

PORTFOLIO SUMMARY

DEC 2025

Alterfin operates as a self-managed, open-ended fund focused on private debt investments in countries in transition in Africa, Latin-America and Asia. Additionally, the Alterfin team offers portfolio advisory services to other investment managers.

KEY FIGURES

Portfolio under management and advisory (as of 31 December 2025):

- **Total portfolio under management and advisory: USD 144 million**
- **Portfolio under management: USD 116 million**
- **Portfolio under advisory mandates: USD 28 million**
- **Annual activity: disbursements USD 108 million; repayments USD 96 million**
- **Sector allocation (management and advisory):**
 - Microfinance 65%
 - Sustainable agriculture 33%
 - Funds investments 2%
- **Regional allocation (management and advisory):**
 - Africa 38%
 - Latin-America 31%
 - Asia 23%
 - International 8%

OVERVIEW

As of 31 December 2025, the total portfolio under management and advisory stood at **USD 144 million**, representing year-on-year **growth of about 4%** in US dollar terms.

In euro terms, the portfolio total was **EUR 122 million**, reflecting a **decrease of about 8%**, primarily attributable to currency translation effects following euro appreciation of about 13% versus the US dollar during the year.

PORTFOLIO SCALE AND ACTIVITY

Alterfin's portfolio under management increased to **USD 116 million**, while the portfolio managed under advisory mandates reached **USD 28 million**.

Total activity reached **record levels in 2025** with disbursements of USD 108 million and repayments of USD 96 million, reflecting both the scale and maturity of the investment base and its renewal cycle.

PORTFOLIO COMPANY BASE AND PORTFOLIO ROTATION

At year-end, **124 portfolio companies** had outstanding investments, compared with **127** one year earlier.

During the year, **13 portfolio companies were added** through new relationships or renewed exposures, while **16 portfolio companies exited** the portfolio due to performance considerations, seasonality, holding-level structuring, or reduced funding needs.

SECTOR ALLOCATION AND PERFORMANCE

Microfinance

Microfinance remained the backbone of the portfolio, accounting for a **65%** of total investments under management and advisory and **72%** of Alterfin's own portfolio. Microfinance investments under management and advisory reached **USD 94 million** at year-end.

The year was characterized by **elevated repayments** in the first half, consistent with the repayment cycle of investments originated during the post-pandemic expansion period, followed by an **acceleration in renewals** in the second half, particularly in the fourth quarter.

Renewal timing and competitiveness continued to be influenced by hedging costs and volatile macroeconomic conditions in several markets.

Sustainable Agriculture

Sustainable agriculture investments represented **33%** of the total portfolio under management and advisory, reaching **USD 47 million at year-end**.

Activity is **structurally seasonal**, with investments concentrated in specific quarters. In 2025, sustainable agriculture chain disbursements exceeded repayments (USD 71 million disbursed versus USD 64 million repaid), supported by seasonal financing cycles and a limited number of larger transactions, including six new sustainable agriculture chain portfolio companies.

Exposure remains **concentrated in a limited number of crops**, notably cocoa and coffee, which increases sensitivity to commodity price volatility, climate variability, and portfolio company performance. These risks are managed through exposure limits, diversification across regions and value-chain actors, and active portfolio monitoring.

Funds investments

Funds investments remained stable at **USD 3 million**, representing approximately **2%** of total investments under management and advisory.

GEOGRAPHIC ALLOCATION AND DRIVERS

The portfolio under management and advisory remained diversified across **30 countries**. Regional allocation at year-end was Africa **38%**, Latin America **31%**, Asia **23%**, and International **8%**.

Regional snapshot:

- **Africa: USD 55 million**, strong presence in microfinance; sustainable agriculture chains impacted by seasonality and structuring shifts
- **Latin America: USD 45 million**, renewal timing and competition affected microfinance; sustainable agriculture chains influenced by coffee seasonality
- **Asia: USD 32 million**, predominantly microfinance; selective value-chain exposures in sustainable agriculture chains
- **International: USD 12 million**, includes funds, buyers, and strategic partners; increased holding-level exposure in cocoa value chain

ADVISORY MANDATES (THIRD-PARTY INVESTMENT MANAGERS)

Alterfin acts under advisory mandates for third-party investment managers, with year-end **outstanding under advisory of USD 28 million**.

Across mandates, advisory activity is concentrated in sustainable agriculture chain investments and microfinance and is typically executed through defined mandate constraints such as portfolio company risk categories, concentration parameters, and ticket-size bands.

Within the advisory portfolio, the mandate mix includes:

- **An Africa-dedicated multi-sector mandate** with 19 active investments across sustainable agriculture chains and microfinance, totalling USD 15 million outstanding. Available capital was largely deployed at year-end, implying a near-term emphasis on renewal debt investments in existing portfolio companies.
- **A dedicated sustainable agriculture chain debt mandate** focused on low to medium risk transactions, typically in the USD 300,000 to USD 3 million range. This mandate's year-end outstanding was USD 10 million, with certain approved renewal investments deferred into early 2026 and a constrained risk appetite influencing pace of new portfolio company additions.
- **A small co-investment mandate alongside Alterfin** in two shared microfinance portfolio companies, totalling under USD 1 million outstanding, with the manager indicating a pause in microfinance investing for the short to medium term.
- **A legacy mandate** reduced to under USD 1 million outstanding and in the process of being phased out.

RISK MANAGEMENT AND PORTFOLIO QUALITY (PORTFOLIO UNDER MANAGEMENT)

Portfolio quality remained **stable and closely monitored**. The combined indicator of the portfolio-at-risk, including late payments over thirty days, restructured exposures, and write-offs of the past 12 months stood at approximately **11%** at year-end.

Gross portfolio with more than 30 days payment delay was 7%, while the corresponding net exposure was 3% reflecting provisioning and collateral coverage. At year-end, 18 portfolio

companies had payment delays over thirty days. Restructured exposures totalled 13 investments, with 4 restructured investments on schedule.

Approximately 78% of the portfolio under management is invested in low-medium and medium-risk portfolio companies. The economic capital framework estimates expected losses at approximately 8% of share capital, within the strategic risk limit of 15%.

Currency risk management

Investments were denominated across **20 currencies**, including local currencies. Foreign exchange exposure is actively managed through cashflow hedging arrangements and portfolio structuring. Only an immaterial portion of total exposure is unhedged (under one percent of the total portfolio).

OUTLOOK

Based on high-probability investments already in the pipeline, expected portfolio growth is approximately **12 to 15% in US dollar terms in 2026** for the portfolio under management and advisory.

Timing remains **subject to external factors** including hedging costs, local economic conditions, onboarding lead times, and seasonality.

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