ANNUAL FINANCIAL REPORT

Stichting andgreen.fund
Annual report for the year 2023
Amsterdam, the Netherlands

Stichting andgreen.fund
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1043 AP Amsterdam
The Netherlands
Chamber of Commerce: 69175357

TABLE OF CONTENTS

BOARD'S REPORT

GENERAL

The board of the foundation (the "Board") hereby presents the annual report of Stichting andgreen.fund (the "Fund") for the year 1 January 2023 to 31 December 2023.

ACTIVITIES AND RESULTS

The Fund was incorporated on 11 July 2017 as an impact development fund. Its objective is to prove that financing inclusive, sustainable and deforestation-free commodity production can be commercially viable and replicable, thus strengthening the case for a new rural development paradigm that protects valuable forests and peat lands and promotes high-productivity agriculture. As at 31 December 2023, the portfolio comprised investments valued at USD 128,835,719 net of the provisions for impairment in accordance with Expected Credit Loss (ECL) method adopted by the Board. The provision for impairment on the financial assets amounts to USD 27,169,960 as at 31 December 2023 (31 December 2022: USD 3,058,131).

During the year, activities and results of the Fund developed as follows:

- The Net Asset Value of the Fund as at 31 December 2023 amounts to a deficit of USD 5,404,205* (2022: positive NAV of USD 12,703,503).

*The negative Net Asset Value is the result of the negative net result of the period, which is predominantly due to the significant provisions for impairment on Mercon, FS and Marfrig as explained below.

- The result for the period 1 January 2023 to 31 December 2023 amounts to a loss of USD 18,107,708 (2022: Profit USD 11,867,249).

- On 27 February 2023, the Fund invested USD 2,300,000 in Agropecuaria Bambusa S.A.S.("HSJ - HACIENDA SAN JOSE") as per the Amended and Restated Loan Agreement dated 01 December 2022.

- On 29 March 2023, the Fund requested a further drawdown from Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO") of an amount of USD 14,000,000 in accordance with the Concessional Debt Facility Agreement dated 25 November 2021. The payment was received on 13 April 2023. The loan bears interest at a fixed rate of 1.5% per annum and is repayable in 2035.

- On 09 May 2023, the Fund concluded an addendum to the USD 12,000,000 8-year loan facility agreement with PT Hilton Duta Lestari ("HDL") to change the conditions precedent for the disbursements of the undrawn Facility B amounting to USD 6,000,000. HDL will use facility B loan towards payment of all fees, cost and expenses incurred by the company in connection with each Facility, for funding the Interest Reserve account and towards financing Invoiced Progress Payments with respect to the construction of the mill. A loan of USD 2,000,000 under the Facility B amounting to USD 2,000,000 was disbursed on 21 June 2023, followed by a second disbursement of USD 1,900,000 on 19 September 2023 and a third disbursement of USD 1,100,000 on 14 November 2023. The loan bears interest at a fixed rate of 7.75% per annum.

- On 2 December 2023, the Green Climate Fund (GCF) and FMO signed a Funded Activity Agreement ("FAA") in terms of which GCF agreed to provide FMO, as its accredited entity, with funding to finance a loan of USD 180,000,000 and a Technical Assistance grant of USD 9,350,000 to the Fund.

- On 22 December 2023, the Fund finalized a USD 30,000,000 8-year tenor loan facility with ETC Group. The first loan amount of USD 18,000,000 under the facility was disbursed on 28 December 2023. ETC Group is a company incorporated and validly existing under the laws of Mauritius. ETC Group will apply all amounts borrowed by it under the Facility for general corporate or working capital purposes to support its initiative to achieve a deforestation-free cocoa supply chain for its activities in Cote d'Ivoire by creating a high-impact cocoa sourcing blueprint which can be scaled across the ETC Group's entire supply chain, including through the implementation of its NDPE Policy and the ESAP.

- On 6 December 2023, the Mercon affiliated debtor group (including the fund's borrower, Mercon B.V.) filed for a reorganization bankruptcy under Chapter 11 of the United States Bankruptcy Code. As a result the Expected Credit Loss provision for impairment on the USD 20,000,000 loan to Mercon B.V. increased significantly to USD 14,546,360 as at 31 December 2023.

- In accordance with the ECL impairment policy, the financial statements of FS and Marfrig as at 31 December 2023 were used in the ECL assessment as at 31 December 2023. This resulted in the provisions on those investments being re-categorized from Stage 1 (12 month expected credit loss) to Stage 2 (lifetime expected credit loss). The provision for impairment of FS increased by USD 7,038,745 and for Marfrig USD 3,368,316.

- The Fund was exposed to currency risk during the year which resulted in a foreign currency gain of USD 2,544,534 (2022 gain of USD 9,569,998), mainly attributable to the NOK-denominated grant from the Norwegian Ministry of Climate and Environment ("KLD"). The Fund has exposure to interest rate risk for the Mercon investment which has variable interest rate from the year 2026. The Fund also has exposure to interest rate risk for the ETC Group investment which has variable interest rate from 29th December 2026 onwards. Credit risk exposure relating to the Fund's borrowers continues to be monitored. Please refer to the "Risk Management" section on Page 15 for further information.

- Although the Fund has not maintained its equity position, which is mainly due to prudent provisioning for impairments in accordance with the ECL method, the relevant provisions (other than Mercon) are expected to be sufficiently released, given the improved business performance of the relevant borrowers. Therefore, it is expected that the Fund's commitment to preserve contributor's grants will again be met.

