

Medical
Credit
Fund

Medical Credit Fund II Coöperatief U.A.
Annual Report 2024

30 October 2025 | Amsterdam



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Amsterdam, 30 October 2025



PharmAccess
FOUNDATION

Medical Credit Fund II Coöperatief U.A.

Management Board Report 2024

Amsterdam, 30 October 2025



Managing Director Update

I am proud to present to you the Medical Credit Fund II (MCF II) annual report and financial statements for 2024. Since inception, our mission has been to help small and medium-sized enterprises in the health sector in sub-Saharan Africa strengthen their businesses and improve the quality of care they provide to their communities. We do this with a small, but dedicated team.

In 2024, economic challenges continued in our focus countries. In Ghana the inflation remains high while in Kenya the health sector is suffering from the changes in the public health insurance that came with severely delayed insurance claim payments. Under these challenging conditions, we tried to find the right balance between risk management and growing the MCF2 portfolio.

MCF2 started lending in July 2021 and continued in 2024 with lending in Kenya, Tanzania, Uganda and Ghana. We combine loans with Technical Assistance since we aim for improved quality care. In 2024, due to the high demand for especially working capital, MCF2 disbursed over 1,660 loans, a new record and 10% more than the previous record of 2023. The total loan amount disbursed was EUR 18 million (+31% compared to 2023), mostly in local currency loans. This brought the outstanding loan portfolio to over EUR 12 million, a growth of 50% in 2024.

The future is bright with a strong pipeline of loans and products to be launched in 2025. This will enable us to be much more effective and impactful in these markets.

It has been a difficult but exciting year. I would like to thank my fellow MCF colleagues and our partners for their passion and dedication to serving the African health sector.

Arjan Poels
Managing Director

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1. INTRODUCTION

Medical Credit Fund (MCF) is the first and only fund dedicated to providing loans and technical assistance to small and medium sized enterprises in the health sector (health SMEs) in Africa. The first fund, Stichting Medical Credit Fund (MCF1), was established in 2009 by PharmAccess Group as part of its approach to strengthen African health systems. With over USD 138 million in loan volume disbursed to 1,800 health SMEs it has successfully served the smaller end of the SME sector, amongst them many first time and female borrowers. Medical Credit Fund II Coöperatief (MCF II) was established in the Netherlands in 2021 as the follow-up fund to MCF1.

With growing populations and increased demand for quality healthcare services, African healthcare offers opportunities for investment. Yet, health SMEs that seek to invest in and grow their business, struggle to obtain the requisite financing. To address this gap, MCF II seeks to further scale its activities through a combination of digital innovation and direct lending and further increase its developmental and social impact.

1.1 MISSION & OBJECTIVES

MCF has the mission to mobilize capital for investments in the healthcare value chain, thereby enabling health SMEs to increase their capacity and provide better services to more customers, with an emphasis on those currently underserved. The premise of this mission is that there is significant underinvestment in African healthcare and the private health sector can play an important role in making healthcare services available to the population, thereby complementing the public health system.

To accomplish this mission, MCF seeks to have impact on three dimensions – financial, developmental, and social:

- *Financial.* MCF aims to prove that the health sector in Africa is an investable sector by providing market-based returns to the equity and debt investors in the fund. The return will be achieved through a balanced portfolio of loans to SMEs with terms and conditions in line with local market circumstances. At the same time MCF carefully manages and mitigates its credit risks through tightly managed credit policies, appropriately structured loan products and transactions, entering credit guarantee arrangements where applicable, and by carefully monitoring its customers and providing technical assistance to them.
- *Developmental.* MCF seeks to strengthen the healthcare value chain and increase investments in undercapitalized segments. MCF provides financing and technical assistance to SMEs in the health sector to enable them to increase their capacity and serve more customers better, contributing to a stronger health system. MCF develops financial products that are tailored to the challenges of the SMEs in the sector. By increasing the quality, scale and efficiency of these companies and enabling a larger share of the population to use and contribute to the system, the total resources available will increase, risk will decrease, which in turn will attract more investments in the sector and also provide more and better job perspectives for medical professionals. For healthcare providers with term loans SafeCare will be an integral component of MCF, prioritizing investments in

quality and supporting healthcare providers to improve their quality of care. MCF believes in the power of women in development and actively works to support women entrepreneurs by developing inclusive loan products and support programs.

- *Social.* The social objective of MCF is to make quality healthcare services available to more people, including people who are currently underserved and women and children in particular. This can be achieved by bringing services closer to people, literally or financially, and by improving the quality of the services available. MCF works on this through supporting private companies in the health sector to increase their quality, scale and efficiency, thereby increasing the proportion of the population that can access these services. Health infrastructure in particular requires a critical mass of paying demand across which it can amortize investment costs.

1.2 TARGET COMPANIES

With limited resources, lack of efficiency and limited capacity of governments, public health systems in Africa are not able to serve their populations adequately. Public healthcare facilities often suffer from weak infrastructure, shortages of staff and supplies, and as a result provide poor quality services. The private sector fills this gap and complements the public sector in providing healthcare services. About half of the African population, including those in lower income groups, seek healthcare from private providers and often pay for these services out of pocket. However, the private health sector is poorly regulated and highly fragmented. Most companies in the private health sector are small and medium-sized businesses (health SMEs). The health SMEs that serve lower income groups face intense challenges like sub-standard infrastructure and equipment, a scarcity of skilled medical staff and poor-quality services. Health SMEs also have difficulty accessing capital to improve this situation because of their lack of banking history, limited collateral and the perceived high risk of the sector.

To meet the objectives described above, MCF concentrates its energies by focusing on these areas:

- *Primary health care providers.* MCF continues to focus on primary health care providers. These include clinics and health centers, mother and child clinics or maternity homes, and pharmacies. These are often the first point of contact for patients.
- *Diagnostic centers and specialized clinics.* In (peri)urban settings, diagnostic centers and specialized clinics emerge. Thanks to their specific focus, these facilities can build specialized skills and knowledge and create efficient processes, allowing them to offer high quality services for a low price. Many of their patients are referred by public hospitals due to a lack of capacity or specific expertise in the public sector.
- *Secondary hospitals.* These hospitals serve as the first referral level for primary healthcare facilities and play an important role in training health workers and supporting lower-level facilities. MCF believes there are strong lending and investment opportunities to finance the expansion and quality improvement of existing clinics and hospitals that have demonstrated performance and strong management.

- *Networks of hospitals and clinics.* The fragmentation of the health sector results in large inefficiencies. Creating networks or chains can create economies of scale and/or scope to provide better services against a lower price to lower- and middle-income customers. Opportunities also exist in building satellite outpatient clinics linked to a secondary or specialty hospital to move care to the most appropriate location and decrease cost to the patient.
- *Support goods and services to the health sector.* The administrative, human resource, logistical infrastructure in Africa's health sector is almost non-existent, while supply chains for health commodities are weak. MCF can contribute to bridging this gap by financing companies active in this field. These could be companies manufacturing and distributing health commodities, providing and administrating micro insurance products, service and technology providers targeting small and medium sized healthcare providers, as well as medical education institutes for the training of health workers.
- *Public-private partnerships.* Partnerships between public and private parties (PPPs) can help tackle health challenges and have great social impact. PPP arrangements can take various forms - including concessions, build-operate-transfer projects, off-take or pay for performance contracts, etc. - with different contract structures and risk allocation. MCF can provide financing to private entities involved in PPPs provided that the deals are properly structured, and risks are manageable. MCF will use its partners' extensive network with development agencies and experience to analyze and help develop PPP structures. Target companies can be supporting companies or healthcare providers.

1.3 LOAN PROGRAM

MCF roughly deploys two types of loan products, term loans and digital loans, each with a specific approach in relation to credit policies and procedures. For both loan types, MCF enters a loan contract with the SME directly.

- *Term Loans.* MCF II term loans are mostly senior secured loans of between EUR 100,000 and EUR 5 million in local currency or USD, for which MCF will enter into a loan agreement with the health SME directly. Tenures range from two years up to a maximum of ten years. For exposures exceeding the single obligor limit of EUR 2.5 million, MCF will seek a credit guarantee or enter into a syndicate arrangement with a co-financier. Term Loans can be used to finance construction or renovation of hospital buildings, medical equipment and working capital. Term loans are secured with tangible collateral, like land, property, and/or marketable fixed assets.
- *Digital loans.* Digital loans will typically be cash-flow based and used for disbursing smaller loans in an efficient collateral-free way. For larger loans securing may be added to mitigate risk. Under MCF I, digital loans were mainly used to finance working capital and equipment purchases. MCF II intends to continuously develop and introduce new digital loan products, which each have their own dynamics and may have different procedures. The box on the next page gives an overview of the currently available products.

Offering technical assistance (TA) to health SMEs has been an intrinsic part of MCF's approach since its inception. The TA Program is aimed at reducing risk, improving quality, and enhancing the business performance of the health SMEs. TA helps the Fund's evaluation of clinical and financial risks, and requirements for quality improvement, before a loan is approved. After a loan has been disbursed, borrowers are supported in their quality and business improvement processes. The SafeCare quality improvement plan identifies priorities for improvement in healthcare facilities.

MCF Digital Loans

Introduced in 2017 in Kenya, the MCF Digital Loans are currently the main driver of the MCF portfolio. The first digital loan product – MCF Cash Advance – was developed in partnership with CarePay, a mobile exchange platform company that enables payment to healthcare facilities through mobile phones, using the M-PESA mobile payment system. Since then, new products have been developed, and we have expanded our reach with MCF Digital Loans in Ghana and Tanzania.

MCF Working Capital Loan

MCF Cash Advance is a short-term working capital product based on the mobile revenue of the SME. Based on M-PESA revenues, the product requires limited or no collateral, allows for automated and flexible repayments based on actual digital revenues, and can be deployed quickly with short processing times. Repayments are automatically deducted from the incoming cash flow running over the mobile payment system. The usual term for the working capital loans is 3-6 months, with a maximum term of 12-24 months. Loan sizes range from EUR 1,000 to EUR 300,000.

MCF Mobile Asset Finance

The MCF Mobile Asset Finance (MAF) is based on the principles and technology of the MCF Working Capital Loan, but specifically designed for medical equipment purchases such as ultrasounds and laboratory equipment. MAF allows for a longer term of maximum 36 months and uses the equipment purchased as collateral. MCF Mobile Asset Financing loans range from EUR 50,000 – EUR 300,000.

MCF Claims Advance

The Claims Advance loan product is a working capital loan product in Kenya based on health insurance claims. The health SME's borrowing capacity is based on the discounted monthly average of the past claims. Customers can view their credit limit and apply digitally.

Developments

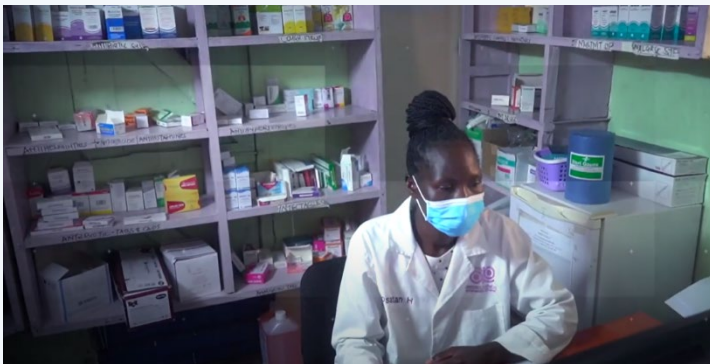
In 2023, MCF launched its Digital Loan product in Ghana in partnership with Kowri, a local fintech company. While initial customer feedback has been positive, we faced challenges in scaling loan disbursements within the market. To drive growth and improve outreach in 2025, we initiated a targeted project in collaboration with a dedicated sales team to actively promote the product to potential clients. Sales efforts are being enhanced by the marketing company Brand Fusion, with funding support from the Swiss Capacity Building Facility (SCBF).

Building on this momentum, we successfully piloted the Digital Loan product in Tanzania in 2024 in partnership with Vodacom, with a full market launch planned for 2025. To support this rollout, we launched a dedicated initiative funded by the Gates Foundation – *Empowering Women in the Health Sector Through Digital Loans*. In collaboration with Brand Fusion's sales teams, we are actively engaging clients across the market, with a strong focus on promoting financial inclusion for women. In addition to product outreach, the project includes a capacity-building component aimed at enhancing financial literacy among our target group.

The Cherangany Hospital, Kitale, Kenya

Established in 1996 as a modest healthcare facility, The Cherangany Hospital has grown into a full-fledged Level 5 hospital, serving the medical needs of the Kitale community and surrounding regions. Today, the hospital employs over 150 staff members and plays a vital role in the region's healthcare landscape.

With the support of more than 15 MCF Digital Loans, Cherangany Hospital has been able to expand its services and infrastructure significantly. Committed to continuous improvement, the hospital also participates in the SafeCare program. Click [here](#) to watch a video on Cherangany Hospital's journey with MCF and SafeCare.



Olivelink Healthcare, Nairobi, Kenya

Founded in 2015 by Josephine Suleiman, Olivelink Healthcare began as a small maternal health facility, created to serve a community that previously had to travel over 7 kilometers for care. Since then, it has grown from 5 to over 20 beds and now offers a wide range of services.

With support from more than 30 MCF Digital Loans and participation in the SafeCare program, Olivelink Healthcare has strengthened its operations and improved service delivery – bringing quality care closer to home.

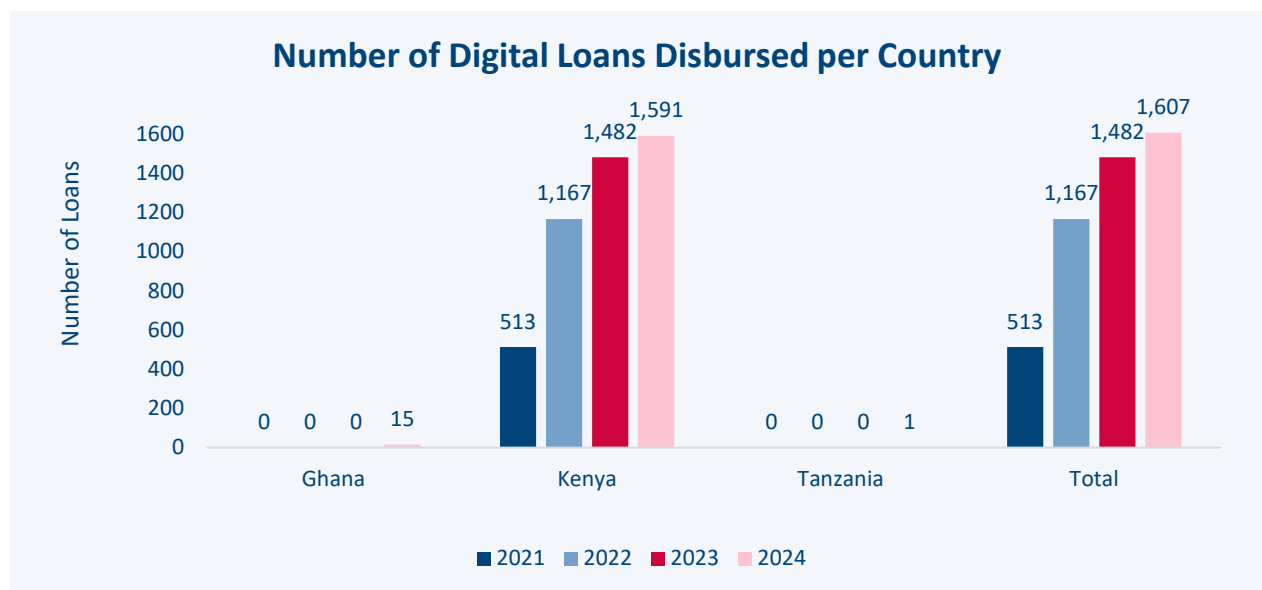
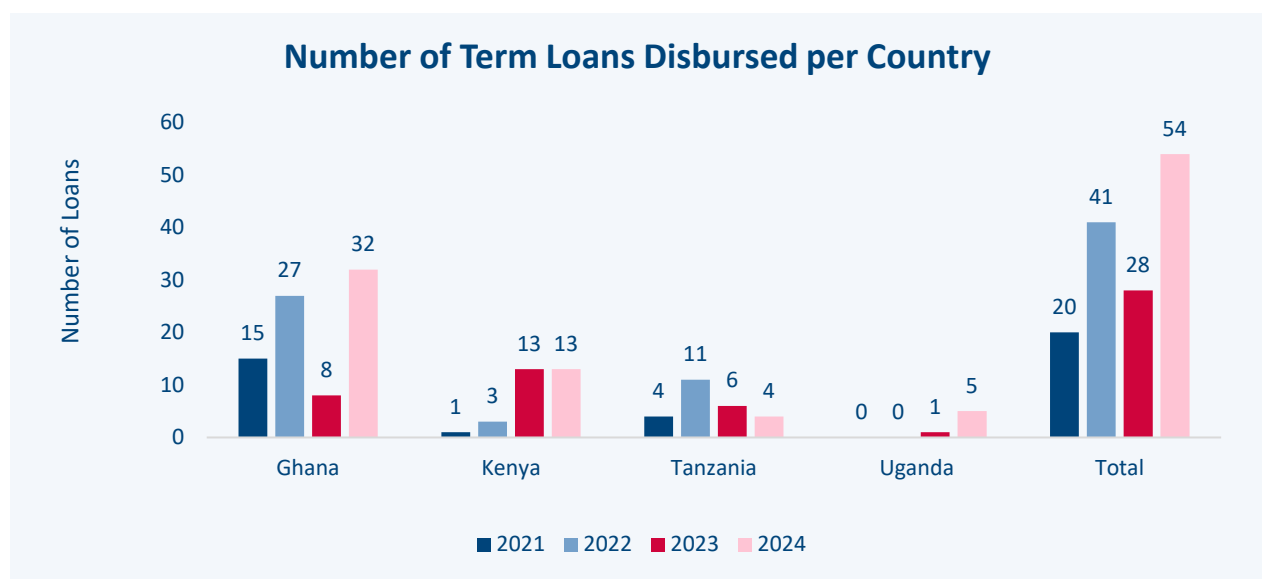
Watch Olivelink Healthcare's journey with MCF and SafeCare [here](#).

