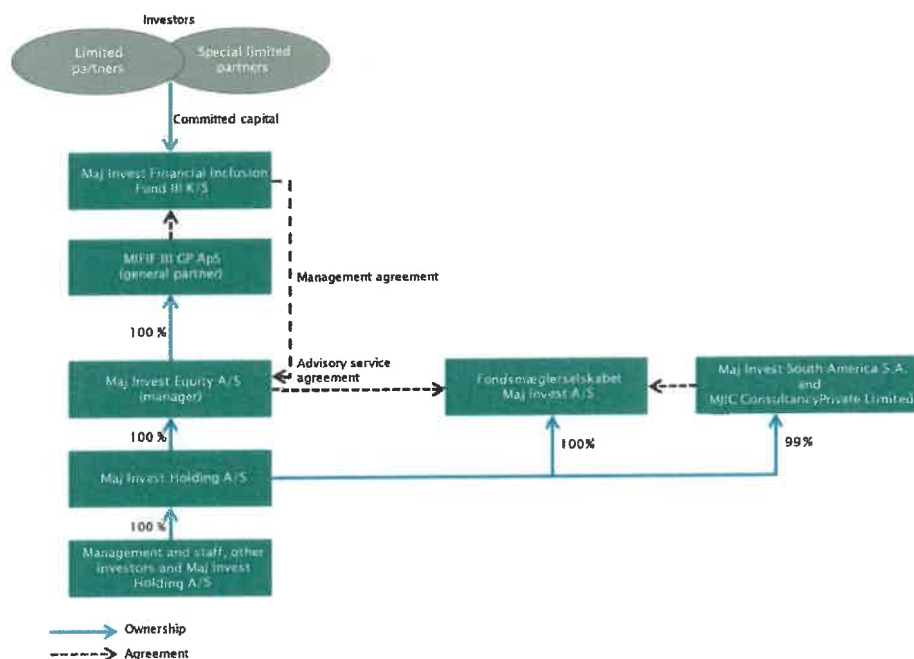
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Investors per 31 December 2024	Commitment USDm	in percent
Danish Pension funds	45.86	25.0%
Other Danish investors	124.45	67.8%
Other investors – foreign	8.68	4.7%
Maj Invest Holding, Maj Invest Equity, Management and staff in Maj Invest Financial Inclusion	4.49	2.5%
	183.48	100.0%

Legal structure

Maj Invest Financial Inclusion Fund III is a Danish limited partnership with a Danish private limited company as general partner. The general partner MIFIF III GP ApS is managed by an external director and an investment manager in Maj Invest Financial Inclusion. The General Partner is a subsidiary of the Manager Maj Invest Equity which is owned by Maj Invest Holding.

Legal structure of Maj Invest Financial Inclusion Fund III



The general partner is responsible for management and also signs for the Fund. Under a management agreement, the Manager handles all investment-related and administrative

MANAGEMENT COMMENTARY

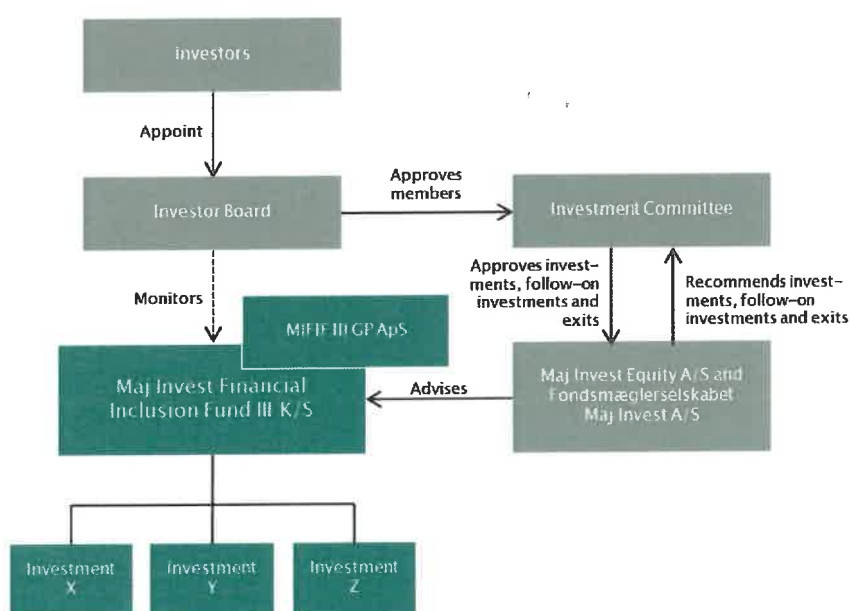
BUSINESS REVIEW

tasks for Maj Invest Financial Inclusion Fund III. Consequently, the Fund has no staff employed. The Manager has made an advisory service agreement with Maj Invest in respect of some of the investment-related tasks.

Decision structure

The investors in Maj Invest Financial Inclusion Fund III have set up an Investor Board with representatives appointed by the investors. The Investor Board is the investors representative body which evaluates the overall developments in the Fund. The Investor Board approves the Investment Committee and various other specific decision points.

