# Stichting Hivos-Triodos Fonds

## Annual Report 2024

Triodos Investment Management

Stichting Hivos-Triodos Fonds is a joint initiative of Stichting Hivos and Triodos Bank.

Triodos Investment Management is a 100% subsidiary of Triodos Bank and is the manager and forms the board of directors of Stichting Hivos-Triodos Fonds.

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# Key Figures

| (amounts in EUR) | **2024** | **2023** |
|---|---|---|
| Participations value at the end of the year | 33,799,976 | 28,863,749 |
| *Number of contracts* | *17* | *17* |
| Loans provided | 28,124,037 | 23,900,563 |
| *Number of borrowers* | 22 | *22* |
| Subordinated loans provided | 1,411,409 | 398,230 |
| *Number of subordinated borrowers* | 2 | *1* |
| Total portfolio before deduction of specific provisions including loan claims | 65,621,761 | 55,258,198 |
| Committed investments | 4,826,721 | 7,791,053 |
| Gross amount subordinated loan from Hivos | 31,842,465 | 31,842,465 |
| Net amount subordinated loan | 31,842,465 | 31,842,465 |
| Equity | 20,316,420 | 16,296,896 |
| **Result** | **Over 2024** | **Over 2023** |
| Income | 7,425,956 | 1,355,496 |
| Operating expenses | -3,597,187 | -3,290,915 |
| **Operating result** | **3,828,769** | **-1,935,419** |
| **Movement in general provision** | - | 421,269 |
| **Exchange rate result** | 306,512 | -58,225 |
| **Corporate income tax** | -115,757 | - |
| **Result** | **4,019,524** | **-1,572,375** |

# General Information

Stichting Hivos-Triodos Fonds (the Fund or the Foundation) was founded on 22 December 1994 by Stichting Hivos (Hivos) and Stichting Triodos Fonds.

The objective of the Foundation is defined in the articles of association as follows: ‘The Foundation’s aim is to contribute to the sustainable development of countries that have lagged behind in terms of prosperity and welfare, in the broadest sense of the word’. Stichting Hivos-Triodos Fonds has its registered office in Driebergen-Rijsenburg.

## Board of Directors

Triodos Investment Management B.V. forms the board of directors of Stichting Hivos-Triodos Fonds. The board of Triodos Investment Management consists of
Dick van Ommeren (Chair)
Hadewych Kuiper (Managing Director Investments)
Martijn van Oort (Managing Director Finance, Risk & Operations) (appointed per 6 May 2025).

## Manager

Stichting Hivos-Triodos Fonds is managed by Triodos Investment Management B.V. Triodos Investment Management is licensed under the Financial Supervision Act.

The board of Triodos Investment Management consists of
Dick van Ommeren (Chair)
Hadewych Kuiper (Managing Director Investments)
Martijn van Oort (Managing Director Finance, Risk & Operations) (appointed per 6 May 2025)

Kor Bosscher was the Managing Director Finance, Risk & Operations until 1 October 2024 and has been succeeded by Martijn van Oort as from 6 May 2025. Guus van der Weijden was the interim Managing Director Finance, Risk & Operations without statutory duties between 1 October and 6 May 2025.

There is an investment management agreement in place between Stichting Hivos-Triodos Fonds and Triodos IM.

## Fund Manager

Triodos Investment Management has appointed a fund manager. Judith Santbergen has been fund manager of Stichting Hivos-Triodos Fonds since November 2021.

## Supervisory Board

The members of the supervisory board are:

Jetske van Breugel (per 1 April 2025)
Irina Manea (per 1 June 2025)
Marnix Mulder (per 1 June 2025)
Ylse van der Schoot
Johan van de Ven (Chair)

Pat Pillai resigned from the supervisory board per 1 June 2024. Michel Farkas resigned from the supervisory board per 31 December 2024. Diane Griffioen resigned from the supervisory board per 1 April 2025.

# Report of the Board of Directors

Stichting Hivos-Triodos Fonds (the Foundation) was set up in 1994 with the aim of contributing to sustainable socio-economic development in developing countries. It was one of the first global movers in financial inclusion investments. The combination of public and private funding from Hivos and Triodos Bank respectively is a great example of an effective and successful blended finance initiative. In 2024, Stichting Hivos-Triodos Fonds celebrated thirty years of partnership.

Today, Stichting Hivos-Triodos Fonds aims to address (the consequences of) climate change, improve livelihoods and reduce inequalities for low-income communities and vulnerable groups (especially youth and women). Through its investment activities, the Foundation contributes to the transition to a 'green inclusive economy', one that is inclusive and drives economic growth, employment and poverty eradication whilst maintaining healthy ecosystems.

Fostering the growth of 'green and inclusive' Small and medium-sized enterprises (SMEs) in agriculture and energy can accelerate this transition. Transformations in these sectors are essential for reducing greenhouse gas emissions and aligning with the 1.5°C target. Furthermore, demand for food and energy is highest and rapidly increasing in developing countries and emerging economies, driven by demographic trends. SMEs play a pivotal role globally as engines of economic growth and innovation, creating 7 out of 10 formal jobs and contributing 40% to the gross national product in developing countries. However, these enterprises face persistent barriers to accessing finance.

Stichting Hivos-Triodos Fonds' strategy therefore focuses on climate change and inclusivity through an investment focus in agriculture and energy. With this approach, the Foundation aims to provide resilience to the effects of climate change and achieve socio-economic progress, especially for underserved communities. And, by proving that investments in this space can be successful, Stichting Hivos-Triodos Fonds can also inspire change; for investees, investors and the broader public.

There were no research and development activities during the year.

## Market developments

Emerging markets performed relatively well in 2024, despite a challenging global context marked by ongoing wars in Ukraine and Gaza. The impact of climate change in emerging markets continued in 2024, with extreme droughts and an increase in hurricanes and floods.

A record number of elections in emerging markets in 2024, which reshaped political landscapes in countries such as India and South Africa, did not damage investor sentiment towards these markets. Elections in both the European Union (EU) and the United States (US) also had a significant impact on global political dynamics and policy-making in emerging markets. Meanwhile, despite rising protectionism and security concerns, investor sentiment was generally positive, and global trade volumes remained stable as countries adapted to trade fragmentation and external shocks.

In 2024, inflation in emerging markets continued to decline, supported by flexible exchange rates and credible central bank policies. The Federal Reserve and European Central Bank initiated rate cuts, providing further tailwinds for emerging markets. Economic growth in emerging markets exceeded expectations, averaging around 4%, driven by the resilience of the global economy.

The Hivos-Triodos Fonds' portfolio is highly diversified in terms of geographies. India represents the largest country exposure in the portfolio (32.9% of Total Assets). India's economic growth has been robust above 6% in 2024. It is considered a relative safe haven in emerging markets, as the country is less dependent on the US and China for its growth. However, a permanent risk is weather shocks which could adversely impact agricultural output, lifting food prices and weighing on the recovery in rural consumption.

For Sub-Saharan Africa, a key focus region for the Foundation, there was modest economic growth of 4% in 2024 and declining inflation yet remaining in double-digit territory. The region is dealing with complexities of high debt levels and interest payments, and political instability has tested economies. Also important to note that growth is uneven across the region. Therefore, the Manager monitors and evaluates the country and currency risk of individual countries to support investment decisions and risk management.

## Currency movements

The exchange rates were volatile throughout the year. Earlier in the year, the value of the euro rose against the US dollar and other currencies, which had a negative impact on the unhedged investments in the portfolio. After the US elections, the value of the US dollar increased significantly, as did other currencies that move in tandem with the dollar. This offset the earlier currency losses over the entire year. The US dollar rose by 6.5% in value against the euro in 2024.

Similarly, the Indian rupee strengthened by 3.5% against the euro in 2024.

## Sector developments

**Ecologically and socially resilient food & agri-systems**
Stichting Hivos-Triodos Fonds focuses on investments to make agricultural value chains sustainable, inclusive and resilient from production to consumption. Key themes are: improving the welfare and prosperity of smallholder farmers, stimulating sustainable agricultural practices, promoting climate adaptation & mitigation measures, strengthening efficiency in the value chain and increasing local value creation and distribution.

The need for widespread adoption of climate-smart and regenerative farming practices became even more apparent in 2024. Global temperatures witnessed unprecedented temperatures, surpassing the record-breaking warmth of 2023. Notably, it became the first year with an average temperature exceeding 1.5°C above pre-industrial levels, a critical threshold outlined in the Paris Agreement. This alarming milestone, coupled with record-breaking greenhouse gas levels and extreme weather events underscores the accelerating impacts of human-caused climate change.

Extreme weather and climate change put pressure on supply chains. In 2024, we witnessed record high prices for both coffee and cocoa, driven by significant supply reductions in top producing countries. Both crops are largely cultivated by smallholder farmers, which highlights the importance of investing in the climate resilience of smallholders. There are also deep-rooted structural issues at play, including chronic underinvestment in farms, resulting from smallholders lacking the means to invest. As emphasized by Caravela, one of the portfolio companies, environmental stewardship and household prosperity must co-exist. Therefore, the promotion of fair and transparent prices, as well as local value creation and distribution remain equally important. While high prices might seem like a victory for farmers, the reality is more complex. Rising costs of labour, inputs, and inflation mean producers' margins still remain tight. Players further up the value chain struggle to manage the high price level and the long-term implications are uncertain.

Another major event in the agricultural sector was the initial anticipation followed by a one-year delay of the European Union Deforestation Regulation (EUDR), which aims to stop deforestation risks for commodities, including beef, timber, soy, palm oil, coffee and cocoa. While recognizing that more time and resources are required to enable crucial stakeholders to comply through technical assistance and capacity building, the need for a strong, clear and enforceable deforestation-free regulation without dilution and further delays is crucial.

Stichting Hivos-Triodos Fonds is committed to work with "green and inclusive" SMEs, that support ecologically and socially resilient food systems, such as Sommalife in Ghana and Limbua in Kenya, that were added to the portfolio in 2024. In addition, the Foundation renewed and increased its commitment to existing clients in the portfolio in light of the increased prices in the market, while carefully assessing the SMEs' capacity to manage the price volatility and maintaining a diversified portfolio.

**Decentralised renewable energy solutions**
Stichting Hivos-Triodos Fonds contributes to enabling access to clean, affordable and reliable energy and (productive use) appliances for low-income households, farmers and SMEs. Access to energy contributes to households' prosperity and well-being, and income generation for businesses with minimal greenhouse gas emissions, to minimise the impact of climate change.

Considerable strides have been made in achieving sustainable energy targets. Global capacity to generate electricity from renewable energy has begun expanding at an unprecedented rate, a trend expected to continue. However, the consecutive macroeconomic and geopolitical challenges have disrupted progress, including by exacerbating already insufficient international financial flows for clean energy in developing countries. During 2024, it became clear that the number of people lacking electricity access grew for the first time in a decade, due to population growth.