2. LOAN PORTFOLIO

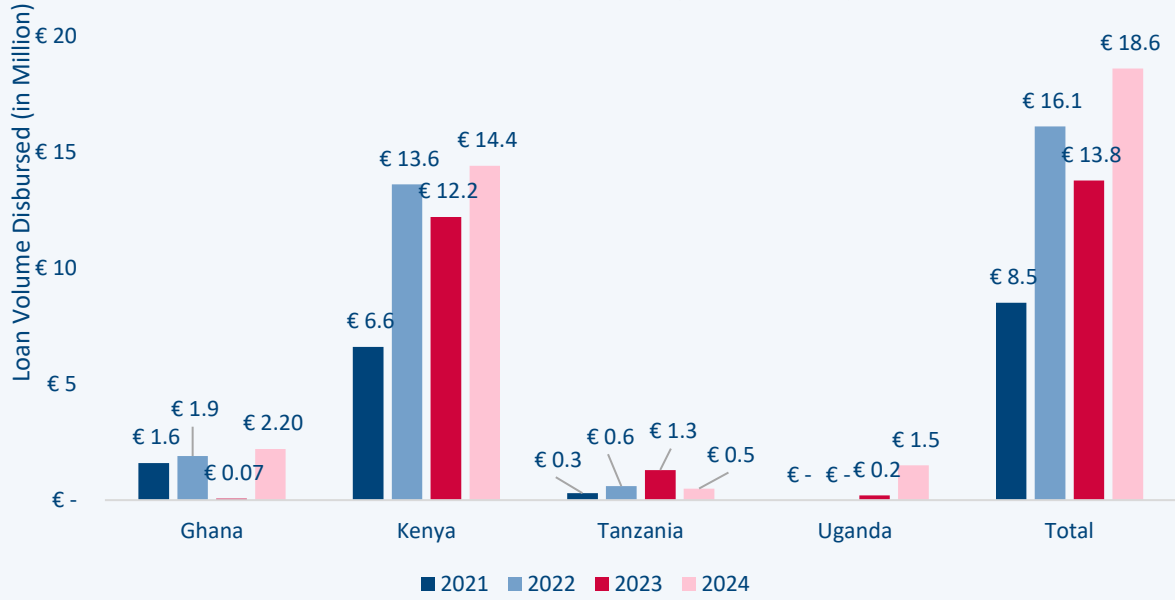
2.1 PORTFOLIO PERFORMANCE

Our focus countries continued to face significant economic challenges. In Ghana, inflation remained persistently high, while in Kenya, the health sector was impacted by reforms in the public health insurance system, leading to severe delays in insurance claim payments. Amid these pressures, the demand for working capital stayed strong. As a result, our MCF Digital Loans in Kenya remained the driving force behind our portfolio growth.

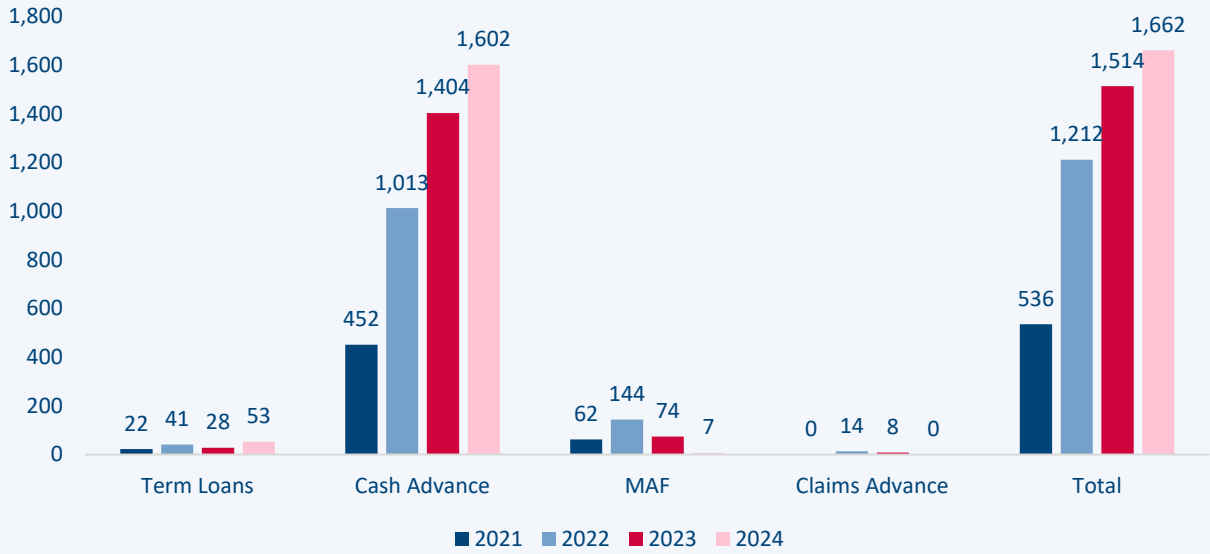
In 2024, we disbursed over 1,660 loans – the highest annual number since our inception – amounting to EUR 18.6 million.



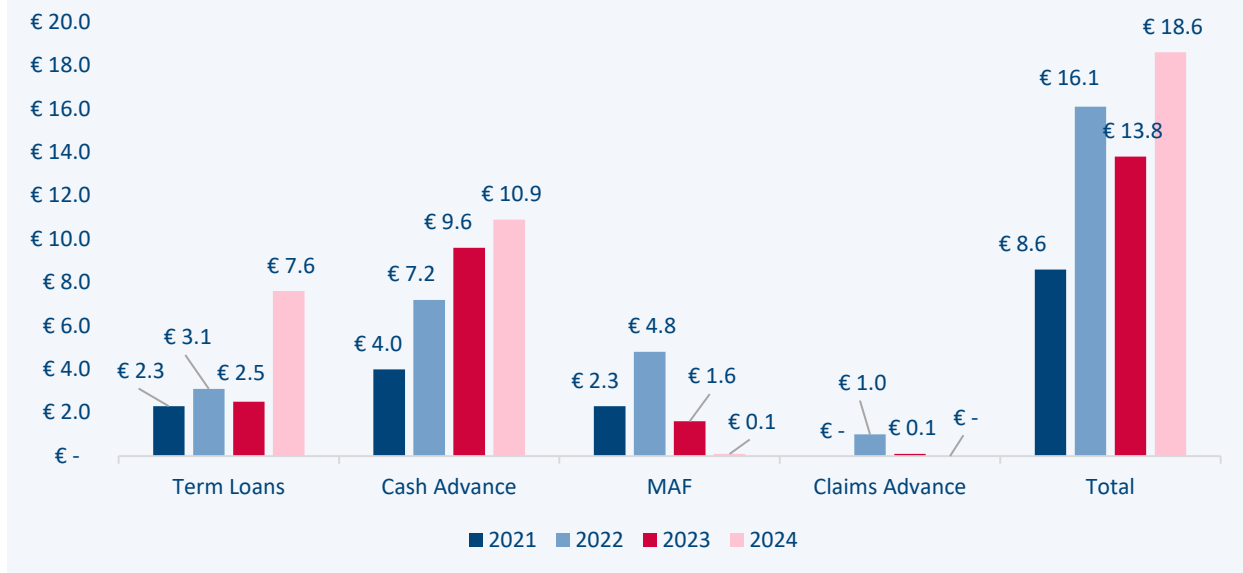
Loan Volume Disbursed per Country



Number of Loans Disbursed per Loan Category

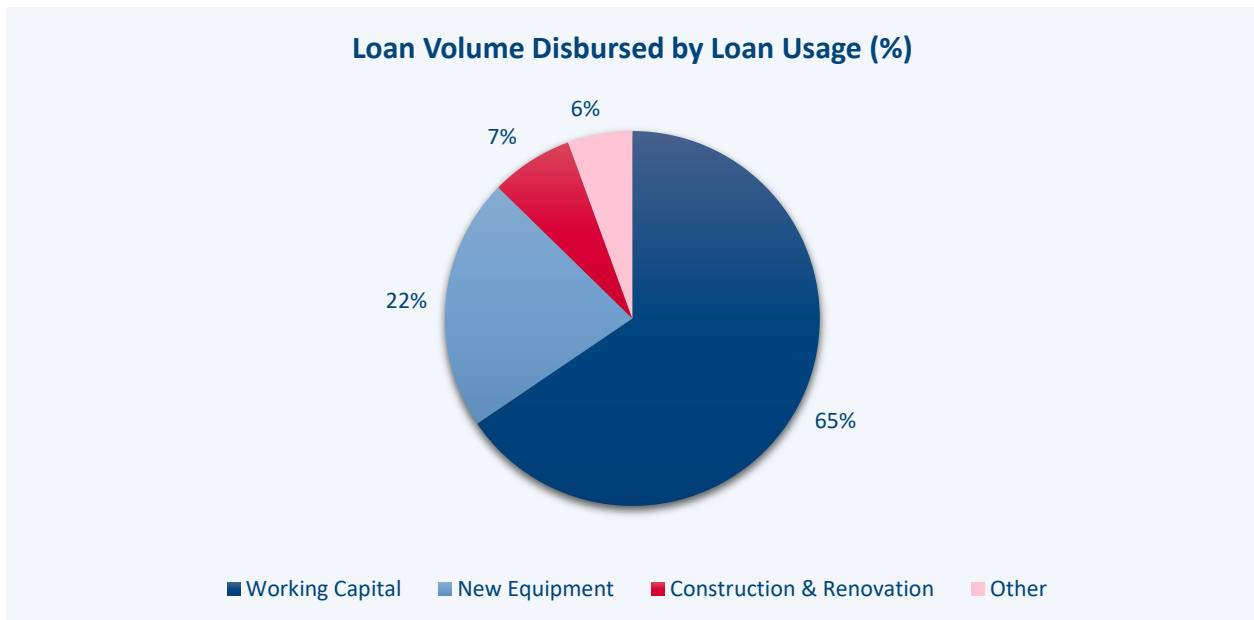


Loan Volume Disbursed per Loan Category



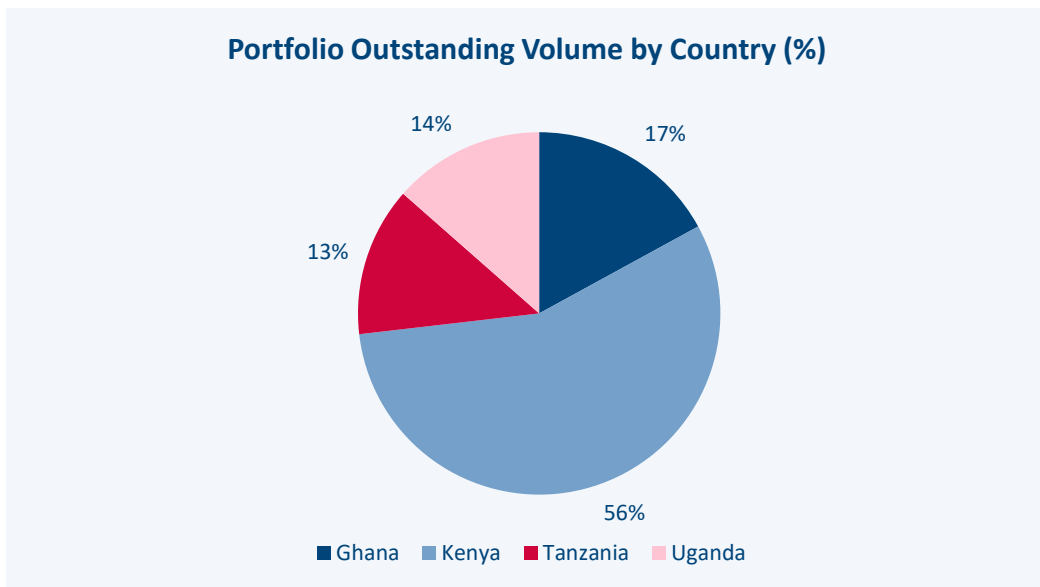
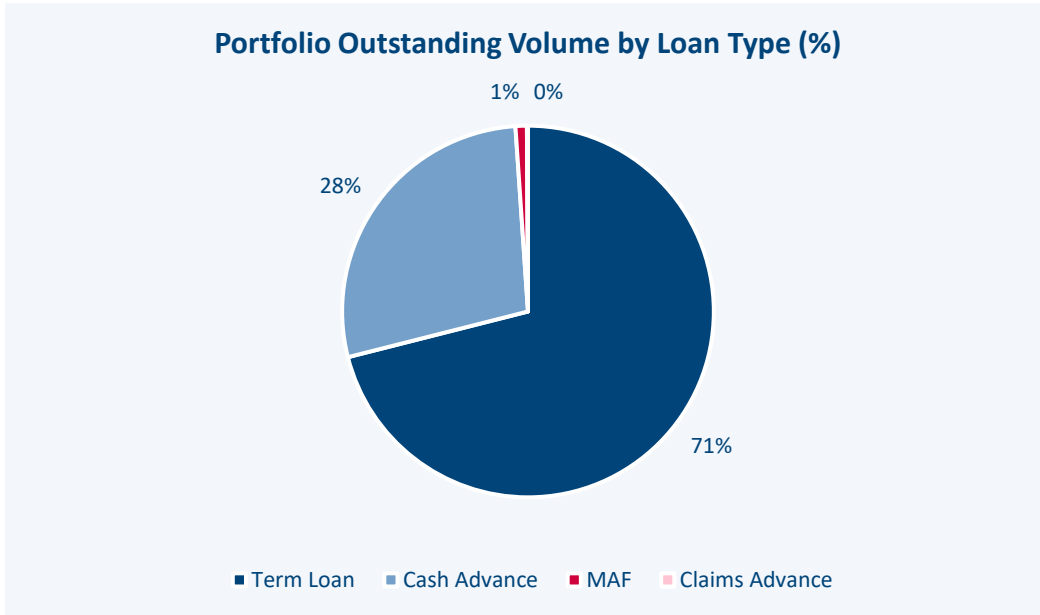
In 2024, the majority of MCF loans – 65% of the total disbursed volume – were used to meet working capital needs. This was followed by investments in new equipment, which accounted for 22% of disbursements. An additional 7% supported construction and renovation projects, while the remaining 6% were allocated to other purposes, such as land acquisition.

Loan Volume Disbursed by Loan Usage (%)



2.2 PORTFOLIO OUTSTANDING

At the end of the year, there were 472 outstanding loans, with a total value of EUR 13.9 million. Term loans accounted for EUR 9.6 million of this amount, representing 71% of the total outstanding portfolio.



2.3 PORTFOLIO QUALITY

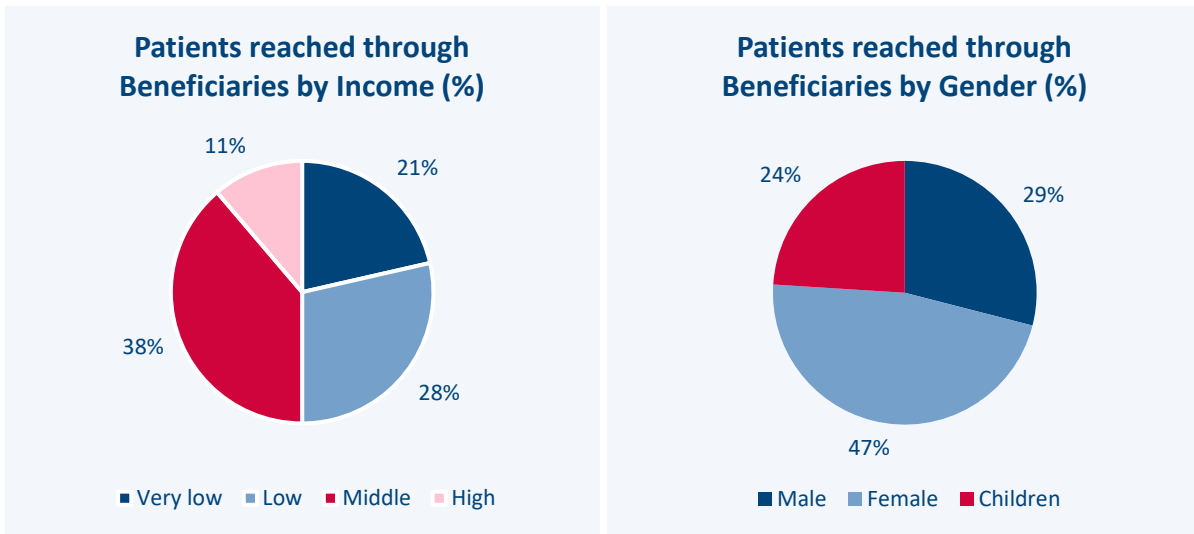
The quality of the loan portfolio can be measured in terms of the Portfolio at Risk (PAR). PAR is a standard international metric of portfolio quality and reflects the portion of a portfolio that is deemed at risk because installments are overdue by a number of days. The economic conditions caused deterioration of the loan portfolio quality, with non-performing loans (PAR90 – more than 90 days overdue) reaching 7.65% as of December 2024.