Decision structure in Maj Invest Financial Inclusion Fund III



The general partner has established an Investment Committee. The investment Committee is responsible for reviewing and considering all investments, follow-on investments or divestment proposals prepared and submitted by the Investment Advisor and based on such review to make recommendations to the general partner. No investments or realisation can be made without the prior approval of the Investment Committee. As of 31 December 2024, the Investment Committee consist of eight members – four external members, with business experience, the Managing Partner of Maj Invest Equity, an executive advisor and two partners. All members of the Investment Committee shall be and are approved by the Investor Board.

Investment committee members do not participate in the particular companies and never invest in the portfolio companies in a discretionary manner.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

License as manager with the Danish FSA

The Manager has received a license as manager (in Danish: forvalter) with the Danish FSA (in Danish: Finanstilsynet) and the Manager is under financial regulation and the Danish FSA supervision. Maj Invest Financial Inclusion Fund III has appointed a depositary in accordance with the provisions in FAIF. Remuneration for the financial year paid to management and staff in Maj Invest Equity is disclosed in the annual report of Maj Invest Equity. Information is given at Manager level. The annual report of Maj Invest Equity is available on the website majinvest.com.

Carried interest

Maj Invest Financial Inclusion Fund III has been established with a management fee structure which is normal in relation to the private equity market. This means that the Manager receives a fixed management fee as well as a share of carried interest depending on the investors' returns on their investments.

No carried interest has been allocated or paid as of 31 December 2024.

Reporting

One of the things governed by the LPA is the aspect of reporting on fund activities, its development and financial position in relation to investors. The Fund is obliged to report to its investors on a current basis:

- Quarterly reports on the financial situation, the development in individual investments and investment returns.
- Memoranda on investments and follow-on investments.
- Memoranda on exits.
- Annual reports.
- Investor meetings.
- Annual Sustainability Reports.
- Replies to current investor queries.

The quarterly reports to investors are prepared in compliance with Invest Europe Investor Reporting Guidelines. Investments are valued at their fair values, and in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

In addition to the reports specified in the LPA a Financial Inclusion Newsletter is sent to the investors.

Market development

The Financial Inclusion (FI) sector caters to low-income individuals and small-medium businesses with locally oriented products and services. Despite global events like wars, inflation, and geopolitical tensions, FI remains resilient and drives technology adoption to improve client outreach, lending, and financial inclusion.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Inflation seems to have moved closer to the target for central banks. This course of action has resulted in current policy rates of 4.5% in the United States and 3.0% in the Eurozone. However, Mr. Trump is set to implement policies that prioritize trade protectionism which might lead to higher inflation. The prospects for emerging markets will also worsen in a more protectionist global environment where major economies impose retaliatory measures such as tariffs and restrictions on each other¹. The increased finance cost has been partially passed on to customers due to technological efficiency. The average interest rates of Maj Invest Financial Inclusion Fund (MIFIF) portfolio companies² have marginally increased 2.9% pt. from 20.6% to 23.5% (FY 2021/22 to FY 2023/24) during the interest rate hikes. The new restrictive levels of interest rate have made capital more expensive. The portfolio companies have faced a negative impact on valuations due to these higher levels of interest rates.

In the long run, India is expected to be the fastest-growing emerging economy in 2025–29 with a real GDP growth at around 6.0% p.a. Trump's global tariff threats may boost FDI flows to India over China in 2025–29, while India will attract FI interest, but investment will remain limited due to its business challenges. India's FI institutions within microfinance institutions, banks, small finance banks, and non-bank financial companies aggregate gross loan portfolio (GLP) grew by 7.5% YoY to USD 48.7bn as of September 2024. MIFIFs aggregate GLP in India grew 25.9% in the same period. MIFIF's portfolio companies have been able to maintain strong portfolio growth and quality relative to the market. MIFIF's average microfinance Portfolio at Risk over 30 days is 5.7% which is below the market's 6.2% as of September 2024³.

In the short run, the Indian microfinance sector has seen a rise in delinquencies due to several factors: 1) lending to over-leveraged borrowers, 2) debt-waiver campaigns, 3) continued high attrition of field-staff, 4) ground-level operational challenges given elections and intense heat wave⁴. Consequently, on 17 October 2024, the Reserve Bank of India (RBI) imposed temporary restrictions on few Non-Bank Financing Companies including couple of microfinance institutions (MFIs), instructing to cease the sanctioning and disbursal of new loans, effective from 21 October 2024. The RBI's order was related to concerns arising from non-adherence to regulatory guidelines on pricing of loans and "evergreening" practices, issuing new loans to customers before they fully repay their existing loans, potentially masking delinquencies. RBI lifted supervisory restrictions on all such MFIs on 3rd January 2025⁵. While the sector has navigated these happenings, it remains susceptible to issues, including local elections, natural calamities, and borrower protests, which may increase delinquencies for a while⁶.

The Microfinance Institutions Network, an Indian industry association has introduced regulations aimed at enhancing credit discipline and limiting the number of lenders per borrower to three, reduced from the previous cap of four. This measure is designed to mitigate borrower

¹ EIU – World Report January 2025

² The average interest rates of portfolio companies across all three Maj Invest Financial Inclusion funds

³ Micrometer Report– September 2024

⁴ CRISIL Ratings- For MFIs, asset quality hiccups to lift credit cost, curb profitability September 2024

⁵ CNBC - RBI lifts supervisory restrictions on Asirvad Micro Finance and DMI Finance January 2025

⁶ Business Standard India - Why have microfinance stocks hit 52-week lows today? October 2024

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over-indebtedness and improve asset quality within the microfinance sector⁷. Also, the RBI has imposed stricter regulations as a response to the high level of distress in the unsecured lending space. Some digital lenders are transitioning to secured loans, such as micro loans against property and small business loans. This shift involves enhanced physical verification and collateral checks, prompting some lenders to adopt 'feet-on-the-street' strategies and explore physical branch models⁸.

