

**INFORMATION NOTE ON THE OFFER OF
NEW COOPERATIVE SHARES BY ALTERFIN CV
UP TO A MAXIMUM AMOUNT OF EUR 5,000,000**

**This document was drafted by ALTERFIN CV,
a cooperative company under Belgian law**

**THIS DOCUMENT IS NOT A PROSPECTUS AND HAS NOT BEEN AUDITED OR APPROVED BY THE
FINANCIAL SERVICES AND MARKETS AUTHORITY (FSMA)**

Date: 8 August 2025

***WARNING: THE INVESTOR RUNS THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT AND/OR
NOT OBTAINING THE EXPECTED YIELD. INVESTMENT INSTRUMENTS ARE NOT LISTED: THE INVESTOR
MAY FIND IT VERY DIFFICULT TO SELL THEIR POSITION TO A THIRD PARTY IN CASE THEY SO WISH***

Part I - Main risks specific to the Issuer and to the investment instruments offered, specific to the offer concerned

Any investment in securities involves, by definition, risks. The potential risk factors related to the issuance of Alterfin CV shares (“the Issuer” or “Alterfin”) are described below.

A. Risk factors specific to the Issuer

Alterfin’s mission and the nature of its activities involve a number of risks. Even if Alterfin’s policy and management are designed to best control these risks, they obviously cannot be completely excluded. The risks and uncertainties that Alterfin considers to be of paramount importance at the time of writing are described below.

Debtor Risk

This is the risk associated with defaults on loans granted by Alterfin to organisations in low- and middle-income countries (the “partners”), whether microfinance institutions (“MFIs”), which in turn provide micro-credits or other services to small entrepreneurs and local farmers, or organisations active in sustainable family farming (“SA”). This risk is inherent in Alterfin’s business because its mission is to support partners who offer social added value but who can be riskier. It cannot be excluded that the partners in which Alterfin has invested become insolvent at some point, resulting in the loss of Alterfin’s investment.

Alterfin’s investment policy, however, reduces debtor risk by defining:

- strict partner eligibility rules and analysis and monitoring procedures;
- an approval process requiring, for each investment made, the unanimous approval of an investment committee composed of a team of experts with solid financial and development expertise;
- a capped exposure per partner according to its level of risk and sector of activity.

Where possible, guarantees or collateral are included in the credit agreement. These guarantees shall be proportionate to the perceived risk as far as possible. However, even with these safeguards, the risk cannot be completely eliminated.

Foreign exchange rate risk

This is the risk resulting from transactions in foreign currencies to finance organisations in low- and middle-income countries.

A large part of Alterfin’s partners’ funding needs are in dollars. The capital collected from the co-op members is in euros. In order to meet the needs of the partners while covering the risk of exchange rates between the euro and the dollar, Alterfin’s policy is to invest the capital raised in investment grade instruments within the European Union. These investments, which are made through Belgium-based banks used by Alterfin, are used as collateral with them to obtain loans in dollars. These credits are then used to build the investment portfolio in the countries of activity. This structure makes it possible to limit the influence of the evolution of the dollar on the balance sheet. The latter, however, retains an influence on the income statement.

In addition, to meet the needs of partners whose business (micro-credit, micro-savings, insurance, etc.) is conducted in local currency, Alterfin also provides loans in local currency. In this case, Alterfin actively manages foreign exchange risk by systematically using hedging techniques (such as currency swaps, futures, etc.) to cover both capital and interest.

Country Risk

This is the risk of investing or lending in a certain country, in view of possible changes in its environment that could negatively affect operating profits or the value of assets in that country. Country risk includes, but is not limited to, the risk of war, corruption, instability, arbitrary government action or transfer problems (such as inability to repatriate invested funds).

To the extent possible and relevant, Alterfin covers its investments with MFIs through insurance underwritten by a specialised company providing coverage services against country risk. With regard to SA Partners, Alterfin requires export contracts with foreign buyers as a guarantee to reduce the risk factors inherent in the partner’s country. Since reimbursement is made by these buyers, the risk factors inherent in the partner’s country are significantly reduced. Alterfin also actively manages country risk by focusing on diversifying its investment portfolio and setting limits for each country.

Interest rate risk

If a long-term loan granted to one of our partners is financed by short-term debt, there is uncertainty and risk associated with the impact of changes in interest rates. If interest rates rise, Alterfin could see an increase in the cost of financing, while the income level of the portfolio would remain stable. To reduce this interest rate risk, two things have been put in place. First, part of our long-term credits is financed by long-term loans at fixed rates. An increase in the volume of these loans is under negotiation. Second, another part of this risk is covered by “plain vanilla” derivatives (interest rate swaps).

Risk of dependence on key positions

In the event that people in key roles leave Alterfin without immediate replacement, this could have a negative impact on Alterfin's development and results in the short and medium term.

Risk related to the reputation of the markets in which Alterfin operates

Alterfin may be exposed to reputational risks arising from developments affecting its own public perception or that of comparable institutions operating in similar markets. Any adverse change in the reputation of Alterfin or the markets in which it conducts business may materially affect Alterfin's operational performance and future prospects.

Legal and regulatory risk

Changes in laws or regulations, both in Belgium and in the countries where Alterfin operates, may affect Alterfin's business.

B. Risk factors specific to the offer and the cooperative shares

Risk related to investment in cooperative shares.

An investment in Alterfin shares involves economic risks, just like every investment in shares: Investors must take into account, when considering investing, the possibility of losing all or part of their investment.

Alterfin's shares are not publicly traded and are not linked to a benchmark. Their issue value is therefore not likely to vary upwards or downwards depending on a stock market valuation or the evolution of a benchmark. Investors cannot therefore speculate on a future increase in the value of the share to assess the return on investment. The return on investment is based on the distribution of dividends. Co-op shares do not offer protection against inflation or currency erosion.

Risk related to the liquidity of cooperative shares

There is no secondary market in which shares are traded. Therefore, although, in accordance with the procedures laid down in Alterfin's articles of association, any co-op member may withdraw from Alterfin's capital during the first six months of the financial year, liquidity is relatively limited. This lack of liquidity means, in particular, that co-op members may have to hold their shares longer than they wish and that their take-over value may not be the same as at the time of the withdrawal request. Please also note that the company may spread all or part of the refund over a period of up to three years, as further elaborated under Part IV, Section C of this Information Note.

