

Triodos Impact Strategies II N.V.

-Triodos Energy Transition Europe Fund
-Triodos Food Transition Europe Fund

Semi-annual Report
June 2021

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General information

Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund (hereafter: the sub-funds) were launched in June 2006 and January 2014 respectively, as sub-funds of Triodos SICAV II (Luxembourg). On 2 December 2019, the sub-funds changed domicile to the Netherlands, where both sub-funds have been set-up as a sub-fund of a newly incorporated Dutch legal entity, Triodos Impact Strategies II N.V. (hereafter: the Fund). The sub-funds have an open-end fund structure. Triodos Energy Transition Europe Fund has euro-denominated share classes for retail and professional investors, one of which is listed on Euronext Fund Services. Triodos Food Transition Europe Fund has euro-denominated share classes for professional and certain qualified private investors. None of its share classes are listed on any stock exchange.

The Fund was incorporated on 10 September 2019 under the Laws of the Netherlands as an investment company with variable capital as referred to in article 2:76a DCC (Dutch Civil Code). The Fund is an alternative investment fund subject to the requirements of Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Managers (AIFMD), as implemented in the Netherlands in the Dutch Financial Supervision Act (Wft). The Fund is regulated by the Dutch Authority for the Financial Markets (AFM). The registered office of Triodos Impact Strategies II N.V. is at Hoofdstraat 10, 3972 LA, Driebergen-Rijsenburg.

Alternative Investment Fund Manager

Triodos Investment Management B.V. (Triodos Investment Management, the Fund Manager, or AIFM), a wholly owned subsidiary of Triodos Bank N.V., acts as the sole statutory director and manager of Triodos Impact Strategies II N.V.. Triodos Investment Management is licensed by the AFM to manage investment companies within the meaning of Section 2:65 Wft. Triodos Investment Management is a member of the Dutch Fund and Asset Management Association (DUFAS). DUFAS has drawn up the Asset Managers Code, which contains a number of principles. In order to act in accordance with these principles, Triodos Investment Management, as a member of DUFAS, has formulated the Fund Governance Principles. These Fund Governance Principles are available on www.triodos-im.com/governance.

The Board of Triodos Investment Management consists of:
Jacco Minnaar (Chair)
Kor Bosscher (Managing Director Risk & Finance)
Dick van Ommeren (Managing Director)

Fund managers

Triodos Investment Management has separate internally appointed fund managers for each of the sub-funds. Vincent van Haarlem is the fund manager of Triodos Energy Transition Europe Fund whereas Isabelle Laurencin is the fund manager of Triodos Food Transition Europe Fund.

Supervisory Board

Triodos Impact Strategies II N.V. has a Supervisory Board that is responsible for supervising the day-to-day management of the AIFM in its capacity as statutory director of the Fund. The manager will therefore provide the members of the Supervisory Board with all information that is necessary for or conducive to the execution of these tasks. The members of the Supervisory Board are independent from the Triodos Group (consisting of Triodos Bank N.V. and its subsidiaries, including Triodos Investment Management), as a further safeguard of the checks and balances within the Fund.

The composition of the Supervisory Board:
Ineke Bussemaker (Chair)
Elfrieke van Galen
Gerard Groener
Henk Raué
Jan Willem van der Velden

Jacqueline Rijdsdijk has stepped down as Chair of the Supervisory Board and is succeeded by Ineke Bussemaker as of the General meeting of shareholders on 11 June 2021.

Administrator, Fund Agent, Listing Agent, Paying Agent, Transfer Agent and Depositary

CACEIS has been appointed as Administrator, Fund Agent, Listing Agent, Paying Agent and Transfer Agent for Triodos Impact Strategies II N.V. BNP Paribas Securities Services S.C.A. (BNP Paribas) has been appointed as depositary for Triodos Impact Strategies II N.V.

COVID-19

As in 2020, the first half of 2021 was dominated by the influence of the COVID-19 pandemic. Triodos Investment Management closely follows the guidelines of the national government to ensure the well-being and safety of its co-workers.

To safeguard operational resilience during this ongoing situation, Triodos Investment Management continued with an intensified monitoring of all investments in the portfolio of the sub-funds. This means an increased focus on strong balance sheets, resilient cash flows, quality of management teams and solid governance in company and issuer selection.

Although the worldwide vaccination program is in progress and gradually more restrictions are being lifted, the development of the COVID-19 pandemic will continue to require attention in managing the Fund moving forward. Local COVID-19 outbreaks may occur, and restrictions may be intensified. Thorough risk assessments of companies and issuers, and closely monitoring portfolios will support Triodos Investment Management's investment decisions.

Semi-annual report

The figures included in the semi-annual report have not been audited by an external auditor.

Management Report

Objective

Triodos Energy Transition Europe Fund

Triodos Energy Transition Europe Fund invests primarily in companies that accelerate the energy transition with the prospect of an attractive financial return combined with the opportunity for investors to make a pro-active, measurable and lasting contribution to the reduction of CO₂ emissions.

Triodos Energy Transition Europe Fund invests in equity and/or quasi-equity, such as shareholder loans and preferred capital, and in subordinated debt in qualifying investments. The sub-fund primarily invests in project companies that generate renewable energy, reduce energy use, make the energy system more flexible or that enable electrification. The sub-fund invests in projects in the development phase or provide growth capital to privately-owned companies that are active in the abovementioned sectors with the objective of accelerating their growth.

As from 19 December 2020, the investment strategy has been amended to better align with trends in the energy transition and with demand from investees. The adjustment will enable the sub-fund to act on opportunities in the market, by responding to currently unmet financing needs of prospective investees. Amending the investment strategy will ultimately create a more balanced and impactful portfolio for investors.

Triodos Food Transition Europe Fund

Triodos Food Transition Europe Fund invests primarily in privately-owned European businesses that contribute to the food transition. It aims to offer investors a unique opportunity to invest in the long-term development of the organic and sustainable food sector in Europe and to have a positive social and environmental impact. The sub-fund aims to build a balanced portfolio of mature and profitable businesses and fast-scaling companies. The investment focus is on selected values-based businesses with a proven business model, a strong team and recurring revenues. Through an evergreen approach, the sub-fund invests as an aligned partner, by providing succession and/or growth capital. The sub-fund typically takes significant minority or majority (quasi-)equity positions, is represented on the board of directors and/or at annual shareholders meetings and adds value through a strategic, professional ownership approach.

As from 19 December 2020, the investment strategy has been updated to better address the urgent challenges of the food transition. While continuing its support for well-established sustainable front-runners, the sub-fund has extended its investment scope to transformative solutions provided by fast-growing companies. Going forward, the sub-fund will aim to build and maintain a balanced portfolio of mature and profitable businesses and fast-growing scale-ups.

For more detailed information in relation to the investment strategy of the sub-funds we refer to the prospectus of 10 March 2021, which is available on our website (www.triodos-im.com) along with more information about the sub-funds' impact and developments.

Triodos Energy Transition Europe Fund - Key figures

(amounts in thousands of EUR)	1st half 2021	1st half 2020	2020
Net assets (end of reporting period)	127,705	148,098	150,817
Income	2,341	4,135	8,862
Expenses	2,235	2,496	4,686
Net operating income	106	1,639	4,176
Realised and unrealised results on investments	5,036	1,018	-4,001
Net result	5,142	2,657	175

Ongoing charges per share class

	1st half 2021	1st half 2020 *	2020
I-cap (EUR)	2.33%	2.75%	2.39%
Q-cap (EUR)	2.58%	2.91%	2.62%
R-cap (EUR)	3.13%	3.23%	3.00%
Z1-cap (EUR)	2.58%	2.76%	2.51%
Z2-cap (EUR)	2.58%	2.77%	2.49%

Net asset value (NAV) per share

(amount in EUR)	24 June 2021**	25 June 2020	2020
I-cap (EUR)	–	38.98	38.68
Q-cap (EUR)	40.18	38.95	38.60
R-cap (EUR)	36.85	35.94	35.51
Z1-cap (EUR)	32.73	31.74	31.45
Z2-cap (EUR)	32.73	31.74	31.45

Return based on NAV per share, ***

	6-month return	1-year return	3-year return p.a.	5-year return p.a.	10-year return p.a.	Return p.a. since inception
I-cap (EUR)	–	–	–	–	–	–
Q-cap (EUR)	4.1	3.2	4.5	4.2	3.1	3.2
R-cap (EUR)	3.8	2.5	3.9	3.6	2.5	2.6
Z1-cap (EUR)	4.1	3.1	4.5	4.1	2.9	2.9
Z2-cap (EUR)	4.1	3.1	4.5	4.1	2.9	2.9

* The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the seven-month period since inception of the sub-fund and annualised to arrive at the estimated yearly ongoing charges figure.

** NAV per share is based on share prices as per 24 June 2021, i.e. the last price at which shares were traded in the reporting period.

*** All share classes have limited history. Triodos Impact Strategies II N.V. – Triodos Energy Transition Europe Fund is the successor of Triodos SICAV II – Triodos Renewables Europe Fund. Returns prior to the launch date of share class are based on the returns of the comparable share class of Triodos SICAV II – Triodos Renewables Europe Fund.

Retrospective review sub-fund and market developments

In the reporting period, the sub-fund's net assets decreased from EUR 150.8 million as per 31 December 2020 to EUR 127.7 million as per 30 June 2021, of which 66,0% was invested (per 31 December 2020: 51.6%). The decrease was mainly due to redemptions which off-set both subscriptions and the positive result of the portfolio. The portfolio currently comprises 34 investments (per 31 December 2020: 33). The sub-fund's portfolio valuation in the first half of 2021 was positively impacted by the achievement of key milestones in projects under development.

Fund data, 30 June 2021

Net assets	EUR 127.7 million
Portfolio value	EUR 84.3 million
Number of equity investments	24
Number of subordinated loans	13
Number of investments	34
Number of countries	7

The Impact Report 2020 of Triodos Energy Transition Europe Fund gives an insight into the impact of the projects that the sub-fund finances.

See: <https://www.triodos-im.com/impact-report/2020/energy-and-climate/triodos-energy-transition-europe-fund>

Market developments

During the first half of 2021 the energy market recovered to pre-pandemic levels. Forecasted electricity demand in Europe and across the world increased as countries emerged from lockdowns. The European Union's Emissions Trading System (ETS) prices rose as a result of increased decarbonisation targets. The relatively cold spring increased gas demand causing electricity from gas fired plants to be more expensive. These developments had a positive impact on actual and forecasted electricity prices. However changes in the capacity mix in the Netherlands and Western Europe are expected to cause a dip in electricity prices during the 2030's as more renewables come online.

The European Commission published the European Green deal, revising ambitions for the reduction of greenhouse emissions to 55% in 2030. EU members have to publish 10-year integrated national energy and climate plans that outline how they intend to address five areas: energy efficiency, renewables, greenhouse gas emissions reductions, interconnections, and research & innovation.

The impact of the COVID-19 pandemic on the investment portfolio continues to be modest and mostly limited to its impact on electricity demand and prices. Operators have adopted adequate health measures. While many businesses across the world have been severely affected by the virus itself and the measures to contain it, the assets in the portfolio operate with little human intervention and have therefore continued to produce electricity.