FI's positive effects in the over 1.4 billion financially excluded people will continue in the foreseeable future. Technology adoption and developments will improve outreach and user experience, resulting in a smoother and cost-effective lending process.

Investment in 2024:

In 2024, Maj Invest Financial Inclusion Fund III completed two new investments in financial institutions. PT Amarta Nusantara Raya, which was acquired on 23 February 2024, is a microfinance lending company that connects lenders with rural, underserved women borrowers. The Fund acquired 1.6% of the portfolio company. Namdev Finvest, which was acquired on 27 March 2024, an Indian Non-Bank Finance company, providing secured loans to underserved micro & small businesses in rural areas. The company loan offering makes it mandatory to have a women applicant for 100% of its loans. The Fund acquired 16.1% in the portfolio company. Further the Fund made a minor follow-on investment in SAVE Solutions in March 2024 and a follow-on investment in FlexiLoans in September 2024.

More information on the investments is available below.

Result for the year

The result for 2024 is of USD -4.4 million (result in 2023: USD 0.6 million). The negative result is due to administrative costs and interest. For associates, negative value adjustments have been offset against the positive value adjustments from previous years in equity and amount to USD 12.6 million. The provision in equity is in accordance with current accounting policies.

Development in the portfolio companies in 2024

Save Solutions Private Limited

Save Solutions Private Limited (Save) is an Indian business correspondent (BC) company with a fully owned Non-Banking Financial Company (NBFC) and Non-Banking Financial Company - Microfinance institution (NBFC-MFI). Save was established in 2009 and has since 2010 been using an extensive network of customer service points (CSPs) to allow banks to reach out to clients in deep rural and semi-urban areas in a cost-efficient manner. Since inception, Save has evolved into one of the top 3 largest Indian BCs in terms of transaction volume. The company uses innovative proprietary fintech tools to manage the business. Save started operations in its regional Housing Finance Company (HFC) in December 2022 and acquired

⁷ Business Standard - MFIN to further tighten norms for micro-loans from January 2025

⁸ Economic times India - As RBI frowns, fintech pivot to secured loans December 2024

MANAGEMENT COMMENTARY

BUSINESS REVIEW

another small microfinance company to achieve inorganic growth which has led to a significant jump in the overall AUM along with expansion of geographic presence and diversification of products offered to its clients. Save currently has 13,292 CSPs and caters to 18m+ clients.

In March 2024, Maj Invest Financial Inclusion Fund III invested as a second follow-on investment in the company along with existing investor Incofin. Maj Invest Financial Inclusion Fund III has a seat in the Board of SAVE. For further information about the company please refer to the portfolio company's homepage saveind.in and savebc.com.

Berar Finance Ltd.

Berar is a Non-Bank Finance Companies (NBFC) in India founded in 1990 and specializing in 2-wheeler (2W) financing. Berar currently has 131 branches and serves over 285k+ small businesses across central and western India. Apart from 2W loans (95% of AUM), Berar's product offering includes used commercial vehicle loan and 2W refinance loans (3%) and small business loans (2%). The company has an inbuilt social mission to cater to the underserved customer segment in credit underpenetrated geographies by providing them access to mobility.

For further information about the company please refer to the portfolio company's homepage berarfinance.com.

Finova Capital Pvt. Ltd.

Finova was founded in 2016 with operations in Northern and Center part of India. It is a regulated financial institution lending to small enterprises (MSMEs) engaged in income generating activities. Finova offers fully secured loans against land and property with an average ticket size of USD 4,010 and an average interest rate of 24.1%. The typical client is an enterprise with an annual turnover of USD 10,000–100,000, employing 4–12 people, and with limited access to formal credit.

In October 2024, Finova raised equity of USD 134m from reputed investors, which will further boost growth for the company. Maj Invest Financial Inclusion Fund III did not participate in this funding round.

For further information about the company please refer to the portfolio company's homepage finova.in.

Epimoney Pvt. Ltd. (FlexiLoans)

FlexiLoans was founded in 2016 and it is a Non-Bank Finance Company (NBFC) that offers fully digital unsecured loans to the underserved MSMEs across India. MSME clients are anchored by various digital ecosystems including online marketplaces (such as amazon.in) and other Indian digital platforms. FlexiLoans integrates with such ecosystems to generate leads on MSME borrowers and also to underwrite their cashflow/big data on a real time basis to offer credit-related products. FlexiLoans operates fully digitally. Client acquisition, credit

MANAGEMENT COMMENTARY

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analysis, disbursements and collections are done completely online (no physical branches). The company has an AUM of USD 225m and a client base of 69k+ customers.

In September 2024, FlexiLoans raised USD 35m in equity from reputed investors like Nuveen, Accion and Fundamentum in the first tranche of the ongoing round. Maj Invest Financial Inclusion Fund III also infused in this tranche as a follow-on investment.

GTV Globokasnet LLC (Globokas)

Globokas Peru S.A (GKN), founded in 2017, is the largest multi-bank correspondent agent network in Peru with a network of +15,000 independent micro-small mom-and-pop corner stores, called agents.