Risk related to changes in value

The value of the share of the withdrawing shareholder is equal to the lower of the following two values: A) the issue value of the share; (b) the book value of the share, calculated on the basis of the released amount minus the deferred losses and plus the deferred profits, as shown in the most recent financial statements approved by the board of directors of Alterfin on the day of the end of the shareholder's membership. In no case may the outgoing co-op member's share exceed the amount paid by the co-op member as it appears on their share certificate.

Risk related to changes in future dividends

Dividends granted in the past do not constitute a guarantee for the future and no guarantee is given as to future returns. The dividend is calculated in proportion to the number of (calendar) days of effective affiliation, which includes the period between the application and the actual refund.

Part II – Information about the Issuer

A. Identity of the Issuer

General information

Official Name: Alterfin CV

Legal form: Cooperative Society (CV) under Belgian law

Company Reg. no.: 0453.804.602

Registered office: rue de la Charité 18-26, B-1210 Brussels, Belgium

Date of incorporation: 16/11/1994

Website: www.alterfin.be

Description of Alterfin's activities

The Alterfin Cooperative Society was formed in 1994 as a collaboration between North-South organisations (including 11.11.11, Oxfam, Vredeseilanden/Rikolto, FOS, ...) and banks (Triodos Bank and HBK Spaarbank). Over the years, other social organisations (including SOS Faim/Humundi, FairFin, Financité), a few companies and more than 6 000 individuals joined the cooperative as co-op members.

Alterfin is a social investor whose mission is to improve the livelihoods and overall living conditions of socially and economically disadvantaged individuals and communities, primarily in rural areas of low- and middle-income countries around the world.

To do so, Alterfin provides financial and non-financial services to its partners in low- and middle-income countries:

1. mobilising funds, mainly from individual investors and other socially responsible institutions;
2. by developing and promoting ethical and sustainable investments;
3. by developing networks with like-minded organisations.

By pursuing its corporate purpose, Alterfin contributes to some of the development goals defined by the United Nations.

Alterfin currently invests in the following two types of organisations:

- Alterfin provides financing to microfinance institutions (MFIs), which in turn provide micro-credits and other services to small entrepreneurs and local farmers;
- Producer associations or SMEs (small and medium-sized enterprises) active in the sustainable family farming (SA) sector. In this case, Alterfin's loans are generally used to finance or pre-finance the harvest of small producers and its marketing on the market. Such loans may also be granted to finance the purchase or improvement of fixed assets (warehouses, machinery, etc.).

Persons holding more than 5% of the Issuer's capital

- No one holds more than 5% of Alterfin's capital.
- No transaction was entered into with a person holding more than 5% of Alterfin's capital or a related person.
- No conviction referred to in Article 20 of the Law of 25 April 2014 (relating to the status and supervision of credit institutions and stock exchange companies) and concerning persons holding more than 5% of the capital or a related person is to be mentioned.

Identity of the members of the Board of Directors and of the management

The members of the Board of Directors are elected by the General Assembly of Co-op members. The list of members of the Board of Directors as of the date of publication of this Note is as follows:

Name	Representative of	Tenure Date
Thierry Bertouille	Individual co-op members	30/04/2022 – 30/04/2027
Elke Briers	Individual co-op members	30/04/2022 – 30/04/2027
Luc Cool	Independent director	20/04/2024 – 20/04/2029
Laetitia Counye	Independent director	20/04/2024 – 20/04/2029
Erik Devogelaere	Rikolto België vzw	20/04/2024 – 20/04/2029
Vanessa Galhardo-Galhetas	Independent director	22/04/2023 – 22/04/2028
Maarten Loopmans	Independent director	24/04/2021 – 24/04/2026
Dominique Morel	Humundi asbl	20/04/2024 – 20/04/2029
Klaartje Vandersypen	Individual Co-op members – Chair of the Board	24/03/2012 – 30/04/2027

Jean-Marc Debricon was appointed CEO of Alterfin by the Board of Directors in January 2015. He has tendered his resignation effective 30th September 2025 for personal reasons. The Board of Directors has appointed Luc Cool as the new CEO effective 1st September 2025. Luc is currently a member of the Board of Directors of Alterfin and the CFO of EDFI Management Company.

Luv Mittal has been CFO (*Chief Financial Officer*) of Alterfin since September 2022.

Caterina Giordano has been CIO (*Chief impact Officer*) since September 2022.

Remuneration of members of the Board of Directors and of management

The members of the Board of Directors do not receive any remuneration for their tenure of office. The Managing Director/CEO received a total gross salary of EUR 112,276.20 for the whole of 2024.

Convictions and conflicts of interest

No member of the Board of Directors or of the management has been convicted under Article 20 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and stock exchange companies.

There is no known conflict of interest between Alterfin and members of the Board of Directors, the Chief Executive Officer or a person holding more than 5% of the capital.

Identity of the Auditor

The General Meeting of 20 April 2024 renewed the mandate of Forvis Mazars Réviseurs d'Enterprises SRL, represented by Mr Peter Lenoir, as Auditor of Alterfin for a three-year term.

Summary of the Annual Report for 2024

The full 2024 Annual Report is available on the website en.alterfin.be/publications.

Key figures for 2024

- 5,901 co-op members
- EUR 71 million of capital
- 143 partners
- 31 countries
- 57 organisations active in sustainable agriculture
- 77 microfinance institutions
- EUR 133 million total portfolio of investments under Alterfin's management and advisory
- EUR 96 million disbursed
- 4,960,790 families assisted via our partners
- 65% of those assisted live in rural areas
- 77% of those assisted are women

Portfolio performance 2024

In 2024, the total portfolio of investments under Alterfin's management and advisory mandate increased by approximately 9%, reaching EUR 133 million—its highest level since the company's establishment over 30 years ago. This growth reflects sustained demand for Alterfin's services, particularly among vulnerable populations in rural areas, who are disproportionately affected by climate change, economic disruptions, and evolving policy decisions at national and international levels.

