Medical Credit Fund

Medical Credit Fund II Coöperatief U.A.

Annual Report 2025

12 August 2026 | Amsterdam

AI-generated image (ChatGPT, 2026)

Medical Credit Fund II Coöperatief U.A. Annual Report 2025

Amsterdam, 12 August 2026

Managing Director Update

I am proud to present to you the Medical Credit Fund II and the Group annual report and financial statements for 2025. 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 2025, we saw growth in Ghana and Uganda and challenges in Kenya and Tanzania. In Kenya the health sector is suffering from the recent changes in the public health insurance that came with severely delayed insurance claim payments. In Tanzania, MCF clients also suffered because of late insurance payments and the elections. Under these challenging conditions, we tried to find the right balance between risk management and growing the MCF II portfolio. In Tanzania we launched a digital loan product in partnership with Vodacom with the product name 'Afya Mkopo'. This uncollateralised working capital product meets the needs of many health SMEs, especially when insurance payments are late.

MCF II started lending in July 2021 and continued in 2025 with lending in Kenya, Tanzania, Uganda and Ghana. We combine loans with Technical Assistance since we aim for improved quality care. In 2025, due to the high demand for especially working capital, the Group disbursed 1,762 loans, a new record and 6% more than the previous record of 2024. The total loan amount disbursed was EUR 18 million (+2% compared to 2024), mostly in local currency loans. This brought the outstanding gross loan portfolio to over EUR 18 million, a growth of 33% in 2025.

The future is bright with a strong pipeline of loans and products to be launched in 2026. 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

Content

MANAGEMENT BOARD REPORT 5

1. INTRODUCTION 6
2. LOAN PORTFOLIO 13
3. TECHNICAL ASSISTANCE PROGRAM 20
4. FINANCIAL OVERVIEW 22
5. GOVERNANCE, FUND & RISK MANAGEMENT 24
6. OUTLOOK 2026 29
ANNEX 1: SAFECARE 31
SIGNING OF THE MANAGEMENT BOARD REPORT 34
Financial Statements 35
Signing of the Financial Statements 90
Other information 91

AI-generated image (ChatGPT, 2026)

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 MCF. 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 centres, mother and child clinics or maternity homes, and pharmacies. These are often the first point of contact for patients.

- *Diagnostic centres and specialized clinics*. In (peri)urban settings, diagnostic centres 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 analyse and help develop PPP structures. Target companies can be supporting companies or healthcare providers.

Many of MCF's clients approach the organization after being unable to secure financing from traditional banks, who often perceive their profiles or investment plans as too high-risk. In response, MCF steps in to provide the necessary funding, enabling critical projects – such as construction projects – in the healthcare sector to move forward.

Once these projects are completed and the associated risks have been substantially reduced, commercial banks frequently reassess their position. A now-established client, supported by a facility that serves as strong collateral, becomes significantly more attractive. Moreover, MCF's initial approval is widely regarded as a mark of quality, further strengthening the client's credibility. This often leads banks to offer refinancing at more competitive interest rates, resulting in the transfer of the loan and a corresponding reduction in MCF's outstanding portfolio.

In such cases, MCF's impact lies in its willingness to assume early-stage risk and unlock opportunities that would otherwise not materialize. While this means that MCF does not benefit from interest income over the full duration of the loan, its role in enabling vital healthcare infrastructure represents a significant, though often less visible, contribution to the development of the health sector in Africa.

1.3 LOAN PROGRAM

MCF II and the Group 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 II and the Group enters a loan contract with the SME directly.

- *Term Loans*. 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, Group entities 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. The Group entities 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 MCF'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 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 MCF Digital Loans are currently the main driver of the MCF portfolio. MCF Digital Loans were designed to reach smaller and more remote healthcare facilities that serve low-income communities. The product offers quick, collateral-free financing with minimal administrative requirements, making it far more accessible than conventional bank loans.
Although we had launched a similar product in Ghana in 2024, unfortunately there was limited uptake. While the mobile money usage has been on the rise in the past years, transaction charges from our fintech partner were less attractive for our clients than the mobile money solutions they were already using. This led us to pause the digital loan project and reassess our approach.
However, we successfully piloted the Digital Loan product in Tanzania in partnership with Vodacom. We launched the product 'Afya Mkopo' in 2025, thanks to a dedicated initiative funded by the Gates Foundation (*Empowering Women in the Health Sector through Digital Loans* – see next page).

MCF offers three types of digital loans:

- *MCF Working Capital Loan* – This is a short-term working capital product based on the mobile revenue of the SME. Based on mobile money 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.

Empowering Women in the Health Sector through Digital Loans

In partnership with Vodacom and with support from the Gates Foundation, we launched *Afya Mkopo*, our digital loan product designed to support health SMEs in Tanzania. These businesses, such as pharmacies and small clinics, often face significant barriers when trying to access traditional bank financing. The initiative places particular emphasis on reaching women entrepreneurs, who are typically underserved by financial institutions.

Afya Mkopo combines access to digital loans with financial management training. This integrated approach helps health business owners not only secure funding, but also strengthen their financial skills, improve day-to-day operations, and build more resilient businesses.

Over the past year, the program has made strong progress. A total of 107 loans were disbursed to more than 75 customers. One-third of these customers returned for a second loan, demonstrating continued demand and satisfaction with the product. To hear directly from participating entrepreneurs, watch this short video here.

Key Insights
Several important lessons have emerged from the rollout of Afya Mkopo:

- *Addressing the Gender Gap*: While more than one-third of loans were issued to women, the average loan size for women remains significantly smaller than for men. Women entrepreneurs are also less likely to use digital payments, tend to have fewer digital transactions, and often operate smaller businesses. In addition, they may be more cautious about borrowing. These findings highlight the importance of supporting the formalization of women-owned businesses and encouraging the use of mobile money to improve their access to finance.

- *Customer Profile and Product Fit*: Most borrowers were pharmacies and Accredited Drug Dispensing Outlets (ADDOs), reflecting the strong alignment between the product and their business needs. However, the product has been less attractive to larger healthcare facilities. To address this, we plan to diversify the offering (drawing on our experience in Kenya) by introducing longer-term loans and financing options for equipment and other assets.