2.4 SOCIAL IMPACT

Patient Reach

On a monthly basis, healthcare facilities with MCF loans have on average more than 570,000 patient visits. Half of the patients visiting the healthcare facilities and pharmacies come from low-to very low-income groups.

More than 50% of MCF's clients offer services that specifically benefit women, such as maternal care, family planning, delivery service, ante-natal care and post-natal care. With 71%, the majority of the patients reached through MCF clients are women and children.



Female Health Entrepreneurs

In 2024, 509 loans have been disbursed to female entrepreneurs, the equivalent of 31% of the total number of loans disbursed. Since 2021, the percentage of loans to female entrepreneurs has grown from 20% to now 31%.

Empowering female health entrepreneurs with digital loan products

Since 2023, MCF has partnered with research institution Medwise Solutions Ltd to explore how we can better reach health SMEs in Kenya – particularly those led by women. A research project conducted through this collaboration gave important insights: only 6% of female respondents had heard of MCF Digital Loans, and many women perceived themselves as less willing to take financial risks compared to men. Other barriers to accessing financing included difficulties meeting collateral requirements, limited financial literacy, and reduced access to business networks and information.

These findings resonated with our own MCF Term Loan data. However, although women generally access smaller MCF Term Loan amounts than men, the gap narrows significantly when it comes to MCF Digital Loans. In fact, loan amounts between male and female borrowers are nearly equal in this product segment. This shows that MCF Digital Loans are helping to address key obstacles that women face in accessing finance. The full study on gender-related barriers in health SME financing has been submitted for publication, and a preprint is already available [here](#).

In 2024, with Swedfund's support, we increased our marketing efforts to connect with more female health entrepreneurs. One of our clients joined an MCF representative on a radio talk show to share her experience, helping to raise awareness among women in the sector. We also hosted the event "*Empowering Women Healthcare Entrepreneurs – Opportunities and Barriers to Finance*", which brought together 100 women to share stories, discuss challenges, and build valuable networks. The event was a resounding success and can be viewed [here](#).

Looking ahead, we remain committed to empowering more women in healthcare. A new initiative funded by the Gates Foundation – *Empowering Women in the Health Sector Through Digital Loans* – has launched in Tanzania, and we are excited to continue expanding our impact.



3. TECHNICAL ASSISTANCE PROGRAM

3.1 TECHNICAL ASSISTANCE

Together with its strategic partner, PharmAccess Foundation, MCF provides support services or technical assistance (TA) and training to its (potential) borrowers. Before loan approval, TA focuses on assessing the SME's clinical and business risks. Following loan approval, the support services aim to help the health SME with business growth and quality improvement.

Under MCF II, MCF aims to include at least 80% of its clients in a TA or training program. Together with SafeCare, MCF has set up TA packages that can be offered to clients depending on the size of their loan. All clients follow a similar cycle starting with a SafeCare assessment, a business and quality improvement trajectory based on a Quality Improvement Plan and ending with a follow-up assessment. Business and quality improvement activities include trainings, webinars and support calls and visits. Additionally, digital technology is playing a more important role in the provision of TA. SafeCare and MCF are developing an online platform which serves to engage with healthcare facilities in their quality improvement and provide them with useful tools, trainings and resources. See Annex 1 for more information about SafeCare.

The cost of the SafeCare TA and trainings can be financed through the loan, or, if available, through donor funding. The latter has been largely the case in the past years. The need for other types of TA is assessed during the credit appraisal and can include, for example, TA on hospital design or construction management. In some cases, the TA can be a condition precedent for disbursing the loan.

3.2 ACTIVITIES 2024

By the end of 2024, with the support of MCF investors FMO and Swedfund, 90% of MCF clients with term loans had participated in our SafeCare TA program. This included assessments, on-site support visits, and targeted trainings to strengthen healthcare quality and business performance.

Recognizing the growing relevance of digital loans, MCF also aims to extend TA support to this segment of clients. In 2023, we conducted a research project to gain insights into optimizing the TA journey for digital loan clients. Data was gathered both internally - from MCF and SafeCare team members - and externally from clients. Key challenges that were identified on both organizational level and TA program level have been addressed in 2024 and an improved TA program has been piloted in Kenya over the course of the year.

This pilot, financed by FMO and Swedfund, introduced a modular approach to quality improvement, allowing clients to focus on their most pressing priorities. The program included an in-person visit by a SafeCare assessor as well as remote follow-up support. SafeCare's new model, which uses licensed partners to conduct field activities, made physical assessments possible and cost-effective. Feedback from the pilot indicated that these in-person initial assessments – rather than a remote one – significantly increased client engagement in quality improvement. However, some challenges related to tool usability were observed, and we are actively working to reduce these barriers.

Looking ahead to 2025, we aim to further refine the TA program in Kenya in close collaboration with the SafeCare license partners. As MCF Digital Loans expand into Ghana and Tanzania, we also plan to introduce the improved TA program in these new markets.

Kastipharm Limited, Tanzania

Kastipharm Limited is a Tanzanian-based importer, marketer, and distributor of pharmaceuticals, medical devices, laboratory, and radiology equipment. Since its founding in 2012, the company has built a strong reputation for delivering high-quality health commodities across the country through a wide and reliable distribution network. With a focus on improving healthcare delivery, Kastipharm has steadily grown into one of the most important health commodities traders in Tanzania.

As part of its mission to enhance healthcare access, Kastipharm identified a significant gap in the availability of affordable and quality diagnostic services. In response, the company partnered with Thyrocare Technologies to launch Thyrocare Laboratories Tanzania Limited (TLTL) — a modern diagnostic lab offering over 1,200 tests with quick turnaround times.

This important expansion was made possible with financial support from MCF. In just one year, the lab has begun transforming access to diagnostic services in Tanzania, especially for underserved communities. With MCF's backing, Kastipharm is not only expanding its business footprint but also making a meaningful difference in patients' lives through improved access to affordable and qualitative tests for patients in Tanzania.



4. FINANCIAL OVERVIEW

4.1 INCOME STATEMENT

In 2024, the Group reported a strong performance, generating EUR 2.78 million in interest income (2023: EUR 2.16 million), driven by the continued expansion of the loan portfolio across markets. The growth in interest income reflects a scale-up in disbursements, particularly in markets with high-yielding digital and mobile asset finance products. At year end, the product mix equates to 29% of loans outstanding being digital, and 71% of the loans being term loans.

Interest costs increased to EUR 409k (2023: EUR 369k), largely due to the higher average debt outstanding and the impact of increased EURIBOR rates. As a result, the net interest margin achieved EUR 2.37 million (2023: EUR 1.79 million).

Non-interest revenue, consisting primarily of disbursement-related fee income, was EUR 241k, down from EUR 296k in 2023 due to a reduction in disbursement activity on the digital loan side. Total income for the Group reached EUR 2.61 million in 2024, an increase from EUR 2.09 million the prior year.

On the cost side, the impairment of the loan portfolio rose to EUR 916k (2023: EUR 788k), reflecting challenges in credit performance and the volatile economic environments across the Group's countries of operation. In contrast to the heavy foreign exchange loss of EUR 2.02 million in 2023, the Group recorded a foreign exchange gain of EUR 1.34 million in 2024, reflecting favorable currency movements.

Portfolio costs declined slightly to EUR 31k (2023: EUR 47k). As a result, total portfolio costs were significantly lower in 2024 at EUR 134k, compared to EUR 2.8 million in 2023. This contributed to a positive total result on the loan portfolio of EUR 2.48 million, compared to a EUR 711k loss in 2023.

Operating expenses increased to EUR 724k (2023: EUR 498k), mainly due to higher fund management costs. Of this, fund management fees accounted for EUR 510k, an increase from EUR 344k in 2023.

The Group's result before taxation rose to EUR 1.75 million (2023: EUR -1.21 million), and after accounting for income tax of EUR 457k (2023: EUR -302k), the net result after taxation was a profit of EUR 1.29 million (2023: EUR -907k loss), marking a significant turnaround in financial performance.

1.1 BALANCE SHEET

As of 31 December 2024, the Group reported total assets of EUR 21.4 million, up from EUR 14.7 million in 2023, reflecting significant portfolio expansion and strengthened liquidity. The increase was driven primarily by growth in the loan book, as well as a substantial improvement in cash balances and other current assets.

The loan portfolio (net of impairment) increased markedly, with the non-current portion rising to EUR 7.01 million (2023: EUR 2.87 million), and the current portion reaching EUR 5.87 million (2023: EUR 4.15 million). This growth highlights the Group's strategic drive to improved lending volumes.

Cash and cash equivalents rose to EUR 7.83 million (2023: EUR 6.45 million), supporting the Group's strong liquidity position.

Total assets are financed through a combination of members' capital and reserves, long-term debt, and working capital liabilities. The Group's total equity stood at EUR 10.18 million as of year-end 2024 (2023: EUR 8.86 million), including retained earnings of EUR 82k, a significant improvement from the EUR -1.21 million deficit reported the previous year. The Group also recorded a foreign currency translation reserve of EUR 20k, reflecting minor FX revaluation impacts on equity positions.

On the liability side, long-term debt almost doubled to EUR 10.0 million (2023: EUR 5.5 million) due to new drawdowns during the year, enabling the Group to expand lending activities. A hedging liability of EUR 492k was recognized in 2024, reversing a previous hedging asset of EUR 52k in 2023.

Current liabilities increased to EUR 1,138k (2023: EUR 307k), primarily driven by accruals, other payables and corporate tax payable at year-end.

Overall, the Group's statement of financial position reflects a year of strong growth and financial recovery, improved asset deployment, and restored profitability. No covenant breaches or capital calls were noted for the Group during the year.

2. GOVERNANCE, FUND & RISK MANAGEMENT

2.1 GOVERNANCE

MCF II falls under the wider governance structure of the PharmAccess Group Foundation (PGF), being the statutory director of Stichting Health Insurance Fund and Stichting Medical Credit Fund, the Members who hold a 99.26% and 0.74% interest in MCFII respectively.

The key features of the governance structure are:

- **Management:** Stichting Medical Credit Fund is the Executive Director and Fund Manager of MCFII and has delegated the management of MCF II to the MCF Management Board. The MCF Management Board is based in Amsterdam and consists of the MCF Managing Director, Finance Director and Investment Director.
- **Supervision:** All entities with the PGF group are supervised by one Supervisory Board. Two members of the Supervisory board have MCF as a special responsibility and interest area.

The Supervisory Board has appointed an Audit Committee and Conflict of Interest Committee, each consisting of three of its members. A Medical Credit Fund Credit Committee was also established that reviews and approves all investments larger than EUR 400,000. The Supervisory Board of PGF and the MCF Credit Committee are composed of a group of senior professionals, representing comprehensive experience in the health sector, non-governmental organizations, finance, investing and banking in Africa, and knowledge of healthcare in general and specifically in Africa.

During 2024, five Supervisory Board meetings and five Audit Committee meetings were held. PharmAccess Group reappointed Mazars as its auditor. As MCF II forms part of the PharmAccess Group, MCF II has also appointed Mazars as its auditor.

By law MCF II is also required to hold an annual Members Meeting, in which the Fund Manager shall report on the progress, business activities and performance of the Fund. In addition, the members' meeting will convene for investor votes as required under the Members Agreement, such as for the admission of a new member into MCF II or transfer of existing membership. This meeting was held in November 2024.

2.2 FUND MANAGEMENT

MCF II is managed by Stichting Medical Credit Fund, a non-profit foundation registered and based in Amsterdam, the Netherlands. Stichting Medical Credit Fund operates within the scope of PGF, leveraging its existing networks, market knowledge and partners.

Stichting Medical Credit Fund as the Fund Manager is responsible for the executive day-to-day management and all operations of the Fund across all countries and jurisdictions. Stichting Medical Credit Fund provides all the necessary staff as well as the responsibility for the implementation of the TA activities. In addition, PGF's institutional infrastructure in the areas of human resources, administration, systems, IT support, resource mobilization, marketing and communication has been placed at the disposal of MCF II. MCF II can therefore fully utilize and reap the benefits of PGF's unique organizational and health sector related assets such as market intelligence, program management skills, quality standard frameworks and investment and support capacities.

MCF II incurs an annual management fee of 4.0% (exclusive of taxes) and calculated over the average gross outstanding loan portfolio for the services of Stichting Medical Credit Fund. The management fee has been determined on an arm's length basis.

2.3 RISK MANAGEMENT

The board acknowledges and manages the inherent risks associated with operating a micro-lending fund from the Netherlands, particularly one that is active in emerging markets such as Kenya, Ghana, Tanzania, and Uganda.

Given the economic and political volatility in these regions, the primary risks include currency devaluation, credit risk, and regulatory changes. Currency devaluation can significantly impact the value of the loans when converted back to the base currency, potentially leading to financial losses. Credit risk is heightened due to the limited financial infrastructure and credit histories in these markets, increasing the likelihood of defaults. Regulatory changes and political instability further add to the uncertainty, as new policies could affect the fund's operations and profitability.

To mitigate these risks, the fund has implemented several measures. These include diversifying the loan portfolio across different countries to spread risk, using hedging strategies to protect against currency fluctuations and managed by the Asset Liability Management committee and engaging local expertise to navigate regulatory challenges. Additionally, the fund maintains rigorous credit assessment procedures with the involvement of the Credit Committee and closely monitors the political and economic developments in each country.

The board acknowledges the importance of these risks and the measures in place, ensuring that they are regularly reviewed and adjusted as necessary to safeguard the fund's operations and financial health.

2.4 CREDIT RISK MANAGEMENT

MCF II has a direct exposure to repayment risk of the loans disbursed to the health SMEs.

The first component to managing credit risk is the MCF credit assessment or due diligence. This process differs depending on the loan type:

- Digital Loans – Digital platforms give MCF direct insight into the revenues or cashflow of the health SME, be it mobile money or health insurance claims. These data allow MCF to automate the credit appraisal process through various algorithms.
- Term Loans – The Fund uses a standardized business template to analyze the many aspects of a health SME's business profile, market position, investment risk, bank account history, and financial statements. The template focuses on the specialized nature of the healthcare business, including clinical quality aspects. The credit analysis combines healthcare sector specifics with a thorough financial analysis.

Although unsecured in the traditional sense, the digital loans are being "secured" by the revenues that are running over the digital payment platforms such as the CarePay platform and benefit from personal guarantees. Mobile Asset Finance loans are secured by the underlying medical equipment to be financed, whilst Term loans are secured by tangible collaterals, like land, property, and/or marketable fixed assets. In special cases, larger digital loans are also secured.

Most healthcare providers with Term Loans are also enrolled in a technical assistance (TA) program which plays a central role to strengthen business sustainability of our borrowers and reduce credit risk.

The Medical Credit Fund transfers part of this repayment risk to Credit Guarantors. The Fund has entered into a loan portfolio guarantee agreement with the United States International Development Finance Corporation (DFC) which provides a credit guarantee for MCF's term loans (coverage ranging from 50 to 80% of the loan principal) up to EUR 30 million of loan disbursements.

To further manage credit risk MCF II has the following policies in place:

- Credit Risk Exposure to a single Target Health Care Provider (Concentration risk) to a maximum of EUR 2.5 million.
- Exposure to all unsecured investments to a maximum of twenty percent of total MCF II credit risk exposure.

As described in section 5.1. as part of the Governance structure there exists a Credit Committee consisting of members of the Management Board, the PGF Supervisory Board, and external experts which approve all loans above EUR 400,000. Credit risk exposures below this limit are approved by MCF Management by delegated authorities.

MCF staff and its technical partners perform periodic monitoring visits of the health SMEs. When a client falls into arrears, there is a follow-up by the MCF Business Advisor who is responsible for that borrower. When needed, clients are monitored more frequently. Portfolio management is coordinated by the central management team in the Head office through commercial calls and MCF also holds monthly portfolio meetings to discuss arrears, write-offs, and the pipeline.

2.5 FOREX RISK, INTEREST RATE RISK, AND LIQUIDITY MANAGEMENT

Foreign Currency Risk

The Fund is exposed to currency risk since loans are issued and repaid in local currencies and therefore are subject to currency devaluation relative to the functional currency of the Fund (Euro). MCF is also exposed to currency risk related to repatriating local currency funds to service its Euro denominated debt.

MCF II has a policy of accepting currency risk which is then mitigated by Management through risk-management measures further explained below.