GKN fosters financial inclusion by connecting financial institutions and service providers with agents by providing them with a point-of-sale (POS) device so that they can offer basic financial services to their communities. Clients can deposit and/or withdraw funds, pay utility bills, buy cell phone airtime, among other basic transactions using GKN's agent network.

The company has faced macroeconomic challenges during the year. A CEO change took place at the end of 2023 and the new management is taking action to bounce back to growth and expand operations through more partnerships that enhance transactional volume.

The partial acquisition of local acquiring service provider Alignet will accelerate GKN local presence by offering more financial products and services. Maj Invest Financial Inclusion Fund III has two Board seats. For further information about the company please refer to the portfolio company's homepage globokas.net.

PT. Amarta Nusantara Raya (Amarta)

In February 2024, the Fund acquire a minority stake in the company and in connection with the investment it was agreed that the Fund participated with an observer seat in the Board. Maj Invest Financial Inclusion Fund III co-invested with like-minded investor Accion and existing shareholders Women's World Banking for a total round size of USD 25m.

Amarta was founded in 2010 and is a pioneer of digital peer-to-peer (P2P) microfinance lending in Indonesia that connects lenders with rural, underserved women borrowers.

Amarta uses P2P platform (licensed and supervised by Indonesian regulator, OJK) to finance micro borrowers via group lending model. They also have an Offline-to-Online model wherein physical locations or 'Points' are operated by their field officers who interact with borrowers to form joint liability groups, carry out disbursements/repayments and also to educate them on financial literacy/skill development.

Amarta has 1,242 branches and delivers financial solutions to a customer base of 1 m+ clients. In November 2024, Amarta acquired a leasing company with a multifinance license

MANAGEMENT COMMENTARY

BUSINESS REVIEW

which will help Amarthia expand its market presence and lend with increased benefits such as faster loan disbursement and more diversified loan products.

Namdev Finvest Pvt. Ltd.

In March 2024, the Fund acquire a minority stake of the company and in connection with the investment it was agreed that the Fund would have a seat on the board.

Namdev was founded in 2013 in Jaipur by Mr. Jitendra Tanwar, a first-generation entrepreneur. It is a regulated Non-Bank Finance Company (NBFC) providing secured loans to underserved micro & small businesses in rural areas.

The company offers fully secured loans with an average ticket size of USD 3,608 and an average interest rate of 24%. In addition, the company has a hybrid business model via tech integrated physical branches to ensure maximum outreach in rural areas as well as optimization on business processes.

Namdev's loan offering makes it mandatory to have a women applicant/co-applicant for 100% of its loans. The company also has a strong focus on green finance i.e., electric vehicle loans and solar loans (currently 10% of AUM).

In January 2024, Namdev raised USD 15m from new investors British International Institute and Lighthouse Canton along with existing investor Incofin. Namdev has a growing AUM of USD 160m and serves over 44k+ clients.

Capital resources

Maj Invest Financial Inclusion Fund III has a total capital commitment of USD 183.5 million. As of 31 December 2024, investors had paid USD 128.9 million, equal to 70.2% of their capital commitments. The remaining capital commitment is USD 54.6 million. Maj Invest Financial Inclusion Fund III's equity amounted to USD 125.4 million at 31 December 2024, matching an equity ratio of 100%.

Maj Invest Financial Inclusion Fund III is able to finance investments and follow-on investments from the time of investment and up to six months through bridge financing loans from financial institutions. A bridge loan must be repaid in connection with a capital call from investors. As of 31 December 2024, Maj Invest Financial Inclusion Fund III had no debt to banks.

Financial risks

The objective of Maj Invest Financial Inclusion Fund III is to invest in portfolio companies and create value in such companies; therefore, failure to generate value represents the major risk in the underlying portfolio companies. As the portfolio companies operate in Emerging Markets, they face a complex array of financial risks, primarily driven by global economic conditions and internal country vulnerabilities.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

At the global level, trade and tariff risks, exacerbated by ongoing tensions between major economies, might threaten export-dependent emerging nations. Further, currency risks remain significant, with the persistent strength of the U.S. dollar posing challenges for countries with large external debts or twin deficits. Sovereign and corporate debt levels, while improving, continue to be a concern, especially in economies with underdeveloped secondary debt markets. Inflation and monetary policy risks persist as central banks navigate the delicate balance between economic stimulus and currency stability.

Internal country vulnerabilities might pose additional risks. Political and geopolitical uncertainties, potentially deterring foreign investment, might disrupt economic activities. Structural growth challenges, including low productivity and demographic headwinds, threaten long-term economic prospects. Additionally, the ongoing digital transformation of financial services, while offering opportunities for inclusion, also introduces new cybersecurity and operational risks if government and enterprises are not prepared.

Uncertainties relating to recognition and measurement in the financial statements

Interests in the portfolio company is valued at the fair value, according to the description in accounting policies. The valuation includes accounting estimates, and such valuation is therefore subject to some uncertainty. The uncertainty is also related to the effects of the financing opportunities and global economy.

Events after the balance sheet day

There have been no events after the balance sheet day and to date that materially affect the assessment of the annual report.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for Maj Invest Financial Inclusion Fund III is prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities with the adoption of rules for reporting class C entities such as statement of changes in equity, cash flow statement and selected other notes to class C entities, and with the necessary adjustments considering that the company is a limited partnership, whose activity is private equity. Investments in portfolio companies are recognised in compliance with the International Private Equity and Venture Capital Valuation Guidelines, drawn by the IPEV Board.