- *Business Formalization as a Barrier*: A number of potential clients, particularly ADDO operators, are not formally registered with the Business Registrations and Licensing Agency (BRELA), which is a requirement for loan eligibility. To address this, we have organized regional outreach events to raise awareness about Afya Mkopo, promote the benefits of mobile money, and support entrepreneurs in formalizing their businesses.

Looking Ahead
In the coming year, we aim to scale Afya Mkopo to reach a larger number of health SMEs across Tanzania. We will also broaden our client base by diversifying loan offerings, including the introduction of new products such as MAF loans, to better meet the varying needs of healthcare providers.

NICOSAM Healthcare Limited, Kampala, Uganda

In Uganda, the burden of sickle cell disease remains high. 13.3% of children carry the trait, and an estimated 5,000 – 20,000 babies are born with the disease each year, many facing life-threatening outcomes before the age of five. For NICOSAM Healthcare Limited (NHL), this reality became a call to action.

Guided by a mission to improve awareness, screening, and treatment, NHL has been working to bring life-saving diagnostics closer to communities. The company is deploying Gazelle Hb Electrophoresis devices, a vital tool that enables early and accurate diagnosis of sickle cell disease, across health facilities.

Founded in 2014 as a family-owned business, NHL has grown into a trusted distributor of medical equipment and pharmaceutical products across East Africa. As the exclusive distributor of the Hemex Gazelle device, the company is playing a critical role in strengthening early detection and disease management, particularly in Uganda.

With support from MCF, NHL scaled this impact even further. The company procured and distributed 100 Gazelle devices, alongside other essential medical equipment, to both public and private health facilities. This expansion is not just about growth: it's about ensuring more children are diagnosed early and have a better chance at life.

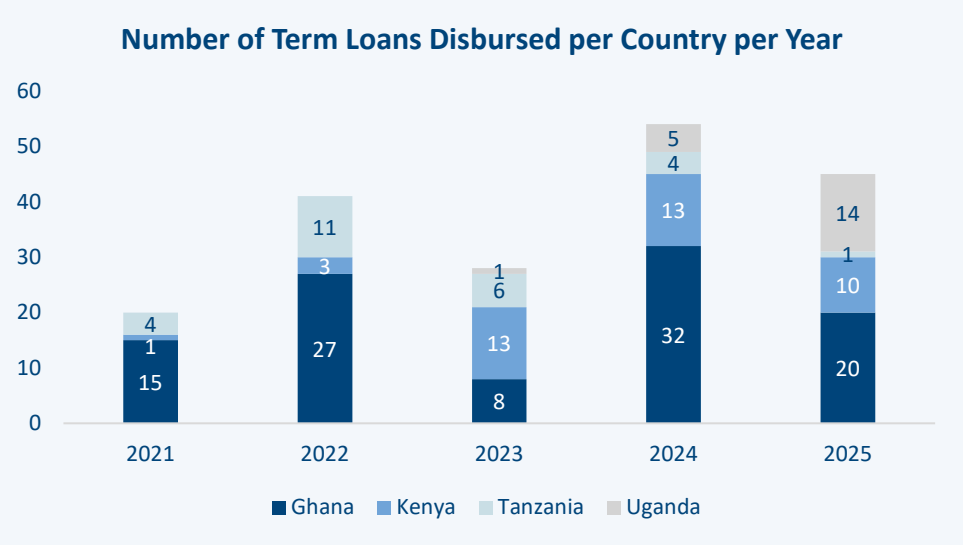
Evas Turigye, NHL Director, said: "*MCF support was timely when we needed to scale our operations and were looking for a partner who understood our business model. MCF supported us in acquiring our own business premises and this has changed everything for us*".