In its recent report, GOGLA (the global association for off-grid solar) highlighted that annual sales figures for 2024 are likely to be in line with 2023 annual sales. Demand extends beyond first-time energy users. Falling battery costs and technological advancements are driving interest in more advanced applications, such as solar powered water pumps and freezers. The value of these solutions is not just for energy access but also for the economic and social opportunities they enable. However, sales progress, which is above pre-pandemic levels yet below 2022 level, was hindered by inflation and currency depreciation making imported products more expensive. Working capital shortages have furthermore hindered demand for off-grid solutions. Achieving universal access to energy requires a sustainable and adequately funded sector. The announcement of the "Mission 300" initiative by the World bank and African Development Bank, alongside other programs, are critical to accelerate access to off-grid solutions.

In 2015, Stichting Hivos-Triodos Fonds made its first investment in off-grid solar, a nascent sector, by providing a loan to M-Kopa in Kenya. The Foundation has invested in several other companies since, across a diversity of sub sectors, such as standalone solar lighting systems, productive use solar appliances, mini-grid projects and commercial and industrial use solar. Diversification is key in our view, as there is not one model to drive access to energy or reduce energy poverty. Next to diversification, investing alongside other strong and impact aligned investors is key, as off-grid is capital intensive and it (often) takes (more) time to reach profitability. Stichting Hivos-Triodos Fonds remains committed to the sector, and builds on its track record of the past 10 years. Providing households and businesses (improved) access to energy and energy solutions is essential for inclusive economic and social development.

**Access to financial services**
Stichting Hivos-Triodos Fonds invests in local financial institutions or specialised funds through which financing is provided to end-customers that cannot be reached via a direct investment strategy. Examples are funds that provide seed capital to early-stage companies, tech-enabled lenders, or microfinance institutions that finance farmers or small businesses.

The impact of rising interest rates in recent years was still felt in some countries in 2024, particularly through refinancing risks, which resulted in higher financing costs for financial institutions. While many microfinance institutions (MFIs) were able to pass on these costs to their clients, refinancing challenges persisted. In India, rising interest rates contributed to an increase in overdue payments from end clients. In this regard, the shift toward lower interest rates is a positive development.

During 2024, MFIs played a crucial role in post-disaster recovery. As an example, after the typhoon Yagi struck Myanmar, MFIs deployed crisis teams to provide emergency aid and financial support. This illustrates how microfinance helps to mitigate the effect of climate crisis, restoring access to basic needs and enabling economic activity after crises. Moreover, microfinance plays a vital role in energy and food transition, supporting loans for solar panels and home insulations, as well as providing farmers access to high-quality inputs.

Stichting Hivos-Triodos Fonds can make investments in local financial institutions, with a preference for those that reach end-customers in the key focus sectors energy and agriculture. For example, Samunatti in India that provides financial support to SMEs across the agricultural value chain. The Foundation also invests in embedded finance companies that use financial technology to better deliver their products or services. The intersection of financial inclusion and climate resilience solutions is a relevant area for Stichting Hivos-Triodos Fonds. An example from the portfolio is SunCulture in Kenya, that offers solar irrigation systems to smallholder farmers via a Pay-As-You-Grow model that allows farmers to pay in affordable instalments.

## Portfolio developments

The total portfolio size of Stichting Hivos-Triodos Fonds increased to EUR 63,335,422 as per 31 December 2024 compared to EUR 53,162,542 as per 31 December 2023. For a further explanation, please refer to the section headed 'participations' and 'loans'.

**Regional spread**
Stichting Hivos-Triodos Fonds has a highly diversified portfolio. A key focus region is Africa and the Middle East, with a share of 33.8% of the portfolio. The high diversification and relatively large share of Africa and Middle East distinguishes it from other investors in the sector.

**Risk classification**
Stichting Hivos-Triodos Fonds applies a risk classification system in which credit risks are systematically assessed.

An in-house credit risk scoring model for SMEs is used to assess counterparty risk. Various factors such as country risk, the degree of maturity and the profitability of the organisation are assessed. The Foundation focuses on medium to higher risk classes.

**Participations**
The size of the participation portfolio on the Foundation's balance sheet increased to EUR 33.8 million as per 31 December 2024 compared to EUR 28.9 million as per 31 December 2023. Only EUR 0.1 million was drawn from outstanding commitments to existing participations, and EUR 0.5 million was received from distributions.

The growth in participations was primarily driven by positive performance of existing holdings during 2024. No new participations were added during the year. Looking into the underlying companies in the portfolio, the movement in valuation is primarily driven by two holdings, both co-investments alongside a fund in India with a climate & green tech profile. These holdings have continued to show strong performance during the year and have a positive outlook. Given the total share of participations in the total portfolio (50.1%), the Foundation has no appetite for new equity investments. Considering the growth and stage of some of the holdings, the Foundation is looking to realize exits.

For all participations, Stichting Hivos-Triodos Fonds as shareholder actively supervises, inter alia, the institution's social mission, by, for example, serving on the participation's supervisory body.

**Portfolio by region**

**Loans**

In 2024, Stichting Hivos-Triodos Fonds' loan portfolio increased by 21.6% from EUR 24.3 million to EUR 29.5 million.

During 2024, Stichting Hivos-Triodos Fonds provided 15 loans, of which five to new companies. In line with the focus on Africa, four out of these five new investees are SMEs operating in African countries, such as Ghana, Kenya, and Zambia. The fifth investee concerns a nature-based solutions platform with a portfolio of projects across forestry, agriculture and nature projects in various emerging markets.

Five organisations completely repaid their loans in 2024 and exited the portfolio.

**Value chain finance**

Since August 2018, Stichting Hivos-Triodos Fonds has been providing value chain finance to producers of organic and/or fair trade products in developing countries. Thanks to this seasonal financing from Stichting Hivos-Triodos Fonds, farmers can be paid directly upon delivery of their harvest.

At the end of 2024, Stichting Hivos-Triodos Fonds had 8 agri processors in its portfolio and provided new value chain finance facilities to nine portfolio companies during the year. Through its portfolio, the Foundation supported the export of 31,048.7 tons different sustainably produced products, of which coffee constituted a significant part (48%). During 2024, the volume of value chain finance increased (66%) compared to previous year(s): new facilities to existing clients were increased, and two new clients were onboarded, Limbua in Kenya  and Sommalife in Ghana.

**Bad debt provisions**

In 2024, Stichting Hivos-Triodos Fonds increased the total provisions to EUR 1.9 million (2023: EUR 1.4 million). The existing provision in Myanmar remained in place due to ongoing political uncertainty. The Foundation is pursuing an exit strategy for its investment in Myanmar. There was a write-off (EUR 887,243) of a fully provisioned loan, and one (partially) provisioned loan was fully recovered.

KoinWorks, a prominent Indonesian fintech platform, became embroiled in a major fraud case in late 2024 through its subsidiary, KoinP2P. In 2021, KoinP2P collaborated with MTH Global Investama to provide peer-to-peer loans. MTH used falsified borrower data, resulting in a loss of approximately 365 billion rupiah (approx. EUR 22 million). Of this amount, approximately 10% was provided through loans on KoinP2P's balance sheet, while the remaining amount came from investors via the P2P platform. The fraud came to light when KoinP2P attempted to collect repayments and discovered that the information about the borrowers had been falsified. In response, the Indonesian financial regulator OJK launched an investigation into KoinP2P's operations, focusing on governance, risk management and compliance. As a result of the fraud, the fund has made a provision for the loan to Koinworks.

## Result

**Financial result**

In 2024, dividend income on equity investments was EUR 8,034 (2023: no dividend income), while the proceeds on (subordinated) loans increased by EUR 521,696 to EUR 3,108,500 (2023: EUR 2,586,804).

The unrealised results from changes in the value of participations (including exchange rate differences) was EUR 5,349,956. The income from (subordinated) loans amounted to EUR 3,108,500. This combined with realised and unrealised results in Investments and other income, resulted in a total profit of EUR 7,425,956.

Stichting Hivos-Triodos Fonds realised a positive operating result of EUR 3,828,769 (2023: EUR 1,935,419 negative operating result) and achieved a positive pre-tax result of EUR 4,135,281 (2023: EUR 1,572,375 negative).

The equity increased to EUR 20,316,420. The equity is fully freely disposable and is used to contribute to the foundation's objectives.

**Costs**

Stichting Hivos-Triodos Fonds pays a management fee to Triodos Investment Management and other third parties.

The total management fee including non-deductible value added tax amounts to EUR 2,041,009 (2023: EUR 1,869,918) and is the largest cost item and concerns in particular personnel costs. Of the total amount, EUR 1,856,695 is attributable to Triodos Investment Management (2023: EUR 1,738,753).

In addition, all efforts related to administration and reporting obligations are met from the management fee. In addition to the management fee, Stichting Hivos-Triodos Fonds pays interest and other expenses.

The total interest cost increased to EUR 1,380,627 (2023: EUR 1,252,859). The total operating expenses in 2024 amounted to EUR 3,597,187 (2023: EUR 3,290,915).

## Financial risks

In 2024, the Foundation faced a number of financial risks.

The main ones were:

- Market risk, including interest rate risk;
- Country risk ;
- Credit risk; and
- Sustainability risk.

Detailed information on the management of the financial risks in 2024 can be found under 'Managing financial risks' in the financial statements on page 20 and beyond.

## Non-financial risks

As manager of Stichting Hivos-Triodos Fonds, Triodos Investment Management ensures adequate management of the relevant risks. To this end, the manager has set up an integrated risk management system. This includes the Foundation's risk management policy and the manager's integrated risk management framework.

Risk management has been set up in accordance with the three-lines-of-defence model. The first line (the manager's executive function), the second line (the risk management function) and the third line (the internal audit function) operate independently of each other. The risk management function in the second line and the internal audit function in the third line are functionally and hierarchically separated from the Foundation's management.

For the financial risks, please refer to the section Financial risks. The non-financial risks consist of 'operational risks' and 'compliance risks'. Operational risks include the risks that arise from human error, process, or system failure and external events. It includes the improper handling of confidential information and the so-called compliance risk of regulatory requirements not being met. Compliance risks are risks related to failure to comply with applicable laws and regulations. These risks are identified, assessed, managed and monitored on an ongoing basis through appropriate procedures and reports. These risks are assessed on the basis of a pre-defined and quantified risk appetite based on the risk appetite at Triodos group level.

**Risk management function**
Triodos Investment Management has a risk & compliance application that enables integrated management of all risk related issues. This includes an integral risk management system, internal 'Control Testing' and its outcomes, and procedures relating to risk event management. In addition, the results of risk and control self-assessments are recorded, as well as the translation of the results of these sessions into the integrated risk management system. The application provides a central capture ('audit trail') for all of the above. Knowledge sessions and awareness training sessions are organised for new employees.