In order to achieve a true and fair view of operations of the limited partnership, the presentation of the income statement has been changed compared with the reporting form shown in schedule 2 of the Danish Financial Statements Act. Income from investments in portfolio companies is presented as an item under operating profit/loss.

The annual report is prepared in USD. USD/DKK: 31 December 2024 = 714.29
(31 December 2023 = 674.47)

The accounting policies are the same as last year.

Recognition and measurement

All income and expenses relating to the financial year are recognised in the income statement regardless of time of payment. Value adjustments in respect of investments in portfolio companies, which are measured at fair value, are also recognised in the income statement.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the limited partnership, and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the limited partnership, and the value of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement of assets and liabilities have taken into account any information available after the balance sheet date but before the presentation

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

of the financial statements, either affirming or not affirming conditions existing on the balance sheet date.

Foreign currency translation

If transactions in other currencies than USD, these are translated into USD using the exchange rates applicable on the transaction date.

INCOME STATEMENT

Value adjustment of investments in portfolio companies

Realised gains/losses on investments, negative unrealised value adjustments of investments in associated companies and unrealised value adjustments of other investments in participating interests are recognised in the income statement.

Dividends received from portfolio companies will also be classified as "Value adjustment of investments in portfolio companies".

Administrative expenses

Administrative expenses include mainly management fees, partnership formation costs, broken deal costs, depositary fee and other administrative costs.

Financial income and expenses

Financial income and expenses include interest expense due to credit facilities and bridge loans, financial risk premium to the general partner and currency adjustments.

Tax

Maj Invest Financial Inclusion Fund III K/S is a Danish limited partnership. The limited partnership is transparent for tax purposes and taxes are levied on the individual investor in proportion to their shares in the partnership. Consequently, no provisions for tax have been made in the financial statements. However, tax withheld on the payment of dividends by the portfolio companies will be recognized in the income statement under "Withholding tax".

BALANCE SHEET

ASSETS

Investments in associates

On initial recognition, investments in associates are measured at cost, with the addition of transaction costs. On subsequent recognition, investments are measured at fair value.

For associated portfolio companies unrealised negative value adjustments are recognised in the income statement and positive value adjustments are made directly at the equity.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

The fair value of investments in associates are measured at the most recent market price for a limited period following the date of the relevant transaction, for instance in the form of an expansion of capital or partial sale or through the use of traditional valuation methods for financial inclusion institutions, e.g. P/B, P/Rev multiples.

Investments in participating interests

On initial recognition, investments in participating interests are measured at cost, with addition of transaction costs. On subsequent recognition, investments are measured at fair value via the income statement.

The fair value of investments in participating interests are measured at the most recent market price for a limited period following the date of the relevant transaction, for instance in the form of an expansion of capital or partial sale or through the use of traditional valuation methods for financial inclusion institutions, e.g. P/B, P/Rev multiples.

Receivables

Receivables are measured at the lower of amortised cost or net realisable value, which usually corresponds to the nominal value less write-downs for bad debts. Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments recognised under assets mainly consist of prepaid management fees.

Cash

Cash includes deposits with financial institutions.

LIABILITIES

Capital account

Capital account is stated as a total for the Fund.

"Paid-in capital" includes payments regarding all sent draw down notices as of the Other liabilities are measured at amortised cost, usually corresponding to the nominal value.

CASH FLOW STATEMENT

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as the year's movements in cash flows and the limited partnership's

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

cash at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities include the net profit or loss for the year, adjusted for changes in working capital and non-cash operating items, such as value adjustments of investments in portfolio companies and provisions. The working capital includes current assets less short-term liabilities, exclusive of items included in cash and bank loans.

Cash flows from investing activities

Cash flows from investing activities include payments in respect of acquisitions or divestments of portfolio companies.

Cash flows from financing activities

Cash flows from financing activities include payments to and from limited partners as well as any changes in bank loans.

FINANCIAL STATEMENTS

INCOME STATEMENT

'000 USD	Note	2024	2023
Value adjustment of investments in portfolio companies	1	75	4.833
Administrative expenses	2	(3.811)	(4.181)
Operating profit/loss		(3.736)	652
Financial income	3	0	4
Financial expenses	4	(624)	(9)
Profit before tax		(4.360)	647
Withholding tax	5	(5)	(5)
Result for the year		(4.365)	642
Proposed distribution of net profit/loss			
Retained earnings		(4.365)	642
		(4.365)	642

FINANCIAL STATEMENTS

BALANCE SHEET

'000 USD	Note	2024	2023
ASSETS			
Investments in associates		35.018	48.021
Investments in participating interests		89.327	69.685
Total Investments in portfolio companies	6	124.345	107.118
Total non-current assets		124.345	107.118
Other receivables		25	96
Prepayments	7	1.040	1.847
Total receivables		1.065	1.943
Cash		54	32
Total current assets		1.118	1.975
Total assets		125.464	109.093
EQUITY AND LIABILITIES			
Paid-in capital		128.915	95.508
Distributions		-	-
Fair value adjustment of investments in associates		2.416	15.062
Retained earnings		(5.913)	(1.549)
Total equity		125.418	109.022
Other payables		45	71
Total short-term liabilities		45	71
Total liabilities		45	71
Total equity and liabilities		125.464	109.093
Cash flow statement – adjustments	8		
Cash flow statement – change in working capital	9		
Events after the balance sheet day	10		
Contingent liabilities	11		