The expansion was observed across all of Alterfin's key sectors of activity—namely, microfinance and sustainable agriculture—as well as across its geographical areas of operation, including Africa, Latin America, and Asia. Notably, a record level of disbursements was achieved in the sustainable agriculture sector, amounting to EUR 71 million.

As a primary indicator of portfolio quality, the combined rate of loans in default for more than 30 days, restructured loans, and loans written off stood at 10.9% of the gross loan portfolio as at year-end 2024. This represents a material improvement compared to the rate of 12.7% recorded at the end of 2023. Despite the continued volatility of the global environment, this positive trend demonstrates Alterfin's ability to preserve the quality of the portfolios under its management. Encouragingly, the portfolio risk indicator has shown consistent improvement since 2020—a period during which Alterfin's gross loan portfolio expanded at an average annual rate of 10.8%. The improvement in this ratio is a positive sign, but investors should remain mindful of the inherent risks associated with operating in sectors sensitive to economic, environmental, and geopolitical factors.

Impact of Alterfin

Alterfin's mission is to improve the living conditions of socially and economically disadvantaged individuals in developing countries. Thus, beyond the financial aspects related to our investment decisions, the impact of each loan, whether direct impact on the funded organisation or indirect impact on its beneficiaries, is assessed throughout the investment cycle and guides our decisions. Alterfin uses an Environmental and Social Performance Management Framework to help assess the social and environmental sustainability of its partners. This framework is designed to enable Alterfin to identify environmental and social risks in the early stages of the investment cycle, assess in more detail the magnitude of these risks, and take proactive measures to mitigate them. The objective of this framework is also to provide the means to assess Alterfin's social and environmental performance and, more broadly, to monitor Alterfin's progress towards achieving its mission and thus to assess Alterfin's additional aspect and its added value on its partners. This allows us not only to make informed decisions but also to prove the benefits of our activities and to learn daily to improve ourselves. **More information on the impact of Alterfin:** en.alterfin.be/our-impact

B. Financial information about the Issuer

Annual accounts

The annual accounts for the financial years 2023 and 2024 are set out in Appendix 1. They are presented in the format of the National Bank of Belgium.

The Issuer confirms that its net working capital is sufficient to meet its obligations over the next twelve months.

Equity and debt level

Alterfin's financing at June 30, 2025 is as follows:

	Amounts in EUR	Description
Equity capital	72 070 708	
Debts	76 370 893	Since most of the loans granted by Alterfin are in dollars, Alterfin uses the majority of its capital (in euros) as collateral to obtain credit lines in dollars. Alterfin then lends the borrowed dollars to its partners in low- and middle-income countries. As Alterfin's balance sheet has similar levels of dollar assets (its lendings) and dollar liabilities (its borrowings), this helps in significantly reducing the related foreign exchange risk.
Secured debts	-	
Guaranteed debts	54 506 561	
Other debts	21 864 332	
Adjustment accounts	1 058 841	
TOTAL	149 500 442	

The financial figures and information contained in the table above are preliminary, unaudited and subject to adjustment. They are provided for informational purposes only and do not constitute final results.

Significant changes since the end of the last accounting year

Regulatory Status of Alterfin as a Development Fund and Transition from Small-Scale to Full-Scope AIFM under Belgian Law

Since 2010, Alterfin has been accredited as a development fund pursuant to the law of June 1, 2008, which introduced a tax reduction for shareholdings in microfinance development funds operating in developing countries. In 2014, following the transposition of Directive 2011/61/EU into Belgian law on alternative collective investment undertakings and their managers of 19 April 2014 (the "AIFM law"), Alterfin, an alternative investment fund ("AIF"), submitted a notification to Financial Services and Markets Authority ("FSMA") for registration on the AIF list. As a result, the FSMA registered Alterfin as a self-managed, small-scale Alternative Investment Fund Manager (AIFM) under Belgian law, in accordance with Article 106 of the OPCA Law. That provision deems an AIF to be small-scale if its assets under management (AuM) do not exceed EUR 100 million when leverage is applied. The method for calculating AuM is further defined in Articles 2, 7 and 8 of Delegated Regulation (EU) No. 231/2013.

Alterfin's status as both a development fund and a self-managed, small-scale AIFM allowed it to benefit from a regulatory derogation. Specifically, it was exempt from certain provisions of the AIFM Law and did not require an FSMA license to operate. Pursuant to Article 107 of the AIFM Law, Alterfin was only required to register with the FSMA via a notification, rather than obtaining a formal approval. Since September 2024, Alterfin has been in discussions with the FSMA regarding the calculation of its AuM in accordance with the relevant statutory provisions. In January 2025, under FSMA guidance, Alterfin concluded that its AuM now exceeds the EUR 100 million threshold. This calculation, based on the applicable law, includes its balance sheet total as well as notional values of all off-balance sheet swaps and derivatives. Although the Ministry of Finance renewed Alterfin's development fund status for an additional five years in January 2025, its anticipated loss of small-scale AIFM status now requires it to apply for an FSMA license and comply with more extensive reporting obligations. In consultation with and under the supervision of the FSMA, Alterfin is preparing to transition to a large-scale AIFM (or classic AIFM) regime, along with its associated obligations. The FSMA has advised that this migration process may take between six and twelve months, and in exceptional circumstances, between eighteen and twenty-four months. During this transition period, Alterfin will continue to conduct its business as usual.

Potential Abolition of Income Tax Reduction for Investments in Development Funds

Earlier in 2025, the Belgian federal government announced its intention to abolish the income tax reduction applicable to subscriptions of shares in recognised development funds, as further detailed in Part IV, Section E, paragraph 1. The proposed abolition would apply retroactively as from 1 January 2025. Should this measure be adopted, investors subscribing for shares in 2025 would no longer be eligible to claim the associated income tax reduction. The tax reform proposal remains subject to the standard legislative process, including submission, debate, and approval by the Belgian Parliament. Until such time as new legislation is enacted, the current legal framework continues to apply.

Auditor's Report

The 2024 External Auditor's Report is available in Appendix 2.