The foreign currency exposures are monitored on a regular basis in the Asset Liability Management (ALM) meetings. The ALM committee further reviews the currency risk-premium priced into all MCF II loans at least once a quarter. The currency risk premium is the basis-points (bps) required as a spread to account for the risk of future currency devaluation for a particular currency and is based on hedging quotes obtained in combination with local market intelligence. The bps is maintained to enable the Fund to accumulate adequate capital reserves to mitigate future currency devaluation. The Fund has the option to enter into derivative contracts to hedge foreign currency risk.

Management seeks to further reduce the currency risk through diversification of the loan portfolio across different currencies in order to limit the concentration risk or exposure on a single currency.

In addition, MCF II has introduced the following limits on open foreign currency exposures to ensure a certain degree of diversification and reserves are in place to protect investors:

- Any single open foreign currency exposure must be less than 50% of Total Assets scaling down from 2023 onwards by 5% each year to a final level of 30%.
- Total aggregate open foreign currency exposures not to exceed Total Equity plus Subordinated Debt by 4 to 1.

Interest rate risk

MCF II is exposed to interest rate risk since its floating rate borrowings are subject to fluctuations of Euribor. The Loan portfolio could be exposed to additional interest rate risk if governments in its countries of operation were to pass legislation to introduce interest rate caps.

Changes in Euribor are monitored on a regular basis in the ALM meetings. The MCF finance team is also responsible for stress-testing interest-rate sensitivities on the statement of financial position. Refer to note 1.8.4 of the Financial Statements for MCF II interest rate sensitivities.

Liquidity risk

The liquidity risk is monitored on a regular basis in ALM meetings. The MCF finance team is responsible for monitoring and matching the maturities of Assets and Liabilities, which can be referred to on note 7 of the Financial Statements. MCF has introduced guidelines for its cash positions for both local accounts and cash positions at head office. In addition, specific policies are in place to manage Liquidity Risk:

- Weighted average life of the loan portfolio is not more than 5 years.
- Current Assets to Current Liabilities of not less than 1.5.
- Cash to Total Assets of not less than 5%.

2.6 COMPLIANCE WITH LAWS AND REGULATIONS & FRAUD RISK

Compliance with laws and regulations

MCF operates in multiple geographies, each with its own regulatory environment. To address the risk of non-compliance with laws and regulations, MCF Management together with local country directors monitor developments in the legal and regulatory landscape of the countries MCF operates in. In countries where the Fund expects to create a permanent establishment, MCF, prior to incorporation, performs a full assessment of the legal and regulatory environment relevant to MCF by a reputable legal firm to ensure compliance with the regulatory environment. In 2024, this was done for Tanzania and Kenya in preparation for lending from a local entity in the country. Regular support on legal and other compliance matters is available in the form of internal and external legal counsel. MCF internal legal counsel is also appointed as compliance officer to MCF.

Fraud risk

There is an inherent risk of fraud in the business in which MCF operates. Losses that could arise because of fraud or corruption of an MCF borrower are to be mitigated by the KYC-AML-ATF procedures. Ethics, compliance, and procedures for reporting non-ethical behavior are outlined in the PharmAccess Code of Conduct (CoC) and Anticorruption policy which apply to all MCF staff. On an annual basis, training is undertaken and compulsory for all employees across all countries. Part of the training curriculum is to ensure employees understand the importance of maintaining reputable business practices and the organization's zero tolerance for non-compliance of the Code of Conduct.

Financial controls also exist to prevent employee fraud, including segregation of duties in cash

management and approvals and disbursements of Loans. MCF also has an insurance policy to protect the fund against any losses from Fraud, thereby transferring the risk.

2.7 Consolidation of Local Entities

In both Tanzania (Medical Credit Fund II Tanzania Limited) and Kenya (Medical Credit Fund II Kenya Limited), new entities have been incorporated and licensed by the respective Central Banks. Lending from the new Tanzania entity started in 2024 and this led to consolidated statements for Medical Credit Fund II Coöperatief U.A. over 2024.

As of 31 December 2024, Medical Credit Fund II Coöperatief U.A. has determined that consolidation of Medical Credit Fund II Kenya Limited is not necessary. This decision is based on the fact that Medical Credit Fund II Kenya Limited was not yet active during the reporting period and did not engage in any financial transactions or operations. Therefore, consolidating its financial statements would not materially impact the overall financial position or performance of Medical Credit Fund II Coöperatief U.A..

This assessment is in accordance with IFRS 10, which requires consolidation of subsidiaries only when the parent company has control and the subsidiary is active and has a significant financial impact. The situation will be reassessed in subsequent reporting periods when Medical Credit Fund II Kenya Limited become operational.

3. OUTLOOK 2025

In Kenya and Ghana, MCF's biggest countries of operations, economic challenges continue. In Kenya, the health sector continues to struggle with the transition from the National Health Insurance Fund (NHIF) to a Social Health Insurance Fund (SHIF). This resulted in a period of delayed insurance claims payments. Many healthcare providers suffer from late (and reduced) payments and struggle to pay their bills and service existing loans. As a result, the quality of MCF's existing portfolio is under pressure while at the same time, there is a very high demand for working capital loans. In Ghana, inflation and interest rates continue to be very high. The income of healthcare providers has not increased with similar rates. This has resulted in losses and liquidity stress. On the other hand, countries like Tanzania and Uganda have more stable economies, providing opportunities to grow for MCF.

Under these difficult circumstances, MCF aims to continue lending to healthcare providers, at a time when other credit providers lose interest. Especially, working capital loans are needed to bridge the gap created by delayed insurance payments while staff salaries need to be paid, and medicines need to be purchased. These working capital loans are more and more processed through digital loans, in 2025 available in Kenya, Tanzania and Ghana. These digital loans do not require collateral and are therefore suited for almost all healthcare providers.

Additionally, MCF wants to further finetune its solutions to serve female health entrepreneurs and the support beyond the loan to improve the quality-of-care MCF clients provide to their communities. MCF aims to continue providing Technical Assistance to a minimum of 80% of its clients. Looking ahead to 2025, we want to further refine the TA program in Kenya in close collaboration with the SafeCare license partners. As MCF Digital Loans expand into Ghana and Tanzania, we also plan to introduce the TA program tailored for these clients in these new markets.

For 2025, MCF will continue to focus on Tanzania, Kenya, Uganda, Ghana and Nigeria and further increase its market penetration with more health SMEs served and loans disbursed. MCF's term loans pipeline indicates significant activities and expected growth in Uganda. In the other countries, the proportion of digital (short-term) loans will grow. In addition to growth, MCF will continue to manage our existing borrowers' base to minimize arrears levels and assist our customers in difficult times. This will help our customers to prevent defaults and MCF will take all measures necessary to make sure that our loans get repaid. This way, MCF will continue to preserve our going concern and serve the African health sector for many years to come.

ANNEX 1: SAFECARE

SafeCare

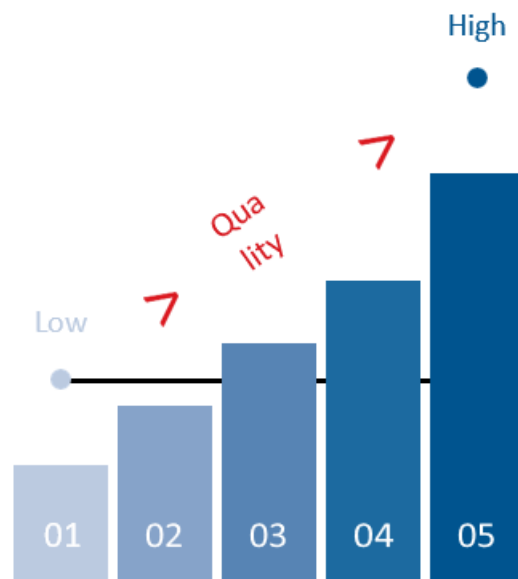
The SafeCare methodology entails a set of international (ISQua accredited) clinical standards that evaluate the structures and processes that guide the delivery of healthcare.

Stepwise Improvement

With SafeCare, healthcare providers in resource-poor countries can gain insight into identified gaps and challenges and take a stepwise approach towards higher quality. Through tailor-made quality improvement plans, technical support, consulting visits and innovative quality improvement platforms, facilities progress along a quality improvement trajectory with achievable, measurable steps. Ultimately, facilities are equipped to monitor and improve their quality by integrating principles of continuous quality improvement into their daily operations.

SAFECARE CERTIFICATE LEVELS

- 01 The quality of the services provided is likely to fluctuate and there is a risk of unsafe situations.
- 02 The facility is starting to put processes in place for high-risk procedures, however the quality of services provided is still likely to fluctuate and the risk of unsafe situations remains high.
- 03 The facility is starting to operate according to structured processes and procedures. However, not all high-risk procedures are controlled, thus the quality of services provided can still fluctuate.
- 04 The facility is accustomed to operate according to standardized procedures and has started to monitor the implementation of their procedures and guidelines. Most high-risk procedures are monitored and controlled, and the quality of services provided is less likely to fluctuate.
- 05 The facility is regularly monitoring the implementation of treatment guidelines and standard operating procedures through internal audits.



SafeCare Standards

The SafeCare standards cover a full range of medical to non-medical aspects of care, enabling a holistic view on all required components for safe and efficient delivery of healthcare services. Topics range from human resource management to laboratory services and in-patient care. The four broad categories are divided into 13 sub-categories (Service Elements), which are linked to separate management responsibilities within the healthcare facility.

Ten topics are specifically surveyed: emergency Care, HIV/TB/Malaria, infection Prevention, life and fire safety, maternal, neonatal and child health (MNCH), patient centeredness, quality assurance, business management, staff allocation and guidance and Supply Chain management.

Any issues that impact the safety, quality or financial sustainability of a facility are highlighted as priority areas, so prompt and effective action can be taken. Depending on a facility's performance against the SafeCare standards, it will be awarded a certificate of improvement reflecting the quality level, ranging from one (very modest quality) to five (high quality), based on their scoring. The certification process aims to introduce a transparent, positive, and encouraging rating system, which recognizes each step forward

in quality improvement.

SafeCare Service Elements



Data Driven Decision Making

SafeCare methodology also allows other stakeholders - ranging from donors, insurance companies, investors and provider networks to governments - to accurately assess, benchmark and monitor healthcare quality and allocate resources more effectively. By differentiating between facilities operating at different levels, benchmarking is possible at regional, national and international levels. Robust onlinedue diligence reports are combined with cost-efficient improvement strategies, which can guide fact-based decision making, and get a better grip on (health) outcomes, training needs, risk management for quality investments and contracting.

Digital Technologies

Acting on digital technologies, SafeCare has streamlined the assessment process by developing an automated assessment tool which, through standardization, improves process efficiency and enables scaling. SafeCare is in the development phase of an all-stakeholder Quality Platform that provides the means to guide progress, investment and decision making. The SafeCare Quality Dashboard, an interactive quality-management platform, complements technical assistance and helps to motivate and incentivize healthcare facilities to improve.





SIGNING OF THE MANAGEMENT BOARD REPORT

By: management board members

Signed on the original: A.W. Poels, Managing Director

Signed on the original: F. Adjaku, Finance Director

Signed on the original: D. Mulder, Investment Director

By: statutory board of Medical Credit Fund II Coöperatief U.A., duly represented by:

Signed on the original: A.W. Poels (Representative of Stichting Medical Credit Fund)

Amsterdam, The Netherlands, July 31st, 2025

Financial Statements



CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 AFTER APPROPRIATION OF THE RESULT

EUR	Note	Consolidated		Company	
		31.12.24	31.12.23	31.12.24	31.12.23
ASSETS					
Non-current assets					
Non-Current Portion of Loan Portfolio	1,7,8	7,055,529	2,873,833	6,617,004	2,873,833
Investment MCF Tanzania		-	-	71,546	-
Outstanding Funding - Tanzania entity		-	-	369,290	-
Deferred Tax Asset		47,109	404,937	46,123	404,937
Non-current derivatives	19	-	51,714	-	51,714
<i>Total non-current assets</i>		7,102,638	3,330,484	7,103,963	3,330,484
Current assets					
Current Portion of Loan Portfolio	1,7,8	5,867,836	4,147,287	5,828,255	4,147,287
Other receivables, prepayments and accrued income	2	616,405	738,028	613,290	738,028
Cash and cash equivalents	3	7,831,883	6,451,890	7,812,106	6,451,890
<i>Total current assets</i>		14,316,123	11,337,205	14,253,651	11,337,205
TOTAL ASSETS		21,418,761	14,667,689	21,357,614	14,667,689
EQUITY AND LIABILITIES					
Members Capital	4	10,075,000	10,075,000	10,075,000	10,075,000
Retained Earnings		81,892	(1,214,807)	74,996	(1,214,807)
Foreign Currency Translation Reserve		19,842	-	-	-
<i>Total equity</i>		10,176,734	8,860,193	10,149,996	8,860,193
Non-current liabilities					
Long-term debts	5	10,000,000	5,500,000	10,000,000	5,500,000
Non-current Derivatives	19	104,028	-	104,028	-
<i>Total non-current liabilities</i>		10,104,028	5,500,000	10,104,028	5,500,000
Current liabilities					
Other current liabilities and accruals	6	749,528	307,496	715,119	307,496

Current Derivatives	19	388,471	-	388,471	-
<i>Total current liabilities</i>		1,137,999	307,496	1,103,590	307,496
TOTAL EQUITY AND LIABILITIES		21,418,761	14,667,689	21,357,614	14,667,689

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

EUR	Note	Consolidated		Company	
		31.12.24	31.12.23	31.12.24	31.12.23
Interest income	10	2,780,559	2,160,253	2,777,774	2,160,253
Interest costs	11	(409,440)	(368,753)	(409,440)	(368,753)
Net interest margin		2,371,119	1,791,500	2,368,334	1,791,500
Fee income	12	241,023	295,855	239,869	295,855
Non-interest revenue		241,023	295,855	239,869	295,855
TOTAL INCOME		2,612,142	2,087,355	2,608,203	2,087,355
Impairment of loan portfolio	1.6	(916,235)	(788,015)	(909,762)	(788,015)
Foreign exchange result	13	1,339,730	(2,015,428)	1,324,057	(2,015,428)
Other loan portfolio costs	14	(31,103)	(46,634)	(31,103)	(46,634)
Valuation Result		(526,261)	51,714	(526,261)	51,714
Total portfolio costs		(133,869)	(2,798,363)	(143,069)	(2,798,363)
TOTAL RESULT ON LOAN PORTFOLIO		2,478,273	(711,008)	2,465,134	(711,008)
Operating expenses	15	(213,961)	(154,546)	(210,116)	(154,546)
Fund management fee	16	(510,338)	(343,527)	(510,338)	(343,527)
Total operating expenses		(724,299)	(498,073)	(720,454)	(498,073)
Result before taxation		1,753,974	(1,209,081)	1,744,680	(1,209,081)
Income Tax	17	(457,275)	302,270	(454,877)	302,270
NET RESULT AFTER TAXATION		1,296,699	(906,811)	1,289,803	(906,811)
Change in Foreign currency translation reserve (will be reclassified to profit or loss when specific conditions are met)		19,842	-	-	-
Total other Comprehensive income		19,842	-	-	-
TOTAL COMPREHENSIVE INCOME		1,316,539	(906,811)	1,289,803	(906,811)

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

Consolidated				
EUR	Note	Members Capital	Retained earnings	Total
Opening balance as at 1 January 2023		7,575,000	(307,996)	7,267,004
Profit or Loss for the period		-	(906,811)	(906,811)
Distributions		2,500,000	-	2,500,000
Opening balance as at 1 January 2024		10,075,000	(1,214,807)	8,860,193
Profit or Loss for the period		-	1,296,699	1,296,699
Distributions			-	-
Change in Foreign currency translation reserve			19,842	19,841
Closing balance as at 31 December 2024	4	10,075,000	101,733	10,176,733

Company				
EUR	Note	Members Capital	Retained earnings	Total
Opening balance as at 1 January 2023		7,575,000	(307,996)	7,267,004
Profit or Loss for the period		-	(906,811)	(906,811)
Distributions		2,500,000	-	2,500,000
Opening balance as at 1 January 2024		10,075,000	(1,214,807)	8,860,193
Profit or Loss for the period		-	1,289,803	1,289,803
Distributions		-	-	-
Closing balance as at 31 December 2024	4	10,075,000	74,996	10,149,996

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

EUR	Note	Consolidated		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Net result after taxation for the year		1,315,480	(906,811)	1,308,510	(906,811)
<i>Adjustments for:</i>					
Changes in impairment loss		1.1	136,082	195,735	128,798
Change in accrued interest income			(84,448)	(155,671)	(88,016)
Change in accrued interest expense			75,709	2,856	75,709
Change in deferred taxes			(47,109)	302,272	(46,122)
Movements in working capital:					
- (increase)/decrease in Loan Portfolio		1.2	(6,038,327)	(70,666)	(5,552,937)
- (increase)/decrease in Other receivables and prepayments		2	611,008	(490,642)	617,690
- increase/(decrease) in Other current liabilities		6, 19	910,536	91,532	506,837
Cash generated by / (used in) operating activities			(3,120,009)	(1,031,395)	(3,068,238)
Unrealized FX impact on cash balances			(102,912)	392,784	(93,253)
<i>Net cash generated by / (used in) operating activities</i>			(3,222,921)	(638,611)	(3,161,491)
Cash flows from financing activities					
Members capital drawn down			-	2,500,000	-
Borrowings drawn down		5	4,500,000	-	4,500,000
<i>Net cash generated from financing activities</i>			4,500,000	2,500,000	4,500,000
Cashflows from investing activities					
Cash paid for acquisition of subsidiary			-	-	(71,546)
<i>Net cash generated from investing activities</i>			-	-	(71,546)
Net increase / (decrease) in cash and cash equivalents			1,277,080	1,861,389	1,266,963
Changes in FX on cash balances			102,912	(392,784)	93,253
Cash and cash equivalents as at January 1			6,451,890	4,983,286	6,451,890

Cash and cash equivalents as at December 31	3	7,831,883	6,451,890	7,812,106	6,451,890
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NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

General information

Cooperative

“Medical Credit Fund II Coöperatief U.A.”, with its registered address at AHTC, Tower C4, Paasheuvelweg 25, 1105 BP Amsterdam, the Netherlands, hereinafter “MCF II” or “the Fund”, was founded on 28 May 2021 as a Coöperatie (Cooperative) in accordance with Dutch law. Medical Credit Fund II Coöperatief U.A. is registered with the Dutch Chamber of Commerce under the number 82933170. As part of its growth strategy to scale healthcare financing across Africa, the Group has incorporated local lending entities in Tanzania and Kenya - namely, Medical Credit Fund II Tanzania Limited and Medical Credit Fund II Kenya Limited forming the Group. Both entities have been formally established and licensed by their respective Central Banks.