**Solvency**
Triodos Investment Management complies with the minimum solvency requirements imposed on managers of investment institutions in accordance with the Dutch Decree on prudential rules under the Financial Supervision Act (BPR), AIFMD and the Dutch Civil Code.

This makes Triodos Investment Management a robust party that can absorb setbacks to a sufficient extent.

**Fraud**
The combination of Triodos Investment Management B.V.'s organizational culture, behaviour and management style create a climate where socially responsible standards and ethics are of major importance. Our organization places a high value on ethical business practices and has appropriate measures in place to prevent, detect, act upon and report on fraudulent practices, both inside and outside the organization. These measures are defined in the Financial Crime Prevention Policy. Examples of these measures include policies and procedures for preventing financial crimes, money laundering by investors and investees and financing of terrorism. Triodos Investment Management B.V. also performs customer due diligence, extensive investment due diligence during onboarding and monitoring of business relationships and outsourced parties.

Strong governance guarantees transparent decision-making processes throughout the organization. Triodos Investment Management B.V. annually performs a systematic integrity risk analysis (SIRA) of our processes, products and contract parties. The SIRA ensures that potential risks are regularly assessed with regard to all integrity-related topics, such as internal and external fraud. SIRA fraud assessments include, for example, an analysis of risks related to co-workers not reporting fraud incidents, fraud risks of an outsourced party in relation to its own business culture or in relation to the reporting of the Triodos investment funds. Triodos Investment Management B.V. regularly assesses whether fraud risks are sufficiently mitigated by existing controls. The result of all these activities is reported by the Fraud Officer to the

Triodos Investment Management B.V. Board, Triodos Bank Group Compliance and the Triodos Bank Executive Board.

Investing in countries where corruption also occurs is the main fraud-related risk. Triodos Investment Management B.V., however, undertakes all viable efforts to mitigate this risk and accepts that this exposure is inherent to fulfulling its mission of financing positive impact. When there is a fraud-related risk, this may lead to additional Customer Due Diligence (CDD) measures to be implemented, which is laid down in the CDD Risk Rating Methodology. During the reporting period fraud-related risks have not led to actual fraud cases.

In 2024, one investment of the fund was affected by fraud. KoinWorks, a prominent Indonesian fintech platform, became embroiled in a major fraud case via its subsidiary, KoinP2P, at the end of 2024. For more information, please refer to the section “Bad debt provisions”.

## Outlook

In 2025, economic growth in emerging markets is expected to slow down somewhat, with inflation likely to rise modestly due to increased global tariffs and weaker currencies. We expect divergence in monetary policy between the US and the eurozone and a more modest pace of rate cuts going forward. These rate cuts are likely to stimulate economic activity and investments in emerging markets, which tend to perform well in a lower-cost financing environment.

The intensified trade war has elevated global uncertainty, initially sparking global volatility. It has had a significant impact on financial markets, and not spared emerging markets’ currencies or equity markets. Emerging markets with diversification in exports outside of US and stronger domestic economies are better positioned to navigate the current uncertainty. Other countries, like India are seen as a potential "safe haven" among emerging markets. India is relatively closed, runs a high services balance, and is not deeply integrated into global supply chains. Even though the recent rise in India-Pakistan tensions may dim this perception, it is not expected to be derailed. There is limited direct trade with Pakistan, and previous conflicts have not had a lasting impact on Indian bond and equity markets and currency.

Stichting Hivos-Triodos Fonds has an active portfolio in agriculture, which includes value chain finance to agri exporting SMEs. It is evident that the pending US tariffs result in increased market risk, especially for companies relying on exports to the US. It is currently unclear which tariffs will apply to which countries, which will then translate into either a competitive advantage or disadvantage. So far, we have not seen an immediate impact on clients that export towards US; shipments to US and payments have taken place as per underlying agreements. It is important to note that value chain finance is offered on a short tenor basis, and if needed, the exposure can be adjusted quickly. The Foundation carefully assesses the competitive position of a company, strength of relationship with buyers, the perishability of the product, and market outlook prior to committing a new facility.

Expanding energy access remains a key driver, with decentralized solutions like off-grid solar and microgrids improving economic conditions and quality of life. Governments are actively supporting renewables through policy measures such as feed-in tariffs and tax incentives. Technological innovations, including energy storage and smart grids, enhance system reliability, particularly in regions with weak infrastructure.

The Foundation is committed to continue its investment activities in agriculture and energy with a focus on climate and inclusivity, carefully navigating the increased turbulence in global markets. The Foundation is looking to attract funding from new partners to support further growth of the investment portfolio during 2025 with a focus on loan investments. There is a strong and diversified pipeline to support this. Furthermore, the Foundation is actively looking to exit some of the equity holdings. If this materialises, it will accelerate the shift towards more loans in the portfolio.

Finally, Stichting Hivos-Triodos Fonds strongly believes in partnerships. That’s what brought Stichting Hivos and Stichting Triodos Fonds together 30 years ago, and that’s how Stichting Hivos-Triodos Fonds has been working ever since with its investees and stakeholders. When looking ahead, we believe these partnerships are much needed in these times of increasing volatility and conflict. We will keep working towards the shared vision of an inclusive and sustainable future.

Driebergen-Rijsenburg, 1 July 2025

Fund Manager Stichting Hivos-Triodos Fonds
Judith Santbergen

Board of Triodos Investment Management
Dick van Ommeren (Chair)
Hadewych Kuiper (Managing Director Investments)
Martijn van Oort (Managing Director Finance, Risk & Operations) (appointed per 6 May 2025)

# Report of the Supervisory Board

The Supervisory Board convened four times in 2024, in line with its intended frequency since 2022.

In 2023, after an extensive evaluation with support of an external expert, the Supervisory Board initiated a phased plan with a series of actions to align the governance framework with the enhanced legal requirements for the supervision of a foundation and governance best practices, also taking into account the possible expansion of Stichting Hivos-Triodos Fonds and onboarding of possible new investors.

In 2024, these actions were continued and most were concluded in the course of the year. In this context, a change of the Articles of Association was approved, changes were implemented in the composition of the Supervisory Board, a new charter for the Supervisory Board was drafted and implemented, the roles of Triodos and Hivos were defined in the context of the new governance with support of the Supervisory Board. The Supervisory Board approved the updated Investment Management Agreement between HTF and Triodos Investment Management.

The Supervisory Board has supported the Board of Stichting Hivos-Triodos Fonds in its strategy to strengthen the foundations and grow the impact of Stichting Hivos-Triodos Fonds in 2024 and beyond. The ongoing relationship with Hivos foundation was re-defined and long-term agreements were made as for the involvement and active engagement of Hivos in the Stichting Hivos-Triodos Fonds. Members of the Supervisory Board participated in a session with two envisaged new investors in the fund.

In its meeting of September 20th 2024, the Supervisory Board met and engaged with Mr. Prateek Singhal, Director & Co-Founder of investee Ecozen Solutions in India.

In the course of 2024, in the context of the governance change, Michel Farkas resigned as Supervisory Board member. In addition, Diane Griffioen announced her departure after 6 years of contributing to the Supervisory Board. The search for new members to the Supervisory Board was initiated according to its new charter and new members have indeed been appointed in 2025.

In its meeting of 27 June 2025, the Supervisory Board discussed the annual report and annual accounts for 2024. The result for 2024 was a profit of EUR 4,135,281 (2023: loss of EUR 1,572,375). This amount comprises of operating profit of EUR 3,828,769 (2023: loss EUR 1,935,419), a change in general provision of EUR nil (2023: EUR 421,269), positive EUR 306,512 (2023: negative EUR 58,225) of exchange rate results and a corporate income tax credit of 115,757 (2023: EUR nil).

The Supervisory Board extends its thanks to Triodos Investment Management, the Manager of Stichting Hivos-Triodos Fonds, for its diligent efforts over the financial year 2024.

Driebergen-Rijsenburg, 1 July 2025

Jetske van Breugel (per 1 April 2025)
Irina Manea (per 1 June 2025)
Marnix Mulder (per 1 June 2025)
Ylse van der Schoot
Johan van de Ven (Chair)

# Annual accounts 2024

# Balance sheet as at 31 December 2024

(amounts in EUR)

| Assets | Note[1] | 31-12-2024 | 31-12-2023 |
|---|---|---|---|
| **Non-current assets** | | | |
| Participations | 1 | 33,799,976 | 28,863,749 |
| Loans provided | 1 | 28,124,037 | 23,900,563 |
| Subordinated loans provided | 1 | 1,411,409 | 398,230 |
| Derivatives (positive) | 2 | - | 44,734 |
| Paid Collateral | 2 | 260,000 | - |
| | | **63,595,422** | **53,207,276** |
| **Current Assets** | | | |
| Taxes and social securities | 3 | 151,715 | 71,737 |
| Receivables, prepayments and accrued income | 4 | 520,033 | 538,718 |
| Derivatives (positive) | 2 | - | 345,189 |
| Cash and cash equivalents | 5 | 3,428,545 | 8,145,876 |
| | | **4,100,293** | **9,101,520** |
| **Liabilities** | | | |
| **Long-term liabilities** | | | |
| Loans | 6 | 13,700,000 | 11,600,000 |
| Subordinated loans | 7 | 31,842,465 | 31,842,465 |
| Derivatives (negative) | 2 | 306,709 | 151,023 |
| **Current liabilities** | | | |
| Current Liabilities, accruals and deferred income | 8 | 1,331,660 | 2,256,205 |
| Derivatves (negative) | 2 | 198,461 | 162,207 |
| **Total liabilities** | | **47,379,295** | **46,011,900** |
| **Result total assets and liabilities** | | **20,316,420** | **16,296,896** |
| **Equity** | | | |
| General reserve | 9 | 2,496,814 | 10,372,812 |
| Revaluation reserve | 9 | 13,800,082 | 7,496,459 |
| Unappropriated result | 9 | 4,019,524 | -1,572,375 |
| | | **20,316,420** | **16,296,896** |