Part III - Information concerning the offering of new shares

A. Description of the offer

Maximum amount for which the offer is made

The tender shall be for a maximum amount of EUR 5,000,000.

Conditions of the offer

Who can become a co-op member?

Both natural and legal persons can become co-op members of Alterfin. De facto associations may also become co-op members provided that they designate a natural person to represent them in respect of Alterfin.

In accordance with Article 8 of the Alterfin's Articles of Association, to be accepted as a co-op member, it is necessary to:

- ensure that the candidate co-op member be approved as co-op member by the Board of Directors. The latter may not refuse the membership of the co-op member-candidate on the basis of speculative considerations, unless this co-op member does not meet the mission and/or cooperative values of Alterfin (described in Article 3 of the Statutes) or has committed acts that are contrary to the interests of the company;
- subscribe at least one share.

What are the different categories of cooperative shares?

The offer concerns the issuance of two types of shares:

- Category A shares that can only be subscribed by legal entities; and
- Category B shares which may only be subscribed by natural persons.

Subscription Terms

The subscription for Category A and Category B shares takes place directly and exclusively via Alterfin.

The terms of subscription via Alterfin are as follows:

- for new co-op members: the co-op member-applicant completes the registration form online on the Alterfin website (www.alterfin.be/invest), mentioning their personal data as well as the number of shares and the category of shares to which they subscribe. Then, the subscriber pays the amount of the shares to which they subscribe to Alterfin's bank account, mentioning the structured personal communication that Alterfin has sent them. Upon receipt of payment, an extract from the Register of Co-op members is sent to the subscriber.
- for investors who already hold one or more shares: existing co-op members pay the amount of the new shares they subscribe to Alterfin's bank account, mentioning their structured personal communication. Upon receipt of the payment, an extract from the register of co-op members will be sent to them.

The payment of the shares is made by bank transfer to the following Alterfin account: BE85 5230 4527 2706 and code BIC code TRIOBEBB.

The shares are nominative and are not delivered physically. The number of shares that a single co-op member may hold is not limited.

Total price of cooperative shares

- Category A shares (legal persons): shares with a nominal value of EUR 250 per share.
- Category B shares (natural persons): shares with a nominal value of EUR 62.50 per share.

Calendar of the offer

The subscription period, during which investors may subscribe to the offer, is open from August 8, 2025 to August 7, 2026 inclusive subject to early closing.

Throughout the subscription period, applicant-co-op members may subscribe shares on a continuous basis, provided that the maximum amount of this offer of EUR 5,000,000 is not exceeded.

Costs to be borne by the investor

Alterfin will not charge any fees to the investor for the subscription of new shares or for the exit or transfer of shares.

B. Reasons for the offer

The purpose of issuing new shares is to support the growth of Alterfin's activities. The share capital forms the financial basis with which Alterfin makes its investments. In order to be able to best meet a growing demand for financing from existing or potential partners, Alterfin is continuously looking for additional capital.

Alterfin's capital is allocated to the partners either directly or indirectly. In the latter case, Alterfin uses its capital (in euros) as a security to obtain credit lines or loans (in dollars) from its partner banks.

The purchasers of Alterfin shares are not primarily aimed at maximising their profit. By buying shares, they contribute first and foremost to providing Alterfin with the means to achieve its mission. An investment in Alterfin is therefore first and foremost an investment with a social return.

Part IV - Information concerning Shares

A. Category, currency, nominal value and ISIN code of cooperative shares

The offer concerns the issuance of two classes of shares:

- Class A shares: shares with a nominal value of EUR 250 per share. ISIN Code: BE0166214537. These shares may only be subscribed by legal persons; and
- Class B shares: shares with a nominal value of EUR 62.50 per share. ISIN Code: BE6218501250. These shares may only be subscribed by natural persons.

B. Rank of new shares in the capital structure

The new shares are, like the existing shares, ordinary shares that rank last in the capital structure in the event of insolvency. The voting rights relating to the new shares shall be the same as those relating to the existing shares.

C. Restriction on the free transfer of shares

Assignment and Transfer

Under the Articles of Association (Article 9), shares may only be transferred between co-op members, with the prior approval of the Board of Directors.

Resignation

Under the articles of association (Article 13), a co-op member may resign in full or request the partial repayment of their shares only in the first six months of the financial year (between 1 January and 30 June).

The company may spread all or part of the refund over a period of up to three years.

The Board of Directors may refuse the withdrawal of all or some of the shares if the co-op member has current obligations or agreements with the company or if, by the total or partial withdrawal of shares, a) the net assets of the company would become negative ("**Net Asset Test**") and/or (b) the Company will not, based on developments reasonably expected, continue to pay its debts as they mature for a period of at least twelve months from the date of withdrawal ("**Liquidity Test**"). The decision of the Board of Directors is final.

D. Dividend policy

In accordance with Article 43 of the Alterfin Articles of Association, the profit to be distributed for a financial year is determined by the General Meeting on the proposal of the Board of Directors. This proposal must take into account that both the Net Asset Test and the Liquidity Test have been complied with.

A dividend may be granted to co-op members, regardless of the class to which they belong, the rate of which may not, however, exceed the maximum amount established in accordance with the Royal Decree of 8 January 1962 fixing the accreditation conditions for groups of cooperative societies and cooperative societies by the National Council for Cooperation. This maximum is currently set at 6% of the paid-up capital.

The dividend is expressed as a percentage of the nominal value of the shares. Class A and Class B co-op members are entitled to the same dividend.

When a co-op member subscribes shares during the financial year, that co-op member will receive a dividend calculated on the basis of the number of (calendar) days of actual holding of the shares.

E. Fiscal aspects

Income tax reduction on subscription of shares in development funds

The Law of 21 December 2009 amending Article 145 of the Income Tax Code (1992) provides that individuals may benefit from a tax reduction on the amount of shares purchased in an approved microfinance development fund, such as Alterfin.

The tax reduction corresponds to 5% of the total payments made in the year by a natural person to approved development funds. Co-op members can declare their new investments each year to benefit from them.