Objectives

Stichting Medical Credit Fund was first established in 2009 as the first and only fund in the world to provide affordable capital to private health care providers, such as clinics, hospitals, laboratories, and pharmacies, in Africa. In 2021, MCF II was established as the successor to Stichting Medical Credit Fund.

MCF II aims to reduce the unknown risks of investing in primary healthcare, leading to increased transparency and trust so that the lower end of the health market becomes financeable and scalable. The Fund offers loans to private healthcare providers serving low-income patients, combined with internationally certified clinical and business performance programs. The loans and Technical Assistance (TA) will be used to improve the quality of the health clinics, which will lead to expanded and improved healthcare services for more people.

Summary of significant accounting principles

General

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

Basis of presentation

These consolidated and company financial statements have been prepared in accordance with IFRS as adopted by the European Union (combination 4 in accordance with Part 9 Book 2 Article 362 of the Dutch Civil Code) and relevant articles of Part 9 Book 2 of the Dutch Civil Code).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying MCF II’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas

where assumptions and estimates are significant to the financial statements are disclosed in the summary of significant accounting policies.

These financial statements comprise both the consolidated financial statements and the separate financial statements of Medical Credit Fund II Coöperatief U.A.

Application of new and revised IFRSs

MCF II applied all new and amended standards and interpretations applicable to the year under review, as determined by the IASB, which took effect for the period commencing on 1 January 2024.

Effect of new or amended financial reporting standards

- **IAS 1 – Classification of Liabilities as Current or Non-current:**
These amendments clarify that covenants to be complied with after the reporting period do not affect the classification of a liability as current or non-current at the reporting date. MCF II assessed all loan agreements and confirmed that its classification of liabilities is consistent with the revised standard. Accordingly, no reclassification or disclosure changes were required.
- **IFRS 16 – Lease Liability in a Sale and Leaseback:**
The amendment clarifies how a seller-lessee should account for a sale and leaseback transaction, particularly in recognizing gains and lease liabilities. As MCF II did not enter into any sale and leaseback transactions, this amendment is not applicable.
- **IAS 7 and IFRS 7 – Supplier Finance Arrangements:**
These amendments require enhanced disclosure around supplier financing arrangements, including terms, exposure, and liquidity risks. MCF II does not utilize supplier finance or reverse factoring; therefore, this amendment had no impact.

Financial reporting standards not yet adopted

MCF has done a preliminary assessment of the impact of the accounting standards that are issued but not yet effective which are not expected to have a significant impact on implementation. All applicable standards will be adopted in the financial statements in the period in which they become effective. The following standards and amendments are effective for annual reports beginning on or after 1 January 2025 and have not been early adopted by MCF:

- Amendments to IAS 21 (applicable for annual periods beginning on or after 1 January 2025)
- IFRS 18 – (applicable for annual periods beginning on or after 1 January 2027)
- IFRS 19 – (amendments in the second half of 2025)

MCF does not expect any material impact of these standards, once effective

Foreign currencies

The financial statements have been drawn up in EURO, which is the functional currency of MCF II and the presentation currency for the financial statements. Assets and liabilities denominated in foreign currencies are translated at the official rates of exchange prevailing on the statement of financial position date. Income and expenditure denominated in foreign currencies are converted at the rates of exchange

prevailing on the transaction date.

Exchange rate differences due to exchange rate fluctuations between the transaction date and the settlement date or statement of financial position date are taken to the statement of comprehensive income.

The exchange rates used are as follows:

	2024	2023
TZS/EUR closing rate	2,525.00	2,764.44
TZS/EUR average rate	2,841.50	2,623.04
KES/EUR closing rate	133.52	172.20
KES/EUR average rate	146.94	151.45
GHS/EUR closing rate	15.30	13.19
GHS/EUR average rate	15.58	11.98
USD/EUR closing rate	1.04	1.10
USD/EUR average rate	1.08	1.09

Critical accounting judgments and key sources of estimation

In the process of applying MCF II's accounting policies, management has exercised judgment and estimates in determining the amounts recognized in the financial statements. The most significant uses of judgment and estimates are as follows:

Going concern

There was no breach in covenant during the year. Thus, the MCFII continues to adopt the going concern basis of accounting in preparing the Financial Statements.

Expect Credit Loss (ECL) Provisioning

MCF II has recognized loss allowances based on the Expected Credit Loss (ECL) model in accordance with IFRS 9. ECLs are estimated by combining Probability of Default (PD) and Loss Given Default (LGD) into a composite loan loss rate. These parameters are informed by statistical techniques, forward-looking macroeconomic indicators, and management judgement.

Given that the MCF II ECL model is still in the process of maturing and lacks sufficient historical data, loss rates from MCF I were applied for Stage 1 and Stage 2 loans as a proxy. For Stage 3 loans, impairments were assessed individually based on specific borrower circumstances, to determine an appropriate ECL.

In addition, MCF II reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of comprehensive income. Judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, MCF II makes judgments about the credit quality, levels of arrears and borrower's financial situation.

Estimates of expected credit losses in the IFRS9 model are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Financial instruments

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently

measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost;
- debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).

All of MCF II's financial assets have been classified as debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, and are thus subsequently measured at amortized cost. Debt instruments that are subsequently measured at amortized cost are subject to an expected credit loss model.

MCF II has not designated any debt investments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

Financial assets and financial liabilities are recognized when the MCF II entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost are measured at FVTPL. Specifically:

Debt instruments that do not meet the amortized cost criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. MCF II has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of financial assets

MCF II recognizes a loss allowance for expected credit losses on investments in debt instruments that are

measured at amortized cost. MCF II measures the expected credit losses by combining the PD and LGD into a combined loan loss rate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, MCF II recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, MCF II measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, MCF II compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, MCF II considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- a significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- a significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, MCF II presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless MCF II has reasonable and supportable information that demonstrates otherwise.

MCF II regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

MCF II considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including MCF II, in full (without taking into account any collaterals held by MCF II).

Irrespective of the above analysis, MCF II considers that default has occurred when a financial asset is more than 90 days past due unless MCF II has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date less any credit guarantees received.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to MCF II in accordance with the contract and all the cash flows that MCF II expects to receive, discounted at the original effective interest rate.

MCF II's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses
Stage 1 -Performing	Financial assets that have not had a significant increase in credit risk since initial recognition.	12-month ECL
Stage 2 – Significant increase in credit risk	Financial assets showing a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
Stage 3 - In default	Financial assets that are credit impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and MCF has no realistic prospect of recovery.	Amount is written off

Derecognition of financial assets

MCF II derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If MCF II neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, MCF II recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If MCF II retains substantially all the risks and rewards of ownership of a transferred financial asset, MCF II continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which MCF II has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt instruments issued by MCF II are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are not issued by MCF II.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

MCF II derecognizes financial liabilities when, and only when, MCF II's obligations are discharged, cancelled or when they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Cash and cash equivalents

For the purpose of the preparation of the statement of cash flows, cash and cash equivalents comprise of cash on hand, non-restricted current accounts with banks and amounts due from banks on demand.

Statement of cash-flows

Statement of cash-flows is presented using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Statement of comprehensive income

Income and expenditure are recognized on an accrual basis as they are earned or incurred and are recorded in the financial statements of the period to which they relate.

Interest income and expense

Interest income and expense are recognized using the EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation considers all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Fee Income

Fee income such as loan origination fees that are payable upfront form an integral part of the EIR of a loan and are subsequently amortized over the life of the loans they relate to in terms of IFRS 9. Non-refundable upfront fees such as loan application or due diligence fees will be recognized as revenue when the performance obligation is satisfied in terms of IFRS 15.

Share-based payments

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. MCF II does not make share-based payment transactions to employees.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. MCF II's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which MCF II expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

All amounts are rounded to 1 EUR, unless stated otherwise.

Correction of prior period errors – Reclassifications of items in the company statement of financial position

During the current year, management identified two reclassification errors in the presentation of the company statement of financial position as at 31 December 2023. These errors relate to the incorrect classification of specific items within the company statement of financial position, which have now been corrected in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors by restating each of the affected line items for prior periods.

While these reclassifications have led to changes in the reported amounts of total assets and total liabilities, they have no impact on the equity position of the entity.

Deferred Tax Asset

An amount of EUR 404,937 was incorrectly presented under Other receivables, prepayments and accrued income in the company statement of financial position. This has now been separately presented as a Deferred tax asset in line with the requirements of IAS 1 - Presentation of Financial Statements.

Deferred Fee Income

An amount of EUR 78,509 was incorrectly presented under Other receivables, prepayments and accrued income in the company statement of financial position. This has now been presented within Other current liabilities and accruals reflecting the substance of the balance.

The table below summarizes the adjustments made to the relevant lines items of the company statement of financial position for the year ended 31 December 2023.

	31.12.23		31.12.23
	As	Company	Restated
	Previously	Adjustments	
	Reported		
Deferred Tax Asset	-	404,937	404,937
Other receivables, prepayments and accrued income	1,064,456	(326,428)	738,028
Other current liabilities and accruals	228,987	78,509	307,496

Correction of prior period errors – Restatement of the company cash flow statement due to

classification errors

During the current year, several errors were identified in the presentation of the company cash flow statement for the year ended 31 December 2023. Errors included incorrect inclusion of items that do not represent actual cash flows, miscalculations of certain cash flow components and inconsistencies in presentation. In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the line items in the company cash flow statement have been restated for prior periods.

The corrections have no impact on the total of cash and cash equivalents at the beginning or the end of the period as it only affects the classification and structure of the company cash flow statement.

The table below summarizes the adjustments made to each line item of the company cash flow statement for the year ended 31-Dec-2023.

EUR	31.12.23 As Previously Reported	Company Adjustments	31.12.23 Restated
Cash flows from operating activities			
Net result after taxation for the year	(906,811)	-	(906,811)
<i>Adjustments for:</i>			
Interest income	(2,160,253)	2,160,253	0
Interest costs	368,753	(368,753)	0
Changes in impairment loss	0	195,735	195,735
Change in accrued interest income	0	(155,671)	(155,671)
Change in accrued interest expense	0	2,856	2,856
Change in deferred taxes	0	302,272	302,272
<i>Movements in working capital:</i>			
- (increase)/decrease in Non Current Portion Loan Portfolio	(1,922,454)	1,922,454	0
- (increase)/decrease in Current Portion Loan Portfolio	2,047,522	(2,047,522)	0
- (increase)/decrease in Loan Portfolio	0	70,666	(70,666)
- (increase)/decrease in Other receivables and prepayments	(101,051)	(389,591)	(490,642)
- increase/(decrease) in Other current liabilities	91,531	-	91,532
Cash generated by / (used in) operating activities	(2,582,763)	1,551,368	(1,031,395)
Unrealized FX impact on cash balances	0	392,784	392,784
Fund management fee paid	334,657	334,657	0
Interest received	1,968,977	1,968,977	0
Interest paid	(365,897)	365,897	0
<i>Net cash generated by / (used in) operating activities</i>	(645,026)	6,415	(638,611)

Cash flows from financing activities			
Members capital drawn down	2,500,000	-	2,500,000
Borrowings drawn down	-	-	-
<i>Net cash generated from financing activities</i>	2,500,000	-	2,500,000
Cashflows from investing activities			
Cash paid for acquisition of subsidiary	-	-	-
<i>Net cash generated from investing activities</i>	-	-	-
Net increase / (decrease) in cash and cash equivalents	1,769,611	(91,778)	1,861,389
Changes in FX on cash balances	(386,371)	(6,413)	(392,784)
Cash and cash equivalents as at January 1	4,983,286	-	4,983,286
Cash and cash equivalents as at December 31	6,451,890	-	6,451,890

NOTES TO THE STATEMENT OF FINANCIAL POSITION

1. Loan Portfolio

1.1 Loan Portfolio and Guarantee Agreements

The table below summarizes MCF II's Loan Portfolio on 31 December 2024. All loans outstanding are measured at amortized cost. The current portion of the loan portfolio represents loan repayments which become due in the next 12-months, whilst the non-current portion reflects loan repayments which do not become due in the next 12-months. The amounts for the Loan Portfolio presented are further specified in the tables which follow.

EUR	Consolidated		Company	
	2024	2023	2024	2023
Gross loan portfolio outstanding – non-current portion	7,592,894	3,141,937	7,150,184	3,141,937
Gross loan portfolio outstanding – current portion	6,340,560	4,753,190	6,297,881	4,753,190
GROSS LOAN PORTFOLIO OUTSTANDING	13,933,454	7,895,127	13,448,065	7,895,127
Loan loss provision - non-current portion	(537,365)	(268,104)	(533,180)	(268,104)
Loan loss provision - current portion	(472,724)	(605,903)	(469,625)	(605,903)
LOAN LOSS PROVISION	(1,010,089)	(874,007)	(1,002,805)	(874,007)
Net loan portfolio outstanding – non-current portion	7,055,529	2,873,833	6,617,004	2,873,833
Net loan portfolio outstanding – current portion	5,867,836	4,147,287	5,828,255	4,147,287
LOAN PORTFOLIO OUTSTANDING NET OF PROVISIONING	12,923,364	7,021,120	12,445,259	7,021,120

1.2 Loan Portfolio movement

The table below shows the roll forward of the Loan Portfolio outstanding before considering loan loss provisioning.

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Gross loan portfolio outstanding					
Balance as at 1 January 2023	651,006	4,812,898	2,360,556	-	7,824,460
Loans Disbursed	1,262,647	12,210,238	71,749	225,040	13,769,674
Instalments Received	(469,297)	(10,333,094)	(729,962)	-	(11,532,353)
Loans Written Off	-	(361,536)	-	-	(361,536)
Exchange rate result	(56,944)	(1,385,170)	(368,817)	5,813	(1,805,118)
BALANCE AS AT 31 DECEMBER 2023	1,387,412	4,943,336	1,333,526	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Gross loan portfolio outstanding					
Balance as at 1 January 2024	1,387,412	4,943,336	1,333,526	230,853	7,895,127
Loans Disbursed	463,707	14,436,770	2,190,609	1,554,222	18,645,308
Instalments Received	(203,040)	(12,394,220)	(769,689)	(38,903)	(13,405,85)
Loans Written Off	-	(625,378)	(277,727)	-	(903,105)
Exchange rate result	140,407	1,679,720	(185,108)	66,956	1,701,975
BALANCE AS AT 31 DECEMBER 2024	1,788,487	8,040,228	2,291,611	1,813,128	13,933,454

Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Gross loan portfolio outstanding					
Balance as at 1 January 2023	651,006	4,812,898	2,360,556	-	7,824,460
Loans Disbursed	1,262,647	12,210,238	71,749	225,040	13,769,674
Instalments Received	(469,297)	(10,333,094)	(729,962)	-	(11,532,353)
Loans Written Off	-	(361,536)	-	-	(361,536)
Exchange rate result	(56,944)	(1,385,170)	(368,817)	5,813	(1,805,118)
BALANCE AS AT 31 DECEMBER 2023	1,387,412	4,943,336	1,333,526	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Gross loan portfolio outstanding					
Balance as at 1 January 2024	1,387,412	4,943,336	1,333,526	230,853	7,895,127
Loans Disbursed	32,080	14,436,770	2,190,609	1,554,222	18,213,681
Instalments Received	(203,040)	(12,394,220)	(769,689)	(38,903)	(13,405,851)
Loans Written Off	-	(625,378)	(277,727)	-	(903,105)

Exchange rate result	86,645	1,679,720	(185,108)	66,956	1,648,213
BALANCE AS AT 31 DECEMBER 2024	1,303,098	8,040,228	2,291,611	1,813,128	13,448,065

1.3 Loan Portfolio maturity

The table below shows the maturity of the Loan portfolio outstanding, before considering loan loss provisioning.