Forecasted earnings recovered for all assets, supported by higher power prices. The maintenance activities that were delayed in 2020 due to COVID-19 restrictions have been completed. The Dutch projects that are currently under construction are moving ahead as planned.

The countries where the sub-fund has investments in have credit ratings starting from BBB for Italy, to credit ratings of an A and higher for all other countries.

Investments

As per 30 June 2021, the net assets of Triodos Energy Transition Europe Fund totalled EUR 127.7 million (per 31 December 2020: EUR 150.8 million) of which 66% was invested (per 31 December 2020: 51.6%). The sub-fund has investments in 34 projects throughout Europe (per 31 December 2020: 33 investments) in onshore wind, ground mounted and roof-top solar PV assets, an energy efficiency portfolio, an energy transition fund investment, and a battery storage project.

Triodos Energy Transition Europe Fund made several small incremental investments in the portfolio during the first half of 2021. For instance, an additional investment in the development of windfarm Haringvliet and an investment in a solar portfolio. Larger investments earmarked for this period did not materialise. Several existing projects progressed. The Neeltje Jans turbines were dismantled in order to prepare for the installation of larger, more efficient turbines. The replaced turbines have been sold and will be reinstalled elsewhere in Europe. Steel and concrete will be recycled as much as possible. At Vluchthaven and Noordland Buiten construction sites were prepared for civil works. Development activities also continue for the wind projects of Renewable Energy Factory and solar park Zuidbroek where cables connecting to the grid were installed.

On an annual basis, solar assets provide more stable cash flows than wind assets. The cash flows from wind energy projects are slightly less predictable because of greater fluctuations in the frequency and strength of wind.

Over the first half of 2021, the average power production of the sub-fund's portfolio was lower than expected. This was mainly due to lower-than-projected wind supply, resulting in lower electricity production by the wind farms, while several solar assets performed better than expected.

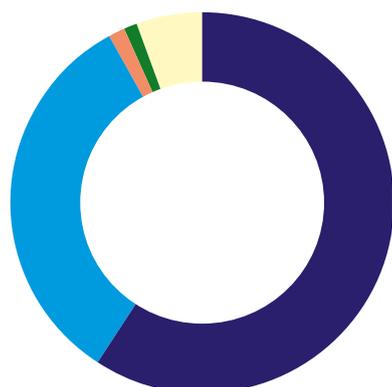
The sub-fund's weighted average portfolio discount rate on 30 June 2021 was 7.5% (per 31 December 2020: 7.6%).

Asset allocation (% of fund's net assets) 30 June 2021



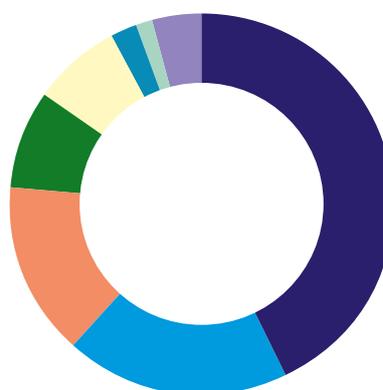
Equity and quasi-equity	46.1%
Subordinated debt	19.9%
Other assets and liabilities	34.0%

Sector allocation (% of portfolio) 30 June 2021



Solar	59.2%
Wind	32.8%
Storage	1.6%
Energy efficiency	1.0%
Other sectors	5.4%

Country allocation (% of portfolio) 30 June 2021



The Netherlands*	43.0%
Belgium	18.9%
Spain	14.6%
United Kingdom	8.3%
Germany	7.6%
France	2.2%
Italy**	1.3%
Other countries	4.1%

* Includes SET, which is a domiciled fund with investments in western Europe

** The investment in Italy was made through a Dutch parent company

Results

Financial results

Triodos Energy Transition Europe Fund closed the first period until 30 June 2021 with a positive net operating income of EUR 0.1 million (first half 2020: EUR 1.6 million). The sub-fund received EUR 2.3 million in dividends, interest and other income (first half 2020: EUR 4.1 million). In addition to this, the performance of the portfolio led to an unrealised appreciation on investments of EUR 5.0 million (first half 2020: EUR 1.3 million). The net result for the period was EUR 5.1 million (first half 2020: EUR 2.7 million).

Return

The return over the reporting period was 4.1% (first half 2020: 1.8%). The return was positively affected by the achievement of key milestones in projects under development or becoming operational.

Liquidity

The sub-fund's liquidity ratio (cash and cash equivalents) dropped from 47.6% of the sub-fund's net assets per 31 December 2020 to 33.4% as per 30 June 2021. The liquidity level has fallen mostly as a result of redemptions

which have off-set both subscriptions from investors and the significant cash flows coming from the portfolio.

The fund has been temporarily closed for new inflow as of 14 April 2021. For several years in a row, the sub-fund has experienced investor interest. In 2019, the fund's assets under management grew by 44.6% and in 2020 by 26.9%. Given the type of investments that the fund does, which require a relatively long lead-time, the pace of the inflow is not in line with the time needed to do the investments. As such, the fund's liquidity position has increased disproportionately over the past years. At this point in time it is not yet clear when the fund will reopen for new inflow.

Costs

The largest item in the cost structure of Triodos Energy Transition Europe Fund is the management fee paid to the AIFM, Triodos Investment Management. The AIFM uses this fee primarily to cover staff-related costs and travel expenses incurred in connection with the labour-intensive investment process. Other costs include the fees paid to BNP Paribas Securities Services and CACEIS for their depositary and administrative services.

Triodos Energy Transition Europe Fund's ongoing charges, including the management fee per 30 June 2021, amounted to 2.33% for the I-share class (per 30 June 2020: 2.75%), 2.58% for the Q-share class (per 30 June 2020: 2.91%), 3.13% for the R-share class (per 30 June 2020: 3.23%), 2.58% for the Z1-share class (per 30 June 2020: 2.76%) and 2.58% for the Z2-share class (per 30 June 2020: 2.77%). More detailed information about management fees and ongoing charges can be found on pages 37-38.

Outlook

The sub-fund currently has several projects under construction or in development stage. The construction of two Dutch wind repowering projects, Vluchthaven and Noordland-Buiten, are expected to be completed in 2021. Meanwhile, the SEP roof-top solar portfolio is being expanded and development continues for solar project Zuidbroek.

Business development activities continue to generate a broad investment pipeline. Besides opportunities in wind and solar, energy efficiency and several opportunities to invest in storage are currently under investigation, being negotiated or in due diligence phase. Most investments are developed in cooperation with existing partners. Over the course of 2021 several new partners have been identified. Successful conclusion of envisaged transactions will broaden the base for business development generating partnerships which are anticipated to yield follow on investments for years to come. With respect to the current transition to a low-carbon energy system, the sub-fund positions itself as an experienced and reliable financial partner and supports developers of renewable energy projects and other types of technologies that help to reduce CO₂ emissions.

Triodos Food Transition Europe Fund - Key figures

(amounts in thousands of EUR)	1st half 2021	1st half 2020	2020
Net assets (end of reporting period)	61,115	43,332	51,720
Income	531	346	1,406
Expenses	818	1,023	1,907
Net operating income	-287	-677	-354
Realised and unrealised results on investments and foreign exchange contracts	7,155	956	8,210
Net result	6,868	279	7,856

Ongoing charges per share class

	1st half 2021	1st half 2020 *	2020
I-dis	3.11%	2.92%	3.09%
Q-cap	3.36%	3.48%	3.34%
Q-dis	3.36%	3.48%	3.34%

Net asset value (NAV) per share

(amount in EUR)	30 June 2021	30 June 2020	2020
I-dis	129.70	97.90	106.60
Q-cap	129.26	97.81	106.39
Q-dis	129.26	97.77	106.43

Return based on NAV per share, **

	6-month return	1-year return	3-year return p.a.	5-year return p.a.	10-year return p.a.	Return p.a. since inception
I-dis	21.7	32.5	3.3	4.1	3.5	–
Q-cap	21.5	32.2	3.1	4.1	3.5	2.9
Q-dis	21.5	32.2	3.1	4.1	3.5	2.9

* The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the seven-month period since inception of the sub-fund and annualised to arrive at the estimated yearly ongoing charges figure.

** All share classes have limited history. Triodos Impact Strategies II N.V. – Triodos Food Transition Europe Fund is the successor of Triodos SICAV II – Triodos Organic Growth Fund. Returns prior to the launch date of share class are based on the returns of the comparable share class of Triodos SICAV II – Triodos Organic Growth Fund.

Retrospective review sub-fund and market developments

In the reporting period, the sub-fund's net assets increased from EUR 51.7 million as per 31 December 2020 to EUR 61.1 million as per 30 June 2021 as a result of a positive performance and EUR 2.5 million of net inflow from investors. As per 30 June 2021, 92.6% of the net assets was invested (per 31 December 2020: 95.4%). Despite high uncertainty in the market due to the COVID-19 pandemic, the portfolio showed an increase in value compared to 31 December 2020.

Fund data, 30 June 2021

Net assets	EUR 61.1 million
Portfolio value	EUR 56.6 million
Number of equity investments	10
Number of countries	7

The Impact Report 2020 for Triodos Food Transition Europe Fund highlights the importance and dynamics of the portfolio companies, presented by means of a description of their activities, stories, videos and numbers.

See: <https://www.triodos-im.com/impact-report/2020/sustainable-food-and-agriculture/triodos-food-transition-europe-fund>

Market developments

Overall, the COVID-19 pandemic marked an inflection point in the sustainable food space as it has entirely transformed the way we produce, distribute, and consume our food. It has accelerated trends that were only emerging before the pandemic and has positioned the consumer in a central role.

There is an increased awareness towards health, carbon footprint and biodiversity that drives demand for impact-focused businesses. The reopening of out of home eating post-pandemic is causing a correction away from retail. Underpinning this there is slower, but continued growth in online food channels as well as a diversity of new models taking advantage of this growing channel. Given the rise in veganism, vegetarianism and flexitarianism, companies using alternate proteins like algae, insects and plant-based protein sources like hemp and pea-protein are gaining traction and are becoming more generally accepted among consumers. There is also increasing awareness among consumers and governments regarding the implications of the levels of food waste.

Investments

As per 30 June 2021, Triodos Food Transition Europe Fund was invested in 10 sustainable consumer good companies (per 31 December 2020: 10) in 7 different countries and across all parts of the value chain (per 31 December 2020: 7). The sub-fund invests in these portfolio companies through equity participations and is represented on their boards.

In March 2021, Groupe Natimpact, one of the sub-fund's portfolio companies, acquired Le Coq Noir, a manufacturer of organic sauces and condiments. Le Coq Noir is a French manufacturer of organic sauces and products commercialised under two main brands which are 100% organic and 50% of the raw materials are sourced locally in France. The acquisition was financed by both its existing shareholders (led by Triodos Food Transition Europe Fund) and by two regional funds from Crédit Agricole which share Triodos Food Transition Europe Fund's commitment to an inclusive organic industry, with positive regional impact. With the acquisitions of Naturgie (2019), the French leading producer of organic jams, and Bovetti (2020), the French chocolate company and the recent acquisition of Le Coq Noir, Groupe Natimpact confirms its ambition to create a federation of autonomous small and medium-sized enterprises in the field of organic and sustainable food, fostering their growth by reinforcing their commercial synergies.