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

'000 DKK	Paid-in capital	Fair value adjustment of investments in associates	Retained earnings	Total
2024				
Equity 01/01	95.508	15.062	(1.549)	109.021
Paid-in capital from limited partners	33.407	-	-	33.407
Fair value adjustment of investments in associates	-	(12.646)	-	(12.646)
Result for the year	-	-	(4.365)	(4.365)
Equity 31/12	128.915	2.416	(5.913)	125.417
The limited partners are liable for their share of the remaining commitment 31/12/2024				54.563
2023				
Equity 01/01	91.283	4.374	(2.191)	93.466
Paid-in capital from limited partners	4.225	-	-	4.225
Fair value adjustment of investments in associates	-	10.688	-	10.688
Result for the year	-	-	642	642
Equity 31/12	95.508	15.062	(1.549)	109.022
The limited partners are liable for their share of the remaining commitment 31/12/2023				87.968

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

'000 USD	Note	2024	2023
Profit for the year		(4.365)	642
Adjustments	8	573	(4.804)
Change in working capital	9	852	(11)
Cash flows from operating activities before net financials		(2.939)	(4.173)
Financial income		0	4
Financial expenses		(624)	(9)
Cash flows from operating activities		(3.563)	(4.178)
Purchase of investments in portfolio companies		(29.823)	(86)
Cash flows from investing activities		(29.823)	(86)
Paid-in capital from limited partners		33.407	4.225
Changes in bank loans		-	-
Cash flows from financing activities		33.407	4.225
Cash flows for the year, net		22	(39)
Cash at the beginning of the year		32	71
Cash at the end of the year		54	32

FINANCIAL STATEMENTS

NOTES

'000 USD	2024	2023
NOTE 1 Value adjustment of investments in portfolio companies		
Unrealised value adjustments	51	4.809
Dividend received from portfolio companies	24	24
	<u>75</u>	<u>4.833</u>
NOTE 2 Administrative expenses		
Maj Invest Financial Inclusion Fund III has no employees.		
NOTE 3 Financial income		
Other financial income	-	4
	<u>-</u>	<u>4</u>
NOTE 4 Financial expenses		
General Partner, annual financial risk premium	-	(1)
Other financial expenses	(624)	(8)
	<u>(624)</u>	<u>(9)</u>
NOTE 5 Tax		
Withholding tax	(5)	(5)
	<u>(5)</u>	<u>(5)</u>
NOTE 6 Investments in portfolio companies		
Cost at 1/1	76.040	75.954
Additions during the year	29.823	86
Disposals during the year	-	-
Cost at 31/12	<u>105.863</u>	<u>76.040</u>
Value adjustments at 1/1	31.078	15.580
Value adjustments during the year	(9.201)	16.126
Currency adjustments during the year	(3.393)	(629)
Value adjustments at 31/12	<u>18.483</u>	<u>31.078</u>
Carrying amount at 31/12	<u>124.345</u>	<u>107.118</u>

FINANCIAL STATEMENTS

NOTES

NOTE 6 Investments in portfolio companies (continued)

Investments in portfolio companies are minority investments with an ownership interest less than 35% which are valued according to the fair value measurements in Level 3 of the fair value hierarchy.

Name of investment in portfolio company	Registered office	Ownership Interest	Share capital	Equity	Profit/loss for the year
			INR	'000 USD	'000 USD
SAVE Solutions Private Limited*	India	20,0%	69.876.000	40.523	-1.109
Berar Fiance Limited*	India	15,7%	123.368.000	35.515	2.659
Finova Capital Private Limited*	India	4,8%	1.233.616.000	139.400	18.170
Epimoney Private Limited*	India	13,0%	1.907.400.000	35.230	364
Namdev Finvest Pvt. Ltd.*	India	16,1%	395.359.000	49.192	3.207
			IDR		
PT Amarthana Nusantara Raya**	Indonesia	1,6%	311.802.000.000	41.835	13.666
			USD		
GTV Globokasnet LLC**	USA	34,3%	23.464.000	11.286	1.754

*Share capital, equity and profit/loss for the year are from the latest annual reports published, which is 2022/23. Financial year is 1 April to 31 March.

**Share capital, equity and profit/loss for the year are from the latest annual reports published, which is 2023. Financial year is 1 January to 31 December.

FINANCIAL STATEMENTS

NOTES

'000 USD	2024	2023
NOTE 7 Prepayments		
Prepaid costs	1.040	1.847
	<u>1.040</u>	<u>1.847</u>
NOTE 8 Cash flow statement – adjustments		
Financial income	(0)	(4)
Financial expenses	624	9
Unrealised value adjustments in portfolio companies	(51)	(4.809)
	<u>573</u>	<u>(4.804)</u>
NOTE 9 Cash flow statement – change in working capital		
Change in receivables	878	(58)
Change in other short-term liabilities	(26)	47
	<u>852</u>	<u>(11)</u>

NOTE 10 Events after the balance sheet day

There have been no events after the balance sheet day and to date that materially affect the assessment of the annual report

NOTE 11 Contingent liabilities

Contingent liabilities

Maj Invest Financial Inclusion Fund III has entered into a management agreement with Maj Invest Equity A/S for the Manager's administration of Maj Invest Financial Inclusion Fund III K/S as well as the provision of investment advisory services to Maj Invest Financial Inclusion Fund III K/S. On termination, Maj Invest Financial Inclusion Fund III K/S may in certain circumstances be obliged to pay management fees for up to 12 month. At 31 December 2024, the fee amounted to approx. USD 2.0 million (at 31 December 2023 approx. USD 3.4 million).