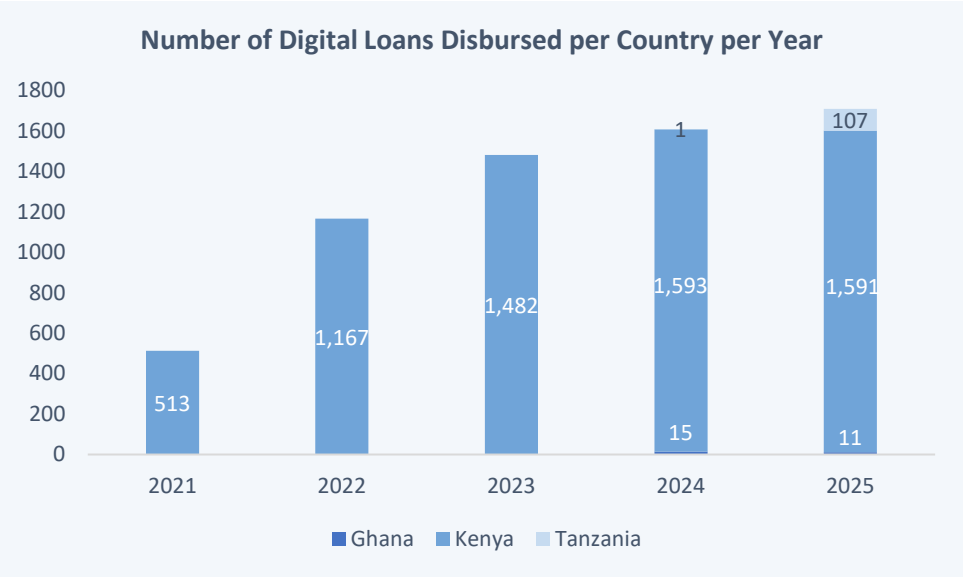
2. LOAN PORTFOLIO

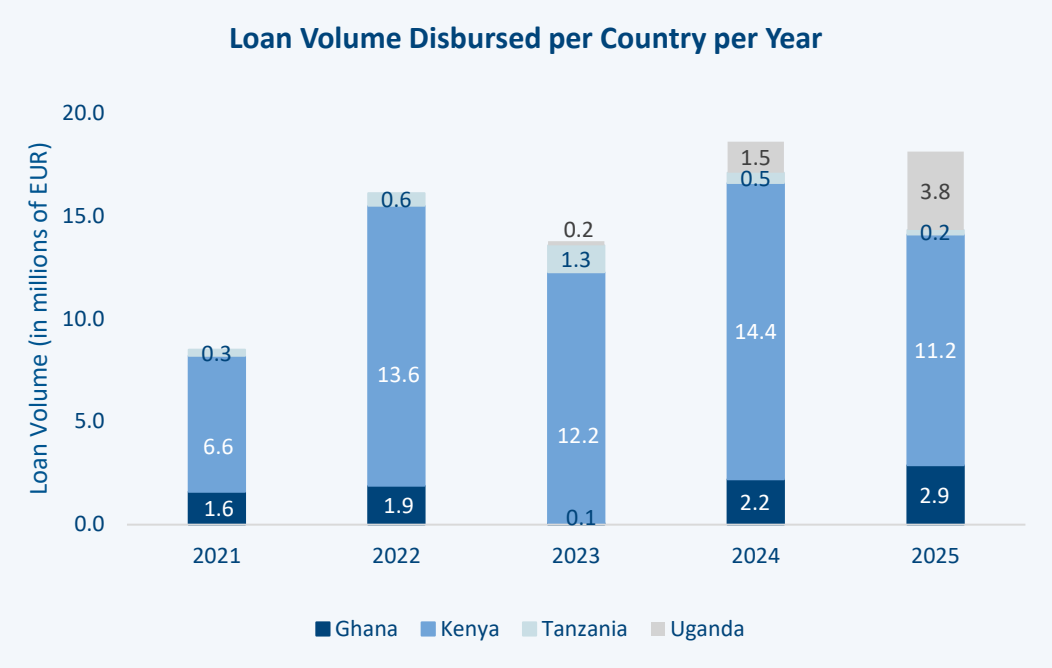
2.1 PORTFOLIO PERFORMANCE

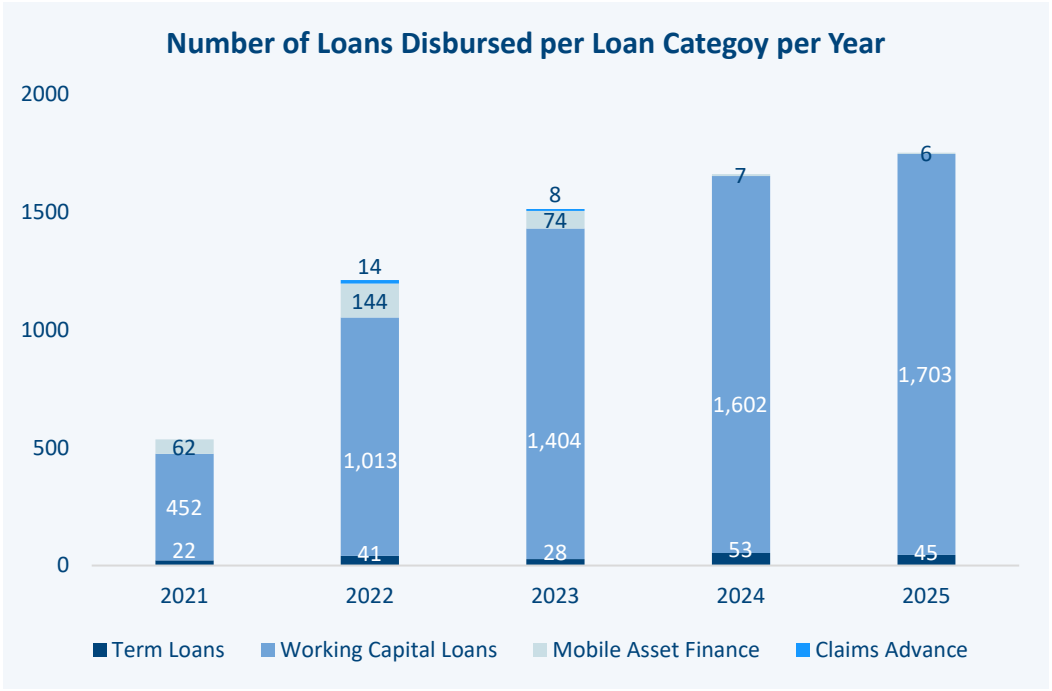
In 2025, a more stable macro environment led to some stability in the MCF II and the Group portfolio. In Uganda, strong economic growth enabled further portfolio expansion for term loans while in Tanzania, increased adoption of mobile money facilitated the successful launch of MCF's digital loan product. And although Kenya faced challenges in the health sector due to reforms in public health insurance, it remained the primary driver of the Group's portfolio, supported by strong client demand for working capital digital loans.