[1] See notes to balance sheet

# Profit and loss account for the year ended 31 December 2024

| (amounts in EUR) | Note | 01-01-2024<br>31-12-2024 | Budget<br>2024 | 01-01-2023<br>31-12-2023 |
|---|---|---|---|---|
| **Direct results from Investments** | | | | |
| Income from participations | 11 | 8,034 | - | - |
| Income from (subordinated) loans provided | 11 | 3,108,500 | 3,311,924 | 2,586,804 |
| | | **3,116,534** | **3,311,924** | **2,586,804** |
| **Indirect results from Investments** | | | | |
| **Realised results of Investments** | | | | |
| in participations | 12 | 12,261 | - | 22,266 |
| in (subordinated) loans provided | 12 | -877,759 | - | -333,173 |
| in derivatives | 12 | -93,032 | - | -316,629 |
| | | **-958,530** | **-** | **-627,536** |
| **Unrealised results of Investments** | | | | |
| in participations | 13 | 5,349,956 | 2,138,577 | 11,813 |
| in (subordinated) loans provided | 13 | 312,329 | -488,808 | -659,286 |
| in derivatives | 13 | -581,863 | - | 7,537 |
| | | **5,080,422** | **1,649,769** | **-639,936** |
| **Other Income** | | | | |
| Interest income | 14 | 187,515 | - | 33,710 |
| Other income | 15 | 15 | - | 2,454 |
| | | **187,530** | **-** | **36,164** |
| **Total operating income** | | **7,425,956** | **4,961,693** | **1,355,496** |
| **Operating expenses** | | | | |
| Management fee | 16 | 2,041,009 | 1,811,662 | 1,869,918 |
| Audit fee and consultancy fee | 17 | 121,687 | 75,000 | 135,808 |
| Interest expense | 18 | 1,380,627 | 1,294,819 | 1,252,859 |
| Other expenses | 19 | 53,864 | 176,150 | 32,330 |
| **Total operating expenses** | | **3,597,187** | **3,357,631** | **3,290,915** |
| **Operating Results**[1] | | **3,828,769** | **1,604,062** | **-1,935,419** |
| Change in general provision | | - | - | 421,269 |
| Exchange rate result | 20 | 306,512 | - | -58,225 |
| **Results before tax** | | **4,135,281** | **1,604,062** | **-1,572,375** |
| Corporate Income Tax | 21 | 115,757 | - | - |
| **Net result for the year** | | **4,019,524** | **1,604,062** | **-1,572,375** |

[1] See notes to profit and loss account

# Notes to balance sheet and profit and loss accounts

(amounts in EUR)

## General notes to the financial statements

Stichting Hivos-Triodos Fonds (the Foundation) was established on 22 December 1994. The annual report for 2024 has been prepared in accordance with the statutory provisions of Title 9 Book 2 of the Dutch Civil Code and the Guideline for Annual Reporting 640 (RJ 640) for non-profit organizations and the going concern assumption. The Foundation has its registered office in Driebergen-Rijsenburg and is registered in the trade register with the number 41.158.899.

The Foundation does not employ any staff.

## Criteria for recognition in the balance sheet

The Foundation recognizes financial instruments in the balance sheet as soon as it irrevocably becomes a party to the contractual provisions of the financial instrument. The basis for the initial valuation of the financial instruments is fair value. A financial instrument is no longer recognized in the balance sheet if it is transferred to a third party. In that case, all or almost all beneficial rights and all or almost all risks regarding the financial instruments are then vested in that third party.

## General notes to the principles of valuation and determination of the result

**Reporting period**
The Foundation's financial year is the same as the calendar year. The current year reporting period of the Foundation is 1 January 2024 to 31 December 2024.

**Comparison with previous year**
The accounting policies have been applied consistently throughout the reporting period and have remained unchanged compared to the previous year reporting period. The realized and unrealized results of all investments have been made explicit in the profit and loss accounts.

## Accounting policies

**Use of estimates, assumptions and judgements**
The preparation of the annual accounts requires management to make judgements, estimates and assumptions. These help determine the way in which principles are applied and the value of the assets and liabilities is reported. The same applies to the reporting of income and expenses. The actual outcome may differ from the estimates made by the management. The estimates and assumptions are therefore re-assessed regularly. Whenever an estimate is revised, it is included in the relevant period.

According to management, the following aspects require estimates and assumptions:

- Valuation methods chosen for investments;

- The classification of loans according to risk categories and project-related variables;

- Valuations of other receivables, prepayments and accrued income and current liabilities;

- Creation of provisions;

• Duration of settlement and likelihood of (Uganda) provision.

The Manager uses multidisciplinary credit and valuation committees that operate independently from the operational departments. They monitor the valuation methodology and make the most prudent management estimates.

## Valuation of investments

The investments are measured at fair value or amortized cost. Acquisition costs of investments are recognized in the profit and loss account. All changes in the fair value of investments are taken to the profit and loss account. The valuation of the investments is as follows:

**Participations**
Participations, which are equity interests that do not serve the Foundation's long-term operations, are valued at the last known stock exchange quotation in the financial year if the participations involve securities quoted on an active stock exchange. The fair value of participations that do not involve securities quoted on an active stock exchange or that do not have a regular market quotation can be determined in various ways: firstly, on the basis of the most recent market quotation, taking new market developments into account; secondly, by using the profitability value, return value and/or net asset value, individually or in combination, which may be considered relevant in relation to the purpose for which the investment is maintained; and thirdly, by using the market value of comparable investments for which there is an active market with regular market quotations. The first valuation consists of the cost price. Participations are valued at fair value after initial recognition. Subsequent value adjustments are recognized through the profit and loss account. Upon sale, the transaction costs are deducted from the sales proceeds.

**Loans provided and subordinated loans provided**
Loans and subordinated loans provided are, taking into account exchange rates as at the balance sheet date, carried at the amortized cost price net of specific provisions for doubtful debts. This valuation method is also an approximation of the fair value. Due to the nature of the loans, interest rate risk has a limited impact on valuations. Projects financed with loans are by nature high-risk. Consequently, losses on the original investment must be taken into account. A specific provision is made for anticipated loan losses and the associated interest payable in case a project has to be discontinued. Making provisions are based on estimates by Triodos Investment Management (the Manager). The Manager will use multidisciplinary credit and valuation committees acting independently from the operational matters to make the estimates in the most objective way possible. The existence of objective evidence of impairment is assessed at each balance sheet date.

**Derivatives**
Derivatives contracts are concluded to hedge the currency risk and interest rate risk. The valuation of derivatives is, on initial recognition in the balance sheet, based on fair value, with all assets and liabilities arising from currency hedging instruments being calculated using market-based present value models. This calculation is made at the balance sheet date by discounting the future cash flows per contract using the interest rate curve of the relevant currency. In the absence of objective interest rate curves, the Manager can use the valuations resulting from the reconciliations with counterparties. The outcome of this valuation is also used for the exchange of collateral in accordance with contractual provisions. Derivatives are valued at market value when first recognized. Subsequent to initial recognition, derivatives are measured at fair value. Value adjustments are taken to the profit and loss account. Derivatives with a negative fair value are recognized in the item derivatives on the liability side of the balance sheet.

**Collateral**
Collateral is exchanged with counterparties as a result of provisions in agreed currency forward contracts. This exchange can be either a payable or a receivable collateral and is recognized in the balance sheet at nominal value upon initial recognition and per subsequent valuation.

**Current assets and liabilities**
Assets and liabilities are valued at fair value when first recognized and are subsequently valued at amortized cost, being the amount to be received or paid, taking into account share premium or discount and transaction cost. The fair value of liabilities will be approximately equal to the nominal value. Current liabilities have a term of less than one year.

**Cash and cash equivalents**
Liquid assets (funds) consist of cash, bank balances and deposits with a maturity of less than one year, at free disposal of the legal entity. Current account liabilities at banks are recognised under debts to credit institutions, under current liabilities. Liquid assets are valued at nominal value.

**Functional currency**
The annual accounts have been drawn up in euros; this is both the functional and the presentation currency of the Foundation.

**Foreign Currency**
Transactions in foreign currency during the period under review are recognized in the annual accounts at the exchange rate applicable at the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate applicable at balance sheet date. The exchange differences resulting from settlement and conversion are captured in the profit and loss accounts.

Non-monetary assets that are valued at current value in a foreign currency are translated at the exchange rate applicable on the date of the current value.

Non-monetary assets that are valued at current value in a foreign currency are translated at the exchange rate applicable on the date of the current value. Currency hedging instruments are arranged, as described in note 2, to hedge foreign exchange differences on loans.

## Principles for determining the results

The result is the difference between the realizable value of the services provided and the costs and other charges during the year. The results of transactions are recognized in the year in which they are realized.

**Direct results from investments**
Interest income and other income is credited to the financial year to which it relates on a time-proportionate basis. The proceeds from dividend distributions on participations shall be recognised in the year in which dividends are announced.

**Indirect results from investments (revaluations)**
All movements as a result of realized/unrealized revaluations of investments are taken to the profit and loss account. To determine the realized results for partial sales of investments, average historical cost per share is used.

**Transaction costs for investments**
Transaction costs may include broker's fees, transfer charges and notaries' fees. Transaction costs are charged directly to the profit and loss account. The cost of selling investments is recognized as part of the realised change in value upon sale. Where financial investments are subsequently valued, the cost of selling is disregarded. Subsequent valuations of financial investments do not take into account any selling costs.

**Operating expenses**
Expenses are allocated to the period to which the activities relate on the basis of the accrual principle. If the reservations are determined for costs, the costs still to be paid and prepaid will also be taken into account.

**Other income and expenses**
Other income and expenses are allocated to the period to which the activities relate on the accrual basis of accounting.

**Exchange rate results**
Results arising from the conversion of foreign currencies into the presentation currency in euros are taken to the profit and loss account. The result is determined by means of the conversion as described under 'Foreign currency'.

**Transactions with related parties**
Significant transactions with affiliates are explained in the notes, insofar as they have not been entered into at arm's length. The nature and scope of the transaction and any other information necessary to obtain an understanding are specified in the notes.

## Managing financial risks

Stichting Hivos-Triodos Fonds is exposed to various financial risks. The manager's policy on these risks is set out below:

• Market risk

• Credit risk

• Country risk

• Liquidity risk

• Cash flow risk

• Sustainability risk

The objective of Stichting Hivos-Triodos Fonds is to invest in companies and organisations active in sustainable agriculture and/or renewable energy in emerging markets. Typically, these are direct investments with a medium to high-risk profile. This is an inherent part of Stichting Hivos-Triodos Fonds' characteristics.

**Market risk**
Market risk is to the risk that the value of an investment fluctuates as a result of variation in the following external factors:

I. exchange rate (currency risk)

II. interest rate level (interest rate risk)

III. market price (market price risk)

The policy pursued by the Manager of Stichting Hivos-Triodos Fonds with regard to these risks is set out below.

**Participations**
Investments in participations mainly involve currency risk and market price risk. The participations in Stichting Hivos-Triodos Fonds are listed in euros. Investments in participations by the Foundation and payments to the Foundation by the institutions in which it invests that are subject to currency risk are in US Dollars and local currency.

Exposure to volatile exchange rates may affect the value of the investments and thus the value of the capital of the Foundation. As a result, the Foundation runs a currency risk.

The market price risk affects the valuation of the participations. The value of these investments is affected by external factors, including prospects for economic growth and the rate of inflation. The more fluctuation there is, the greater the market risk, and the Foundation cannot defend itself against macro-economic factors that influence the value development. The Foundation values these participations at fair value, choosing an appropriate valuation method for each type of investment. An important aspect of the chosen valuation method is whether the participations are listed on an active stock exchange and/or have a regular market quotation.