In connection to an investment, the Fund negotiated to split the investment amount in two tranches. The second tranche, of up to USD 3.1 million, is expected to be transferred in 2025.

In connection to an investment, the Fund has undertaken to acquire shares from current shareholders for an amount corresponding to approx. USD 6.0 million. The takeover is expected to take place in 2025.

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Maj Invest Financial Inclusion Fund III K/S
 Legal entity identifier: 549300MVQKFCWEG1V841

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It made sustainable investments with a social objective : ___% <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments	



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund's focus on financial inclusion contributed to driving economic and social development through the provision of access to financial resources, contributing towards poverty reduction and promoting environmental and social characteristics. This aligns directly with Sustainable Development Goals (SDGs) 1, 5, and 8. The Fund exclusively promotes social characteristics and all companies in the Fund contributed to at least one of the targeted SDGs. No reference benchmark was used.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

The sustainability indicators of the Fund are not covered by the audit statement.

SDG	Indicator	2024
SDG 1 (No Poverty)	# of clients served via Fund's portfolio companies	23,679,061
	% of income generating loans of total loan portfolio	98
SDG 5 (Gender Equality)	% of female clients served via Fund's portfolio companies	44
	% of female board members in portfolio companies:	14
	% of female employees in portfolio companies	20
SDG 8 (Decent Work and Economic Growth)	# of employees in portfolio companies	17,783
	% of loans to SMEs of total portfolio	66

● **...and compared to previous periods?**

The sustainability indicators of the Fund are not covered by the audit statement.

SDG	Indicator	2024	2023	2022
SDG 1 (No Poverty)	# of clients served via Fund's portfolio companies	23,679,061	22,400,000	22,000,000
	% of income generating loans of total loan portfolio	98	89	28
SDG 5 (Gender Equality)	% of female clients served via Fund's portfolio companies	44	52	52
	% of female board members in portfolio companies:	14	7	14

	% of female employees in portfolio companies	20	8	7
SDG 8 (Decent Work and Economic Growth)	# of employees in portfolio companies	17,783	8,276	6,257
	% of loans to SMEs of total portfolio	66	56	54

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund did not make any sustainable investments.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Fund did not make any sustainable investments

- **How were the indicators for adverse impacts on sustainability factors taken into account?**
- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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



In general, this financial product did not formally consider principal adverse impacts (PAIs) on sustainability factors, primarily due to data limitations related to the size and maturity of the Fund’s investments. However, the Fund mitigated adverse impacts through screening processes and exclusion criteria. All exclusions covered by PAIs, including controversial weapons and fossil fuels, are reflected in the Fund’s exclusion list. Additionally, the Fund’s policies ensure alignment with UN Global Compact principles.

What were the top investments of this financial product?



It is important to note that the information on the top investments of this financial product is based on average holdings throughout the fiscal year and does not reflect the allocation as of 31 december 2024

The Fund’s largest investments in 2024:

Largest investments	Sector	% Assets	Country
Finova Capital Private Limited	Financials	27	India
Save Solutions Private Limited	Financials	23	India

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 – 31 January 2024

The Fund's largest investments in 2023

Largest investments	Sector	% Assets	Country
Finova Capital Private Limited	Financials	29	India
Save Solutions Private Limited	Financials	27	India

The Fund's largest investments in 2022:

Largest investments	Sector	% Assets	Country
Finova Capital Private Limited	Financials	35	India
Save Solutions Private Limited	Financials	24	India

What was the proportion of sustainability-related investments?

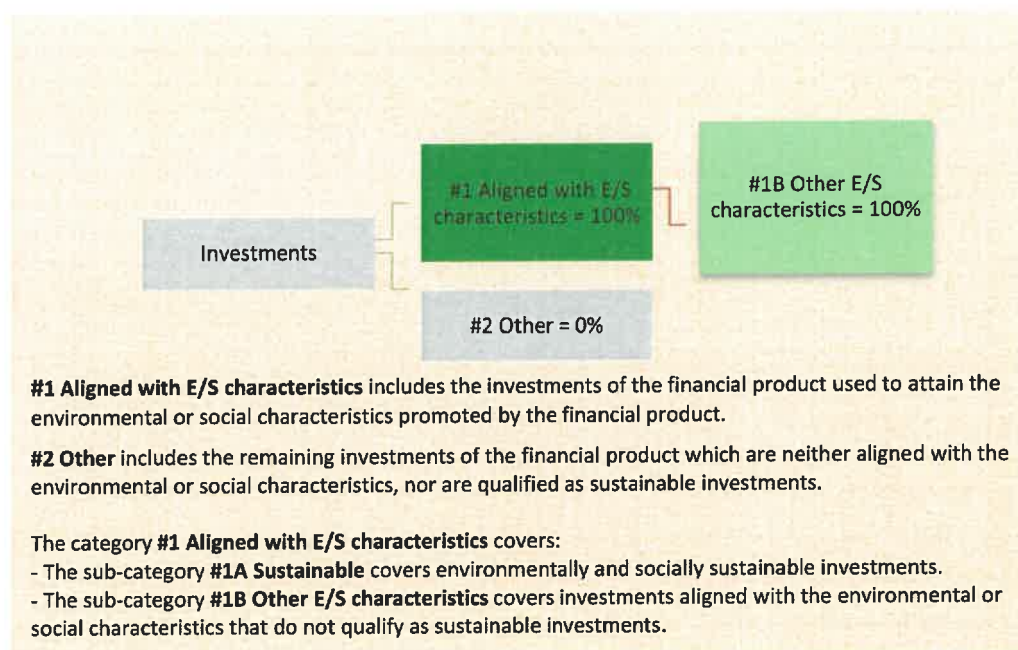
In 2024, 100% of the Fund's investments were sustainability-related, aligning with its key focus areas of well-being, diversity, and inclusion. The Fund actively managed and invested in companies that reduce inequalities by providing access to and the use of responsible financial services to people below the middle class. Furthermore, the Fund's investments increased gender equality by empowering women with financial tools to sustain livelihoods, expanding economic participation, and driving local development.