However, certain conditions must be met:

- the sums paid must amount to a minimum of EUR 437.50 in 2025, or 7 shares at EUR 62.50.
- the tax reduction is capped at EUR 350 in 2025, which corresponds to an investment of EUR 7,000.00 (or 112 shares).
- except in the event of death, the units must remain in the possession of the subscriber for an uninterrupted period of at least 60 months (or 5 years).
- to benefit from the tax reduction, the shares must be registered in the name of a natural person.

It should be noted that earlier in 2025, the Belgian federal government announced its intention to abolish the income tax reduction applicable to subscriptions of shares in recognised development funds. This is further described under Part II, Section B “Potential Abolition of Income Tax Reduction for Investments in Development Funds”.

Reduced withholding tax rate

Dividend payments are currently subject to a flat rate of 30% withholding tax. However, it is possible to benefit from a withholding tax of 20 or 15% on dividends arising from new shares or shares issued by SMEs, such as Alterfin, under the following conditions:

- the shares are issued in exchange for registered shares;
- the capital is fully paid up;
- co-op members must remain full owners without interruption. The advantage is therefore lost when ownership is passed on, except in a few special cases and in particular:
 - transmission by direct line or between spouses in full ownership by way of succession or donation;
 - a division of full ownership into bare ownership and usufruct in favour of the heirs and the surviving spouse following an inheritance, a bequest or a sharing with the ascendants that does not affect the usufruct of the surviving legal spouse;
 - transfers made as a result of a merger, division or similar transaction carried out in a tax-neutral manner.

Under these conditions, the normal withholding tax rate of 30% applies to dividends before the second year following that in which the contribution was made. Thereafter, the withholding tax rate will be reduced to:

- 20% for dividends allocated or allocated during the beneficial allocation of the second financial year after the contribution;
- 15 % for dividends allocated or allocated during the beneficiary allocation from the third financial year onwards after the financial year of the contribution.

Withholding Tax Exemption

Under the programme law of 25 December 2017, the first tranche of EUR 859 of dividends from shares paid per year is exempt from withholding tax. All dividends are concerned, with the exception, in particular, of fund dividends (SICAV, ...) and dividends granted by legal constructions subject to the Cayman tax. The tax-exempt amount for dividends paid by cooperative societies (including Alterfin) is included in this amount of EUR 859.

Part V – Information on the Issuer’s sustainability and its activities

The Regulation EU/2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector (hereinafter the “SFDR”) sets out sustainability disclosure requirements for a broad range of financial market participants, financial advisors and financial products. It was enacted to improve both transparency of sustainable investment products and comparability of disclosures for end investors and to prevent greenwashing. As such, sustainability risks are events or circumstances related to environmental, social or governance factors, which correspond to the risks that Alterfin considers relevant to its credit portfolio and scope of action. These risks partially correspond to the main adverse indicators as defined in the SFDR (Principal Adverse Impacts on Sustainability or “PAIs” factors) and Alterfin therefore considers these PAIs in a limited manner to the extent they are applicable and measurable for Alterfin's investments. Alterfin however takes its own Environmental & Socials (E&S) risks into account in its investment decisions and has a clear policy and procedures that consider sustainability/E&S risks aligned with the performance of its mission. To do so, Alterfin has implemented E&S Sustainability Risk Policy which is published on this website (<https://en.alterfin.be/publications/environmental-social-risk-policy>). The policy describes how E&S risks are considered in Alterfin’s investment process, at the due diligence stage as well as in the subsequent stages such as monitoring and renewal of investments.

Alterfin's investment strategy defines the eligibility criteria of potential Partners considering Sustainability Risks which starts with an Exclusion List, followed by a comprehensive due diligence using our custom tool called Alterfin Environmental and Social Impact Rater (“AESIR”) based on best practices and standards for the sector. For more information on Alterfin's approach to the main negative impacts of its investment decisions on sustainability factors, please consult the statement published on our website (<https://en.alterfin.be/page/sustainability-related-disclosures>).

As provided for in Article 9 of the SFDR and Article 18 of Delegated Regulation 2022/1288 supplementing Regulation (EU) 2019/2088, given that Alterfin's actions have sustainable investment as their objective, additional information on sustainable investment is provided in Appendix 3.

Appendix 1 – Audited annual accounts 2024 and 2023

Balance sheet after distribution of the result

	Ann.	Codes	Exercice	Exercice précédent
ACTIF				
FRAIS D'ÉTABLISSEMENT		20		
ACTIFS IMMOBILISÉS		21/28	<u>3.611.517,79</u>	<u>3.413.624,04</u>
Immobilisations incorporelles	6.1.1	21	314.856,11	321.964,24
Immobilisations corporelles	6.1.2	22/27	10.794,64	16.105,34
Terrains et constructions		22		
Installations, machines et outillage		23		
Mobilier et matériel roulant		24	10.794,64	16.105,34
Location-financement et droits similaires		25		
Autres immobilisations corporelles		26		
Immobilisations en cours et acomptes versés		27		
Immobilisations financières	6.1.3	28	3.285.867,04	3.075.554,46
ACTIFS CIRCULANTS		29/58	<u>164.969.830,54</u>	<u>162.136.613,58</u>
Créances à plus d'un an		29	64.510.096,91	65.309.553,46
Créances commerciales		290		
Autres créances		291	64.510.096,91	65.309.553,46
Stocks et commandes en cours d'exécution		3		0
Stocks		30/36		
Commandes en cours d'exécution		37		0
Créances à un an au plus		40/41	35.495.644,84	28.117.036,59
Créances commerciales		40	91.600,56	113.644,31
Autres créances		41	35.404.044,28	28.003.392,28
Placements de trésorerie		50/53	61.864.367,14	63.995.051,9
Valeurs disponibles		54/58	86.474,44	2.391.798,82
Comptes de régularisation		490/1	3.013.247,21	2.323.172,81
TOTAL DE L'ACTIF		20/58	168.581.348,33	165.550.237,62