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan Maturity:					
Outstanding loans < 1 year	240,111	3,960,413	509,931	42,736	4,753,191
Outstanding loans 1 – 5 year	1,023,476	482,513	764,529	188,118	2,458,635
Outstanding loans > 5 year	123,826	500,411	59,065	-	683,302
OUTSTANDING AS AT 31 DECEMBER 2023	1,387,413	4,943,337	1,333,524	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan Maturity:					
Outstanding loans < 1 year	517,146	4,548,245	990,226	284,942	6,340,560
Outstanding loans 1 – 5 year	1,271,341	2,619,294	1,301,384	1,528,186	6,720,205
Outstanding loans > 5 year	-	872,689	-	-	872,689
OUTSTANDING AS AT 31 DECEMBER 2024	1,788,487	8,040,228	2,291,611	1,813,128	13,933,454

Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan Maturity:					
Outstanding loans < 1 year	240,111	3,960,413	509,931	42,736	4,753,190
Outstanding loans 1 – 5 year	1,023,476	482,513	764,529	188,118	2,458,635
Outstanding loans > 5 year	123,826	500,411	59,065	-	683,302
OUTSTANDING AS AT 31 DECEMBER 2023	1,387,413	4,943,337	1,333,524	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan Maturity:					
Outstanding loans < 1 year	474,466	4,548,246	990,226	284,942	6,297,881
Outstanding loans 1 – 5 year	828,632	2,619,294	1,301,385	1,528,186	6,277,496
Outstanding loans > 5 year	-	872,688	-	-	872,688
OUTSTANDING AS AT 31 DECEMBER 2024	1,303,098	8,040,228	2,291,611	1,813,128	13,448,065

1.4 Loan Portfolio by loan type

The table below shows the Loans portfolio outstanding by type of loan.

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Outstanding per Loan Type:					
Cash Advance Loans	-	2,808,272	-	-	2,808,272
Mobile Asset Finance	-	743,772	-	-	743,772
Term Loans	1,387,412	1,391,292	1,333,526	230,853	4,343,083
OUTSTANDING AS AT 31 DECEMBER 2023	1,387,412	4,943,336	1,333,526	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Outstanding per Loan Type:					
Cash Advance Loans	240	3,726,632	14,191	-	3,741,063
Mobile Asset Finance	-	132,932	-	-	132,932
Term Loans	1,788,247	4,180,664	2,277,420	1,813,128	10,059,458
OUTSTANDING AS AT 31 DECEMBER 2024	1,788,487	8,040,228	2,291,611	1,813,128	13,933,454

Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Outstanding per Loan Type:					
Cash Advance Loans	-	2,808,272	-	-	2,808,272
Mobile Asset Finance	-	743,772	-	-	743,772
Term Loans	1,387,412	1,391,292	1,333,526	230,853	4,343,083
OUTSTANDING AS AT 31 DECEMBER 2023	1,387,412	4,943,336	1,333,526	230,853	7,895,127

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Outstanding per Loan Type:					
Cash Advance Loans	240	3,726,632	14,191	-	3,741,063
Mobile Asset Finance	-	132,932	-	-	132,932
Term Loans	1,302,858	4,180,664	2,277,420	1,813,128	9,574,070
OUTSTANDING AS AT 31 DECEMBER 2024	1,303,098	8,040,228	2,291,611	1,813,128	13,448,065

The Cash Advance Loan was developed in partnership with CarePay, a mobile exchange platform company that enables payment to healthcare facilities through mobile phones, using the M-Pesa mobile payment system.

The Cash Advance Loan is a short-term unsecured loan product that capitalizes on temporary working

capital needs with tenure of less than 6 months, where repayments are automatically deducted from the incoming cash flow running over the mobile payment system.

Mobile Asset Financing which is based on the same features and technology as the cash advance and can be used for medical equipment assets such as ultrasounds and lab equipment. The medical equipment is used as collateral on the Mobile Asset Financing loan.

Cash Advance loans have loan sizes ranging from EUR 1,000 – EUR 500,000, whilst Mobile Asset Financing loans range from EUR 50,000 – EUR 100,000. In 2024, MCF II disbursed 1,609 Cash Advance loans and Mobile Asset Finance loans (2023: 1,471). The Cash Advance and Mobile Asset Finance loans are currently only available in Kenya, with plans to expand to more countries in the coming years.

Term Loans typically have loan sizes over EUR 100,000 and tenures range from 2 years up to a maximum of ten years. Term Loans can be used to finance construction or renovation of hospital buildings, medical equipment and working capital. Term Loans are secured by tangible collaterals, like land, property, and marketable fixed assets. In 2024, MCF II disbursed 45 (2023: 26) Term Loans.

1.5 Credit Risk Portfolio

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Exposure as at 31 December 2023					
Outstanding loans	1,387,412	4,943,336	1,333,526	230,853	7,895,127
Received Credit Guarantees	(640,085)	(620,802)	(582,652)	(110,677)	(1,954,216)
TOTAL EXPOSURE	747,327	4,322,534	750,874	120,176	5,940,911
2024 (EUR)					
Tanzania	Kenya	Ghana	Uganda	Total	
Exposure as at 31 December 2024					
Outstanding loans	1,788,728	8,040,228	2,291,611	1,813,128	13,933,694
Received Credit Guarantees	(630,394)	(1,509,975)	(1,032,506)	(904,015)	(4,076,890)
TOTAL EXPOSURE	1,158,334	6,530,253	1,259,105	909,114	9,856,804
Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Exposure as at 31 December 2023					
Outstanding loans	1,387,412	4,943,336	1,333,526	230,853	7,895,127
Received Credit Guarantees	(640,085)	(620,802)	(582,652)	(110,677)	(1,954,216)
TOTAL EXPOSURE	747,327	4,322,534	750,874	120,176	5,940,911
2024 (EUR)					
Tanzania	Kenya	Ghana	Uganda	Total	
Exposure as at 31 December 2024					
Outstanding loans	1,303,098	8,040,228	2,291,611	1,813,128	13,448,065
Received Credit Guarantees	(630,394)	(1,509,975)	(1,032,506)	(904,015)	(4,076,890)
TOTAL EXPOSURE	672,704	6,530,253	1,259,105	909,114	9,371,176

MCF II has entered into a loan portfolio guarantee agreement with the United States International Development Finance Corporation (DFC) which provides a credit guarantee (coverage ranging from 50 – 80% of the loan principal) on up to EUR 30 million of loan disbursements. The table above reflects the outstanding loans which are covered under the DFC guarantee facility therefore reducing the total credit exposure to the Fund. MCF II incurs a guarantee fee of 1% per annum on the received credit guarantees which is included in Note 14 Other loan portfolio costs. The coverage expiration date for the DFC guarantee facility is September 30, 2032.

1.6 Expected credit losses on exposure

The table below shows the Expected credit losses determined in accordance with MCF II credit risk grading framework as explained in the Summary of Accounting Policies. As for the exposure at default, this is represented by the assets' gross carrying amount at the reporting date less any credit guarantees received (Note 1.5).

Consolidated				
2023 (EUR)	Stage 1 - Performing Loans (12-month ECL)	Stage 2 – significant increase in credit risk (Lifetime ECL not credit impaired)	Stage 3 – credit- impaired (Lifetime ECL credit- impaired)	
31-December-2023				
Estimated total gross carrying amount at default	4,831,115	471,013	638,782	5,940,911
Expected Credit Loss	157,930	166,309	549,769	874,008
2024 (EUR)				
2024 (EUR)	Stage 1 - Performing Loans (12-month ECL)	Stage 2 – significant increase in credit risk (Lifetime ECL not credit impaired)	Stage 3 – credit- impaired (Lifetime ECL credit- impaired)	
31-December-2024				
Estimated total gross carrying amount at default	11,659,360	1,245,849	1,028,243	13,933,453
Expected Credit Loss	179,067	386,907	444,115	1,010,089

Company					
2023 (EUR)	Stage 1 - Performing Loans (12-month ECL)	Stage 2 – significant increase in credit risk (Lifetime ECL not credit impaired)	Stage 3 – credit- impaired (Lifetime ECL credit- impaired)		
31-December-2023					
Estimated total gross carrying amount at default	4,831,115	471,013	638,782		5,940,911
Expected Credit Loss	157,930	166,309	549,769		874,008

2024 (EUR)	Stage 1 - Performing Loans (12-month ECL)	Stage 2 – significant increase in credit risk (Lifetime ECL not credit impaired)	Stage 3 – credit- impaired (Lifetime ECL credit- impaired)		
31-December-2024					
Estimated total gross carrying amount at default	11,173,972	1,245,849	1,028,243		13,448,065
Expected Credit Loss	171,782	386,907	444,115		1,002,805

1.7 Loan loss provision movement

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan loss provision					
Balance as at 1 January 2023	22,529	423,700	232,043	-	678,272
Net-additions	140,278	678,256	361,826	2,310	1,182,670
Write-offs	-	-	-	-	-
Exchange rate result	(27,903)	(599,907)	(359,219)	93	(986,935)
Balance as at 31 December 2023	134,904	502,049	234,650	2,404	874,008
2024 (EUR)					
Loan loss provision					
Balance as at 1 January 2024	134,904	502,049	234,650	2,404	874,007

Net-additions	200,951	1,473,953	442,121	12,868	2,129,893
Write-offs	-	(935,931)	(277,727)	-	(1,213,658)
Exchange rate result	(249,521)	(158,342)	(377,211)	4,921	(780,153)
Balance as at 31 December 2024	86,334	881,729	21,833	20,193	1,010,089

Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan loss provision					
Balance as at 1 January 2023	22,529	423,700	232,043	-	678,272
Net-additions	140,278	678,256	361,826	2,310	1,182,670
Write-offs	-	-	-	-	-
Exchange rate result	(27,903)	(599,907)	(359,219)	93	(986,935)
Balance as at 31 December 2023	134,904	502,049	234,650	2,404	874,008

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Loan loss provision					
Balance as at 1 January 2024	134,904	502,049	234,650	2,404	874,007
Net-additions	193,667	1,473,953	442,933	12,868	2,123,421
Write-offs	-	(935,931)	(277,727)	-	(1,213,658)
Exchange rate result	(249,521)	(158,341)	(378,023)	4,921	(780,964)
Balance as at 31 December 2024	79,050	881,729	21,833	20,193	1,002,805

The above figures represent provisions taken for expected credit losses on exposures to healthcare SMEs.

1.8 Risks arising from loan

The key risks MCF II is exposed to are credit risk, currency risk, liquidity, and interest rate risk.

1.8.1 Credit Risk

The Medical Credit Fund has a direct exposure to repayment risk of the loans disbursed to the healthcare providers in the program. The Medical Credit Fund transfers part of this repayment risk to Credit Guarantors such as DFC.

Although unsecured in the traditional sense, the Cash Advance Loans are being “secured” by the revenues that are running over the CarePay platform and benefit from personal guarantees. Mobile Asset Finance loans are secured by the underlying medical equipment to be financed, whilst Term loans are secured by tangible collaterals, like land, property, and marketable fixed assets.

To manage credit risk MCF II has policies in place such as limiting Credit Risk Exposure to a single Target Health Care Provider (Concentration risk) to a maximum of EUR 2.5 million and capping exposure to all unsecured investments to twenty percent of total MCF II credit risk exposure.

Consolidated					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Portfolio at Risk:					
Exposure on Loans not past due more than 30 days	497,233	3,806,864	406,843	120,176	4,831,115
Exposure on Loans past due more than 30 days until 90 days	208,558	132,053	130,402	-	471,013
Exposure on Loans past due more than 90 days until 180 days	-	209,259	82,590	-	291,849
Exposure on Loans past due more than 180 days	41,536	174,359	131,039	-	346,934
EXPOSURE AS AT 31 DECEMBER 2023	747,327	4,322,535	750,874	120,176	5,940,911

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Portfolio at Risk:					
Exposure on Loans not past due more than 30 days	903,881	5,117,903	1,175,298	909,114	8,106,196
Exposure on Loans past due more than 30 days until 90 days	131,374	847,092	-	-	978,466
Exposure on Loans past due more than 90 days until 180 days	-	186,105	-	-	186,105
Exposure on Loans past due more than 180 days	123,079	379,152	83,807	-	586,038
EXPOSURE AS AT 31 DECEMBER 2024	1,158,334	6,530,253	1,259,105	909,114	9,856,805

Company					
2023 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Portfolio at Risk:					
Exposure on Loans not past due more than 30 days	497,233	3,806,863	406,843	120,176	4,831,115
Exposure on Loans past due more than 30 days until 90 days	208,558	132,053	130,402	-	471,013
Exposure on Loans past due more than 90 days until 180 days	-	209,259	82,590	-	291,849
Exposure on Loans past due more than 180 days	41,536	174,359	131,039	-	346,934
EXPOSURE AS AT 31 DECEMBER 2023	747,327	4,322,534	750,874	120,176	5,940,911

2024 (EUR)	Tanzania	Kenya	Ghana	Uganda	Total
Portfolio at Risk:					
Exposure on Loans not past due more than 30 days	469,844	5,117,904	1,175,298	909,114	7,672,159
Exposure on Loans past due more than 30 days until 90 days	104,736	847,092	-	-	951,829
Exposure on Loans past due more than 90 days until 180 days	-	186,105	-	-	186,105
Exposure on Loans past due more than 180 days	98,123	379,152	83,807	-	561,082
EXPOSURE AS AT 31 DECEMBER 2024	672,704	6,530,253	1,259,105	909,114	9,371,176

The above table shows the Credit risk exposure on the loan portfolio outstanding by number of days in arrears. Arrears monitoring of the portfolio is done on a continuous basis by local MCF II teams. In addition, loan portfolio meetings are held monthly in each country and at the Amsterdam level where larger loans are discussed on an individual basis. Most healthcare providers are also enrolled in a technical assistance program which plays a central role in strengthening the business sustainability of our borrowers and reducing credit risk.

The Board Credit Committee consisting of members of the Management Board, the Supervisory Board (PharmAccess), and external experts approve all loans with a credit exposure above EUR 400,000. Loans below EUR 400,000 are approved internally per delegated authorities.

1.8.2 Currency Risk

The Fund is exposed to currency risk since loans are issued in local currencies and therefore financial assets can be subjected to currency devaluation relative to the functional currency of the Fund (Euro).

MCF II has a policy of accepting currency risk which is then mitigated by Management through risk-management measures further explained below. As a result, MCF II does not enter financial derivatives to hedge currency risk.

The foreign currency exposures are monitored on a regular basis in Asset Liability Management (ALM) meetings. The ALM committee further reviews the currency risk-premium priced into MCF II loans at least once a quarter. The currency risk-premium is the basis-points (bps) required as a spread to account for the risk of future currency devaluation for a particular currency and is determined using a statistical model that considers several variables including historical as well as forward-looking information. Such forward looking information includes data obtained from yield curves, forecast macro-economic indicators, and upcoming political events such as national or local elections. The bps is maintained to enable the Fund to accumulate adequate capital reserves to mitigate future currency devaluation.

Management seeks to further reduce the currency risk through diversification of the loan portfolio across different currencies in order to limit the concentration risk or exposure on a single currency. MCF II has introduced the following limits on open foreign currency exposures to ensure a certain degree of diversification and reserves are in place to protect investors:

- Any single open foreign currency exposure must be less than 50% of Total Assets scaling down from 2023 onwards by 5% each year to a final level of 30%.
- Total aggregate open foreign currency exposures not to exceed Total Equity plus Subordinated Debt by 4 to 1

The table below shows the foreign currency exposures on financial assets and financial liabilities, all loans plus cash positions and borrowings:

Consolidated					
2023	TZS	KES	GHS	USD	Total
Currency Exposure:					
Funded Loans	723,244	4,640,946	1,333,524	1,197,415	7,895,128
Impaired Amounts	(134,904)	(502,049)	(234,650)	(2,404)	(874,008)
Cash	85,559	1,059,962	1,236,471	163,179	2,545,171
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2023	673,898	5,198,858	2,335,344	1,358,190	9,566,291
2024	TZS	KES	GHS	USD	Total
Currency Exposure:					
Funded Loans	1,220,815	8,036,628	2,291,611	2,384,400	13,933,454
Impaired Amounts	(86,334)	(881,729)	(21,833)	(20,193)	(1,010,089)
Cash	61,699	518,645	44,420	77,462	702,227
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2024	1,196,181	7,673,544	2,314,198	2,441,669	13,625,592

Company					
2023	TZS	KES	GHS	USD	Total
Currency Exposure:					
Funded Loans	723,244	4,640,946	1,333,524	1,197,415	7,895,128
Impaired Amounts	(134,904)	(502,049)	(234,650)	(2,404)	(874,008)
Cash	85,559	1,059,962	1,236,471	163,179	2,545,171
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2023	673,898	5,198,858	2,335,344	1,358,190	9,566,291

2024	TZS	KES	GHS	USD	Total
Currency Exposure:					
Funded Loans	735,426	8,036,628	2,291,611	2,384,400	13,448,065
Impaired Amounts	(79,050)	(881,729)	(21,833)	(20,193)	(1,002,805)
Cash	42,324	518,645	44,420	77,462	682,851
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2024	698,700	7,673,544	2,314,198	2,441,669	13,128,111

The analysis below calculates the effect of a substantial depreciation (20%) of the foreign currency rate against the EUR, with all other variables held constant, on the statement of comprehensive income.