In June 2021, Humble Group AB announced its intention to acquire all shares of Naty AB, which includes the shares that are held by the sub-fund. It will acquire the shares of Naty at a purchase price of SEK 750 million, just over EUR 74 million. This strategic step means a responsible exit for Triodos Food Transition Europe Fund, as the sub-fund will sell its shareholding in Naty with a positive financial result while safeguarding Naty's future and mission. Triodos Food Transition Europe Fund invested in Naty in 2016 because the business offered a unique, high-impact product set with some of the most environmentally friendly disposable diapers and sanitary products on the market. Over the past five years the sub-fund has supported the business actively with presence on their board, supporting impact reporting and engagement with our other portfolio businesses. In addition to this, with the sub-fund changing focus towards the food transition, Naty was a more challenging fit for the portfolio. With this exit, Triodos Food Transition Europe Fund is now solely focused on the food transition.

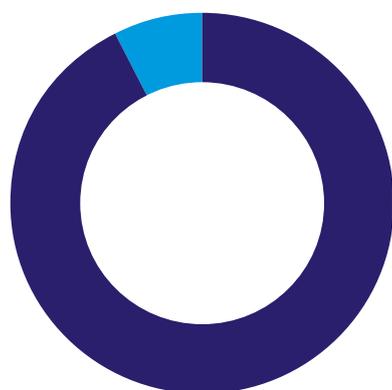
The exit represents a very good impact and financial performance for the fund. Not only will the exit provide a strong return, the business has also delivered real impact over the past five years.

Triodos Food Transition Europe Fund invested in Beendhi in November 2018. The French company offering organic and convenient food products faced some challenges in executing its sales strategy and revenues did not pick up as planned. As a new CEO came on board end of 2020, a turnaround plan was initiated in the first half of 2021 and existing shareholders participated to a recapitalization of the company to which Triodos Food Transition Europe Fund contributed EUR 400,000.

The sub-fund reported a marked positive performance in the reporting period. The pandemic has led to increased consumer demand for organic and healthy food, resulting in an increase in profitability of Aarstiderne and DO-IT, largely due to sales growth. With sales increasing in other distribution channels, for instance (online) retail, and/or through expanding of their product range, sales at Hari & CO have picked up. Naturfrisk and Ecoffee Cup remain negatively impacted by the closure of the out-of-home sector. The performance in the second quarter also reflects the uptick in NAV due to the announcement of Humble Group AB's intention to acquire Naty's shares.

Asset allocation (% of fund's net assets)

30 June 2021



Equity investments	92.6%
Other assets	7.4%

Results

Financial results

The sub-fund's total income over the reporting period up until 30 June 2021 amounted to EUR 0.5 million (first half 2020: EUR 0.3 million). Total expenses, the majority of which consist of management fees, amounted to EUR 0.8 million (first half 2020: EUR 1.0 million). The (un)realised value gain in the sub-fund's portfolio, including the related gain on forward foreign exchange contracts, amounted to EUR 7.1 million (first half 2020: EUR 0.9 million). The net result of Triodos Food Transition Europe Fund in the reporting period therefore amounts to a profit of EUR 6.9 million (first half 2020: EUR 0.3 million).

Return

In the reporting period, the net asset value for the Q-dis and Q-cap share classes increased by 21.5% (first half 2020: 0.7%). The net asset value for the I-dis share increased by 21.7% (first half 2020: 0.8%). The average net return per annum since inception is 3.5%. The long-term net target return is 8.0% per annum, which Triodos Food Transition Europe Fund aims to achieve through a combination of dividend income and value gains in the portfolio.

Liquidity

The liquidity (cash and cash equivalents) of Triodos Food Transition Europe Fund represented 7.4% of the sub-fund's net assets as per 30 June 2021 (per 31 December 2020: 4.4%). Additionally, the sub-fund may borrow up to 20% of its net assets, for which the sub-fund has a credit facility. Including this facility, the available cash and cash equivalents add up to 27.5% of the net assets (per 31 December 2020: 24.4%). During the reporting period, the net inflow amounted to EUR 2.5 million (per 30 June 2020: EUR 1.0 million).

Costs

The main recurring item in the cost structure of Triodos Food Transition Europe Fund is the management fee paid to the AIFM, Triodos Investment Management. The AIFM uses this fee primarily to cover staff-related costs and travel expenses incurred in connection with investments. The investment process is labour-intensive. A new investment on average takes four to six months to be put into effect, from the initial meeting to the signing of contracts and other documentation. As the sub-fund focuses on investment opportunities across a number of European countries (with the initial focus on Northwestern Europe), relatively frequent travelling is required. Other costs include the fees paid to BNP Paribas and CACEIS for their depositary and administrative services.

The ongoing charges on an annual basis as per 30 June 2021 of the Q-dis share class, including the management fee, represented 3.36% of the sub-fund's net assets (per 30 June 2020: 3.48%). The ongoing charges of the I-dis share class is 3.11% (per 30 June 2020: 2.92%), and the ongoing charges of the Q-cap share class is 3.36% (per 30 June 2020: 3.48%). Both ongoing charges are based on annualised costs. More detailed information about management fees and ongoing charges can be found on page 48.

Outlook

In 2021, the pandemic continues to disrupt the food system in key ways. This year will be another pivotal year for the fund.

As called for by the new Farm to Fork Strategy the European Commission will propose legally binding targets to reduce food waste and packaging across the European Union by the end of 2023. Innovative ventures are exploring tech-based as well as brick-and-mortar circulate waste solutions which focus on upstreaming food waste or preventing the creation of waste in the first place.

The investment pipeline of the fund is populated with exciting opportunities especially in the space of alternate proteins, circular business models and fair chain solutions. The investment team is currently exploring multiple promising opportunities which focus on the reversal of loss of biodiversity and fairer economic returns to food producers. The sub-fund, with its unique impact value proposition and patient approach, is in a good position to address these growing segments. With the recent inflow, the sub-fund is poised to deploy investments catalytic to the food transition in Europe.

Zeist, 31 August 2021

Fund Manager Triodos Energy Transition Europe Fund
Vincent van Haarlem

Fund Manager Triodos Food Transition Europe Fund
Isabelle Laurencin

Management Board Triodos Investment Management
Jacco Minnaar (Chair)
Kor Bosscher (Managing Director Risk & Finance)
Dick van Ommeren (Managing Director)

Semi-annual accounts (combined)

(combined)

Balance sheet

Before profit appropriation (amounts in euro's)	Note*	30-06-2021	31-12-2020	30-06-2020
Investments				
Equity instruments	1	115,380,981	103,157,938	92,140,137
Debt instruments	2	25,435,999	23,945,562	22,189,596
Derivatives (positive)		95,632	331,230	68,219
Total investments		140,912,612	127,434,730	114,397,952
Receivables				
Debtors		–	1,543,712	–
Issue of own shares		–	496,117	512,830
Other receivables		1,350,840	372,012	432,764
Other assets				
Formation costs		1,252,505	1,434,000	1,618,000
Cash and cash equivalents	3	47,231,526	74,099,524	77,594,504
Current liabilities				
Investment management fees payable		1,025,656	1,796,024	2,086,655
Redemption of own shares		–	63,560	–
Accounts payable and accrued expenses		721,536	713,045	948,226
Derivatives (negative)		180,876	269,968	90,889
Receivables and other assets less current liabilities		47,906,803	75,102,768	77,032,328
Assets less current liabilities		188,819,415	202,537,498	191,430,280
Equity				
	4			
Issued and paid-up capital		4,209,054	4,890,916	4,719,851
Agio		164,569,786	189,615,591	183,773,792
Revaluation reserve		25,478,250	16,151,617	
Legal reserves		1,252,505	1,434,000	1,618,000
Other reserves		-18,699,992	-17,585,617	-1,618,000
Unappropriated profit		12,009,812	8,030,991	2,936,637
Total equity		188,819,415	202,537,498	191,430,280

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

Profit and loss account

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Direct results from investments			
Dividend		1,865,731	3,201,447
Interest		821,160	1,154,793
Other income		184,850	125,309
		2,871,741	4,481,549
Indirect results from investments			
Realised changes in value of investments	5		
Equity instruments		–	8,185
Debt instruments		6,068	-150,127
Derivatives		68,070	-37,614
		74,138	-179,556
Unrealised changes in value of investments			
	6		
Equity instruments		11,329,929	2,133,649
Debt instruments		914,246	73,875
Derivatives		-146,506	-22,670
		12,097,669	2,184,854
Other operating income		101,999	101,999
		101,999	101,999
Other operating income		30	–
Total income		15,043,578	6,486,847
Operating expenses			
Amortisation of formation expenses		181,496	212,000
Investment management fees	7	1,993,875	2,086,655
Administrative and depositary fees		50,576	125,126
Audit and advisory fees		33,111	236,210
Other interest paid		144,491	230,657
Other expenses		649,421	628,674
Total operating expenses		3,052,970	3,519,322
Operating result		11,990,608	2,967,525
Exchange rate results		19,203	-30,888
Result before taxes		12,009,811	2,936,637
Income tax	8	–	–
Result for the year		12,009,811	2,936,637

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

(combined)

Cash flow statement

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Cash flow from investment activities			
Result ex. exchange rate differences		11,990,609	2,967,525
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		-54,935	59,244
Unrealised changes in value of investments		-12,116,872	-2,193,427
Purchases of investments		-1,888,115	-20,309,221
Sale of investments		492,947	26,910,125
Costs directly charged to equity		276,294	-1,618,000
Movement in assets and liabilities			
Movement in receivables from investment activities		966,205	840,933
Movement in liabilities arising from investment activities		-825,667	2,780,211
Net cash flow from investment activities		-1,159,534	9,437,390
Cash flow from financing activities			
Received upon issue of own shares		11,604,166	59,820,240
Repurchase of own shares		-37,331,832	-30,654,360
Dividend paid		-	-
Net cash flow from financing activities		-25,727,666	29,165,880
Change in cash and cash equivalents		-26,887,200	38,603,270
Cash and cash equivalents at the beginning of the reporting period		74,099,523	39,022,122
Exchange rate differences		19,203	-30,888
Cash and cash equivalents at the end of the reporting period	3	47,231,526	77,594,504

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

General notes to the financial statements

Legal structure

Triodos Impact Strategies II N.V. has been incorporated on 10 September 2019 under the Laws of the Netherlands as an investment company with variable capital as referred to in article 2:76a DCC. Triodos Impact Strategies II N.V. is an alternative investment fund (AIF) subject to the requirements of Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Managers, as implemented in the Netherlands in the Dutch Financial Supervision Act (Wft). Triodos Impact Strategies II N.V. is regulated by the AFM. The registered office of Triodos Impact Strategies II N.V. is at Hoofdstraat 10, 3972 LA, Driebergen-Rijsenburg. The Fund is registered in the Trade Register of the Dutch Chamber of Commerce under number 75806754.