Ann.	Codes	Exercice	Exercice précédent
PASSIF			
CAPITAUX PROPRES			
Apport	10/15	<u>73.486.745,63</u>	<u>73.073.120,13</u>
Disponible	10/11	70.810.937,5	70.539.312,5
Indisponible	110	70.810.937,5	70.539.312,5
	111		
Plus-values de réévaluation	12		
Réserves	13	2.671.394,82	2.527.084,32
Réserves indisponibles	130/1	10.000	10.000
Réserves statutairement indisponibles	1311	10.000	10.000
Acquisition d'actions propres	1312		
Soutien financier	1313		
Autres	1319		
Réserves immunisées	132		
Réserves disponibles	133	2.661.394,82	2.517.084,32
Bénéfice (Perte) reporté(e)	14		
		(+)/(-)	
Subsides en capital	15	4.413,31	6.723,31
Avance aux associés sur la répartition de l'actif net	19		
PROVISIONS ET IMPÔTS DIFFÉRÉS	16		
Provisions pour risques et charges	160/5		
Pensions et obligations similaires	160		
Charges fiscales	161		
Grosses réparations et gros entretien	162		
Obligations environnementales	163		
Autres risques et charges	164/5		
Impôts différés	168		

Ann.	Codes	Exercice	Exercice précédent
DETTES	17/49	<u>95.094.602,7</u>	<u>92.477.117,49</u>
Dettes à plus d'un an	6.3		
Dettes financières	17	17.035.842,75	16.901.634,36
Etablissements de crédit, dettes de location-financement et dettes assimilées	170/4	17.035.842,75	16.901.634,36
Autres emprunts	172/3	16.186.125,06	16.672.138,72
Dettes commerciales	174/0	849.717,69	229.495,64
Acomptes sur commandes	175		
Autres dettes	176		
	178/9		
Dettes à un an au plus	6.3		
Dettes à plus d'un an échéant dans l'année	42/48	76.803.947,89	74.571.558,85
Dettes financières	42	1.848.018,11	214.186,56
Etablissements de crédit	43	71.594.674,28	72.051.604,76
Autres emprunts	430/8	71.594.674,28	72.051.604,76
Dettes commerciales	439		
Fournisseurs	44	425.936,89	352.508,48
Effets à payer	440/4	425.936,89	352.508,48
Acomptes sur commandes	441		
Dettes fiscales, salariales et sociales	46		
Impôts	45	210.573,84	192.090,94
Rémunérations et charges sociales	450/3	14.002,85	3.960,19
Autres dettes	454/9	196.570,99	188.130,75
	47/48	2.724.744,77	1.761.168,11
Comptes de régularisation	492/3	1.254.812,06	1.003.924,28
TOTAL DU PASSIF	10/49	168.581.348,33	165.550.237,62

Income statement and allocation

	Ann.	Codes	Exercice	Exercice précédent
Produits et charges d'exploitation				
Marge brute	(+)/(-)	9900	-338.315,86	-426.449,06
Dont: produits d'exploitation non récurrents		76A	1.172,32	41,32
Chiffre d'affaires		70	1.079.193,57	881.555,1
Approvisionnements, marchandises, services et biens divers		60/61	1.588.622	1.537.989,27
Rémunérations, charges sociales et pensions	(+)/(-)	62	1.812.812,56	1.810.991,81
Amortissements et réductions de valeur sur frais d'établissement, sur immobilisations incorporelles et corporelles		630	131.753,34	106.466,8
Réductions de valeur sur stocks, sur commandes en cours d'exécution et sur créances commerciales: dotations (reprises)	(+)/(-)	631/4	878.448,5	-1.263.671,16
Provisions pour risques et charges: dotations (utilisations et reprises)	(+)/(-)	635/8		
Autres charges d'exploitation		640/6	674.071,95	1.804.982,47
Charges d'exploitation portées à l'actif au titre de frais de restructuration	(-)	649		
Charges d'exploitation non récurrentes		66A		
Bénéfice (Perte) d'exploitation	(+)/(-)	9901	-3.835.402,21	-2.885.218,98
Produits financiers	6.4	75/76B	9.916.881	7.776.410,04
Produits financiers récurrents		75	9.916.881	7.776.404,88
Dont: subsides en capital et en intérêts		753	2.310	195,89
Produits financiers non récurrents		76B		5,16
Charges financières	6.4	65/66B	5.068.289,22	3.913.334,57
Charges financières récurrentes		65	4.992.913,32	3.913.334,57
Charges financières non récurrentes		66B	75.375,9	
Bénéfice (Perte) de l'exercice avant impôts	(+)/(-)	9903	1.013.189,57	977.856,49
Prélèvement sur les impôts différés		780		
Transfert aux impôts différés		680		
Impôts sur le résultat	(+)/(-)	67/77	174.156,29	145.611,48
Bénéfice (Perte) de l'exercice	(+)/(-)	9904	839.033,28	832.245,01
Prélèvement sur les réserves immunisées		789		124.600
Transfert aux réserves immunisées		689		
Bénéfice (Perte) de l'exercice à affecter	(+)/(-)	9905	839.033,28	956.845,01

AFFECTATIONS ET PRÉLÈVEMENTS

		Codes	Exercice	Exercice précédent
Bénéfice (Perte) à affecter	(+)/(-)	9906	839.033,28	956.845,01
Bénéfice (Perte) de l'exercice à affecter	(+)/(-)	(9905)	839.033,28	956.845,01
Bénéfice (Perte) reporté(e) de l'exercice précédent	(+)/(-)	14P		
Prélèvement sur les capitaux propres		791/2		
Affectation aux capitaux propres		691/2	144.310,5	260.677,27
à l'apport		691		
à la réserve légale		6920		
aux autres réserves		6921	144.310,5	260.677,27
Bénéfice (Perte) à reporter	(+)/(-)	(14)		
Intervention des associés dans la perte		794		
Bénéfice à distribuer		694/7	694.722,78	696.167,74
Rémunération de l'apport		694	694.722,78	696.167,74
Administrateurs ou gérants		695		
Travailleurs		696		
Autres allocataires		697		

Appendix 2 - Report of the External Auditor – Accounts 2024



ALTERFIN SC

Numéro d'entreprise: BE 0453.804.602

Rapport du commissaire à l'assemblée générale de la société ALTERFIN SC pour l'exercice clos le 31 décembre 2024

Dans le cadre du contrôle légal des comptes annuels de ALTERFIN SC (la « Société »), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes annuels ainsi que les autres obligations légales et réglementaires. Le tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 20 avril 2024, conformément à la proposition de l'organe d'administration émise sur présentation du comité d'audit. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes annuels clôturés au 31 décembre 2026. Nous avons exercé le contrôle légal des comptes annuels de la Société durant 7 exercices consécutifs.