Consolidated					
2023	TZS	KES	GHS	USD	Total
Currency sensitivity analysis:					
Funded Loans	(144,649)	(928,189)	(266,705)	(239,483)	(1,579,026)
Impaired Amounts	26,981	100,410	46,930	481	174,802
Cash	(17,112)	(211,992)	(247,294)	(32,636)	(509,034)
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2023	(134,780)	(1,039,771)	(467,069)	(271,638)	(1,913,258)
2024	TZS	KES	GHS	USD	Total
Currency sensitivity analysis:					
Funded Loans	(244,163)	(1,607,326)	(458,322)	(476,880)	(2,786,691)
Impaired Amounts	17,267	176,346	4,367	4,039	202,019
Cash	(8,465)	(103,729)	(8,884)	(15,492)	(136,570)
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2024	(235,361)	(1,534,709)	(462,839)	(488,333)	(2,721,242)

Company					
2023	TZS	KES	GHS	USD	Total
Currency sensitivity analysis:					
Funded Loans	(144,649)	(928,189)	(266,705)	(239,483)	(1,579,026)
Impaired Amounts	26,981	100,410	46,930	481	174,802
Cash	(17,112)	(211,992)	(247,294)	(32,636)	(509,034)
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2023	(134,780)	(1,039,771)	(467,069)	(271,638)	(1,913,258)
2024	TZS	KES	GHS	USD	Total
Currency sensitivity analysis:					
Funded Loans	(147,085)	(1,607,326)	(458,322)	(476,880)	(2,689,613)
Impaired Amounts	15,810	176,346	4,367	4,039	200,562
Cash	(8,465)	(103,729)	(8,884)	(15,492)	(136,570)
Other	-	-	-	-	-
EXPOSURE AS AT 31 DECEMBER 2024	(139,740)	(1,534,709)	(462,839)	(488,333)	(2,625,621)

A 20% appreciation of the currencies leads to exactly the same effect, but of an opposite nature in both tables; negatives become positives and vice versa.

1.8.3 Liquidity Risk

The liquidity risk is monitored on a regular basis in Asset Liability Management (ALM) meetings. MCF II has introduced guidelines for its cash positions for both local accounts and cash positions at head office. Liquidity exposure further results from the cash flows from Borrowings. We refer to note 7 for the maturity tables of our financial assets and liabilities.

1.8.4 Interest rate Risk

MCF II is exposed to interest rate risk since its borrowings are floating rate and subject to fluctuations in the Euribor, whilst the Loan portfolio outstanding is fixed rate. Although fixed rate, the Loan portfolio could be exposed to additional interest rate risk if governments were to pass legislation to introduce interest rate caps.

The table below captures the additional interest costs MCF II would have incurred given an increase in borrowing costs by one, two, and three percent.

EUR	Consolidated		Company	
	2024	2023	2024	2023
One percent instantaneous decline in interest rates	(106,977)	(77,024)	(108,190)	(77,024)
Two percent instantaneous decline in interest rates	(213,954)	(154,048)	(216,379)	(154,048)
Three percent instantaneous decline in interest rates	(320,931)	(231,072)	(324,569)	(231,072)

2. Other receivables, prepayments and accrued income

EUR	Consolidated		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Other receivables	188,997	395,068	182,314	395,068
Prepayments	37,814	37,814	37,814	37,814
Accrued interest income	389,594	305,146	393,162	305,146
OTHER RECEIVABLES, PREPAYMENTS AND ACCRUED INCOME	616,405	738,028	613,290	738,028

3. Cash and cash equivalents

EUR	Consolidated		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
ABN-AMRO Euro accounts	3,804,350	3,837,726	3,804,350	3,837,726
ABN-AMRO USD accounts	77,462	163,179	77,462	163,179
ABN-AMRO Cash Deposit	2,500,000	-	2,500,000	-
Bank accounts Kenya – KES	518,645	1,059,322	518,645	1,059,322
Bank accounts Kenya – EUR	601,820	640	601,820	640
Bank accounts Ghana – GHS	44,420	1,236,471	44,420	1,236,471
Bank accounts Ghana – EUR	223,085	68,994	223,085	68,994
Bank accounts Tanzania - EUR	401	-	-	-
Bank accounts Tanzania – TZS	61,699	85,559	42,324	85,559
Cash and cash equivalents	7,831,883	6,451,890	7,812,106	6,451,890

No cash balances are impaired as there are no indicators of elevated credit risk. All cash is unblocked and free of any liens.

4. Equity

Members' Capital relates to Equity capital drawn down from the Members of the Cooperative. As of 31 December 2024, Member Capital of EUR 10.1 million has been drawn down by the Fund. This includes the additional Members Capital of EUR 2.5 million received by MCF 2 to serve as First Loss buffer. The total First Loss capital granted is a total of EUR 5.0 million in November 2023 from Buza of which EUR 2.5 million

was received in cash in December 2023 and another EUR 2.5 million will be received later from 2026 onwards.

All Member Capital is non-redeemable. As of 31 December 2024, there are no preferred, special, or any other forms of Equity Capital. The Fund Manager may admit additional Members to the Cooperative at one or more subsequent closings.

Retained Earnings are profits accumulated and not yet distributed to the Members of the Fund. Distribution of fund profits to Members is the discretion of the Fund Manager.

5. Borrowings

Summary of Borrowings

- (i) MCF II has cumulative total borrowings outstanding as at 31 December 2024 of EUR 10.0 million (2023: EUR 5.5 million).
- (ii) Borrowings of EUR 4.5 million (2023: 0.0 million) were drawn and EUR nil of borrowings was repaid in 2024.
- (iii) All borrowings are denominated in Euro.
- (iv) All borrowings are floating rate with a spread on Euribor and a floor of 0%. Interest coupons are payable semi-annually.
- (v) The current weighted effective annual interest rate on all drawn borrowings is 6.99% (2023: 7.16%). The increase is due to increases in EURIBOR in 2023.
- (vi) Committed borrowings may be drawn by MCF II until December 2026.
- (vii) The BII SwedFund loan is Senior to other debts outstanding.
- (viii) All Loans are Senior to Members Capital.
- (ix) No MCF II assets are pledged as security on borrowings.
- (x) There have been no covenant breaches at the end of the reporting period.
- (xi) All borrowings are non-current.

The tables below show the borrowings committed and drawn:

Consolidated								
Lenders	Committed (EUR)	Drawn (EUR) 2023	Drawn (EUR) 2024	Currency	Term	Last Repayment Date	First Repayment Date	Interest rate
Philips	2,500,000	2,500,000	2,500,000	EUR	Linear	2031	2027	EURIBOR + 4.00%
FMO	7,500,000	1,000,000	2,500,000	EUR	Linear	2031	2027	EURIBOR + 3.50%
BII & Swedfund	15,000,000	2,000,000	5,000,000	EUR	Linear	2031	2027	EURIBOR + 2.75%
	25,000,000	5,500,000	10,000,000					

Company								
Lenders	Committed (EUR)	Drawn (EUR) 2023	Drawn (EUR) 2024	Currency	Term	Last Repayment Date	First Repayment Date	Interest rate
Philips	2,500,000	2,500,000	2,500,000	EUR	Linear	2031	2027	EURIBOR + 4.00%
FMO	7,500,000	1,000,000	2,500,000	EUR	Linear	2031	2027	EURIBOR + 3.50%
BII & Swedfund	15,000,000	2,000,000	5,000,000	EUR	Linear	2031	2027	EURIBOR + 2.75%
	25,000,000	5,500,000	10,000,000					

The interest-bearing loans are discounted as per the interest percentage payable on the loans and, as such, are measured at amortized cost.

Financial covenants		Calculation 31.12.2023	Calculation 31.12.2024	Status
(a)	The Company shall ensure that it is in compliance with the following financial covenants immediately prior to the first Loan being made under this Agreement and at all times after the first Loan is made under this Agreement:			
(i)	the ratio of Senior Debt to Total Equity plus Total Subordinated Debt as at the last day of each Relevant Period shall not be more than 3.00:1;	0.23	0.33	OK
(ii)	the ratio of Current Assets to Current Liabilities as at the last day of each Relevant Period shall not be less than 1.50:1;	36.87	12.58	OK
(iii)	the Solvency Ratio shall be no less than 15 per cent;	60%	48%	OK
(iv)	the total aggregate open Foreign Currency Exposures of the Company as at the last day of each Relevant Period shall not exceed Total Equity plus Total Subordinated Debt by more than 4.00:1;	0.78	0.90	OK
(v)	Non-Performing Loans must not exceed 8 per cent. of the Total Loans and Advances in respect of each Relevant Period;	10.75%	7.65%	OK
(vi)	Exposure of the Company to a single healthcare provider must not exceed EUR 2,500,000 (or its equivalent); and	636,531	1,100,556	OK
(vii)	When there is a projected operating deficit of Stichting MCF, committed grant capital for management costs must be greater than or equal to 1.25 times the projected operating deficit per current year budget.	1.25	1.25	OK
(b)	The Company shall ensure that it is in compliance with the following financial covenants at all times after the first Loan is made under this Agreement:			
(i)	Cash must be at least 5 per cent of Total Assets in each case as at the last day of each Relevant Period;	44%	37%	OK
(ii)	the ratio of Average Cash to Senior Debt Service in respect of each Relevant Period must not be less than 1.25:1;	86%	44	OK
(iii)	Junior Subordinated Debt plus Total Equity at the last day of each Relevant Period must be no less than EUR 2,500,000; and	11,360,193	15,176,733	OK
(iv)	Capitalization – the aggregate of Total Equity, Total Subordinated Debt and unsubordinated debt must not exceed EUR 60,000,000 during the Availability Period.	14,360,193	20,149,996	OK
(c)	The Company shall ensure that it is in compliance with the following financial covenants at all times after the date falling 12 months after the first Loan is made under this Agreement:			
(i)	any single open Foreign Currency Exposure must be less than 45% of Total Assets in respect of the Relevant Period set out in the first column below:	36%	36%	OK
(ii)	the weighted average life of the loan portfolio must not be more than five years;	0.3	3.2	OK
(iii)	credit risk Exposure to unsecured loans must not exceed 20 per cent of total credit risk Exposure; and	6%	6%	OK
(iv)	the Company's risk Exposure within a single country must not exceed 70 per cent of the total Company's risk Exposure at all times during the Availability Period and must not exceed 50 per cent of the total Company's risk Exposure thereafter.	43%	47%	OK

6. Other current liabilities and accruals

EUR	Consolidated		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Accounts payable	227,910	99,074	200,389	99,074
Accrued Interest	89,501	17,360	93,069	17,360
Accrued expenses and deferred fee	325,597	191,062	325,597	191,062
Provision for Taxation	106,520	-	96,064	-
Other current liabilities and accruals	749,528	307,496	715,119	307,496

Accounts payable consists mainly of EUR 110k (2023: EUR 85k) payable to the Fund Manager, Stichting Medical Credit Fund.

7. Maturity of financial instruments

The following table details MCF II's expected maturity for its financial assets and liabilities. The table has been drawn up and based on the undiscounted contractual maturities of principal payments. The inclusion of information on financial assets is necessary in order to understand MCF II's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Consolidated			
Financial Assets	< 1 year	1-5 years	> 5 years
31 December 2023			
Gross outstanding loans	4,753,190	2,458,635	683,302
Interest receivable on gross outstanding loans	303,673		
Other receivables, prepayments and accrued income	1,064,456	-	-
Cash and cash equivalents	6,451,890	-	-
TOTAL	12,573,209	2,458,635	683,302
Financial Liabilities	< 1 year	1-5 years	> 5 years
31 December 2023			
Interest bearing liabilities	-	-	5,500,000
Interest payable on interest bearing liabilities	17,360		
Other current liabilities and accruals	228,986	-	-
TOTAL	246,346	-	5,500,000
Off Balance sheet	< 1 year	1-5 years	> 5 years
31 December 2023			
Gross Undrawn Loan Commitments	1,520,154	-	-
TOTAL	1,520,154	-	-

Financial Assets	< 1 year	1-5 years	> 5 years
31 December 2024			
Gross outstanding loans	6,340,560	6,720,205	872,689
Interest receivable on gross outstanding loans	389,593		
Other receivables, prepayments and accrued income	613,290	-	-
Cash and cash equivalents	7,812,106	-	-
TOTAL	15,155,548	6,720,205	872,689
Financial Liabilities	< 1 year	1-5 years	> 5 years
31 December 2024			
Interest bearing liabilities	-	6,000,000	4,000,000
Interest payable on interest bearing liabilities	89,501		
Other current liabilities and accruals	749,528	-	-
TOTAL	839,029	6,000,000	4,000,000
Off Balance sheet	< 1 year	1-5 years	> 5 years
31 December 2024			
Gross Undrawn Loan Commitments	2,767,131	-	-
TOTAL	2,767,131	-	-
Company			
Financial Assets	< 1 year	1-5 years	> 5 years
31 December 2023			
Gross outstanding loans	4,753,190	2,458,635	683,302
Interest receivable on gross outstanding loans	303,673		
Other receivables, prepayments and accrued income	1,064,456	-	-
Cash and cash equivalents	6,451,890	-	-
TOTAL	12,573,209	2,458,635	683,302
Financial Liabilities	< 1 year	1-5 years	> 5 years
31 December 2023			
Interest bearing liabilities	-	-	5,500,000
Interest payable on interest bearing liabilities	17,360		
Other current liabilities and accruals	228,986	-	-
TOTAL	246,346	-	5,500,000
Off Balance sheet	< 1 year	1-5 years	> 5 years
31 December 2023			
Gross Undrawn Loan Commitments	1,520,154	-	-
TOTAL	1,520,154	-	-

Financial Assets	< 1 year	1-5 years	> 5 years
31 December 2024			
Gross outstanding loans	6,297,881	6,277,496	872,688
Interest receivable on gross outstanding loans	393,162		
Other receivables, prepayments and accrued income	613,290	-	-
Cash and cash equivalents	7,812,106	-	-
TOTAL	15,116,438	6,277,496	872,688
Financial Liabilities	< 1 year	1-5 years	> 5 years
31 December 2024			
Interest bearing liabilities	-	8,000,000	2,000,000
Interest payable on interest bearing liabilities	93,069		
Other current liabilities and accruals	228,986	-	-
TOTAL	322,055	8,000,000	2,000,000
Off Balance sheet	< 1 year	1-5 years	> 5 years
31 December 2024			
Gross Undrawn Loan Commitments	2,767,131	-	-
TOTAL	2,767,131	-	-

Interest receivable on gross outstanding loans is not including future interest on Digital Loans in Kenya. Digital Loans have an average granted tenor of 3 to 6 months. These loans receive random daily installments which are allocated to interest and loan repayment. Interest is calculated daily, based on the actual outstanding and paid daily in most cases.

It is impossible to predict how much interest a digital loan will collect during its lifetime or how fast a loan will be repaid. It is just as difficult to predict what the amount of loan principal outstanding will be at any moment in the future. This is the nature of digital lending and future interest receivables would be based on many assumptions and therefore Digital Loans are not included in the interest receivables forecast.

8. Valuation of financial instruments

The table presented below discloses the fair value of financial assets and financial liabilities as required by IFRS 13 Fair Value Measurement. The levels of the hierarchy are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Valuation techniques using market data that is either directly or indirectly observable.

Level 3: Valuation techniques that include significant inputs that are unobservable. To the extent that a valuation is based on inputs that are not market-observable the determination of the fair value can be more subjective, dependent on the significance of the unobservable inputs to the overall valuation.

Consolidated							
Financial Assets	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2023							
Outstanding Loans	7,146,188	7,233,363	-	-	7,233,363	<i>Discounted Cash Flow</i>	<i>Discount Rate, Cash Flows</i>
Derivatives	(51,714)	(51,714)		(51,714)	-	<i>Discounted Cash Flow</i>	
TOTAL	7,094,474	7,181,648	-	(51,714)	7,233,363		
Financial Liabilities	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2023							
Interest Bearing Liabilities	5,500,000	5,500,000	-	5,500,000	-	<i>Discounted Cash Flow</i>	
TOTAL	5,500,000	5,500,000	-	5,500,000	-		
Financial Assets	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2024							
Outstanding Loans	12,923,364	13,617,445	-	-	13,617,445	<i>Discounted Cash Flow</i>	<i>Discount Rate, Cash Flows</i>
Derivatives	492,499	492,499		492,499	-	<i>Discounted Cash Flow</i>	
TOTAL	13,415,863	14,109,943	-	492,499	13,617,445		
Financial Liabilities	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2024							
Interest Bearing Liabilities	10,000,000	10,000,000	-	10,000,000	-	<i>Discounted Cash Flow</i>	
TOTAL	10,000,000	10,000,000	-	10,000,000	-		

Company							
Financial Assets	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2023							
Outstanding Loans	7,146,188	7,233,363	-	-	7,233,363	<i>Discounted Cash Flow</i>	<i>Discount Rate, Cash Flows</i>
Derivatives	(51,714)	(51,714)		(51,714)	-	<i>Discounted Cash Flow</i>	
TOTAL	7,094,474	7,181,648	-	(51,714)	7,233,363		
Financial Liabilities	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2023							
Interest Bearing Liabilities	5,500,000	5,500,000	-	5,500,000	-	<i>Discounted Cash Flow</i>	
TOTAL	5,500,000	5,500,000	-	5,500,000	-		
Financial Assets	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2024							
Outstanding Loans	12,445,260	13,062,573	-	-	13,062,573	<i>Discounted Cash Flow</i>	<i>Discount Rate, Cash Flows</i>
Derivatives	492,499	492,499		492,499	-	<i>Discounted Cash Flow</i>	
TOTAL	12,937,758	13,555,072	-	492,499	13,062,573		
Financial Liabilities	Carrying value	Fair Value	Level 1	Level 2	Level 3	Measurement	Key Input
31 December 2024							
Interest Bearing Liabilities	10,000,000	10,000,000		10,000,000	-	<i>Discounted Cash Flow</i>	
TOTAL	10,000,000	10,000,000		10,000,000	-		

The Outstanding loans are not actively traded, and it is therefore not possible to determine the fair value of these loans using observable market prices and market inputs. To measure fair value, Management has determined a discount rate using latest available central bank data on average commercial bank lender rates in each country plus an assumed spread (judgement based) of 300 bps to adjust for a SME credit risk premium. Using this methodology, the fair value of the loan portfolio exceeds the carrying value implying that the interest rates on MCF II loans are slightly higher than market-related rates that commercial bank would charge at 31 December 2024.