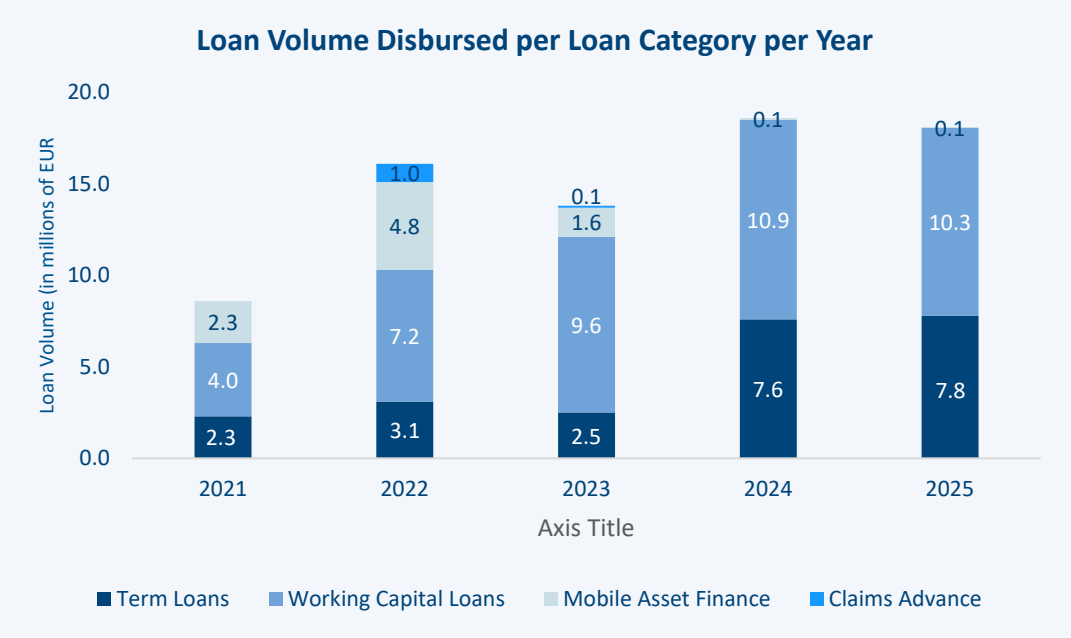
In total, we disbursed over 1,762 loans – the highest annual number since our inception – amounting to EUR 18.1 million. 1,709 of these loans were digital loans, totalling more than EUR 10 million of the total disbursed amount.



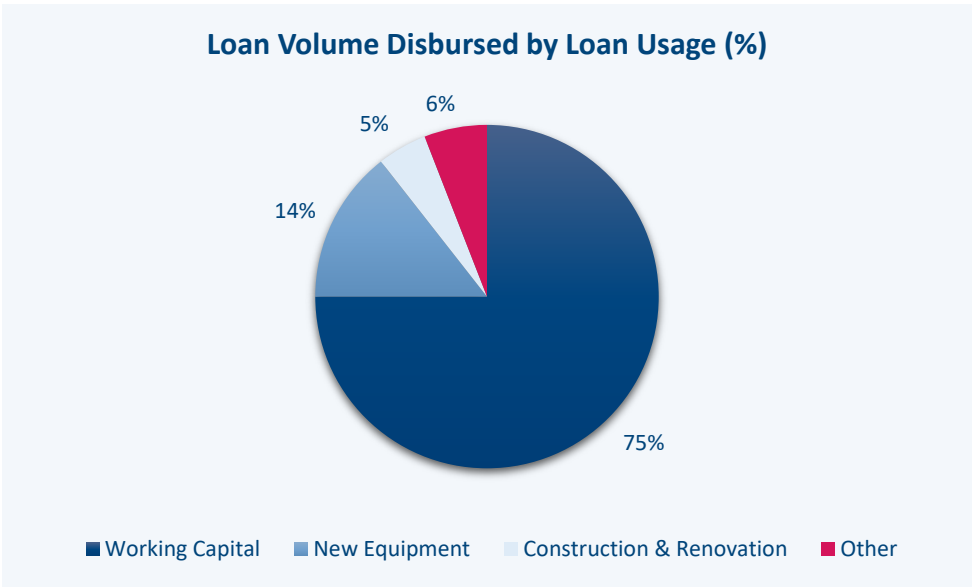



Loan Volume Disbursed per Country per Year
Loan Volume (in millions of EUR)
20.0
15.0
10.0
5.0
0.0
0.3
6.6
1.6
0.6
13.6
1.9
0.2
1.3
12.2
0.1
1.5
0.5
14.4
2.2
3.8
0.2
11.2
2.9
2021
2022
2023
2024
2025
Ghana
Kenya
Tanzania
Uganda


Number of Loans Disbursed per Loan Categoy per Year
2000
1500
1000
500
0
62
452
22
14
144
1,013
41
8
74
1,404
28
7
1,602
53
6
1,703
45
2021
2022
2023
2024
2025
Term Loans
Working Capital Loans
Mobile Asset Finance
Claims Advance