The Fund has an umbrella structure which means that the share capital of the Fund is divided into different series, with each active series qualifying as a sub-fund. For regulatory purposes, each sub-fund is regarded as a different and separate composition of assets and liabilities under the Wft (meaning that for purposes of the Wft any losses of a sub-fund can have no effect on the results of another sub-fund, as the creditors of a sub-fund have no actions against another sub-fund). A Share Class is however not regarded as a separate set of assets and liabilities, meaning that the results of one Share Class can under certain circumstances be negatively impacted by the result of another Share Class within the same sub-fund

As the energy and food transition continue to accelerate, Triodos Investment Management has identified the need to more effectively and accurately convey the impact investment approach used by its sub-funds. Acting on this awareness, the sub-funds have been renamed to more closely align with their investment strategies on 19 December 2020. Triodos Renewables Europe Fund was renamed to Triodos Energy Transition Europe Fund. Triodos Organic Growth Fund was renamed to Triodos Food Transition Europe Fund.

Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund (hereafter: the sub-funds) have been set-up as sub-funds of Triodos Impact Strategies II N.V. and have an open-end fund structure. Triodos Energy Transition Europe Fund has euro-denominated share classes for retail and professional investors, one of which is listed on Euronext Fund Services. Triodos Food Transition Europe Fund has euro-denominated share classes for professional and certain qualified private investors. None of its share classes are listed on any stock exchange.

Administrator, fund agent, listing agent, paying agent and transfer agent

CACEIS has been appointed as Administrator, Fund Agent, Listing Agent, Paying Agent, Transfer Agent and Depository and is charged among other things with:

- calculating the Net Asset Value and conducting the financial administration of the Fund and the sub-funds;
- with assessing and accepting or rejecting sale and purchase orders in respect of shares listed on Euronext Amsterdam, as entered in the Euronext Amsterdam order book on behalf of the (sub-)Funds;
- all activities relating to the listing of the Listed Shares on Euronext Amsterdam;
- with maintaining the Register of Shareholders and the processing of the issue (registration) and redemption orders of the off-exchange Shares and settlement arrangements thereof

Depository

BNP Paribas Securities Services S.C.A., acting through its Amsterdam branch, acts as the depository of the Fund within the meaning of the AIFM Directive and is appointed by the Fund Manager. The depository agreement between the Fund Manager, Fund and the Depository sets out the tasks and obligations of the Depository, the Fund Management and the Fund in accordance with the AIFMD rules. This agreement also states that the Depository accepts the liability described in the AIFMD rules towards the Fund and the Fund Manager. In any case, the Depository shall be liable towards the Fund Manager and the Fund for the loss of financial instruments. This liability also applies to any third party engaged by the Depository.

(combined)

Transfer

Both Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund were originally set-up as a sub-fund of Triodos SICAV II (Luxembourg). Developments in the national and international tax framework which were likely to negatively impact the funds and their investors. After careful consideration of all options, transferring Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund from Luxembourg to the Netherlands seemed to be the most robust way of mitigating the negative impact of these measures and the most protective of shareholders' interest, while at the same time upholding our principles on tax Integrity and tax transparency. On 2 December 2019, the sub-funds were transferred to the Netherlands, to be set-up as sub-funds of the newly incorporated entity Triodos Impact Strategies II N.V. The shareholders of Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund, while still being sub-funds of Triodos SICAV II, were offered the possibility to elect whether or not they would receive shares in Triodos Energy Transition Europe Fund and/or Triodos Food Transition Europe Fund as sub-funds of Triodos Impact Strategies II N.V. in return for their shares in Triodos SICAV II.

The transfer occurred by way of the Luxembourg sub-funds contributing its assets in kind to the new Dutch sub-funds and in exchange receiving shares in these sub-funds. The assets were initially measured at fair value and subsequently measured at fair value as described in the 'Accounting principles for the balance sheet' paragraph. In addition, the assets were recognised by the sub-funds consistently with the 'Criteria for recognition in the balance sheet' paragraph in the notes to the financial statements.

While the financial position of the sub-funds, and in turn the shareholders, remains primarily unchanged, the transfer involves 'formation costs' which are capitalised by both sub-funds. These costs are amortized over five years.

Summary of significant accounting principles

General information

The financial statements have been prepared in accordance with the regulations laid down in Title 9 of Book 2 of the DCC, the Wft and the Dutch Guidelines for Annual Reporting, in particular Guideline 615 (RJ 615) for Investment Institutions and the going concern assumption. Some of the terms used in this semi-annual report deviate from the models for investment institutions prescribed in the Dutch Decree on the financial statements models (Besluit modellen jaarrekening), because they better reflect the content of the item.

The financial statements of the sub-funds have been added to the semi-annual report of Triodos Impact Strategies II N.V. The financial statements of the sub-funds are considered to be part of the notes to the financial statements of Triodos Impact Strategies II N.V.

Reporting period

The Fund and the sub-funds' financial year is normally the same as the calendar year. The first financial year was an extended financial year starting on the date of the transfer in kind of the assets of the sub-funds - the date on which the sub-funds became operational in the Netherlands - and ending on 31 December 2020. The comparative reporting period of the Fund and the sub-funds therefore covers the period 2 December 2019 until 31 December 2020. The reporting period of the semi-annual report covers the period from 1 January 2021 to 30 June 2021.

Comparison with previous year

As the semi-annual report relates to the first financial year of the Fund and the sub-funds, a statement regarding that the principles of valuation and determination of the result remained unchanged from the previous year cannot be made. In addition, no comparative figures are presented. The accounting policies have been applied consistently throughout the reporting period.

Functional and reporting currency

Both the functional currency and the presentation currency are the euro.

Assets and liabilities in foreign currencies have been converted at the rates on the reporting date. Exchange rate differences resulting from settlement and conversion are credited or debited to the profit and loss account.

The exchange rates used per 30 June 2021 are:

- USD 1.190
- GBP 0.859
- SEK 10.144
- DKK 7.436
- CHF 1.095

Non-monetary assets carried at cost in a foreign currency are translated at the exchange rate on the date of the transaction. Transactions in foreign currencies during the reporting period are included in the financial statements at the exchange rate on the transaction date.

References

References are included in the balance sheet, profit and loss account and cash flow statement. They are references to the explanatory notes.

Criteria for recognition in the balance sheet

Where the fund irrevocably becomes a party to the contractual terms of a financial instrument, it recognises that financial instrument in its balance sheet. The basis for initial measurement of the financial instruments is fair value. If a financial instrument is transferred to a third party following a transaction, it is no longer included in the balance sheet. All or virtually all rights to economic benefits and all or substantially all risks relating to the financial instrument then vest in the third party.

Consolidation

Equity investments of Triodos Impact Strategies II N.V.'s sub-funds are excluded from consolidation due to the existence of an exit strategy. The interpretation of article 407c, Title 9, Book 2 of the DCC is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board. According to RJ 217.308.b, the exemption from Article 407c can be applied by investment entities that apply RJ 615 - for majority interests in investments - if an exit strategy has been formulated with regard to these majority interests at the time of acquisition, such that it is clear that these interests are only held to be alienated at a time subsequently defined within the exit strategy.

Judgements, estimates and uncertainties

The preparation of the financial statements requires the Fund Manager of the Fund and sub-funds forms to make judgements, estimates and assumptions which may be essential for the amounts included in the financial statements.

These partly determine how the principles are applied and how the value of the assets and liabilities are reported. The same applies to the reporting of revenues and expenses. The actual outcomes may differ from the estimates made by management. These estimates and assumptions are therefore periodic reviewed. If an estimate is revised, it is included in the relevant period.

If it is necessary for the purposes of providing the information required under article 362(1) of Book 2 of the DCC, the nature of these opinions, estimates and the assumptions associated with the uncertainties are included in the notes to the relevant items of the financial statements.

Accounting principles for the balance sheet

Investments

Investments of the sub-funds are initially recognised at fair value. Transaction costs directly attributable to the acquisition of investments are recognised in the profit and loss account. The subsequent measurement is also fair value but the proxy to determine fair value depends on the type of asset. Refer to the following paragraph for details.

Use of estimates, assumptions and forming judgements

The Fund Manager makes use of multidisciplinary credit and valuation committees which are held regularly throughout the year that operate independently of operational matters. They monitor the valuation methodologies and make management estimates as diligently as possible. In preparing the valuations, the Fund Manager may make use of external experts. However, all valuations are approved by representatives of the Fund Manager in the valuation committees.

(combined)

Equity instruments, mezzanine loans and subordinated debt investments

Except fund investments, private equity investments are valued based on the application of an earnings multiple valuation methodology or on the basis of discounted cash flows for which the projected cashflows are the result of future expectations on capex, revenues, expenses, debt inflow, tax, cash inflow and cash outflows.

Mezzanine loans and subordinated debt investments are valued on the basis of discounted cash flows. Investments in investment funds (so called fund-to-fund investments) are valued at fair value for which cost price is assumed the best proxy for the period immediately after establishment of the investment fund for a maximum of three years, after three years the fund net asset value is considered the best proxy for fair value.

Earnings multiple valuation methodology

In relation to the earnings multiple valuation methodology, most investees will be profitable companies with stable earnings and business model. According to the IPEV guidelines, the price of a recent transaction is not a valuation method by itself. As such, each arm's length transaction triggers a valuation review. In principal, non-profitable investees will be valued based on revenue multiples. The comparables approach implies the determination of a maintainable earnings base as well as transaction multiples, or alternatively trading multiples of a peer group of companies.

At the first valuation date following the investment, the asset will be valued at purchase price. At each following valuation interval, the asset will in principle be valued using the following inputs:

1. Valuation EBITDA (profitable investees) or Valuation Revenue (non-profitable investees)
2. Valuation Multiple which is build up by:
 - a) Industry specific market multiple
 - b) Premium-discount ratio
 - c) Adjustment scale
3. Surplus assets, excess liabilities and net debt

Valuations resulting from the earnings multiple valuation methodology will be cross-checked on an annual basis by performing a discounted cash flow analysis/earnings valuation technique (DCF). This analysis may, among others, result in a recommendation to implement changes in the Multiple Market selection, adjustments to the Premium Discount Ratio and the adjustment scale.

Discounted (project) cash flows

In case the investments are valued on the basis of discounted (project) cash flows all known and project specific assumed aspects are taken into account. The assumptions used in the calculation of the expected project cash flows available are compared with realised historical project financials, other comparable projects and project budgets and adjusted in case of new insights that are likely to impact the project cash flows. A building block approach towards the required discount rate based on the sum of a risk-free rate, country risk premium, project risk premium and market premium will be applied. To avoid discrepancy between the development in the market and the building block approach, the market premium will be used to keep the total discount rate in line with return requirements observed in the market.

The following items are distinguished which result in projected cashflows: CAPEX, revenues, expenses, debt service and tax. For mezzanine loans the cashflows will be the result of the repayment schedule and interest payments for that loan. For the projected cash flows on revenue a reputable third-party specialist (the power price advisor) provides the central wholesale power curve for the Dutch and UK market, and proxies for other European countries are used where revenues are less dependent on price projections because of the greater role of subsidies.