If the company is not listed on an active stock exchange and/or has a regular market quotation, the valuation method is determined internally as described in the accounting policies for the valuation of participations.

In determining the fair value based on this internal valuation method, the Manager uses a number of elements to determine the valuation. Below is an overview of elements used in determining the fair value as at 31-12-2024:

• current financial situation of the institution;

• the chosen valuation method and the possible use of a market multiple;

• cash flows.

An inherent risk in the above method of valuation is the valuation risk. The valuation risk refers to the risk that the value of the investment is not a correct reflection of the fair market value. The reason for this is that the valuation is based on data from a non-regulated market, assumptions and peer group comparisons. The Foundation invests almost exclusively in investments that are not traded on a regular market and that are not listed. The investments do not have directly callable prices and, therefore, are possibly difficult to value. In order to determine the value of the investments, the Foundation applies a consistent, transparent and appropriate valuation method.

**Loans**
The main risks that have been identified for the valuation of the loans are the credit and currency risks. Credit risk plays an important role in determining the provision for loans. Given the nature of the loans - the fact that there is no active market for these loans - the subjective assumptions with respect to determining the interest rate and the relatively short fixed interest rate periods, an interest rate risk has only a limited effect on their valuation.

Credit risk is the risk that a borrower will be unable to meet his interest and/or repayment obligations. The Foundation limits the risk of losses due to credit risk by spreading the investments in the fixed-income securities. The Foundation issues finance facilities that are almost exclusively risk-bearing and are generally not backed by mortgage or other collateral.

The loan portfolio is partly sensitive to currency risk. The currency risk associated with investments in US dollars is largely hedged through currency forward contracts. The currency risk associated with investments in local currency is hedged, where possible, unless the costs are excessive. Interest payments are usually not hedged due to the high costs.

Loans are valued at amortized cost. In general, there is no active market for the Foundation's loans and the Manager periodically determines the fair value on the basis of internal valuation methods.

Below is an overview of elements that have been used in determining the amortized cost as at 31-12-2024:

• future cash flows;

• discount rate used: market interest rate for comparable financing with a maturity corresponding to the fixed-interest period;

• fixed-interest periods: the fixed-interest period for the loans issued is relatively short;

• project-related variables;

• subjective assumptions regarding the determination of interest rates.

If, in the opinion of the Manager, the market rate changes significantly during the reporting period, the fair value will be recalculated.

In view of the above variables (actuarial interest rate and short-term fixed-interest periods), the fair value will be virtually equal to the nominal value. This is after deduction of any provisions, and taking account of exchange rates.

The provision is determined on a quarterly basis by the Manager at loan level, taking into account the following aspects:

• developments in both the regular and special management portfolio;

• debtors arrears.

An inherent risk in the above method of valuation is the valuation risk. The valuation risk refers to the risk that the value of the investment is not a correct reflection of the fair market value. The reason for this is that the valuation is based on data from a non-regulated market, assumptions and peer group comparisons. The Foundation invests almost exclusively in investments that are not traded on a regular market and that are not listed. The investments do not have directly callable prices and, therefore, are possibly difficult to value. In order to determine the value of the investments, the Foundation applies a consistent, transparent and appropriate valuation method.

**Other receivables and Accruals**
The main risk identified for these annual accounts items is credit risk, which plays a role at debtor and country level. The receivables consist of interest receivables and repayments on loans. The determination of the provision for these receivables is carried out in close connection with the provisions on the loans, with the same elements playing a role.

**Distribution of currency for the participation and loan portfolio as per year end 2024**

| Volume<br>(amounts in EUR) | Investments | Hedged (or no exposure) | Unhedged | Percentage of the portfolio |
|---|---|---|---|---|
| Colombia, Colombian peso (COP) | 2,141,645 | 1,904,469 | 237,176 | 3.4% |
| India, Indian rupee (INR) | 22,158,021 | - | 22,158,021 | 35.0% |
| Myanmar, Myanmar kyat (MMK) | 97,823 | 97,823 | - | 0.2% |
| Peru, Peruvian sol (PEN) | - | - | - | 0.0% |
| Tanzania, Tanzanian shilling (TZS) | 34,197 | - | 34,197 | 0.1% |
| **Total in local currency** | **24,431,686** | **2,002,292** | **22,429,394** | **38.6%** |
| Total investments in US dollars | 31,956,116 | 9,716,700 | 24,241,707 | 50.5% |
| Total investments in euros | 6,947,620 | - | 6,947,620 | 11.0% |
| **Subtotal of portfolio exc. value of currency forward contracts** | **63,335,422** | **11,718,992** | **53,618,721** | **100.0%** |

**Distribution of currency for the participation and loan portfolio as per year end 2023**

| Volume<br>(amounts in EUR) | Investments | Hedged (or no exposure) | Unhedged | Percentage of the portfolio |
|---|---|---|---|---|
| Colombia, Colombian peso (COP) | 2,293,226 | 1,888,239 | 404,987 | 4.3% |
| India, Indian rupee (INR) | 17,747,596 | 1,544,902 | 16,202,694 | 33.4% |
| Myanmar, Myanmar kyat (MMK) | 104,904 | 104,904 | - | 0.2% |
| Peru, Peruvian sol (PEN) | 398,230 | - | 398,230 | 0.7% |
| Tanzania, Tanzanian shilling (TZS) | 30,636 | - | 30,636 | 0.1% |
| **Total in local currency** | **20,574,592** | **3,538,045** | **17,036,547** | **38.7%** |
| Total investments in US dollars | 27,871,297 | 8,487,373 | 19,383,924 | 52.4% |
| Total investments in euros | 4,716,653 | - | 4,716,653 | 8.9% |
| **Subtotal of portfolio exc. value of currency forward contracts** | **53,162,542** | **12,025,418** | **41,137,124** | **100.0%** |

**Credit risk**
Credit risk is the risk that a creditor or counterparty cannot or will not fulfil its obligations. The Foundation issues finance facilities that are almost exclusively risk-bearing and are generally not backed by mortgage or other collateral.

Bad debt risk is based on the definition of reporting requirements for the entire balance sheet. From an economic perspective, credit risk is primarily present on the loan portfolio of EUR 29,535,446 (2023 EUR 24,298,793). The loan portfolio is diversified in such a way that there is no material concentration risk.

The Foundation selects its debtors carefully, among other things on the basis of management and governance, financial results, and social and sustainable impact. Based on an internally developed model, the organisations are assigned a risk classification whereby the Foundation invests in principle in medium to high-risk institutions. The Foundation maintains good relations with these institutions and carries out periodic reviews of individual debtors. In this way, the Foundation mitigates the risk that a debtor will not be able to meet its payment obligations to the Foundation on time. In addition, the Foundation closely monitors relevant financial indicators such as solvency, profitability and payment capacity and thus the ultimate credit risk associated with the Foundation's financings.

Below is the internal risk rating of loans as a percentage of the loan portfolio.

| Risk rating[1] | 31-12-2024 | 31-12-2023 | 31-12-2022 |
|---|---|---|---|
| 0-5 | 0% | 0% | 0% |
| 6 | 4% | 7% | 0% |
| 7 | 30% | 24% | 9% |
| 8 | 40% | 34% | 41% |
| 9 | 16% | 32% | 11% |
| 10 | 8% | 2% | 6% |
| 11 | 0% | 1% | 3% |
| 12 | 2% | 0% | 0% |
| 13 | 0% | 0% | 0% |
| 14 | 0% | 0% | 9% |
| blank[2] | 0% | 0% | 21% |
| **Total** | **100%** | **100%** | **100%** |

[1] The scale of 1-14 is from low to high. A risk rating of 1-2 is considered a low risk level. A risk rating of 3-5 is considered low-medium risk. A risk rating of 6-9 is considered medium risk. A risk rating of 10-11 is considered medium-high risk and 12-14 is considered high risk. HTF has a medium-high risk appetite.
[2] After introduction of the risk rating tool for SMEs, there was a transition period; until the rating was completed, an investment would be assigned a "blank" risk rating

In order to mitigate credit risk, the loan portfolio is diversified in such a way that there is no high concentration risk.

In 2024, Stichting Hivos-Triodos Fonds provided finance facilities to a total of 41 customers (2023: 37).

| Five largest holdings 2024[1] | |
|---|---|
| GPS Renewables Private Limited, India | 15.1% |
| Aldea Coffee Sociedad Anónima, Nicaragua | 9.6% |
| Caspian SME Impact Fund IV, India | 6.8% |
| Sistema Bio, Mexico | 6.4% |
| Ecozen Solutions, India | 6.4% |

[1] as a percentage of the outstanding portfolio based on market value

| Five largest holdings 2023[1] | |
|---|---|
| GPS Renewables Private Limited, India | 10.2% |
| AlphaJiri Investment Fund, Mauritius | 7.3% |
| Ecozen Solutions, India | 7.0% |
| Caspian Impact Investments, India | 6.2% |
| Caspian SME Impact Fund IV, India | 5.2% |

[1] as a percentage of the outstanding portfolio based on market value

**Country risk**
Country risk is the risk that political, fiscal or economic changes will adversely affect the Foundation's profit and assets.

Country risk is inherent in the objectives of the Foundation. Stichting Hivos-Triodos Fonds invests, inter alia, in countries which have high political risks, countries that may be in an economic recession and countries with a poorly developed judicial system. These may also be countries that due to a limited number of sources of income and a dependence on external financing, have a dependent economic structure. Price developments in the world markets and changes in international political policy may thus have a significant impact on the macroeconomic development of such a country. In addition, policy changes may lead to political measures with a significant impact on investment, such as restrictions on the tradability of currencies. Inflation and devaluation of a currency can be the result of such influences.

Country risk is monitored internally on an ongoing basis and is mitigated by geographical spread over a large number of countries. At the end of 2024, there is investment in 20 countries. As at 31 December 2024, Stichting Hivos-Triodos Fonds has the largest position in India with 32.9% of total assets.

**Five largest countries 2024**[1]

| | |
|---|---|
| India | 32.9% |
| Nicaragua | 10.9% |
| Mexico | 5.8% |
| Sierra Leone | 4.9% |
| Mauritius | 4.8% |

[1] as a percentage of total assets including assets managed for third parties

**Five largest countries 2023**[1]

| | |
|---|---|
| India | 28.7% |
| Mauritius | 6.3% |
| Nicaragua | 6.2% |
| Kenya | 5.1% |
| United States | 4.0% |

[1] as a percentage of total assets including assets managed for third parties

### Liquidity risk

Liquidity risk is the risk that Stichting Hivos-Triodos Fonds has no possibility of obtaining the financial means it needs to be able to fulfil its financial obligations at a certain moment. This scenario does not currently apply in the short term because the operating result from operating activities and the periodic repayments on loans granted are considered sufficient for the time being to cover short-term liabilities. Please see note 1 for a detailed overview of the loan maturity repayment schedule. more than 46% of the loan portfolio has a maturity date within one year. In addition, the Foundation has a current credit facility with a limit of EUR 5,000,000. Although investments made by the Foundation are illiquid, they could be sold if there is a need for resources in the short term. The loan agreements contain a standard assignment right for Stichting Hivos-Triodos Fonds.