Asset allocation describes the share of investments in specific assets.

● *What was the asset allocation?*

100% of the investments in the Fund were in line with the social characteristics promoted by the Fund.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

Sector	% asset invested
Financials	100



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

Due to insufficient data availability, it was not possible to identify sustainable investments. As a result, the fund did not make any, and the alignment with the EU Taxonomy is 0%. The EU Taxonomy alignment of the Fund is not covered by the audit statement.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

In fossil gas In nuclear energy

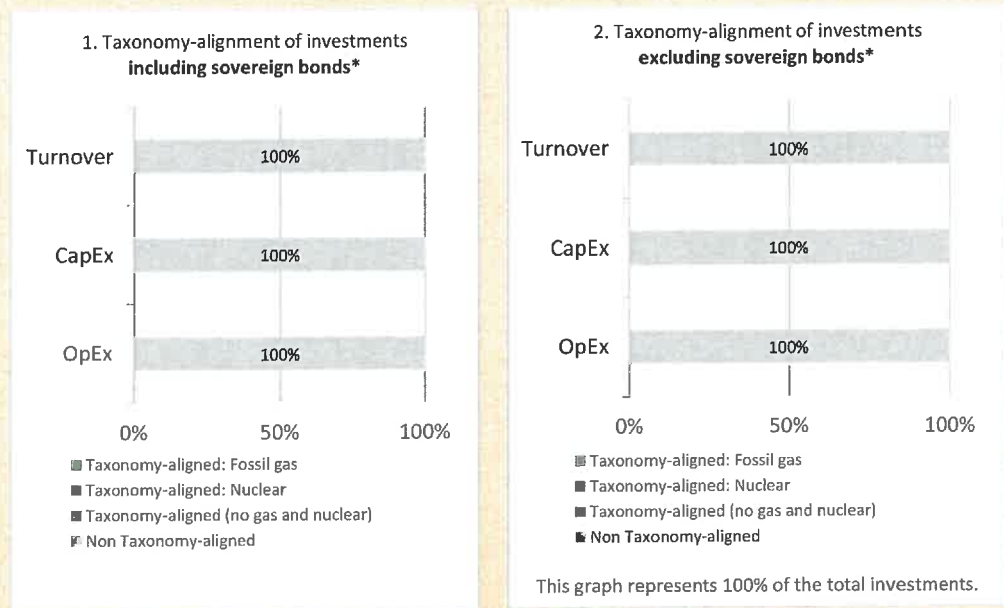
No

¹ 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 objective - 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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were 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.



* 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?**

Due to insufficient data availability, it was not possible to identify the share of investments made in transitional and enabling activities, and the alignment is thus 0%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Due to insufficient data availability, it was not possible to identify the share of investments made in EU Taxonomy-aligned activities, and the alignment is thus 0%. The EU Taxonomy alignment of the Fund is not covered by the audit statement.

	2024	2023	2022
EU-Taxonomy alignment	0%	0%	0%



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



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

Due to insufficient data availability, it was not possible to determine the share of investments with an environmental objective that were not aligned with the EU Taxonomy. As a result, the share is 0%.



What was the share of socially sustainable investments?

Due to insufficient data availability, it was not possible to determine the share of investments with a social objective. As a result, the share is 0%.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

There were no investments included under “other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2024, the Fund invested in Amatha, a leading digital peer-to-peer microfinance lending platform in Indonesia that connects lenders with underserved rural women. Amatha promotes financial inclusion by empowering marginalized communities and contributed to the social SDGs promoted by the Fund by targeting an underpenetrated market, specifically women microentrepreneurs in villages. Another investment made by the Fund during the reference period was in Namdev, a regulated Non-Bank Finance Company, providing secured loans to rural micro and small businesses, with a 100% female client base. The portfolio company supported the social characteristics of the Fund by offering affordable financial solutions in rural areas, thereby encouraging self-employment and improving livelihood.



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

No reference benchmark has been used to attain the social characteristics promoted by the Fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

- ***How did this financial product perform compared with the reference benchmark?***
- ***How did this financial product perform compared with the broad market index?***

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Karina Isabel Alva Alfaro

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