On revenues and expenses two types of inflation are used. For inflation on power prices the projections of the power price advisor are applied. The power price advisor provides in their report Consumer Price Index inflation for the UK and an average European index. For contracts that include an inflation indexation the IMF WEO semi-annual inflation forecast per country is used. These figures are updated bi-annually. For the long term the central bank inflation target (2%) is followed.

Development phase projects

An equity investment can hold a development asset in addition to its operating activities. Due to the high uncertainty of both successful completion of the project as well as future cash flows, the development asset is valued at cost price as best proxy for its fair value. The fair value of the equity investment is then a combination of the discounted cash flow method for the operating activities and the at cost for its development activities.

Fund investments

In the period immediately after establishment of an (investee) fund, the investment is valued at fair value for which cost price is the best proxy for the period immediately after establishment of the investment fund for a maximum of three years, after three years the fund net asset value is considered the best proxy for fair value. The cost price includes all costs paid by the sub-fund including investments, transaction costs and start-up costs.

Derivatives

Derivatives (currency hedging instruments) are only used for the sole purpose of hedging currency risk. The accounting policy for derivatives is fair value on initial recognition in the balance sheet, with all assets and liabilities arising from derivatives being calculated using market-based present value models. This calculation is made on the balance sheet date by discounting the future cash flows for each contract using the interest rate curve of the relevant currency. In the absence of objective interest rate curves, the valuations can be used resulting from the agreements with the counterparties. The outcome of such valuation is also used for the exchange of collateral in accordance with contractual provisions. Subsequent to initial recognition, derivatives are measured at fair value. Changes in value are accounted for through the profit and loss account.

Collateral

Cash collateral is exchanged with counterparties as a result of provisions of agreed forward exchange contracts. This exchange can be either collateral to be paid or collateral to be received and is recognised in the balance sheet at nominal value on initial recognition and per subsequent valuation.

Receivables

Receivables are initially measured at the fair value of the consideration and are subsequently measured at amortised cost. Provisions for bad debts are deducted from the carrying amount of the receivable. The carrying amount of receivables is also an approximation of their fair value. Receivables have a remaining term of less than one year, unless stated otherwise.

Formation costs

If and when a sub-fund is created, costs related to their creation will be allocated to the relevant sub-fund and, where applicable, amortised over a maximum period of five years. The formation costs incurred in connection with the organisation and start-up of the sub-funds Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund amounted to maximum EUR 1,200,000 and EUR 550,000 respectively and are capitalised in the respective sub-fund.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with a term of less than one year. Bank overdrafts are included in amounts owed to credit institutions under current liabilities. Cash and cash equivalents are measured at nominal value, which is also an approximation of the fair value of this item.

Current liabilities

Current liabilities are initially recognised at fair value. After initial recognition, current liabilities are measured at amortised cost, being the amount payable taking into account premium or discount and transaction costs. Since there are no premiums or discounts and transaction costs, the amortized cost is approximately equal to the nominal value. Current liabilities have a term of less than one year.

This balance sheet item consists mainly of management fees to be paid, repayments received in advance and costs to be paid which relate to the financial year under review. These costs incurred and expected invoices are determined annually as at the balance sheet date, taking into account the cost structure included in the prospectus. The amount of these costs is estimated; however the amount is limited by the limits set out in the prospectus.

Equity

The total of shareholders' equity is determined by the amount that remains after all assets and liabilities have been included in the balance sheet in accordance with the applicable valuation principles.

(combined)

Redemption and subscription of own shares

The amounts received or paid for the subscription or redemption of shares are almost entirely processed in the issued capital and the share premium of the relevant sub-fund. The share premium comprises the difference between the amounts paid/receive on the issue/purchase of shares and the nominal value.

When Triodos Food Transition Europe Fund repurchase its own shares, the net asset value of the shares might be decreased by redemption charge of 0.50% of the net asset value. In the event of a Net Redemption in the “Z-1 Capitalisation share class” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0,50% of the net asset value. When applicable, these charges are accounted for in the profit and loss account and accrue entirely to the relevant sub-fund. These charges serve to cover the transaction costs incurred.

Revaluation reserve

Movements as a result of realised or unrealised revaluations of investments are recognized through the profit and loss account. The part of the profit that relates to a positive unrealised revaluation is added to the revaluation reserve through the profit appropriation. Negative revaluations are charged to the other reserves through the profit appropriation. Movements in the provisions for expected bad debts are also charged or credited to the result.

Legal reserve / capitalized cost reserve

A legal reserve for the amount of the capitalized formation costs is formed.

Accounting principles for the determination of the result

General

The results of the sub-funds are determined by the direct and indirect income from investments. The results are attributed to the reporting period to which they relate and are accounted for in the profit and loss account.

Direct results from investments

Interest and other income are allocated on a time-proportionate basis to the financial year to which they relate. Composite average historical cost prices are used to determine the realised results on partial disposals of investments. Income from payments of profit distributions on equity investments (dividend income) is recognised when the right to receive payment is established, for example when a dividend declaration is made by an investee.

Indirect results from investments (Revaluations)

All movements as a result of realised/unrealised revaluations of investments are taken to the profit and loss account. The part of the profit relating to a positive unrealised revaluation is added to the revaluation reserve. This only applies to investments without a frequent market quotation. Realised increases in the value of the investments are taken from the revaluation reserve to the profit and loss account at the time of realisation.

Transaction costs for investments

Transaction costs may include brokerage costs, transfer costs and notary fees, among others. Transaction costs directly attributable to the acquisition of investments are directly charged to the profit and loss account. The exception to this treatment is for investments in projects that are under construction or development (i.e. that are not yet operational) for which all costs (including transaction costs) are capitalized. Transaction costs related to the sale of investments are recognised as part of the realised change in value. Subsequent valuations of financial investments do not take into account any selling costs. Transaction costs on purchases of derivatives are charged directly the profit and loss account.

The total amount of identified transaction costs of investments (in addition to the transaction costs of derivatives) over the reporting period is disclosed in the notes to the financial statements of the sub-funds.

Operating expenses

Expenses are allocated on an accrual basis to the period to which the activities relate. If accruals for costs are determined, costs still to be paid and prepaid will also be taken into account.

Other income and expenditure

Other income and expenditure are allocated on an accrual basis to the period to which the activities relate.

Management fee

The alternative investment manager of the Fund pursuant to article 2:65 Wft, being Triodos Investment Management B.V. will receive a management fee (free of VAT) in relation to each sub-fund. For Triodos Energy Transition Europe Fund the management fee is calculated on the relevant Share Class' net assets, accrued weekly and payable quarterly. For Triodos Food Transition Europe Fund the management fee is calculated on the relevant Share Classes' net assets, accrued and payable quarterly. More details about the percentages used for each Share Class reference is made to the notes to the relevant items of the financial statements.

Ongoing charges

The ongoing charges of a sub-fund includes all costs charged to the sub-fund in a reporting period, excluding the costs of investment transactions and interest charges. The ongoing charges factor is expressed as a percentage of the average net asset value of the relevant sub-fund. Average net asset value is calculated based on the frequency of issue of the net asset value. All net asset values issued during the reporting period are added up and divided by the number of net asset values issued.

Turnover factor

The turnover factor is the total amount of all investment transactions less the total amount of transactions in the issued capital, related to the average net asset value. Due to the specific nature of the sub-funds, the turnover factor cannot simply be compared with other investment funds (e.g. with investments in (listed) shares and bonds).

The turnover factor is calculated as follows:

$$[(\text{Total 1} - \text{Total 2}) / X] * 100$$

- Total 1: the total amount of investment transactions (purchases + sales);
- Total 2: the total amount of transactions in own shares (issue + redemptions) of the sub-funds;
- X: the average net asset value of the sub-fund. The average net asset value is calculated based on the frequency of issue of the net asset value. All net asset values issued during the reporting period are added up and divided by the number of net asset values issued.

Related party transactions

Significant transactions with related parties are disclosed. This explains the nature, volume and scope of the transaction and other information required to provide the insight.

Accounting principles for the cash flow statement

The cash flow statement provides insight into the origin of the cash and cash equivalents that became available during the reporting period and shows how these cash and cash equivalents were used. The cash flow statement has been prepared according to the indirect method. In the cash flow statement, the result – through adjustments – has been converted into cash flows. Cash flows relating to investments, movements in provisions, formation costs, short-term receivables and short-term liabilities are included under cash flows from investment activities. Other cash flows related to the redemption and subscription of (own) shares are included under cash flows from financing activities.

Accounting principles for the sub-funds

The financial statements of the sub-funds have been prepared in accordance with Part 9, Book 2 of the DCC, the Financial Supervision Act (Wft) and the Dutch Generally Accepted Accounting Principles (RJ), in particular RJ 615 for Investment Institutions. The principles that apply to Triodos Impact Strategies II N.V., as set out in the preceding paragraphs:

i) General accounting principles; ii) Accounting principles for the balance sheet; iii) Accounting principles for determining the result; and iv) Accounting principles for the cash flow statements apply mutatis mutandis to the sub-funds.

(combined)

Notes to the semi-annual accounts

1. Equity instruments

Movement schedule equity instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	103,157,938	91,897,540
Purchases	893,115	16,063,468
Sales	–	-9,959,136
Change in realised gains/losses	–	237,770
Change in unrealised gains/losses	11,329,929	4,918,297
Revaluations due to exchange rate differences	–	–
Balance at end of reporting period	115,380,982	103,157,938

2. Debt instruments

Movement schedule debt instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	23,945,562	27,492,510
Purchases	995,000	15,872,000
Redemptions	-424,877	-18,465,394
Change in realised gains/losses	6,068	-178,660
Change in unrealised gains/losses	914,246	-770,913
Revaluations due to exchange rate differences	–	-3,961
Balance at end of reporting period	25,435,999	23,945,562

The change in unrealised gains/losses comprise the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves.

For any Information about the characteristics of the debt Instruments, e.g. Interest percentages, maturity, reference is made to the notes to the balance sheet of Triodos Energy Transition Europe Fund.

Provision(s)

Per reporting period, none of the debt instruments had a provision on applied. A movement schedule in regard of the provisions has therefore not been included.

3. Cash and cash equivalents

Cash and cash equivalents are balances in current accounts, savings accounts and deposits held with Triodos Bank, Rabobank, CACEIS, ING and BNP Paribas. Cash and cash equivalents are at the free disposal of the entity. For more details in regard of the cash and cash equivalents (e.g. weighted Interest rates) reference is made to the notes to the balance sheet of the sub-funds.

4. Equity

Shareholders' equity among the sub-funds	30-06-2021	2020
Triodos Energy Transition Europe Fund	127,704,744	150,817,477
Triodos Food Transition Europe Fund	61,114,671	51,720,021
Total	188,819,415	202,537,498

(Registered) Capital

The Fund's authorised share capital amounts to EUR 225,000 and is divided into 10 priority shares and 3 series of ordinary shares, numbered 1 to 3. Each series of ordinary shares is divided into 8 share types, designated by the letters O, R CAP, Z-1 CAP, Z-2 CAP, Q CAP, Q DIS, I CAP and I DIS. The shares each have a nominal value of one euro (EUR 1).