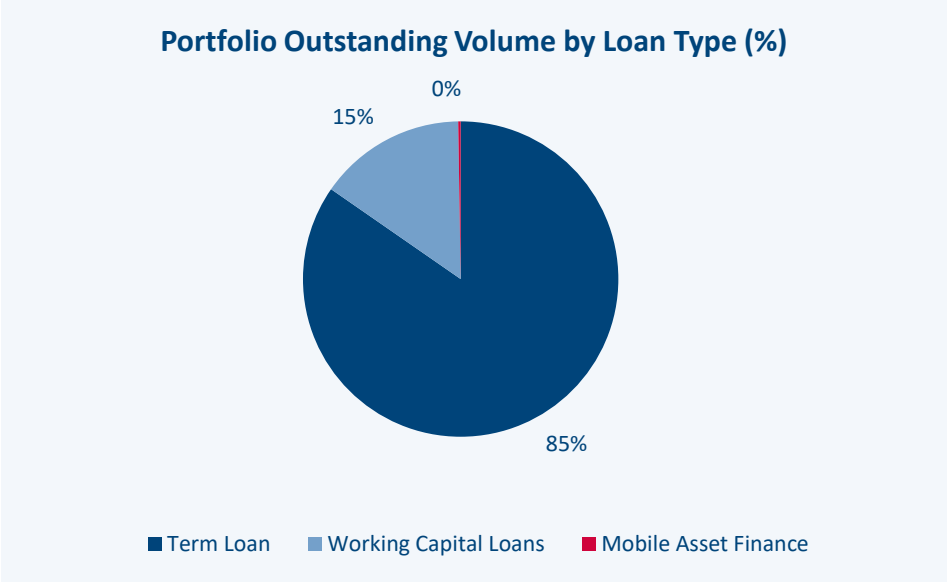


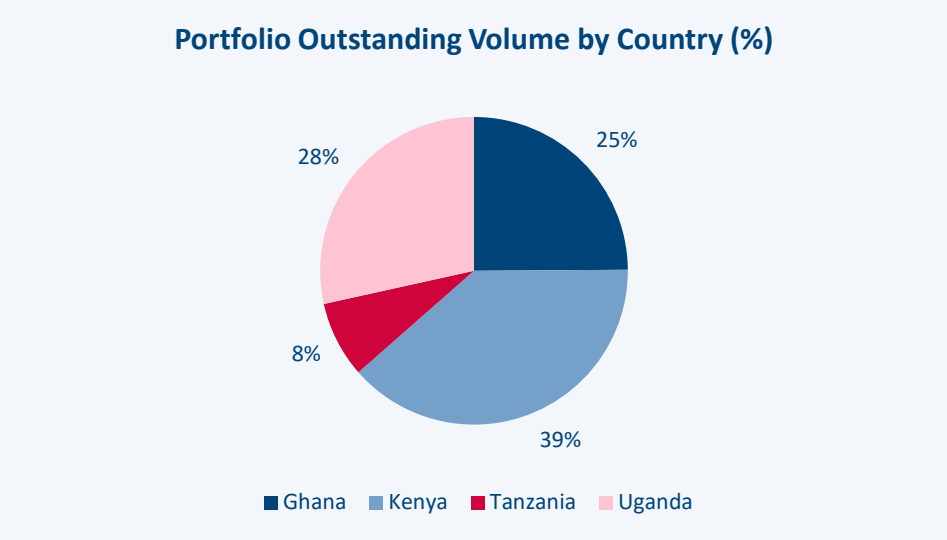
Working capital needs accounted for 75% of the total disbursed volume. Investments in new equipment followed at 14%, while 5% was directed toward construction and renovation projects. The remaining 6% was allocated to other purposes, such as land acquisition.



2.2 PORTFOLIO OUTSTANDING

The gross outstanding loan portfolio at the end of 2025 was over EUR 18 million, a growth of 33% compared to 2024. 467 loans were outstanding, with term loans accounting for EUR 15.7M to this amount, representing 85% of the total outstanding portfolio.





2.3 PORTFOLIO QUALITY

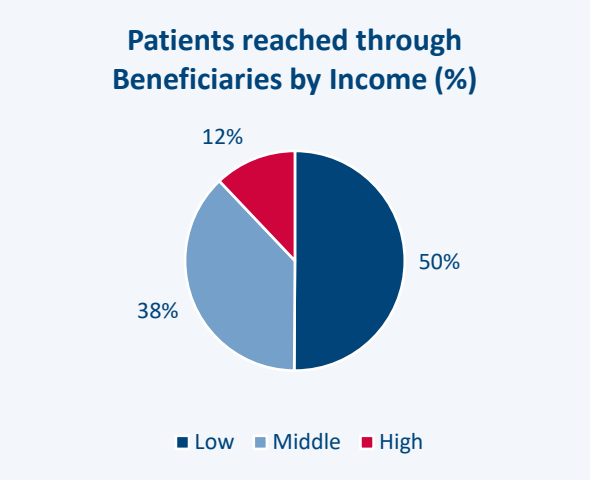
MCF II and the Group measures the quality of the loan portfolio in terms of the Portfolio at Risk (PAR). PAR is a standard international metric of portfolio quality and reflects the portion of a portfolio that is deemed at risk because instalments are overdue by a number of days. The economic conditions caused deterioration of the loan portfolio quality, with non-performing loans (PAR90 – more than 90 days overdue) reaching 15.5% as of December 2025.

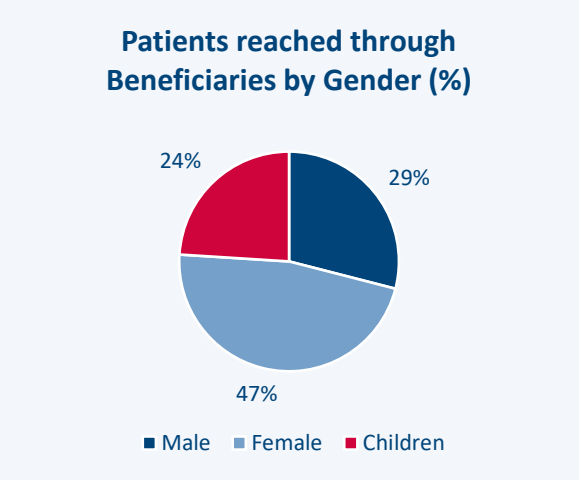
2.4 SOCIAL IMPACT

Patient Reach

On a monthly basis, healthcare facilities with loans from the Group entities have on average more than 580,000 patient visits. Half of the patients visiting the healthcare facilities and pharmacies come from 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%, most of the patients reached through MCF clients are women and children.





Female Health Entrepreneurs

In 2025, 570 loans have been disbursed to female entrepreneurs, the equivalent of 32.5% of the total number of loans disbursed. Since 2021, the percentage of loans to female entrepreneurs has grown from 20% to now more than 32%.

Reducing the Gender Gap through Digital Loans

"The potential of digital loans to reduce gender disparities in financial inclusion among female health entrepreneurs in Kenya," an MCF research paper, was published last year in Scientific Reports, an open access, peer-reviewed journal from the Nature Portfolio. Conducted by Medwise Solutions, PharmAccess, and MCF, with funding from Swedfund, the study examines how digital lending can help close persistent gender gaps in access to finance for female health entrepreneurs.

Across Sub-Saharan Africa, women play a central role in healthcare entrepreneurship, yet limited access to capital continues to constrain growth. Drawing on data from both MCF clients and non-clients, the research revealed several important findings:

- Women-owned health businesses receive significantly smaller traditional loans, but this disparity does not exist for digital financing.
- More than half of women-led facilities using digital loans reported substantial business growth.
- Persistently low trust in digital lenders highlights the need for greater transparency and targeted financial literacy initiatives.

These insights reinforce MCF's commitment to expanding our digital loan offering and strengthening financial literacy efforts to advance financial inclusion for women in the health sector. The full publication is available here.

Skyview Specialist Hospital, Ghana

Established in 2015, Skyview Specialist Hospital in Pokuase, Ghana, has grown into a vital provider of 24/7 emergency and primary healthcare services for a community of over 300,000 people. With a 30-bed capacity and a wide range of services, from maternity and pediatric care to specialized eye treatment and advances surgical treatments, the hospital serves approximately 14,400 patients annually.