This is the lender’s right to transfer (sell) the loan to another party without the borrower’s consent being required and without the borrower being able to stop it.

In addition, the Foundation can negotiate early repayment. The Manager did not want to and did not have to make use of the option to sell loans in 2024. Stichting Hivos-Triodos Fonds also has a ‘hold’ strategy for its investments.

The investment policy of the Foundation is aimed at maintaining the financing for the entire term of the loan and not selling it, unless this is explicitly necessary due to the management of the Foundation (liquidity risk).

### Cash flow risk

Cash flow risk is the risk that future cash flows associated with a financial instrument will fluctuate in volume. Future income from participations is difficult to predict and can fluctuate. This cash flow risk for the Foundation is very limited and this risk is accepted.

Future cash flows from loans are primarily affected by currency exchange rates and market rates. Currency risk on the outstanding loan portfolio, however, is in principle hedged by currency derivatives. For insights into the degree of hedging of the investment portfolio see page 22.

**Sustainability risks**
The financial and non-financial performance of the portfolio depends on the financial and non-financial performance of its investments, which could be adversely affected by sustainability risks. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investments of the portfolio.

Triodos IM distinguishes the following sustainability risks: physical and transitional environmental risks, social risks and governance risks. Physical environmental risks refer to sustainability risks due to e.g. ecological damage, social disruption, depletion of resources, extreme weather events or gradual climate change. Transitional environmental risks refer to sustainability risks resulting from required or desired changes from a societal perspective, e.g. due to policy or legal changes (including litigation claims), technological developments, market shifts, reputation issues, changing customer or community perception. Social risks arise when acute or chronic social disruption occur, related to for example human rights, labour practices, (data) privacy, diversity & inclusion, inequality and health & safety. To conclude, governance risks relate to business ethics, corruption & political instability and fair taxes.

To identify relevant sustainability risks of an investment, the Manager assesses sustainability (ESG) factors that could result in sustainability risks, in its investment decisions both before investing and during investment. All investments made by the Manager are carefully screened against the Triodos Bank Minimum Standards to minimise adverse impact.

The Manager considers sustainability factors that could lead to sustainability risks, such as:

• Natural resources as an environmental factor: the portfolio's assets are sensitive to variations in weather and climate. For example, droughts, extreme weather events, flooding and landslides can affect generation capacity, damage the asset or disrupt the service;

• Human rights as a social factor: the portfolio invests in emerging markets, often characterised by fragile governance structures with weak or inadequate legislation. This can lead to challenges related to human rights;

• Labour conditions as a social factor: unfair labour practices and principles might lead to a decrease in productivity, health, well-being and commitment of employees in the value chain;

• Corruption and instability as a governance factor: there is a risk that the emerging market economies in which the portfolio invests have high levels of corruption, which can lead to an uneven distribution of wealth, political instability, and other societal risks; and

• Fair taxes as a governance risk: companies with aggressive tax planning can face increased risks of investigations and penalties and increased legal and compliance costs. This could lead to reputational damage and affect profitability.

Furthermore, all investments are carefully screened against relevant sustainability factors and include an assessment of the relevant physical and transitional environmental risks. In contrast to the screening on Triodos Bank Minimum Standards, the aim is not to minimise the risk but to assess and manage it. The risk appetite of the portfolio determines the allowed level of exposure to sustainability risks and other types of risks.

In general, sustainability risks are complex and may occur in a manner that cannot reasonably be anticipated, resulting in potential negative impact on the value of an investment. The due diligence on investees, the positive selection and the negative impact screening in the investment process seek to minimise the risks of potential environmental, social or governance events or conditions that may cause an actual or a potential material negative impact on the value of the investments.

For the assessment of sustainability risks, the Manager relies on information made available by investees and other third parties. The Manager has no guarantee that the information provided by these parties is at all times complete, accurate and up to date.

## Assets

### 1. Participations, loans provided and subordinated loans provided

*Participations*

| **Movements of participations** | **2024** | **2023** |
|---|---:|---:|
| Opening balance as at 1 January | 28,863,749 | 28,767,552 |
| Purchases | 96,123 | 704,154 |
| Sales | -522,112 | -642,036 |
| Unrealised revaluation | 5,349,956 | 11,813 |
| Realised revaluation | 12,260 | 22,266 |
| **Balance as at 31 December** | **33,799,976** | **28,863,749** |

The cost price of the participations per balance date was EUR 25,083,722 (2023: EUR 25,497,450).

The revaluation of the investments consists of the positive and negative revaluations for the financial year.

*Loans provided*

| **Movement on loans provided** | **2024** | **2023** |
|---|---:|---:|
| Opening balance as at 1 January | 23,900,563 | 29,947,762 |
| Disbursements | 27,111,936 | 19,879,231 |
| Repayments | -22,441,968 | -25,814,527 |
| Discount premium | -23,344 | 118,008 |
| Unrealised revaluation | 938,318 | -406,566 |
| Realised revaluation | -847,445 | 333,173 |
| **Subtotal** | **28,638,060** | **24,057,081** |
| Loans provision | -514,023 | -156,518 |
| **Balance as at 31 December** | **28,124,037** | **23,900,563** |

| **Movement schedule of loan provision** | **2024** | **2023** |
|---|---:|---:|
| Opening balance as at 1 January | -1,369,493 | -1,212,976 |
| Additions | -1,353,496 | -351,464 |
| Write-offs | 887,243 | 151,685 |
| Exchange rate differences | -47,770 | 43,262 |
| **Balance as at 31 December** | **-1,883,516** | **-1,369,493** |

*Subordinated loans provided*

| Movement schedule of subordinated loans | 2024 | 2023 |
|---|---|---|
| Opening balance as at 1 January | 398,230 | 400,949 |
| Disbursements | 1,486,052 | - |
| Repayments | -393,251 | - |
| Unrealised revaluation | -49,308 | -2,719 |
| Realised revaluation | -30,314 | - |
| **Balance as at 31 December** | **1,411,409** | **398,230** |

| Residual maturity of loans (including subordinated loans), overdue (repayable on demand) | 2024 | 2023 |
|---|---|---|
| - < 1 year | 13,507,342 | 14,043,481 |
| - > 1 year and < 2 years | 7,737,174 | 1,680,603 |
| - > 2 year and < 3 years | 4,917,203 | 4,834,739 |
| - > 3 year and < 4 years | - | 159,540 |
| - > 4 year | 3,373,729 | 3,580,430 |
| | **29,535,448** | **24,298,793** |

The fair value of the (subordinated) loans approximates the carrying amount.

## 2. Derivatives

| Currency forward contracts | 31-12-2024 | 31-12-2023 |
|---|---|---|
| To receive | - | 389,923 |
| To pay | -505,170 | -313,230 |
| **Total** | **-505,170** | **76,693** |

The terms are divided as follows:

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| Less than 1 year | -198,461 | 182,981 |
| From 1 to 5 years | -306,709 | -106,288 |
| | **-505,170** | **76,693** |

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| As at 1 January | 76,693 | 69,156 |
| Expiration | 93,032 | 316,629 |
| Fair value revaluation | -674,895 | -309,092 |
| **As at 31 December** | **-505,170** | **76,693** |

The Foundation uses currency forward contracts with a value at year-end 2024 of EUR -505,170 (2023: EUR 76,693) in the form of currency forward contracts to hedge the currency risk of the investments. This concerns contracts in which Stichting Hivos-Triodos Fonds has made a commitment to buy or sell the agreed foreign currency amounts on the agreed dates.

During 2024, based on notional amounts, USD 2,350,000 and EUR 7,045,893 contracts relating to (subordinated) loans were concluded (2023: USD 14,735,163, COP 15,623,978,799, EUR 10,410,856).

*Paid collateral*

With regard to the foreign exchange forward contracts concluded with Rabobank, agreements have been made with regard to mutual collateral exchange, i.e. liquidity deposited as security in connection with the fair value of derivative positions.

At the balance sheet date, a collateral payment of EUR 260,000 to Rabobank amounting in connection with the negative fair value of the forward currency contracts was made (2023: EUR nil).

**Current assets**

### 3. Taxes and social securities

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| VAT receivable | 135,196 | 24,940 |
| Corporate Income Tax | 16,519 | 46,797 |
| | **151,715** | **71,737** |

The fair value of taxes and social securities approaches the carrying amount.

### 4. Receivables, prepayments and accrued income

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| Interest due on loans | 413,464 | 394,634 |
| Principal repayments due on loans | 26,022 | 108,990 |
| Pre-paid project costs | 22,693 | 22,349 |
| Interest receivable on cash and cash equivalents | 57,854 | 12,745 |
| **Total** | **520,033** | **538,718** |

### 5. Cash and cash equivalents

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| Triodos Bank, collateral account | - | 167,061 |
| Triodos Bank, current account (EUR) | 3,564 | - |
| Rabobank, current account (EUR) | 191,313 | 2,438,670 |
| Rabobank, current account (USD) | 740,709 | 5,030,684 |
| Kotak Mahindra Bank, rekening-courant (INR) | 2,492,455 | 509,461 |
| | **3,428,041** | **8,145,876** |

At balance sheet date all cash and cash equivalents are at free disposal of the Foundation (2023: all cash and cash equivalents were at free disposal) are freely available to Stichting Hivos-Triodos Fonds.

No interest is received on the balance of the current accounts with Triodos Bank. (year-end 2023: 0.00% above EUR 100,000). The interest rate on the current account with Rabobank is 2.69% at year-end 2024 (2023: 3.72%).

The balances on the Rabobank USD current accounts amounted to USD 769,893 at year-end 2024 (2023: USD 5,570,979).

The balances on the Kotak Mahindra Bank INR current account amounted to INR 222,835,987 at the end of 2024 (2023: INR 47,129,551). Rabobank's current accounts in USD and Kotak Mahindra Bank's INR have no interest rate.