Issued and paid-up capital	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	4,890,916	3,863,063
Issued capital	282,054	1,920,912
Paid-up capital	-963,916	-893,059
Balance per end of reporting period	4,209,054	4,890,916
Agio	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	189,615,591	155,464,698
Addition from shares issued	11,322,113	73,083,171
Withdrawal from shares issued	-36,367,916	-38,932,278
Balance per end of reporting period	164,569,788	189,615,591
Revaluation reserve	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	16,151,617	–
Movement in positive revaluations of equity investments	9,468,112	15,459,933
Movement in positive revaluations of debt investments	133,569	320,704
Movement in positive revaluations of derivatives	-275,048	370,980
Balance per end of reporting period	25,478,250	16,151,617
Legal reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	1,434,000	–
Change in legal reserves	-181,496	1,434,000
Balance per end of reporting period	1,252,504	1,434,000
Other reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	-17,585,617	–
Other reserves	-1,295,871	-16,151,617
Capitalised costs	–	-1,830,000
Amortised capitalised costs	181,496	396,000
Balance per end of reporting period	-18,699,992	-17,585,617
Unappropriated profit	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	8,030,991	–
Addition / withdrawal other reserves	3,978,821	8,030,991
Balance per end of reporting period	12,009,812	8,030,991

(combined)

Notes to the profit and loss account

5. Realised changes in value of Investments

	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Realised value increases - equity	–	354,852
Realised value decreases - equity	–	-117,082
Realised value increases - debt	9,251	99,138
Realised value decreases - debt	-3,183	-281,778
Realised value increases - derivatives	216,414	154,244
Realised value decreases - derivatives	-148,344	-178,463
Total realised changes	74,138	30,911

6. Unrealised changes in value of Investments

	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Unrealised value increases - equity	12134192	15459933
Unrealised value decreases - equity	-804263	-10541636
Unrealised value increases - debt	1094308	320704
Unrealised value decreases - debt	-180062	-1091617
Unrealised value increases - derivatives	236933	370980
Unrealised value decreases - derivatives	-383439	-309718
Total unrealised changes	12,097,669	4,918,297

7. Investment management fees

The sub-funds of Triodos Impact Strategies II N.V. (Triodos Food Transition Europe Fund and Triodos Energy Transition Fund) pay a Management Fee for the provision of management services and supporting services to Triodos Investment Management. For more details about the management fee, reference is made to the corresponding notes to the financial statements of the sub-funds.

8. Income tax

For Dutch corporate income tax purposes, the Fund will be treated as a domestic taxpayer, meaning that it will in principle be subject to Dutch corporate income tax on its worldwide net profits. However, such net profits do not include dividends and capital gains that fall within the scope of the participation exemption. The worldwide net profits of the Fund in the reporting period are negative resulting in no corporate income tax.

Subscription and redemption charges

In case of Triodos Food Transition Europe Fund a subscription charge of up to a maximum of 3% of the Net Asset Value may be applied for the benefit of selling agents. The precise subscription charge can be obtained from the relevant party. In case of Triodos Food Transition Europe, a subscription charge of up to a maximum of 5% of the Net Asset Value may be applied for the benefit of a (sub) Distributor and/or other selling agents. The precise subscription charge can be obtained from the relevant party. These do not have any impact on the result of the respective sub-fund and/or current shareholders.

When Triodos Food Transition Europe Fund repurchase its own shares, the net asset value of the shares might be decreased by redemption charge of 0.50% of the net asset value. In the event of a Net Redemption in the “Z-1 Capitalisation share class” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0.50% of the net asset value. When applicable, these charges are accounted for in the profit and loss account and accrue entirely to the relevant sub-fund. These charges serve to cover the transaction costs incurred.

(combined)

Ongoing charges

The ongoing charges (ratio) reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. For more details about the ongoing cost ratios, reference is made to the corresponding notes to the financial statements of the sub-funds.

Turnover factor

Because the actual purchases and sales of investments take place via the sub-funds, the turnover factor of the sub-funds is included in the notes to the financial statements of the sub-funds.

Employees

Triodos Impact Strategies II N.V. does not employ any employees. Triodos Investment Management B.V., the alternative investment manager of Triodos Impact Strategies II N.V. performs, or is responsible for in case activities are outsourced, the activities for the Fund.

Subsequent events

In the subsequent event period to these financial accounts, Triodos Food Transition Europe Fund completed the sales transaction of Naty to Humble group.

Semi-annual accounts

Triodos Energy Transition Europe Fund

(Triodos Energy Transition Europe Fund)

Balance sheet

Before profit appropriation (amounts in euro's)	Note*	30-06-2021	31-12-2020	30-06-2020
Investments				
Equity instruments	1	58,817,703	53,820,829	54,599,047
Debt instruments	2	25,435,999	23,945,562	22,189,596
Total investments		84,253,702	77,766,391	76,788,643
Receivables				
Debtors		–	1,543,712	–
Issue of own shares		–	496,117	512,830
Other receivables		1,326,435	348,938	361,411
Other assets				
Formation costs		876,069	1,003,017	1,131,716
Cash and cash equivalents	3	42,698,152	71,813,924	71,642,705
Current liabilities				
Investment management fees payable		754,594	1,558,286	1,608,160
Redemption of own shares		–	63,560	–
Accounts payable and accrued expenses		695,020	532,776	730,625
Receivables and other assets less current liabilities		43,451,042	73,051,086	–
Assets less current liabilities		127,704,744	150,817,477	148,098,520
Equity				
	4			
Issued and paid-up capital	4	3,736,578	4,440,149	4,277,339
Agio	5	118,651,377	146,201,887	141,163,896
Revaluation reserve	6	7,043,082	4,477,095	
Legal reserves	7	876,069	1,003,017	1,131,716
Other reserves	8	-7,743,938	-5,480,112	-1,131,716
Unappropriated profit	9	5,141,576	175,441	2,657,284
Total equity		127,704,744	150,817,477	148,098,520

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

(Triodos Energy Transition Europe Fund)

Profit and loss account

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Direct results from investments			
Dividend		1,334,841	2,963,665
Interest		821,160	1,134,739
Other income		184,850	36,782
		2,340,851	4,135,186
Indirect results from investments			
Realised changes in value of investments			
Equity instruments	10	–	-116,938
Debt instruments	11	6,068	-104,356
		6,068	-221,294
Unrealised changes in value of investments			
Equity instruments	12	4,103,760	1,187,686
Debt instruments	13	914,246	73,875
		5,018,006	1,261,561
Other operating income		–	–
Total income		7,364,925	5,175,453
Operating expenses			
Amortisation of formation expenses		126,948	148,284
Investment management fees	14	1,446,998	1,608,160
Administrative and depositary fees		80,801	82,959
Audit and advisory fees		218,705	166,872
Other interest paid		209,817	171,631
Other expenses		152,026	317,947
Total operating expenses		2,235,294	2,495,853
Operating result		5,129,631	2,679,600
Exchange rate results		11,945	-22,316
Result before taxes		5,141,576	2,657,284
Income tax		–	–
Result for the halfyear		5,141,576	2,657,284

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

(Triodos Energy Transition Europe Fund)

Cash flow statement

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Cash flow from investment activities			
Result ex. exchange rate differences		5,129,631	2,679,600
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		5,877	243,610
Unrealised changes in value of investments		-5,029,951	-1,261,561
Purchases of investments		-1,888,115	-18,282,069
Redemptions of debt instruments		424,877	16,249,020
Costs directly charged to equity		126,948	-1,131,716
Movement in assets and liabilities			
Movement in receivables from investment activities		1,062,334	831,388
Movement in liabilities arising from investment activities		-705,238	2,014,169
Net cash flow from investment activities		-873,637	1,342,441
Cash flow from financing activities			
Received upon issue of own shares		8,664,804	46,891,722
Repurchase of own shares		-36,918,884	-18,725,299
Dividend paid			
Net cash flow from financing activities		-28,254,080	28,166,423
Change in cash and cash equivalents		-29,127,717	29,508,864
Cash and cash equivalents at the beginning of the reporting period		71,813,924	42,156,157
Exchange rate differences		11,945	-22,316
Cash and cash equivalents at the end of the reporting period	3	42,698,152	71,642,705

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

Notes to the semi-annual accounts

1. Equity instruments

Movement schedule equity instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	53,820,829	47,657,168
Purchases	893,115	9,442,786
Sales	–	-10,417
Change in realised gains/losses	–	-38,553
Change in unrealised gains/losses	4,103,760	-3,230,156
Revaluations due to exchange rate differences	–	–
Balance at end of reporting period	58,817,704	53,820,829

The cost price of the equity instruments at 30 June 2021 was EUR 58.249.565.

Income from payments of profit distributions on equity investments (dividend income) is recognised when the right to receive payment is established. During the period the sub-fund earned €1,334,841 in dividend income.

The investments, where the sub-fund has a majority interest, are excluded from consolidation due to the existence of an exit strategy, in accordance with the interpretation of article 407c, Title 9, Book 2 of the DCC which is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board. An overview of the investments is included in the management report.

2. Debt instruments

Movement schedule debt instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	23,945,562	26,570,989
Purchases	995,000	15,872,000
Redemptions	-424,877	-17,625,394
Change in realised gains/losses	6,068	-97,158
Change in unrealised gains/losses	914,246	-770,913
Revaluations due to exchange rate differences	–	-3,961
Balance at end of reporting period	25,435,999	23,945,562

The change in unrealised gains/losses comprise the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves.

Interest and other income are allocated on a time-proportionate basis to the financial year to which they relate. Interest income earned on the debt portfolio during the period was € 821,160.

The cost price of the debt Instruments at 30/6/21 was EUR 24.106.215. The nominal interest rate on the debt Instruments at 30/6/21 was on average 7.5% per year. The remaining term of these debt Instruments varies from 27 to 208 months. This mainly concerns risk-bearing financing that is not based on collateral or pledges.

(Triodos Energy Transition Europe Fund)

The breakdown of the debt portfolio by maturity is as follows:

	30-06-2021	31-12-2020*
Maturity < 1 year	1,184,083	1,079,679
Maturity 1 year until 3 years	3,004,714	2,917,529
Maturity 3 years until 5 years	5,912,762	3,637,124
Maturity > 5 years	12,265,487	17,231,213
	22,367,046	24,865,545

* The above figures concern the nominal amounts and therefore do not reconcile with the balance sheet.

The debt portfolio consists for EUR 2,811,086 of profit participating loans, EUR 2,217,290 of shareholder loans and for EUR 17,338,669 of subordinated loans.

Provision(s)

Per 30 June 2021, none of the debt instruments had a provision applied (31 December 2020: nil). A movement schedule in regard of the provisions has therefore not been included.

3. Cash and cash equivalents

Cash and cash equivalents include balances in current accounts, savings accounts and deposits held with Triodos Bank, Rabobank, CACEIS, ING and BNP Paribas. Cash and cash equivalents are at the free disposal of the sub-fund.