With support from MCF, Skyview Specialist Hospital invested in modernizing and upgrading its medical equipment, including advanced imaging systems, diagnostic analyzers, patient monitoring technology, and new hospital furniture. This upgrade enabled the hospital to expand in-house services, reduce referrals, and significantly improve the quality and efficiency of care.

The impact has been immediate and substantial: within eight months, daily patient attendance more than doubled from 40 to 85, resulting in a huge revenue increase. This growth underscores how strategic investment in healthcare infrastructure can directly enhance patient outcomes, quality of care and financial growth.

"I would like to sincerely thank MCF for their support. The loan has enabled us to invest in modern, reliable equipment, allowing us to serve more patients while improving the quality of care and strengthening our business", said Dr. Adams Mahani, owner of the hospital.

3. TECHNICAL ASSISTANCE PROGRAM

In partnership with PharmAccess, MCF provides TA support services, and trainings to current and prospective borrowers. Before a loan is approved, this support focuses on assessing both clinical and business risks within the health SMEs. After loan approval, the support shifts toward helping these businesses grow and improve the quality of care they deliver.

Under MCF II, MCF aims to ensure that at least 80% of the clients participate in a TA or training program. In collaboration with SafeCare, MCF has developed tailored support packages based on loan size. All clients follow a structured process; it begins with a mandatory SafeCare baseline assessment, followed by an optional business and quality improvement program guided by a Quality Improvement Plan, and concluded with a follow-up assessment. These improvement activities include trainings, webinars, and ongoing support through calls and site visits. Increasingly, digital solutions are being integrated into service delivery.

The cost of SafeCare TA activities, and training can either be included in the loan or covered through donor funding, which has historically been the primary source. The year 2025 marked a transition period for MCF's Technical Assistance program. Due to reduced donor funding, MCF began shifting toward a more sustainable model in which clients contribute financially to the cost of TA services, rather than relying on subsidies through the loan program. At the same time, SafeCare transitioned to a decentralized delivery model. Under this approach, licensed partners and external assessors are responsible for delivering services. This change is expected to increase implementation capacity while reducing operational costs. For MCF clients, baseline assessments will remain a mandatory requirement for accessing term loans. Clients can choose to finance these assessments as part of their loan. However, participation in follow-up TA activities will no longer be centrally managed by MCF. Instead, SafeCare licensed partners and assessors, working through SafeCare, will take responsibility for encouraging and delivering these services.

FMO and Swedfund have committed funding to support this transition in 2026. This funding will enable MCF to complete the shift to the new TA model for term loan clients and begin transitioning digital loan clients as well. For digital loan clients, who typically receive smaller, shorter-term loans and interact primarily through digital channels, MCF plans to pilot a tailored, co-funded TA approach. This pilot will assess whether these clients are willing and able to contribute financially to TA services. It will specifically test whether clients will pay for follow-up support after receiving an initial on-site quality assessment.

In addition to SafeCare-related activities, MCF also delivered Business Management trainings to newly onboarded digital loan clients in Tanzania as part of a project funded by the Gates Foundation in 2025. In the coming year, MCF aims to further integrate business management TA into its core processes so that a larger share of clients can benefit from these services.

Pro-Act Hospital, Nairobi, Kenya

Pro-Act Hospital has been a valued MCF client for over nine years and is now benefiting from its tenth digital loan. The hospital provides a broad range of essential services, including maternity care, family planning, laboratory diagnostics, and counseling, serving its community with dedication and care.

MCF's financing has played a critical role in sustaining the hospital's daily operations. The loans are primarily used to ensure staff salaries are paid on time and to keep the pharmacy well stocked. Without this support, the hospital would often face the difficult challenge of bridging the gap between service delivery and delayed incoming payments.

Beyond day-to-day operations, MCF has proven to be a reliable partner during times of crisis. During the COVID-19 pandemic, financing enabled the hospital to set up temporary structures, expanding quarantine capacity and improving safety for mothers and children. In periods of economic strain, such as the current delays in public health insurance reimbursements, MCF's flexibility ensured that Pro-Act Hospital could continue to meet payroll and maintain consistent service delivery.

Phillys Ndeu, the hospital's owner, reflects on this partnership: *"With MCF, I found a partner. For nine years, we have walked this journey together, as partners and as friends. They've supported me without judgment, without unnecessary questions, and without complicated paperwork. Whenever I need funds, whether for salaries or the pharmacy, I can access a loan in less than 24 hours, without disrupting my daily work. I am grateful; MCF is a partner I can truly depend on."*

4. FINANCIAL OVERVIEW

Strong Portfolio Growth Amid Volatile Markets

The Group delivered continued portfolio expansion in the year ended 31 December 2025, building on the strong momentum established in 2024. The consolidated net loan portfolio grew to €16.7 million (2024: €12.9 million), after accumulated provisions. Total consolidated assets reached €21.8 million, broadly stable against €21.4 million at year-end 2024. Cash and cash equivalents stood at €3.4 million (2024: €7.8 million), reflecting active deployment of capital into the loan portfolio. Total equity remained stable at €10.2 million (2024: €10.2 million), maintaining a balanced and disciplined capital structure with debt unchanged at €10.0 million.

At MCF II level, total assets were €21.5 million (2024: €21.4 million), including an intercompany loan of €605k (net of a €217k loss allowance, carried at €388k) and an equity investment of €72k, fully impaired to nil during the year, in MCF II Tanzania Limited, both of which are eliminated on consolidation.

Earnings Performance

Consolidated interest income reached €4.15 million in 2025 (2024: €2.78 million), reflecting the significantly growing earning asset base across the Group. Interest expenses increased to €616k (2024: €409k), consistent with the sustained level of debt. The consolidated net interest margin strengthened to €3.53 million in 2025 compared to €2.37 million in 2024, demonstrating consistent and strengthening underlying earnings power. MCF II standalone figures were broadly in line, with interest income of €4.15 million and a net interest margin of €3.53 million, reflecting that the Group's interest income is predominantly generated at MCF II level.