MCF II is not in the position of a forced sale of such underlying loans, and it would therefore be inappropriate to value the loans and advances on a forced-sale basis. Since the business model is to collect the contractual cashflows, the Outstanding loans are measured at amortized cost and not at fair value after initial recognition. All interest-bearing liabilities are at floating rates based on externally observable EURIBOR. Management deems that amortized cost approximates fair value. Other receivables, prepayments and accrued income and other current liabilities and accruals are recognized at their transaction price or nominal value which as they are short term in nature, approximates their fair value. No financial assets or liabilities were reclassified to another level during 2024.

9. Off-balance sheet disclosure

Committed Undrawn Credit Facilities to Borrowers

The table below reflects undrawn credit facilities which have been committed to borrowers.

Consolidated		
EUR	2024	2023
Gross Undrawn Loan Commitments	2,767,131	1,520,154
Expected Credit Loss on Undrawn Loan Commitments	15,872	75,505
UNDRAWN LOAN COMMITMENTS NET OF EXPECTED CREDIT LOSSES	2,751,259	1,444,649
Company		
EUR	2024	2023
Gross Undrawn Loan Commitments	2,767,131	1,520,154
Expected Credit Loss on Undrawn Loan Commitments	15,872	75,505
UNDRAWN LOAN COMMITMENTS NET OF EXPECTED CREDIT LOSSES	2,751,259	1,444,649

Gross Undrawn Loan Commitments in 2023 (both Consolidated and Company) have been adjusted to EUR 1,520,154 (formerly: EUR 326,673) to align presentation with 2024.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

10. Interest income on loan portfolio

EUR	Consolidated		Company	
	2024	2023	2024	2023
Tanzania	142,736	164,891	139,951	164,891
Kenya	1,925,265	1,613,155	1,925,265	1,613,155
Ghana	561,129	371,016	561,129	371,016
Uganda	83,331	11,191	83,331	11,191
	2,712,461	2,160,253	2,709,676	2,160,253
<i>Interest income on Deposits</i>				
Netherlands	68,098	-	68,098	-

All interest income is recognized using the effective interest method. EUR 1,570k (2023: EUR 1,344k) of interest income in Kenya has been earned from the Cash Advance and Mobile Asset Finance loans. All other interest is earned from Term loans.

11. Interest costs

EUR	Consolidated		Company	
	2024	2023	2024	2023
Interest on borrowings	(420,607)	(371,992)	(420,607)	(371,992)
Negative interest on cash	11,167	3,239	11,167	3,239
	(409,440)	(368,753)	(409,440)	(368,753)

All interest cost is recognized using the effective interest rate method. Refer Note 5 for further information on Borrowings.

12. Fee income on loan portfolio

EUR	Consolidated		Company	
	2024	2023	2024	2023
Tanzania - Fee Income	7,816	16,526	6,662	16,526
Kenya - Fee Income	159,770	257,115	159,770	257,115
Ghana - Fee Income	34,066	21,786	34,066	21,786
Uganda - Fee Income	3,720	-	3,720	-
Other - Fee Income	376	428	376	428
Guarantee Fee Income	25,515	-	25,515	-

Other Income	9,760	-	9,760	-
Total	241,023	295,855	239,869	295,855

Fee income comprises loan origination fees GLs which are capitalized to the loan balances and amortized to the income statement over the life of the loans. EUR 143k (2023: EUR235k) of fee income in Kenya has been earned from the Cash Advance and Mobile Asset Finance loans. All other fees are earned from Term loans.

13. Foreign exchange results on the loan portfolio

Consolidated					
2023	Kenya - KES	Ghana - GHS	Tanzania - TZS	United States - USD	Total
Foreign exchange result - Realized	(36,454)	(98,871)	(3,145)	(5,009)	(143,479)
Foreign exchange result - Unrealized	(441,634)	(1,386,769)	(65,369)	21,823	(1,871,949)
	(478,088)	(1,485,640)	(68,514)	16,814	(2,015,428)

2024	Kenya - KES	Ghana - GHS	Tanzania - TZS	United States - USD	Total
Foreign exchange result - Realized	206,680	(41,505)	8,151	(20,450)	152,876
Foreign exchange result - Unrealized	(1,457,119)	159,708	(131,730)	(63,465)	(1,492,606)
	(1,250,439)	118,203	(123,579)	(83,915)	(1,339,730)

Company					
2023	Kenya - KES	Ghana - GHS	Tanzania - TZS	United States - USD	Total
Foreign exchange result - Realized	(36,454)	(98,871)	(3,145)	(5,009)	(143,479)
Foreign exchange result - Unrealized	(441,634)	(1,386,769)	(65,369)	21,823	(1,871,949)
	(478,088)	(1,485,640)	(68,514)	16,814	(2,015,428)

2024	Kenya - KES	Ghana - GHS	Tanzania - TZS	United States - USD	Total
Foreign exchange result - Realized	206,680	(41,505)	8,151	(20,450)	(152,876)

Foreign exchange result - Unrealized	(1,457,119)	159,708	(116,056)	(63,465)	1,476,933
	(1,250,439)	118,203	(107,905)	(83,915)	1,324,057

The foreign exchange gain of EUR 1,324,057 is mostly attributable to foreign exchange gains on strengthening of the Kenyan Shilling (KES) against the EURO during 2024.

14. Other loan portfolio costs

EUR	Consolidated		Company	
	2024	2023	2024	2023
Guarantee fee	(16,103)	(17,312)	(16,103)	(17,312)
Loan Portfolio costs	(15,000)	(29,322)	(15,000)	(29,322)
	(31,103)	(46,634)	(31,103)	(46,634)

MCF II incurs a guarantee fee on credit guarantees received. Guarantee fees are expensed in the period in which they are incurred. Refer to Note 1.5 for further information.

15. Operating expenses

EUR	Consolidated		Company	
	2024	2023	2024	2023
Legal costs	(26,723)	(19,408)	(26,722)	(19,408)
Audit fee	(137,376)	(76,143)	(137,376)	(76,143)
Bank charges	(5,493)	(11,197)	(5,493)	(11,197)
Other Operating expenses	(44,370)	(47,798)	(40,525)	(47,798)
	(213,962)	(154,546)	(210,116)	(154,546)

Fund operating expenses are capped at 1% per annum of total Committed Capital (EUR 32.5 million - Equity and Debt capital). Operating expenses incurred in excess of this cap are recharged to the Fund Manager. No costs were recharged in 2024. This is consistent with prior period.

The audit fees relate solely to the audit of the financial statements. The audit fees of EUR 137k relate to the total fees for the audit of the financial statements 2024 (2023: 76k), irrespective of whether the activities have been performed during the financial year 2024.

16. Fund Management fee

EUR	Consolidated		Company	
	2024	2023	2024	2023
Fund management fee	(368,395)	(343,527)	(368,395)	(343,527)

Performance fee	(141,943)	-	(141,943)	-
	(510,338)	(343,527)	(510,338)	(343,527)

The Equity Members have appointed Stichting Medical Credit Fund as the Fund Manager. MCF II incurs an annual management fee of 4.0% (exclusive of taxes) and calculated over the average gross outstanding loan portfolio for its services. The management fee has been determined on an arm's length basis. In addition, MCF 1, is entitled to a performance bonus equal to 20% of the excess as their result after tax exceeds the 7% hurdle rate. This is consistent with prior period.

17. Income tax expense

EUR	Consolidated		Company	
	2024	2023	2024	2023
Corporation income tax - current year	(457,275)	302,270	(454,877)	302,270
	(457,275)	302,270	(454,877)	302,270

Management calculated income tax expense using standard rate of corporation tax 25.8% (2023: 25%) applied to the reported net profit before tax. Effective tax rate of MCF II equals to statutory tax rate.

Presented expense of EUR 457k consists of a) decrease of Deferred Tax Asset (by EUR 360k and b) due corporate income tax charge of EUR 97k.

Tax losses which are the only component of deferred tax asset can be carried forward indefinitely.

MCF II is not impacted by Pillar Two legislation and its impact on tax computation.

18. Related parties

Transactions and outstanding balances between MCF II and Stichting Medical Credit Fund are disclosed below. Stichting Medical Credit Fund is the Fund Manager, Director and an Equity Member of MCF II. All of these transactions were entered into in the normal course of business and have taken place at arm's length.

Consolidated		
EUR	2024	2023
Outstanding balances		
Accounts payable - Stichting Medical Credit Fund	109,692	84,960
TOTAL OUTSTANDING BALANCES	109,692	84,960
Transactions		
Fund management fee - Stichting Medical Credit Fund	(368,395)	343,527
Performance fee bonus - Stichting Medical Credit Fund	(141,943)	-
TOTAL TRANSACTIONS	(510,338)	343,527
Capital contributions		

Stichting Health Insurance Fund	-	2,500,000
Stichting Medical Credit Fund	-	-
	-	2,500,000

Company		
EUR	2024	2023
Outstanding balances		
Accounts payable - Stichting Medical Credit Fund	109,692	84,960
Intercompany Loan - MCF II Tanzania Limited	369,290	-
Investment in Subsidiary - MCF II Tanzania Limited	71,546	-
TOTAL OUTSTANDING BALANCES	550,528	84,960
Transactions		
Fund management fee - Stichting Medical Credit Fund	368,395	343,527
Performance fee bonus - Stichting Medical Credit Fund	141,943	-
Intercompany Loan - MCF II Tanzania Limited	369,290	-
Investment in Subsidiary - MCF II Tanzania Limited	71,546	-
TOTAL TRANSACTIONS	951,174	343,527
Capital contributions		
Stichting Health Insurance Fund	-	2,500,000
Stichting Medical Credit Fund	-	-
	-	2,500,000

19. Derivatives

Consolidated					
Derivative	Trade Date	Maturity Date	Underlying value	Underlying value (EUR)	Value 31-Dec-2024 (EUR)
FX Forward	5-Oct-23	5-Oct-26	TZS3,670,000,000	1,085,104	104,027
FX Forward	5-Feb-24	7-Feb-25	KES172,600,000	837,526	400,777
FX Forward	5-Feb-24	7-Feb-25	GHS13,285,000	827,703	(12,306)
				2,750,334	492,499

Total on Statement of Financial Position (EUR)	492,499
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Company					
Derivative	Trade Date	Maturity Date	Underlying value	Underlying value (EUR)	Value 31-Dec-2024 (EUR)
FX Forward	5-Oct-23	5-Oct-26	TZS3,670,000,000	1,085,104	104,027
FX Forward	5-Feb-24	7-Feb-25	KES172,600,000	837,526	400,777
FX Forward	5-Feb-24	7-Feb-25	GHS13,285,000	827,703	(12,306)
			3,855,885,000	2,750,334	492,499
			Total on Statement of Financial Position (EUR)		492,499

In 2023, the only derivative outstanding was FX Forward with Trade Date of 5-Oct-23 with Maturity Date of 5-Oct-26 with underlying value of TZS 3,670,000,000 (in EUR: 1,133,068) with value as at 31-Dec-2023 of EUR 51,714 which was recognized as non-current asset.

Other notes

Number of employees

The average number of employees on the MCF II payroll during the financial year 2024 is nil (2023: nil). MCF II is represented by employees from the Fund Manager.

Remuneration Management Board, Director and Supervisory Board

The remuneration of the Management Board during the financial year 2024 is nil (2023: nil). MCF II is represented by the Management Board of the Fund Manager. Stichting Medical Credit Fund receives a fund management fee as remuneration for its services as director and fund manager (refer Note 16). There is no remuneration for the supervisory board, PharmAccess Group Foundation. The Management Board Stichting Medical Credit Fund, the Director and Supervisory Board are considered to be key management personnel.

Subsequent events

There are no events that have occurred after the balance sheet date and that have significant financial consequences on the amounts presented and disclosed in the financial statements and accompanying notes.

Result appropriation for the year

The result for the year is a profit of one million, two hundred and ninety-six, six hundred and ninety-nine Euros (EUR 1,296,699), which has been allocated to retained earnings.

Signing of the Financial Statements

By signature below the financial statements are authorized for issue.

By: management board members

Signed on the original: A.W. Poels, Managing Director

Signed on the original: F.Y. van Adjaku, Finance Director

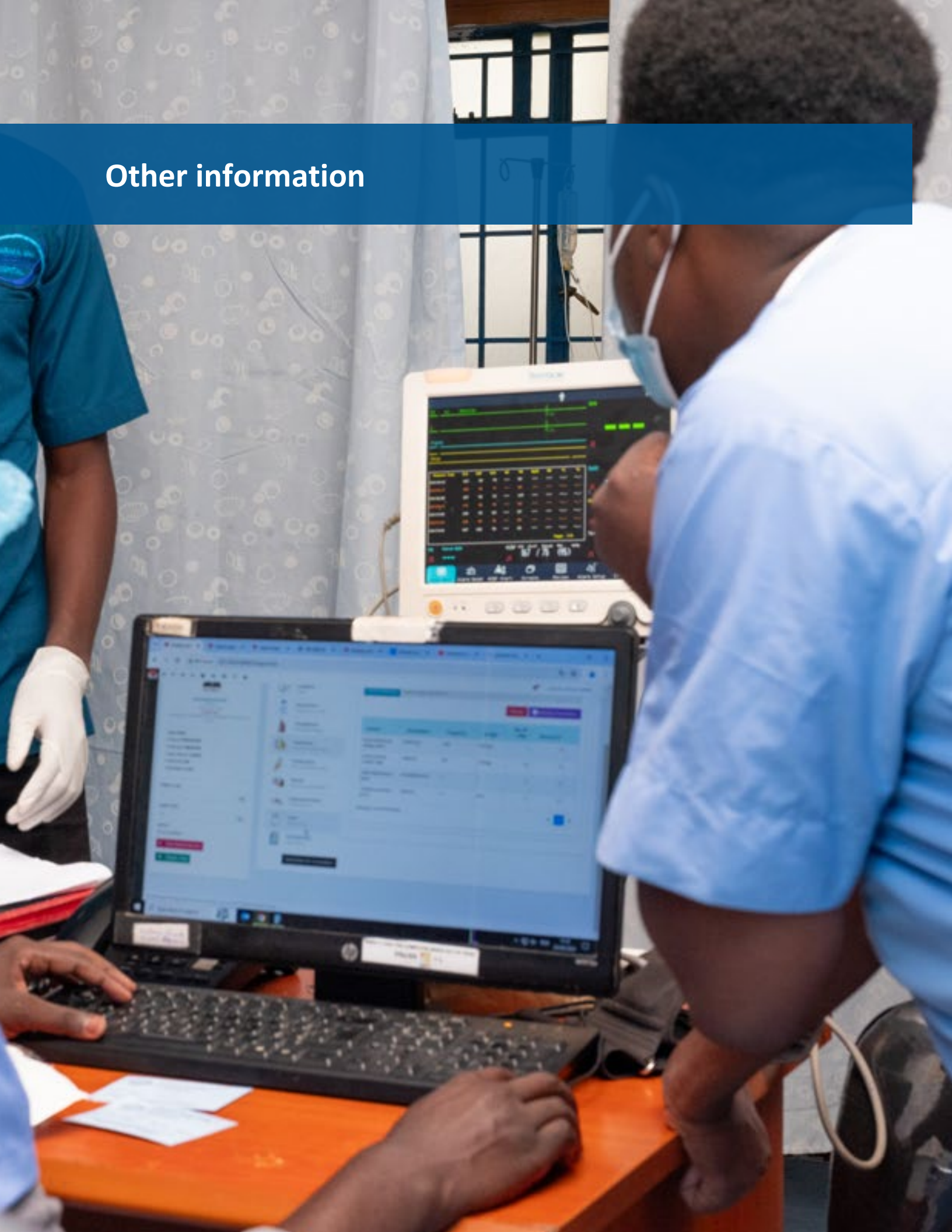
Signed on the original: D. Mulder, Investment Director

By: statutory board of Medical Credit Fund II Coöperatief U.A., duly represented by:

Signed on the original: A.W. Poels

Amsterdam, The Netherlands, October 30, 2025

Other information



Independent auditor's report

Reference is made to the independent auditor's report as included hereinafter.



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