4. Issued and paid-up capital

Issued and paid-up capital	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	4,440,149	3,430,464
Issued capital	256,465	1,774,240
Paid-up capital	-960,036	-764,555
Balance per end of reporting period	3,736,578	4,440,149

Changes in the number of shares:

	2021					
	R-cap	Z1-cap	Z2-cap	Q-cap	I-cap	Total
Number of shares per 01.01.2021	869,926	158,945	2,385,667	743,635	286,976	4,440,149
Subscriptions	31,488	4,835	176,236	43,906		256,465
Redemptions	-12,331	-1,487	-104,897	-554,345	-283,976	-960,036
Number of shares outstanding per end of reporting period	889,086	162,293	2,452,006	233,196	-	3,736,578
	2020					
	R-cap	Z1-cap	Z2-cap	Q-cap	I-cap	Total
Number of shares per 02.12.2019	571,413	112,610	1,716,165	1,030,276	-	3,430,464
Subscriptions	328,614	55,595	945,357	157,698	286,976	1,774,240
Redemptions	-30,101	-9,260	-280,855	-444,339	-	-764,555
Number of shares outstanding per end of reporting period	869,926	158,945	2,380,667	743,635	286,976	4,440,149

Investors may subscribe for shares on each valuation date. The Net Asset Value per share will be calculated weekly on each Thursday (or, if such day is not a Business Day, on the following Business Day).

A subscription charge of up to a maximum of 5% of the Net Asset Value may be applied for the benefit of a (sub) Distributor and/or other selling agents. The precise subscription charge can be obtained from the relevant party.

(Triodos Energy Transition Europe Fund)

Triodos Energy Transition Europe Fund comprises of the following share classes:

- Euro-denominated Class “R” Capitalisation Shares (ISIN Code: NL0013908684)
- Euro-denominated Class “Z-1” Capitalisation Shares (ISIN Code: NL0013908692)
- Euro-denominated Class “Z-2” Capitalisation Shares (ISIN Code: NL0013908700)
- Euro-denominated Class “Q” Capitalisation Shares (ISIN Code: NL0013908718)
- Euro-denominated Class “I” Capitalisation Shares (ISIN Code: NL0013908726)

For the capitalisation shares no dividends are distributed. The net realised income in these classes of shares is reinvested.

Quality requirements to obtain Shares of a specific Share Class

Class “R” Capitalisation Shares are open to certain Retail Investors, depending on their country of residence. Class “R” Shares charge rebates or commissions which may be retained or passed on by the Distributors depending on applicable law and market practice.

Class “Z-1” Capitalisation Shares are listed and traded on Euronext Amsterdam and open to all investors who subscribe through a bank or other qualifying financial institution with access to Euronext Amsterdam. Class “Z-1” Shares do not charge any form of rebates or commissions.

Class “Z-2” Capitalisation Shares are open to designated Retail Investors who subscribe through a Distributor. Class “Z-2” Shares do not charge any form of rebates or commissions.

Class “Q” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “Q” Shares is EUR 100.000. The minimum holding amount for the Class “Q” Shares is EUR 100.000.

Class “I” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Shares is EUR 10 million. The minimum holding amount for the Class “I” Shares is EUR 10 million.

5. Agio

Agio	01-01-2021	02-12-2019
	30-06-2021	31-12-2020
Opening balance	146,201,887	113,844,348
Addition from shares issued	8,408,339	59,067,206
Withdrawal from shares issued	-35,958,848	-26,709,667
Balance per end of reporting period	118,651,378	146,201,887

6. Revaluation reserve

The revaluation reserves concern the positive unrealised changes in the value of individual investments with a valuation at the balance sheet date that is higher than the initial cost. A decrease in revaluation reserves means a decrease in the cumulative positive revaluation of investments.

Revaluation reserve	01-01-2021	02-12-2019
	30-06-2021	31-12-2020
Opening balance	4,477,095	–
Movement in positive revaluations of equity investments	2,432,418	4,156,390
Movement in positive revaluations of debt investments	133,569	320,704
Balance per end of reporting period	7,043,082	4,477,095

(Triodos Energy Transition Europe Fund)

The positive revaluations of individual investments above the initial cost are added to the revaluation reserves in equity. This only applies to investments without frequent market quotations. Negative revaluations below the initial cost of individual investments are charged directly to the profit and loss account. As a result, no straightforward reconciliation is possible between the revaluation reserve in equity and the revaluations in value of investments (notes 12 and 13).

7. Legal reserves

Legal reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	1,003,017	–
Change in legal reserves	-126,948	1,003,017
Balance per end of reporting period	876,069	1,003,017

8. Other reserves

Other reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	-5,480,112	–
Other reserves	-2,390,774	-4,477,095
Capitalised costs	–	-1,280,000
Amortised capitalised costs	126,948	276,983
Balance per end of reporting period	-7,743,938	-5,480,112

9. Unappropriated profit

This concerns the not yet distributed result for the extended financial year.

Unappropriated profit	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	175,441	–
Addition / withdrawal other reserves	4,966,135	175,441
Balance per end of reporting period	5,141,576	175,441

Three-year overview of the fund's equity:

	30-06-21	2020
Fund's equity	238,805,855	150,817,477
Number of outstanding shares	3,736,578	4,440,149
Net asset value per share (in EUR)	34.18	33.97

Notes to the profit and loss account

10. Realised changes in value of equity instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Realised value increases	–	479
Realised value decreases	–	-39,032
Total realised changes	–	-38,553

The realised changes are calculated on the basis of the actual sales transaction in comparison with the historical cost. The average cost price is used in the event of partial sale of equity instruments.

11. Realised changes in value of debt instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Realised value increases	9,251	99,138
Realised value decreases	-3,183	-200,258
Total realised changes	6,068	-101,119

12. Unrealised changes in value of equity instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Unrealised value increases	4,611,153	4,156,390
Unrealised value decreases	-507,393	-7,386,546
Total unrealised changes	4,103,760	-3,230,156

13. Unrealised changes in value of debt instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Unrealised value increases	1,094,308	–
Unrealised value decreases	-180,062	–
Total unrealised changes	914,246	–

14. Investment management fees

For the services it provides, the Alternative Investment Fund Manager is entitled to a management fee payable quarterly and calculated as follows:

Triodos Energy Transition Europe Fund pays for the provision of management services and supporting services an annual management fee to the Alternative Investment Fund Manager of 1.70% for Class “I” Capitalisation Shares, 1.95% for Class “Q” Shares, 1.95% for Class “Z-1” Shares and for “Z-2” Shares and 2.50% for Class “R” Shares, calculated on the relevant share class’ net assets, accrued weekly and payable quarterly. Costs for marketing and distribution activities related to retail investors and attributable to Class “I” Shares, Class “R” Shares and Class “Z” Shares will only be borne by Class “I” Shares, Class “R” Shares and Class “Z” Shares respectively, and will be part of the management fee. The costs for marketing activities related to retail investors and attributable to Class “Z” Shares may amount to maximum 0.20% (on an annual basis) of this Share Class, net assets. The management fee is excluding VAT and when applicable will be charged to Triodos Energy Transition Europe Fund.

(Triodos Energy Transition Europe Fund)

Off-balance sheet commitments

Triodos Energy Transition Europe Fund has committed itself to investments of approximately EUR 11.9 million as per 31 December 2020 consisting of the following dates of maturity:

within 1 year: EUR 8.1 million.

within 2 up to 5 years: EUR 3.8 million.

Related party transactions

The sub-fund has significant transactions with related parties. These are specified below.

Triodos Bank

The sub-fund holds a cash balance of EUR 506,260 at Triodos Bank (refer to Note 3).

Triodos Investment Management

The sub-fund pays a management fee to the Fund Manager as the AIFM. During the first half of 2021 management fees of EUR 1,559,779 were paid to the Fund Manager (refer to Note 14). As at 30 June 2021, an amount of EUR 754,594 is payable to the Fund Manager.

Ongoing charges

The ongoing charges (ratio) is calculated by dividing all relevant costs, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the thirteen-month period since inception of Triodos Energy Transition Europe Fund and annualised to arrive at the estimated yearly ongoing charges figure.

Ongoing charges	30-06-2021	31-12-2020
I-cap (EUR)	2.33%	2.39%
Q-cap (EUR)	2.58%	2.62%
R-cap (EUR)	3.13%	3.00%
Z1-cap (EUR)	2.58%	2.51%
Z2-cap (EUR)	2.58%	2.49%

Subsequent events

There are no subsequent events after balance sheet date.

Semi-annual accounts

Triodos Food Transition Europe Fund

(Triodos Food Transition Europe Fund)

Balance sheet

Before profit appropriation (amounts in euro's)	Note*	30-06-2021	31-12-2020	30-06-2020
Investments				
Equity instruments	1	56,563,278	49,337,109	37,541,091
Debt instruments	2	–	–	–
Derivatives (positive)		95,632	331,230	68,219
Total investments		56,658,910	49,668,339	37,609,310
Receivables				
Other receivables		24,405	23,074	71,352
Other assets				
Formation costs		376,436	430,984	486,284
Cash and cash equivalents	3	4,533,374	2,285,599	5,951,799
Current liabilities				
Investment management fees payable		271,062	237,738	478,495
Accounts payable and accrued expenses		26,516	180,269	217,601
Derivatives (negative)		180,876	269,968	90,889
Receivables and other assets less current liabilities		4,455,761	2,051,682	5,722,450
Assets less current liabilities		61,114,671	51,720,021	43,331,760
Equity				
Issued and paid-up capital	4	472,476	450,767	442,512
Agio	5	45,918,409	43,413,703	42,609,895
Revaluation reserve	6	18,435,168	11,674,522	–
Legal reserves	7	376,436	430,984	486,284
Other reserves	8	-10,956,054	-12,105,505	-486,284
Unappropriated profit	9	6,868,236	7,855,550	279,353
Total equity		61,114,671	51,720,021	43,331,760

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

(Triodos Food Transition Europe Fund)

Profit and loss account

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Direct results from investments			
Dividend		530,890	237,782
Interest on Loans		–	20,054
Other income		–	88,527
		530,890	346,364
Indirect results from investments			
Realised changes in value of investments			
Equity instruments	10	–	125,123
Debt instruments	11	–	-45,771
Derivatives	12	68,070	-37,614
		68,070	41,738
Unrealised changes in value of investments			
Equity instruments	13	7,226,169	945,964
Derivatives	14	-146,506	-22,670
		7,079,663	923,293
Other operating income		30	–
Total income		7,678,653	1,311,394
Operating expenses			
Amortisation of formation expenses		54,548	63,716
Investment management fees	15	552,894	478,495
Administrative and depositary fees		34,934	42,167
Audit and advisory fees		33,111	69,338
Other interest paid		10,769	59,026
Other expenses		131,420	310,727
Total operating expenses		817,676	1,023,469
Operating result		6,860,977	287,925
Exchange rate results		7,258	-8,572
Result before taxes		6,868,235	279,353
Income tax		–	–
Result for the year		6,868,235	279,353

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

(Triodos Food Transition Europe Fund)

Cash flow statement

(amounts in euro's)	Note*	1st half 2021	1st half 2020
Cash flow from investment activities			
Result ex. exchange rate differences		6,860,978	287,925
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		-60,812	-184,366
Unrealised changes in value of investments		-7,086,921	-931,866
Purchases of investments		–	-2,027,152
Sale of investments		68,070	10,661,105
Costs directly charged to equity		149,346	-486,284
Movement in assets and liabilities			
Movement in receivables from investment activities		-96,129	9,545
Movement in liabilities arising from investment activities		-120,429	766,042
Net cash flow from investment activities		-285,897	8,094,949
Cash flow from financing activities			
Received upon issue of own shares		2,939,363	12,928,519
Repurchase of own shares		-412,948	-11,929,061
Dividend paid		–	–
Net cash flow from financing activities		2,526,415	999,458
Change in cash and cash equivalents		2,240,517	9,094,406
Cash and cash equivalents at the beginning of the reporting period		2,285,599	-3,134,035
Exchange rate differences		7,258	-8,572
Cash and cash equivalents at the end of the reporting period	3	4,533,374	5,951,799

* See the notes to the balance sheet, profit and loss account and cash flow statement.