Non-Interest Contribution

Non-interest revenue was €144k in 2025 (2024: €241k), reflecting a reduction in fee-generating activity during the year. Total income reached €3.67 million in 2025, up from €2.61 million in 2024, driven primarily by the strong growth in net interest margin. This position is same for MCF II.

FX, Provisioning and Other Portfolio Impact

Total portfolio costs deteriorated significantly to negative €2.69 million at Group level in 2025 (2024: negative €134k), reflecting a challenging year for both credit quality and currency. At MCF II level, total portfolio costs were negative €2.87 million, with the €175k difference attributable to MCF II Tanzania Limited.

The FX result swung to negative €645k at Group level in 2025 (2024: positive €1.34 million), reflecting volatile currency conditions across the Group's operating markets. At MCF II level the FX loss was €673k, broadly consistent with the Group position.

Loan impairments increased to €1.992 million at Group level (2024: €916k), of which €1.850 million was recorded at MCF II level. The €142k incremental charge at Group level reflects provisioning on MCF II Tanzania Limited's loan portfolio, consistent with the credit environment deterioration observed in Tanzania during 2025. Other loan portfolio costs were €164k at both levels (2024: €31k), and the valuation result contributed a positive €107k at both levels (2024: negative €526k). Total results on the loan portfolio reduced to €980k at Group level (2024: €2.48 million) and €804k million at MCF II level.

Operating Expenses

Total operating expenses increased to €325k at Group level in 2025 (2024: €214k), with MCF II standalone at €324k (2024: €210k. Fund management fees were €618k at both levels (2024: €510k), charged solely at MCF II level. This represents a controlled and proportionate cost base relative to the growth in total assets and portfolio size.

Balance Sheet Strength

Consolidated total equity stood at €10.2 million at 31 December 2025 (2024: €10.2 million). MCF II standalone equity was lower at €10.1 million, with retained earnings €175k higher at Group level than at MCF II standalone level — reflecting the reversal, on consolidation, of the impairments MCF II booked against its Tanzania loan and equity investment — partly offset by a €17k foreign currency translation reserve that arises only at Group level, leaving Group equity €157k above the MCF II standalone position.

Bottom Line

The consolidated net result after taxation was a profit of €104k in 2025 (2024: profit of €1.30 million). At MCF II standalone level, a net loss of €64k was recorded, with the difference of approximately €167k representing MCF II Tanzania Limited's net contribution to the Group result, reflecting the reversal on consolidation of the impairments MCF II had recognised at standalone level against the Tanzania entity's loan and equity investment. The total comprehensive profit at Group level was €66k, reflecting the additional €37k negative movement in the foreign currency translation reserve on Tanzania's net assets.

The 2024 result benefited materially from a positive FX result of €1.34 million and lower impairment charges, making the year-on-year comparison particularly challenging. That the Group returned to a modest profit, even as MCF II's standalone result swung to a net loss, despite elevated provisioning and adverse FX movements, reflects the underlying strength of the net interest margin and the resilience of the core lending business.

Positioning for 2026

The Group enters 2026 from a stable foundation. Consolidated total assets stand at €21.8 million, equity at €10.2 million, while MCF II's standalone result was a net loss for the year, reflecting a difficult operating environment at company level. The consolidated net loan portfolio has grown strongly to €16.7 million, providing a solid base for interest income generation in the year ahead. With the loan portfolio continuing to grow, management focused on credit quality and stabilizing FX conditions, the Group is well positioned for improved and sustained profitability throughout 2026.

5. GOVERNANCE, FUND & RISK MANAGEMENT

5.1 GOVERNANCE

MCF II falls under the wider governance structure of the PharmAccess Consolidated 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 within the PGF Consolidated 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 2025, two Supervisory Board meetings and two Audit Committee meetings were held. PharmAccess Group reappointed Forvis Mazars as its auditor. As MCF II forms part of the PharmAccess Group, MCF II has also appointed Forvis 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 MCF. 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 2025.

5.2 FUND MANAGEMENT

MCF II and the Group are 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 MCF 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 and the Group. MCF II and the Group 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.

The Group as a whole 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.

5.3 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 compliance with laws and regulations. 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.

5.4 CREDIT RISK MANAGEMENT

MCF II and the Group 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 analyse 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 and the Group 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 at Group level
- Exposure to all unsecured investments to a maximum of twenty percent of total Group 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.

The fund manager and its technical partners perform periodic monitoring visits of the health SMEs. When a client falls into arrears, there is a follow-up by 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.

5.5 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). Group entities also exposed to currency risk related to repatriating local currency funds to service its Euro denominated debt.

MCF II and the Group 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 Group entities' loans. 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 and Group 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 and the Group 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.

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 II and the Group 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%.

5.6 COMPLIANCE WITH LAWS AND REGULATIONS & FRAUD RISK

Compliance with laws and regulations

The Group 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 II, 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 II and the Group.

Fraud risk

There is an inherent risk of fraud in the business in which Group entities 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 behaviour are outlined in the PharmAccess Code of Conduct (CoC) and Anticorruption policy which apply to all Fund manager 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.

5.7 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 onwards.

As of 31 December 2025, 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.

The situation will be reassessed in subsequent reporting periods when Medical Credit Fund II Kenya Limited become operational.

6. OUTLOOK 2026

Looking ahead to 2026, MCF expects the operating environment in several of its markets to become more supportive than in the previous year. Across the portfolio, MCF will remain focused on balancing growth with prudent risk management, while continuing to provide tailored financing solutions to health SMEs that face limited access to appropriate capital. This direction is consistent with MCF's existing activities, while country dynamics and MCF's approach differ between markets. In general, as already highlighted we see continued demand for working capital, increasing use of digital loans, growth ambitions in Uganda, and ongoing expansion across Ghana and Tanzania, as well as, cautiously, in Kenya and Nigeria.