## Liabilities

### Long term liabilities

### 6. Loans

| | Interest rate | Interest rate fixed until | 31-12-2024 | 31-12-2023 |
|---|---|---|---|---|
| Triodos Bank, loan 04.382, maturity 1 January 2027 | 3.15% | 1 January 2027 | 10,000,000 | 10,000,000 |
| Triodos Impact Strategies N.V on behalf of Triodos Impact Strategy Fund – Dynamic, maturity 21 December 2033 | 3.00% | 21 December 2033 | 300,000 | 100,000 |
| Triodos Impact Strategies N.V on behalf of Triodos Impact Strategy Fund – Balanced, maturity 21 December 2033 | 3.00% | 21 December 2033 | 1,480,000 | 680,000 |
| Triodos Impact Strategies N.V on behalf of Triodos Impact Strategy Fund – Defensive, maturity 21 December 2033 | 3.00% | 21 December 2033 | 200,000 | 100,000 |
| Triodos Impact Strategies N.V on behalf of Triodos Impact Strategy Fund – Offensive, maturity 21 December 2033 | 3.00% | 21 December 2033 | 1,720,000 | 720,000 |
| | | | **13,700,000** | **11,600,000** |

The principal amounts outstanding at the balance sheet date will be repaid in full at the end of the term. Loans and debts to credit institutions are measured at fair value upon initial recognition. After initial recognition, they are measured at amortised cost.

### 7. Subordinated loans

| | Interest rate | 31-12-2024 | 31-12-2023 |
|---|---|---|---|
| Stichting Hivos duration to end cooperation | 2.60% | - | 31,842,465 |
| Subdebt HIVOS - Tranche A | 2.60% | 7,000,000 | - |
| Subdebt HIVOS - Tranche B | 3.00% | 24,842,465 | - |
| | | **31,842,465** | **31,842,465** |

*Schedule of subordinated loans*

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | 31,842,465 | 31,842,465 |
| Finance provided | - | - |
| **Balance as at 31 December** | **31,842,465** | **31,842,465** |

In accordance with the framework agreement signed on 18 December 2020, the subordinated loans, the Hivos financing received in advance and the balance of the sold ‘off balance’ participations as of 1 October 2020 were incorporated into one subordinated loan amounting to EUR 31,842,465. From 1 January 2021, the loan bore an interest rate of 2.6%. Subsequently, on 1 May 2024, a new agreement was entered into whereby the subordinated loan was restructured into two tranches. Tranche A amounting to EUR 7,000,000 and Tranche B amounting to EUR 24,842,465. The applicable annual interest rates are 2.6% for Tranche A and 3.0% for Tranche B. Tranche A is fully repaid in 2030 and Tranche B has a renewal date in 2034.

The loan is subordinated to other debts. This loan was granted by Hivos to enable the Foundation to pursue its objective as a foundation through investments. Stichting Hivos-Triodos Fonds thus uses a blended finance construction that enables the Foundation to pursue its objective with a combination of different types of financing and non-profit financiers.

## Current liabilities

### 8. Current liabilities, accruals and deferred income

| | 31-12-2024 | 31-12-2023 |
|---|---|---|
| Management fee | 1,073,831 | 958,002 |
| Interest payable on (subordinated) loans | 94,506 | 47,613 |
| Amount to be paid regarding the sale of investments | 65,173 | 65,173 |
| Independent auditor's fees | 39,224 | 67,909 |
| Publicity cost | 4,193 | 4,946 |
| Legal fees | 2,602 | 1,065 |
| Amounts received on behalf of third parties | - | 1,107,120 |
| Bank charges | - | 1,160 |
| Miscellaneous | 52,131 | 3,217 |
| | **1,331,660** | **2,256,205** |

Due to the nature of the value chain finance, amounts due for products supplied by borrowers of Stichting Hivos-Triodos Fonds to their customers are transferred to Stichting Hivos Triodos Fonds by the customer based on invoices issued by the borrowers. Stichting Hivos-Triodos Fonds will deduct any interest and / or principal repayment amounts from the funds received. Any remaining amount will be transferred to the borrower. Per year end, no amount was received on behalf of the borrowers (2023: EUR 1,107,120).

### Amounts owed to lenders

This concerns the negative cash balance at Triodos Bank. At year-end 2024, there was no overdrawn bank balance (year-end 2023: EUR nil). At balance date, the debit interest rate on this account was 6.65% (2023: 6.40%).

At balance sheet date, the available credit facility amounts to EUR 5,000,000 (2023: EUR 7,400,000). Upon request of Stichting Hivos Triodos Fonds, the available limit was reduced during the year.

### 9. Equity

*General reserve*

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | 10,372,812 | 16,510,305 |
| Transfer to revaluation reserve | -6,303,623 | -7,496,459 |
| Results of previous financial year | -1,572,375 | 1,358,966 |
| **Balance as per 31 December** | **2,496,814** | **10,372,812** |

*Revaluation reserve*

The revaluation reserves relate to positive unrealized changes in the value of individual investments with a valuation at balance date that is higher than the initial cost price

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | 7,496,459 | - |
| **Dotations** | | |
| Related to participations | 5,822,934 | 7,399,115 |
| Related to senior loans | 480,689 | 97,344 |
| **Balance as per 31 December** | **13,800,082** | **7,496,459** |

The positive revaluations of individual investments above initial cost are added to the revaluation reserves in equity. This only applies to investments without frequent market listings. The negative revaluations below the initial cost of individual investments are charged directly to the results. As a result, there is no direct connection between the revaluation reserve in equity and the revaluations of the investments.

*Unappropriated result*

| | 2024 | 2023 |
|---|---|---|
| Balance as at 1 January | -1,572,375 | 1,358,966 |
| Movement in general reserve | 1,572,375 | -1,358,966 |
| Results of the financial year | 4,019,524 | -1,572,375 |
| **Balance as per 31 December** | **4,019,524** | **-1,572,375** |

## 10. Off-balance sheet liabilities

*Committed investments*

Committed investments concerns loans and participations that have been approved and/or committed by Stichting Hivos-Triodos Fonds, but have not yet been (fully) drawn by the organization in which it has invested.

| **Committed participations** | **31-12-2024** | **31-12-2023** |
|---|---|---|
| Accion Venture Lab LP, United States | 56,389 | - |
| AlphaJiri Investment Fund, Africa | 3,172,120 | 2,977,335 |
| Caspian SME Impact Fund, South Asia | 822,328 | 854,640 |
| Eco Enterprises III, South America | 548,434 | 514,757 |
| Accion Venture Labs, Worldwide | - | 88,557 |
| Novastar Ventures, East Africa | 9,055 | 8,499 |
| | **4,608,326** | **4,443,788** |

| **Committed loans** | **31-12-2024** | **31-12-2023** |
|---|---|---|
| Aldea Coffee, Central America | 218,395 | - |
| Aldea Global, Central America | - | 2,565,559 |
| SunCulture, Africa | - | 284,299 |
| Sistema.bio, South America | - | 451,508 |
| Gorilla Summit Coffee Development Limited, Africa | - | 45,899 |
| | **218,395** | **3,347,265** |

*Others*

In 2018, the Tax And Customs Administration registered Stichting Hivos-Triodos Fonds for corporate income tax with effect from 1 January 2018. Until 2017, Stichting Hivos-Triodos Fonds was not a corporate tax entity.

The tax result for the financial year 2024 is expected to be a profit. A provisional corporate income tax payment of EUR 108,817 was made for the financial year 2024. Due to the availability of loss relief carried back from 2023, this payment is expected to be recoverable and has been recognised as a tax receivable in the balance sheet as at 31 December 2024.

**Income**

## 11. Income from (subordinated) loans provided

Interest received on loans provided and subordinated loans provided, as well as arrangement fees charged to borrowers when loans are granted and the release of any discount premiums during the year under review are recognised here.

Any costs directly attributable to the revenues have been deducted from the revenue.

### 12. Realised results of investments

The realised results are calculated on the basis of the actual sales transaction compared to the historical cost.

In the case of incomplete sale of investments, the average cost is used.

### 13. Unrealised results of investments

The unrealised results are calculated as the difference between the value at year-end and the value at the start of the financial year. In the case of a sales transaction, the cumulative unrealised results are adjusted in the profit and loss account.

### 14. Interest Income

This includes interest income received from Triodos Bank and Rabobank as a result of positive interest on the current account balances.

### 15. Other income

This includes the interest intended by Triodos Bank clients for Stichting Hivos-Triodos Fonds, other miscellaneous income as well as donations received from third parties.

## Expenses

### 16. Management fee

The management fee charged by Triodos Investment Management B.V. consists of a fee of 3.00% per annum on the outstanding investment portfolio of the Foundation, calculated on a quarterly basis. Management fees paid to other third parties include 1% to 2% per annum on the outstanding investment portfolio and a performance fee on net income generated.

### 17. Audit fees and consultancy fees

| | 2024 | 2023 |
|---|---|---|
| Audit fees | 66,088 | 97,556 |
| Consultancy fees | 55,599 | 38,252 |
| | **121,687** | **135,808** |

### Independent auditor's remuneration

| | 2024 | 2023 |
|---|---|---|
| | Pricewaterhouse-Coopers N.V | Pricewaterhouse-Coopers N.V |
| Audit of the annual report | 66,088 | 97,556 |
| Other assurance services | - | - |
| Tax advisory services | - | - |
| Other services | - | - |
| | **66,088** | **97,556** |

The audit fees amounted to EUR 66,088 (2023: EUR 97,556). These fees amounting to EUR 53,611 related to the audit of the financial statements for the financial year 2024 and EUR 12,477 for work performed in connection to the 2023 financial statements (2023: EUR 72,072 related to 2023 and 25,484 related to 2022 and 2021). These amounts are recognised irrespective of whether the work was performed during the financial year.

The independent auditor did not render any consultancy services.

The consultancy costs consist of legal advice costs, tax advice costs and project costs.

### 18. Interest expense

This includes (penalty) interest charges on the loans received from Triodos Bank, Triodos Impact Strategies Fund – Dynamic, Triodos Impact Strategies Fund – Balanced, Triodos Impact Strategies Fund – Defensive, Triodos Impact Strategies Fund – Offensive as well as interest charged by Stichting Hivos (Hivos) on the subordinated loan.

It also includes the interest expenses charged by Triodos Bank and Rabobank as a result of the negative interest on current account balances.

### 19. Other expenses

| | 2024 | 2023 |
|---|---|---|
| Remuneration Supervisory Board | 19,250 | - |
| Bank charges | 10,016 | 15,331 |
| Marketing | 8,250 | - |
| Contributions and levies | 5,946 | 5,943 |
| Publicity costs | 5,000 | 3,577 |
| Office costs | 2,689 | 3,212 |
| Other | 2,713 | 4,267 |
| | **53,864** | **32,330** |

In 2024, the articles of association for Stichting Hivos-Triodos Fonds were amended. Following this amendment, remuneration of the Supervisory Board was allowed with retrospective effect from 1 January 2023. During the year, remuneration was paid in respect of both the 2023 and 2024 financial years. The Chair receives EUR 3,000 per annum, other members receive EUR 1,750 per annum. Stichting Hivos-Triodos Fonds did not provide loans, advances and guarantees to (former) directors and (former) supervisors.