The accompanying notes form an integral part of these financial statements.

The figures in these financial statements have not been subjected to an external audit.

Notes to the semi-annual accounts

1. Equity instruments

Movement schedule equity instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	49,337,109	44,240,371
Purchases	–	6,620,682
Sales	–	-9,948,719
Change in realised gains/losses	–	276,323
Change in unrealised gains/losses	7,226,169	8,148,452
Revaluations due to exchange rate differences	–	–
Balance at end of reporting period	56,563,278	49,337,109

The cost price of the equity instruments at 30 June 2021 was EUR 41,215,131.

The investments, where the sub-fund has a majority interest, are excluded from consolidation due to the existence of an exit strategy, in accordance with the interpretation of article 407c, Title 9, Book 2 of the DCC which is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board. An overview of the investments is included in the management report.

2. Debt instruments

Movement schedule debt instruments	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	–	921,521
Purchases	–	–
Sales	–	-840,000
Change in realised gains/losses	–	-81,521
Change in unrealised gains/losses	–	–
Revaluations due to exchange rate differences	–	–
Balance at end of reporting period	–	–

The change in unrealised gains/losses comprise the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves.

3. Cash and cash equivalents

Cash and cash equivalents include balances in current accounts, savings accounts and deposits held with Triodos Bank, Rabobank, CACEIS, ING and BNP Paribas. Cash and cash equivalents are at the free disposal of the sub-fund.

4. Issued and paid-up capital

Issued and paid-up capital	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	450,767	432,599
Issued capital	25,589	146,672
Paid-up capital	-3,880	-128,504
Balance per end of reporting period	472,476	450,767

(Triodos Food Transition Europe Fund)

Changes in the number of shares:

	2021			
	Q-cap	Q-dis	I-dis	Total
Number of shares per 01.01.2021	140,372	211,414	98,981	450,767
Subscriptions	16,656	8,933	–	25,589
Redemptions	–	-3,880	–	-3,880
Number of shares outstanding per end of reporting period	157,028	216,467	98,981	472,476
	2020			
	Q-cap	Q-dis	I-dis	Total
Number of shares per 02.12.2019	123,018	309,581	–	432,599
Subscriptions	42,560	5,131	98,981	146,672
Redemptions	-25,206	-103,298	–	-128,504
Number of shares outstanding per end of reporting period	140,372	211,414	98,981	450,767

Investors may subscribe for shares on each valuation date. The Net Asset Value per share will be determined quarterly, as of the last Business Day of each calendar quarter (the “Valuation Date”) and will be calculated at the latest five Business Days after the relevant Valuation Date.

A subscription charge of up to a maximum of 3% of the Net Asset Value may be applied for the benefit of selling agents. The precise subscription charge can be obtained from the relevant party.

Triodos Food Transition Europe Fund comprises of the following share classes:

- Euro-denominated Class “Q” Capitalisation Shares (ISIN Code: NL0013908742))
- Euro-denominated Class “Q” Distribution Shares (ISIN Code: NL0013908734)
- Euro-denominated Class “I” Capitalisation Shares (ISIN Code: NL0013908759)
- Euro-denominated Class “I” Distribution Shares (ISIN Code: NL0014115156)

For the capitalisation shares no dividends are distributed. The net realised income in these classes of shares is reinvested. For the distribution shares dividends will be distributed upon the decision of the management board of the Fund. It is the Fund’s intention to distribute dividends concerning the distribution shares at least annually.

Quality requirements to obtain Shares of a specific Share Class

Class “Q” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum subscription amount for the Class “Q” Capitalisation Shares is EUR 250,000. The minimum holding amount for the Class “Q” Capitalisation Shares is EUR 250,000.

Class “Q” Distribution Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum subscription amount for the Class “Q” Distribution Shares is EUR 250,000. The minimum holding amount for the Class “Q” Distribution Shares is EUR 250,000.

Class “I” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Capitalisation Shares is EUR 10 million. The minimum holding amount for the Class “I” Capitalisation Shares is EUR 10 million.

Class “I” Distribution Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Distribution Shares is EUR 10 million. The minimum holding amount for the Class “I” Distribution Shares is EUR 10 million.

(Triodos Food Transition Europe Fund)

5. Agio

Agio	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	43,413,703	41,620,350
Addition from shares issued	2,913,774	14,015,965
Withdrawal from shares issued	-409,068	-12,222,611
Balance per end of reporting period	45,918,409	43,413,703

6. Revaluation reserve

The revaluation reserves concern the positive unrealised changes in the value of individual investments with a valuation at the balance sheet date that is higher than the initial cost. A decrease in revaluation reserves means a decrease in the cumulative positive revaluation of investments.

Revaluation reserve	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	11,674,522	–
Movement in positive revaluations of equity investments	7,035,694	11,303,542
Movement in positive revaluations of derivatives	-275,048	370,980
Balance per end of reporting period	18,435,168	11,674,522

The positive revaluations of individual investments above the initial cost are added to the revaluation reserves in equity. This only applies to investments without frequent market quotations. Negative revaluations below the initial cost of individual investments are charged directly to the profit and loss account. As a result, no straightforward reconciliation is possible between the revaluation reserve in equity and the revaluations in value of investments (note 10).

7. Legal reserves

Legal reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	430,984	–
Change in legal reserves	-54,548	430,984
Balance per end of reporting period	376,436	430,984

8. Other reserves

Other reserves	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	-12,105,505	–
Other reserves	1,094,903	-11,674,522
Capitalised costs		-550,000
Amortised capitalised costs	54,548	119,016
Balance per end of reporting period	-10,956,054	-12,105,505

(Triodos Food Transition Europe Fund)

9. Unappropriated profit

This concerns the not yet distributed result for the extended financial year.

Unappropriated profit	01-01-2021 30-06-2021	02-12-2019 31-12-2020
Opening balance	7,855,550	–
Addition / withdrawal other reserves	-987,314	7,855,550
Balance per end of reporting period	6,868,236	7,855,550

Three-year overview of the fund's equity *:

	30-06-2021	31-12-2020
Fund's equity	61,114,674	51,720,021
Number of outstanding shares	472,476	450,767
Net asset value per share (in EUR)	129,35	114.74

* NAV per share is based on the net asset value as presented in this semi-annual report. There is a difference between the net asset value of the fund presented in this semi-annual report compared to the published share prices as per 31 December 2020 (i.e. the last price at which shares were traded in the reporting period). This is due to the investment values in the semi-annual report being based on available information up to the date of publication, while the published share price as per 31 December 2020 was based on information available at the time of publication. As at 30 June 2021, the published share price takes into account the latest information available at that date, including all information used for the preparation of the semi-annual report as applicable.

Notes to the profit and loss account

10. Realised changes in value of equity instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Realised value increases	–	354.373
Realised value decreases	–	-78.050
Total realised changes	–	276.323

The realised changes are calculated on the basis of the actual sales transaction in comparison with the historical cost. The average cost price is used in the event of partial sale of equity instruments.

11. Realised changes in value of debt instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Realised value increases	–	–
Realised value decreases	–	-81,521
Total realised changes	–	-81,521

12. Realised changes in value of derivatives

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Realised value increases	216,414	63,431
Realised value decreases	-148,344	-101,045
Total realised changes	68,070	-37,614

13. Unrealised changes in value of equity instruments

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Unrealised value increases	7,523,039	11,303,542
Unrealised value decreases	-296,870	-3,155,090
Total unrealised changes	7,226,169	8,148,452

14. Unrealised changes in value of derivatives

	01-01-2021 30-06-2021	02-12-2019 30-06-2020
Unrealised value increases	236,933	370,980
Unrealised value decreases	-383,439	-309,718
Total unrealised changes	-146,506	61,262

(Triodos Food Transition Europe Fund)

15. Investment management fees

Triodos Food Transition Europe Fund pays for the provision of management services and supporting services an annual Management Fee to the Fund Manager of 2% for Class “Q” Capitalisation Shares and Class “Q” Distribution Shares, calculated on the relevant Classes’ net assets, accrued and payable quarterly.

Triodos Food Transition Europe Fund pays for the provision of management services and supporting services an annual Management Fee to the Fund Manager of 1,75% for Class “I” Capitalisation Shares and Class “I” Distribution Shares, calculated on the relevant Classes’ net assets, accrued and payable quarterly.

Off-balance sheet commitments

Triodos Food Transition Europe Fund has not committed itself to investments per 30 June 2021 (31 December 2020: no commitments).

Related party transactions

The sub-fund has significant transactions with related parties. These are specified below.

Triodos Bank

- The sub-fund holds a cash balance of EUR 200,678 at Triodos Bank (refer to Note 3).
- As of November 17, 2020, Triodos Bank has provided financing of EUR 10 million on market terms to replace the previous agreement of November 5, 2019. This is an unused credit facility, which is off-balance sheet.

Triodos Investment Management

The sub-fund pays a management fee to the Fund Manager as the AIFM. During the first half of 2021 management fees of EUR 695,153 were paid to the Fund Manager (refer to Note 15). As at 30 June 2021, an amount of EUR 271,062 is payable to the Fund Manager.

Ongoing charges

The ongoing charges (ratio) is calculated by dividing all relevant costs, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges are calculated over the thirteen-month period since inception of Triodos Food Transition Europe Fund and annualised to arrive at the estimated yearly ongoing charges figure.

Ongoing charges*	30-06-2021	31-12-2020
I-dis (EUR)	3.11%	3.09%
Q-cap (EUR)	3.36%	3.34%
Q-dis (EUR)	3.36%	3.34%

* The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the share prices is taken into account. The ongoing charges are calculated over the thirteen-month period since the launch of the sub-fund and annualised to arrive at the estimated yearly ongoing charges figure.

Subsequent events

In the subsequent event period to these financial accounts, Triodos Food Transition Europe Fund completed the sales transaction of Naty to Humble group.

Other Information

Belgian savings tax

Name of the sub-fund	In scope of Belgian Savings Tax	Method used to determine the status	Asset ratio	Period of validity of the status
Triodos Energy Transition Europe Fund	Yes	Asset testing	63.22%	From May 1, 2021 until April 30, 2022
Triodos Food Transition Europe Fund	Yes	Asset testing	9.03%	From May 1, 2021 until April 30, 2022

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