In Ghana, conditions appear to have become more stable reflected in the appreciation of the currency in 2025. This is helping to restore confidence in the market after a prolonged period of inflation, high interest rates and liquidity stress among healthcare providers. At the same time, banks have started to become more active in lending to SMEs. MCF sees this as a positive development for the market as a whole and expects that a number of its more mature customers may become ready to transition to bank financing. MCF will continue to support clients who are not yet bankable, while also playing a catalytic role in helping stronger businesses move to commercial bank loans where appropriate.

In Tanzania, the investment climate has improved following the 2025 elections, and appetite for investment has started to return. This creates room for MCF to grow both its term loan and digital lending activities. MCF will continue to expand its digital loan product, Afya Mkopo, with the support of the Gates Foundation and in partnership with Vodacom. Building on the successful launch in 2025, MCF aims to scale this product further in 2026, broaden its reach among health SMEs and gradually diversify the offering to respond to different financing needs in the sector. Tanzania therefore remains an important market for both innovation and portfolio growth, with digital loans as an important delivery channel.

In Kenya, the transition to the new Social Health Authority continues to affect the health sector. Delays in claims payments and uncertainty around the new system have placed significant pressure on healthcare providers, especially those serving lower income groups that are dependent on public insurance. MCF expects that the transition will continue during 2026 and hopes that the situation will gradually stabilise as the year progresses. Until then, demand for short-term liquidity remains high. Working capital provided through digital loans therefore continues to be highly relevant in Kenya, where these products allow providers to bridge payment delays, pay staff and maintain medicine stocks without requiring traditional collateral. MCF expects a continued strong demand for working-capital support through digital loans, but also expects to grow its term loan portfolio for investments where risks are manageable.

Uganda remains an important focus market for MCF. The pipeline continues to show good opportunities for further investment, and MCF expects to deploy more capital there in 2026. In particular, there is a need for larger loans to support healthcare businesses that are ready to expand, invest in infrastructure and strengthen service delivery. Uganda is therefore expected to remain one of the main growth markets for MCF's term lending activities, consistent with the strong pipeline.

In Nigeria, the economic situation appears more stable following measures taken by the government. Even so, MCF remains cautious in its approach to this market. For the time being, the focus will remain on carefully selected term loans denominated in USD, allowing MCF to participate selectively while managing currency and credit risks conservatively. MCF also expects to conclude a pilot for digital loans with fintech partner Paga over the course of the year, which hopefully paves the way for an introduction of a digital loan program in Nigeria.

Across all markets, MCF will continue to support healthcare providers with financing solutions that match their business realities, whether through larger secured term loans or small, fast and flexible digital working-capital loans. At the same time, MCF will remain committed to technical assistance and to strengthening the resilience and quality of care of its clients. In 2026, MCF's ambition is not only to grow the portfolio, but to do so in a way that supports stronger health SMEs, improves access to finance in the sector and helps position private healthcare providers for long-term sustainability. For MCF this entails continued market penetration, digital growth, support to borrowers in difficult circumstances and disciplined portfolio management.

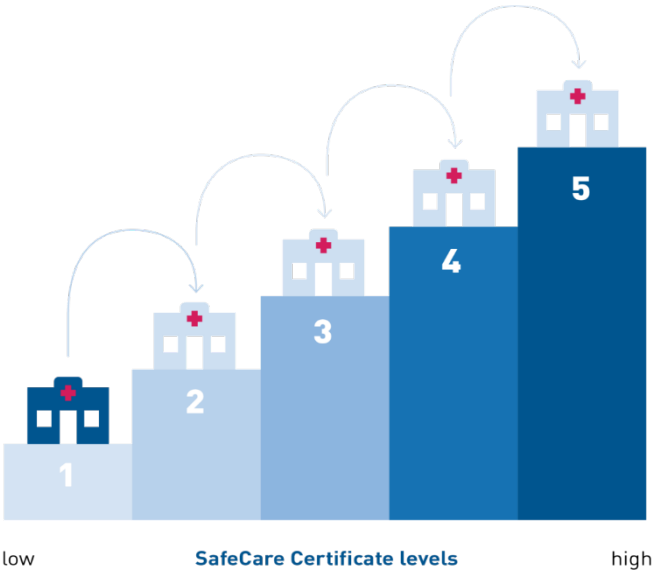
ANNEX 1: SAFECARE

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 andchallenges and take a stepwise approach towards higher quality. Through tailor-made quality improvement plans, technical support, consulting visits and innovative quality improvement platforms, facilities progressalong 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 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 dividedinto 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 stepforward in quality improvement.

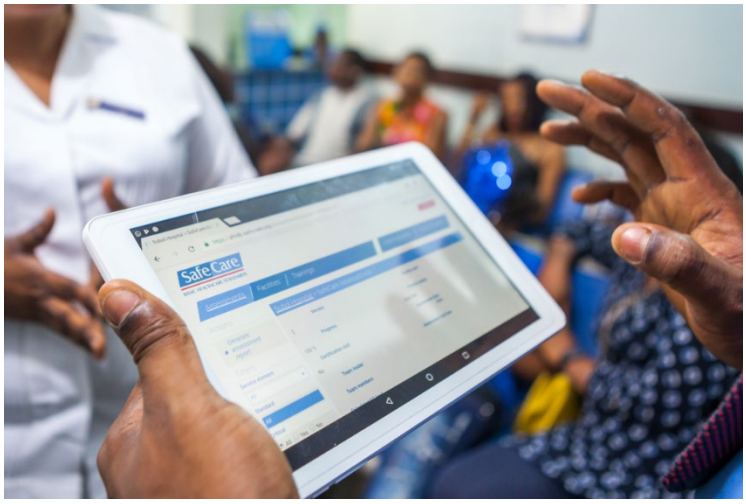
SafeCare Service Elements

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 forquality investments and contracting.

Digital Technologies

Acting on digital technologies, SafeCare has streamlined the assessment process by developingan 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-managementplatform, complements technical assistance and helps to motivate and incentivize healthcare facilities to improve.



AI-generated image (ChatGPT, 2026)