Rapport sur les comptes annuels

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes annuels de la Société, comprenant le bilan au 31 décembre 2024 ainsi que le compte de résultats pour l'exercice clos à cette date et l'annexe, dont le total du bilan s'élève à 168.581.348,33 EUR et dont le compte de résultats se solde par un bénéfice de l'exercice de 839.033,28 EUR.

À notre avis, ces comptes annuels donnent une image fidèle du patrimoine et de la situation financière de la Société au 31 décembre 2024, ainsi que de ses résultats pour l'exercice clos à cette date, conformément au référentiel comptable applicable en Belgique.

Fondement de l'opinion sans réserve

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire relatives à l'audit des comptes annuels » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes annuels en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

Responsabilités de l'organe d'administration relatives à l'établissement des comptes annuels

L'organe d'administration est responsable de l'établissement des comptes annuels donnant une image fidèle conformément au référentiel comptable applicable en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

ALTERFIN SC

Numéro d'entreprise: BE 0453.804.602

Lors de l'établissement des comptes annuels, il incombe à l'organe d'administration d'évaluer la capacité de la Société à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si l'organe d'administration a l'intention de mettre la Société en liquidation ou de cesser ses activités ou s'il ne peut envisager une autre solution alternative réaliste.

Responsabilités du commissaire relatives à l'audit des comptes annuels

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du commissaire contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou en cumulé, elles puissent influencer les décisions économiques que les utilisateurs des comptes annuels prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes annuels en Belgique. L'étendue du contrôle légal des comptes ne comprend pas d'assurance quant à la viabilité future de la Société ni quant à l'efficacité ou l'efficacé avec laquelle l'organe d'administration a mené ou mènera les affaires de la Société. Nos responsabilités relatives à l'application par l'organe d'administration du principe comptable de continuité d'exploitation sont décrites ci-après.

Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre :

- nous identifions et évaluons les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de la Société ;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par l'organe d'administration, de même que des informations les concernant fournies par ce dernier ;
- nous concluons quant au caractère approprié de l'application par l'organe d'administration du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité de la Société à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport du commissaire sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport du commissaire. Cependant, des situations ou événements futurs pourraient conduire la société à cesser son exploitation



ALTERFIN SC

Numéro d'entreprise: BE 0453.804.602

- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes annuels et évaluons si les comptes annuels reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle.

Nous communiquons à l'organe d'administration notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes relevées lors de notre audit, y compris toute faiblesse significative dans le contrôle interne.

Autres obligations légales et réglementaires

Responsabilités de l'organe d'administration

L'organe d'administration est responsable de la préparation et du contenu du rapport de gestion, des documents à déposer conformément aux dispositions légales et réglementaires, du respect des dispositions légales et réglementaires applicables à la tenue de la comptabilité ainsi que du respect du Code des sociétés et des associations et des statuts de la Société.

Responsabilités du commissaire

Dans le cadre de notre mandat et conformément à la norme belge complémentaire (version révisée 2020) aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans ses aspects significatifs, le rapport de gestion, certains documents à déposer conformément aux dispositions légales et réglementaires, et le respect de certaines dispositions du Code des sociétés et des associations et des statuts, ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion

À l'issue des vérifications spécifiques sur le rapport de gestion, nous sommes d'avis que celui-ci concorde avec les comptes annuels pour le même exercice et a été établi conformément aux articles 3:5 et 3:6 du Code des sociétés et des associations.


Dans le cadre de notre audit des comptes annuels, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion comporte une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse. Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer. Nous n'exprimons aucune forme d'assurance que ce soit sur le rapport de gestion.

Mention relative au bilan social

Le bilan social, à déposer à la Banque nationale de Belgique conformément à l'article 3:12, § 1er, 8° du Code des sociétés et des associations, traite, tant au niveau de la forme qu'au niveau du contenu, des mentions requises par ce Code, et ne comprend pas d'incohérences significatives par rapport aux informations dont nous disposons dans le cadre de notre mission. Pour l'établissement du bilan social, la société s'appuie sur les renseignements communiqués par le secrétariat social.

Mentions relatives à l'indépendance

- Notre cabinet de révision et notre réseau n'ont pas effectué de missions incompatibles avec le contrôle légal des comptes annuels et notre cabinet de révision est resté indépendant vis-à-vis de la Société au cours de notre mandat ;
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal des comptes annuels visées à l'article 3:65 du Code des sociétés et des associations ont correctement été ventilés et valorisés dans l'annexe des comptes annuels.



ALTERFIN SC

Numéro d'entreprise: BE 0453.804.602

Autres mentions

- Sans préjudice d'aspects formels d'importance mineure, la comptabilité est tenue conformément aux dispositions légales et réglementaires applicables en Belgique ;
- Nous n'avons pas à vous signaler d'opération conclue ou de décision prise en violation des statuts ou du Code des sociétés et des associations ;
- La répartition des résultats proposée à l'assemblée générale est conforme aux dispositions légales et statutaires ;
- Conformément à l'article 6:116 du Code des sociétés et des associations, nous avons évalué les données comptables et financières reprises dans le rapport de l'organe d'administration établi dans le cadre (1) des distributions aux actionnaires en cas de démission ou d'exclusion au cours du 1er semestre 2025 et (2) de la proposition de distribution de dividendes à l'Assemblée Générale. Notre conclusion a été transmise à l'organe d'administration.

Bruxelles, le 2 avril 2025

Forvis Mazars Réviseurs d'Entreprises SRL

Commissaire
représentée par



Peter Lenoir

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

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

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

Annex

Shares in Alterfin CV have sustainable investment as their objective.