### 20. Exchange rate results

This includes exchange rate differences in cash, other receivables and provision for legal fees.

### 21. Corporate income tax

| | 2024 | 2023 |
|---|---|---|
| Corporate income tax for the financial year | 256,865 | - |
| Corporate income tax in previous years | -141,108 | - |
| | **115,757** | - |

In 2018, the Tax And Customs Administration registered Stichting Hivos-Triodos Fonds for corporate income tax with effect from 1 January 2018. Until 2017, Stichting Hivos-Triodos Fonds was not a corporate tax entity.

The tax result for the financial year 2024 is expected to be a profit. A provisional corporate income tax declaration was submitted to the tax authorities. Taxable profits of EUR 3,096,630 are lowered with the availability of loss relief from 2023 EUR 2,048,315. This results in a taxable amount of EUR 1,048,315 and a payable tax amount of EUR 256,865 (loss). The effective tax rate is 6.2% (2023: 0.0%). This deviates from the statutory rate, 19.0% over the first EUR 200,000 and 25.6% over the profit above EUR 200,000, due to a difference between the commercial and taxable result before taxes and due to deductible losses from previous years. In addition, a corporate income tax credit of EUR 141,108 (gain) relating to the final assessment of the 2022 financial year was recognised in the profit and loss account in 2024. This credit also resulted from the application of the 2023 tax loss carry-back.

### 22. Subsequent events

There is no significant subsequent event that requires disclosure in these financial statements.

## Comparison of operating result with budget

The Supervisory Board approved the budget for 2024 at the end of 2023, which showed a budgeted operating profit of EUR 1,604,062. The actual operating profit is EUR 3,828,769.

The operating profit 2024 includes unrealised changes in the value of investments, including FX revaluations, which were not included in the budget. When excluding these, the operating profit is below budget.

## Appropriation of result

The articles of association of Stichting Hivos-Triodos Fonds do not give any indication of the appropriation of result. The result for 2024 was EUR 4,019,524 (2023: EUR -1,572,375). This amount comprises of an operating result of EUR 3,828,769 (2023: EUR -1,935,419) plus an exchange result on cash and other receivables of EUR 306,512 (2023: EUR -58,225), corporation tax of 115,757l (2023: EUR nil) and a movement in the general provision of EUR nil (2023: EUR 421,269).

The operating result and the balance of the changes in the general provision, totalling EUR 4,019,524 will added to the general reserve.

## Related parties

Stichting Hivos-Triodos Fonds has relationships with the following legal entities:

1. Triodos Investment Management B.V. manages Stichting Hivos-Triodos Fonds for which it receives a competitive management fee. Triodos Investment Management B.V. is also entitled to a carried interest fee on the sale of participations if the conditions for this are met. The parties have agreed that no carried interest fee will be charged to the sale of the Hivos participations to Stichting Hivos-Triodos Fonds.

2. Triodos Bank N.V. is the sole shareholder of Triodos Investment Management B.V.

3. Triodos Bank N.V. has provided a credit facility at market rates. The used part of the credit facility at year end date is EUR nil.

4. Triodos Bank N.V. has made one loan available at market rates. The outstanding amount at balance sheet date is EUR 10,000,000.

5. Stichting Hivos-Triodos Fonds, together with Triodos Groenfonds and Triodos SICAV II - Triodos Emerging Markets Renewable Energy Fund provides capital (syndicated equity) managed by Triodos Investment Management B.V. At year-end 2024, the value of the syndicate equity was EUR 962,094 (2023: 1,416,006).
6. Stichting Hivos-Triodos Fonds, together with Triodos Fair Share Fund, Triodos SICAV II - Triodos Microfinance Fund and Triodos SICAV II - Triodos Emerging Markets Renewable Energy Fund provides financing (syndicated loans) managed by Triodos Investment Management B.V. At year-end 2024, the value of the syndicate loans was EUR 4,585,515 (2023: EUR 7,738,570).

7. Triodos Impact Strategies N.V. has made four loans available at market rates on behalf of its sub-funds. The outstanding amounts at balance sheet date are as follows:

- Triodos Impact Strategies N.V. for the benefit and on behalf of its sub-fund Triodos Impact Strategy Fund – Dynamic, EUR 300,000.

- Triodos Impact Strategies N.V. for the benefit and on behalf of its sub-fund Triodos Impact Strategy Fund – Balanced, EUR 1,480,000.

- Triodos Impact Strategies N.V. for the benefit and on behalf of its sub-fund Triodos Impact Strategy Fund – Defensive, EUR 200,000.

- Triodos Impact Strategies N.V. for the benefit and on behalf of its sub-fund Triodos Impact Strategy Fund – Offensive, EUR 1,720,000.

8. MFX Solutions LLC is a financial institution with a focus on trading currency instruments. Triodos Investment Management performs a supervisory function on this entity. Stichting Hivos-Triodos Fonds remains shareholder and concludes currency forward contracts with MFX Solutions. The balance sheet value of all contracts concluded at year-end 2024 was EUR nil (2023: EUR 149,620).

Driebergen-Rijsenburg, the Netherlands, 1 July 2025

The Management Board of Triodos Investment Management B.V.

Dick van Ommeren (Chair)
Hadewych Kuiper (Managing Director Investments)
Martijn van Oort (Managing Director Finance, Risk & Operations) (appointed per 6 May 2025).

# Other information

## Appropriation of results

The articles of association of Stichting Hivos-Triodos Fonds do not give any indication for the appropriation of the results.

# Independent auditor's report

To: the board of directors and the supervisory board of Stichting Hivos-Triodos Fonds

## Report on the audit of the annual accounts 2024

## Our opinion

In our opinion, the annual accounts of Stichting Hivos-Triodos Fonds ('the Foundation') give a true and fair view of the financial position of the Foundation as at 31 December 2024, and of its result for the year then ended in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

### What we have audited

We have audited the accompanying annual accounts 2024 of Stichting Hivos-Triodos Fonds, Driebergen-Rijsenburg.

The annual accounts comprise:

- the balance sheet as at 31 December 2024;
- the profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the annual accounts is the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

## The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the annual accounts' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands, T: +31 (0) 88 792 00 20, www.pwc.nl

## Independence

We are independent of Stichting Hivos-Triodos Fonds in accordance with the ‘Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten’ (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

# Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the annual accounts and our auditor’s report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the annual accounts and does not contain material misstatements; and
- contains all the information regarding the board of directors’ report that is required by the Guideline for annual reporting 640 ‘Not-for-profit organisations’ of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the annual accounts or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the annual accounts.

The board of directors is responsible for the preparation of the other information, including the directors’ report pursuant to the Guideline for annual reporting 640 ‘Not-for-profit organisations’ of the Dutch Accounting Standards Board.

# Responsibilities for the annual accounts and the audit

## Responsibilities of the board of directors and the supervisory board for the annual accounts

The board of directors is responsible for:

- the preparation and fair presentation of the annual accounts in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the annual accounts using the going-concern basis of accounting unless the board of directors either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the annual accounts any event and circumstances that may cast significant doubt on the Foundation's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Foundation's financial reporting process.

## Our responsibilities for the audit of the annual accounts

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 1 July 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by:
F.E. Smolders MSc RA

# Appendix to our auditor's report on the annual accounts 2024 of Stichting Hivos-Triodos Fonds

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the annual accounts and explained what an audit involves.

## The auditor's responsibilities for the audit of the annual accounts

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the annual accounts, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the annual accounts as a whole. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the annual accounts, including the disclosures, and evaluating whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

# Personal details

## Supervisory Board

**J. van Breugel (per 1 April 2025)**
Jetske van Breugel is head of legal at Chios Media. She is also a member of the supervisory board of Stichting Samenwerkende Publieke Omroepen Midden Nederland (RTV Utrecht). Previously, she was general counsel at Oikocredit International and held legal positions in various national and international companies and a law firm. She is a Dutch national.

**I. Manea (per 1 June 2025)**
Irina Manea is a Senior Director in PGGM's Private Equity team and serves as a member of the PGGM Private Equity Investment Committee. Irina has over 15 years of investment experience globally with a focus on private equity, sustainability and emerging markets at PGGM and FMO, the Dutch Entrepreneurial Development Bank. She is a Romanian and Dutch national.

**M. Mulder (per 1 June 2025)**
Marnix Mulder is an independent impact investing professional, currently among others acting as Director Market Development at Impact Europe. Previously held various board and management positions, among others as member of the Dutch Board for Impact Investing (NAB) and member of executive board at Triple Jump. He is a Dutch national.

**Y.C. van der Schoot**
Ylse van der Schoot has been recently the Chief Operations Officer at Cordaid. Previously she held a variety of (board) management positions, amongst others executive director of North Star Alliance, and director investor relations at Oikocredit International. She is a Dutch national.

**J. van de Ven**
Johan van de Ven is Chair of the Supervisory Board of Stichting Hivos-Triodos Fonds. Johan currently acts as an independent innovation consultant and executive. In addition to his role at HTF, he is CEO of i-Med Technology (NL), industrial partner at Oraxys (LU) and board member of Optimum Tracker (F). Previously, he held different international board positions at Bosal and Royal Philips Electronics, a professorship in the natural sciences at Utrecht University, and was supervisory board member to Hivos Foundation. He is a Dutch national.

## Fund manager

**J. Santbergen**
Judith Santbergen has been the fund manager of Stichting Hivos-Triodos Fonds since November 2021. She joined Triodos Investment Management in May 2014 as an Investment Officer for Africa and subsequently worked as a Senior Investment Officer since July 2016. Prior to joining Triodos, Judith worked in various roles for Rabobank. Judith is a Dutch national.

## Management Board

## Triodos Investment Management

**D.J. van Ommeren**
Dick van Ommeren has been a Managing Director of Triodos Investment Management B.V. since 1 February 2016 and Chair since 1 November 2021. In addition, Dick van Ommeren is a member of the Board of Directors of Triodos SICAV I, a member of the Board of Directors of Triodos SICAV II. Dick van Ommeren is a Dutch national.

**H. Kuiper**
Hadewych Kuiper has been a Managing Director of Triodos Investment Management B.V. since 1 February 2022. Within the Management Board, Hadewych is responsible for Triodos Investment Management B.V.'s investment activities. In addition, Hadewych is a member of the Board of Directors of Stichting Netherlands Advisory Board on impact investing (NAB). Hadewych Kuiper is a Dutch national.

**M. van Oort**
Martijn van Oort has been a Managing Director of Triodos Investment Management B.V. since 6 May 2025. Within the Management Board, Martijn is responsible for Finance, Risk & Operations. Martijn van Oort is a Dutch national.

**Stichting Hivos-Triodos Fonds**
**Annual Report 2024**

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If you have comments or questions about this report, please contact Triodos Investment Management B.V.
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Stichting Hivos-Triodos Fonds is a joint initiative of Hivos and Triodos Bank.