Product name: Alterfin SC

Legal entity identifier: 5493007UEXF0EDW8LO56

Sustainable investment objective

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 99,7%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

- What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The social objectives promoted by Alterfin relate to poverty alleviation as envisaged by its mission to serve low-income communities in low and middle income countries. We measure the social objectives of our financial product through 4 impact pathways:

- Financial inclusion for unbanked or underserved populations
- Market access for smallholder farmers
- Missing middle investments to support rural enterprises
- Supporting sustainable agriculture investments

The fund does not designate a reference benchmark to assess its attainment of these social characteristics. For detailed results please refer to the 'Our Impact' chapter in our Annual Report.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The fund uses the IFC and OPEC Exclusion List (which can be provided on request) to ensure investments do not cause significant harm to sustainable investment objectives. In addition to this, Alterfin has a custom Environmental & Social (E&S) due diligence tool designed to measure risk and impact of investments. All investments comply with the exclusion list and did not cause harm to any environmental and social investment objective through a comprehensive E&S Assessment.

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

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

The fund does not use Principle Adverse Impacts on Sustainability factors as defined under EU Taxonomy to measure risk, as these indicators are not relevant to the social investment objective of the fund. It does take into account its own sustainability risks in its investment decisions. The process is as follows:

- The first step is to ensure that investments comply with the Exclusion Lists;
- Then, an E&S risk profile is established based on loan amounts for Microfinance and Value Chain + Geography for Agriculture which include water usage, contamination of ecosystems, indigenous land rights, biodiversity and excessive GHG emissions;
- Based on this risk profile, an E&S Assessment is carried out using our custom tool that covers the following dimensions: E&S objectives and Commitment of the Investee, Responsible Treatment of Employees, Responsible Treatment of Beneficiaries, Appropriate Product Offering and Services, Environmental Risk Management (land use, soil management, waste management, water use, biodiversity, GHG emissions, green financial products and environmental linked trainings);
- Based on this assessment and a financial assessment, proposed investments are presented to Alterfin's Investment Committee for decision-making.

More details can be found in our Environmental and Social Risk Policy on our website: [Sustainability-related Disclosures \(alterfin.be\)](https://alterfin.be/Sustainability-related-Disclosures)

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alterfin's custom E&S tool includes relevant components of UN Guiding Principles on Business and Human Rights, IFC Performance Standards and sector specific standards such as FAO Environmental and Social Sustainability Standards to the extent applicable to the nature of investments.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Alterfin investments are dedicated to provision of short to medium term loans to microfinance institutions and smallholder sustainable agriculture organizations in low and middle-low income countries. To respectively: on-lend to microenterprises mainly in rural areas and vulnerable communities, provide working capital to produce and market agriculture produce in sustainable and fair markets. Both investments intend ultimately to improve the livelihoods of the end beneficiaries respecting and protecting the environment. To do that Alterfin has equipped itself with custom investment tools including enabling the screening and monitoring of the investees and ensuring adherence to high environmental & social standards

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

- *IFC and OPEC Exclusion List*
- *E&S Due Diligence*
- *Demonstration of potential social impact:*
 - *Financial inclusion for unbanked or underserved populations*
 - *Number of beneficiaries served*
 - *% rural outreach*
 - *% women outreach*
 - *% Agri Borrowers/Portfolio*
 - *Financial inclusion for unbanked or underserved populations*
 - *Number of smallholder farmers with market access*
 - *Provision of Non-financial services to farmers*
 - *Missing middle investments to support rural enterprises*
 - *% where Alterfin is first investor*
 - *Number of staff and composition of investees; gender balance*
 - *Supporting sustainable agriculture investments*
 - *Number of certified smallholder farmers*
 - *Number of certified investees*
 - *Area of sustainable cultivation*
 - *Volume of sustainable produce sold*

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

We do not have any targets for each indicator but rather pick institutions on the basis of Alterfin's mission alignment which is rural and agri and women focus as a transversal theme

● **What is the policy to assess good governance practices of the investee companies?**

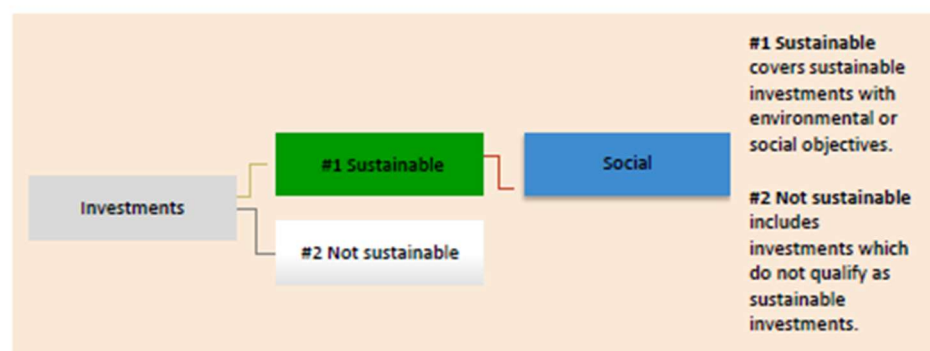
Alterfin uses a comprehensive due diligence tool that looks at good governance practices including but not limited sound governance bodies structure and functioning, management structure and decision making, sound policy&procedures and their implementation (including HR, risk management, financial management, etc.)..



What is the asset allocation and the minimum share of sustainable investments?

99,7% of our investments are sustainable with a social objective aligned with Alterfin's mission and 0,3% of our investments do not qualify as sustainable.

Asset allocation describes the share of investments in specific assets.



● **How does the use of derivatives attain the sustainable investment objective?**

N/A



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

None

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- What is the minimum share of investments in transitional and enabling activities?

None



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

None



What is the minimum share of sustainable investments with a social objective?

99,7%



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

0,3% of our investments are considered as Not Sustainable. They constitute our liquidity reserve used for operational day-to-day payments, without any environmental or social safeguard.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

- How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

N/A. Alterfin does not use a reference benchmark.

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

N/A. Alterfin does not use a reference benchmark.

- How does the designated index differ from a relevant broad market index?

N/A. Alterfin does not use a broad market index.

- Where can the methodology used for the calculation of the designated index be found?

N/A. Alterfin does not use a broad market index.

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



Where can I find more product specific information online?

More product-specific information can be found on the website www.alterfin.be