FUNDING AND CONTRIBUTIONS

The Fund raises capital from contributors that provide grants, redeemable grants and concessional loans.
Norwegian Ministry of Climate and Environment ("KLD") committed NOK 800,000,000 (USD 100,635,462 calculated using the prevailing spot rate as at the commitment date) to the Fund as non-redeemable grant. The amount was made available for drawdowns of contributions over a period of 5 years. KLD contributed the first disbursement of NOK 250,000,000 on 5 December 2017, the second disbursement of NOK 250,000,000 on 29 October 2018 and the third disbursement of NOK 300,000,000 on 19 March 2021.

Unilever Europe B.V. ("Unilever") committed USD 25,000,000 to the Fund as a redeemable grant, which was available to be drawn down over a period of 5 years. During the year Unilever extended the period to 31 December 2023. The maximum annual funding amount as per the Contribution Agreement (the "Unilever Agreement") is USD 5,000,000. Unilever's obligation to pay amounts of the contribution will terminate at the end of the extended commitment period on 31 December 2023, unless terminated earlier pursuant to the Unilever Agreement. The first annual funding amount of USD 5,000,000 was disbursed on 21 October 2020, followed by a second disbursement on 16 February 2021 which were both used to partially finance the investment in Dharma Satya Nusantara TBK ("DSNG"). Each amount of USD 5,000,000 becomes due for repayment after 15 years from the date of the respective payment. During the year under review, USD 5,000,000 remained available for drawdown. Upon termination of the Contribution agreement, and any extension periods agreed upon, no further amounts can be withdrawn.

The UN Environment Programme ("UNEP") provided a redeemable grant of USD 1,925,000 to the Fund, in accordance with the Contribution Agreement (the "UNEP Agreement"). The UNEP Agreement shall remain in force until 31 December 2038 after the last obligation of the parties' lapse, unless terminated earlier pursuant to the UNEP Agreement. As a further contribution from UNEP, the Fund has received an amount of USD 25,000 on 1 January 2022. In accordance with the Grant Letter from the Ford Foundation (22 June 2021), the USD 130,000 grant from the Ford Foundation was paid up front on 6 July 2021 and available for a period, which was extended to 30 June 2024, and any grant funds not expended or committed for the purposes of the grant within that period will be returned to the Ford Foundation. As at 31 December 2022, the grant had not been expended or committed and the amount was therefore still considered to be redeemable. As at 31 December 2023, the full amount was either expended or committed and therefore non-redeemable.

The Fund received a non-redeemable grant of EUR 45,268 (equivalent to USD 49,770) on 17 August 2021 as technical assistance provided by FMO in terms of the capacity development agreement between the parties. This amount is not repayable.

The Fund received the term loan facility of USD 2,500,000 from HAPEP II (HAPEP II Holding GmbH) in 2020. The loan is repayable in 2032. The loan bears interest at a fixed rate of 5.92% per annum and is repayable in 2032.
The Fund received the term loan facility of USD 25,000,000 from FMO in 2022. The loan bears interest at a fixed rate of 5.26% per annum and is repayable in 2033.

On 10 October 2023, the Fund requested a further drawdown from FMO of an amount of USD 1,000,000 in accordance with the Concessional Debt Facility Agreement dated 25 November 2021. On 19 October 2023, the Fund received USD 1,000,000 as a grant from FMO under the Development Capital Facility which bears zero interest as per the agreement and is repayable in 2035.

On 13 April 2023, the Fund received USD 14,000,000 second tranche of the USD 33,250,000 MFF (Mobilizing Finance for Forests) concessional debt facility from FMO in 2023. The fund received the USD 17,500,000 first tranche of the USD 33,250,000 MFF concessional debt facility from FMO in 2022. The loan drawn as part of the Investment Facility bears interest at a fixed rate of 1.5% per annum and is repayable in 2035.

FUTURE OUTLOOK

Notwithstanding the negative Net Asset Value as at 31 December 2023, the Fund does not identify any material uncertainties affecting the business as a going concern. It is expected that the result will be positive in the next reporting period, despite the negative result in the current reporting period. Furthermore, the Board has plans which would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability. Please refer to the subsequent event section for the launch of two B.V. entities.

A summary of the net assets attributable to the contributors as at 31 December 2023 is shown below:

GRANTS		
Funded	**KDL**	**Total**
Net assets attributable as at 1 January 2023	93,435,375	93,435,375
Change in contribution due to FX movements	(2,557,423)	(2,557,423)
Contributions during the year	-	-
Net result for the year	(16,216,659)	(16,216,659)
Net assets attributable to the contributors	**74,661,293**	**74,661,293**
Unfunded USD amount as at 31 December 2023 (1) (2)	**-**	**-**
Total funded and unfunded amount	**74,661,293**	**74,661,293**

Note: It comprises of net assets attributed excluding the TA budget activities.

REDEEMABLE GRANTS			
Funded	**Unilever**	**UN Environment**	**Total**
Net assets attributable as at 1 January 2023	11,341,607	2,217,576	13,559,183
Contributions during the year	-	-	-
Net result for the year	(1,341,607)	(292,576)	(1,634,183)
Net assets attributable to the contributors	**10,000,000**	**1,925,000**	**11,925,000**
Unfunded USD amount as at 31 December 2023 (2)	**15,000,000**	**-**	**15,000,000**
Total funded and unfunded amount	**25,000,000**	**1,925,000**	**26,925,000**

A summary of the net assets attributable to the contributors as at 31 December 2022 is shown below:

GRANTS		
Funded	**KDL**	**Total**
Net assets attributable as at 1 January 2022	92,584,268	92,584,268
Change in contribution due to FX movements	(9,607,118)	(9,607,118)
Contributions during the year	-	-
Net result for the year	10,458,225	10,458,225
Net assets attributable to the contributors	**93,435,375**	**93,435,375**
Unfunded USD amount as at 31 December 2022 (1) (2)	**-**	**-**
Total funded and unfunded amount	**93,435,375**	**93,435,375**

REDEEMABLE GRANTS			
Funded	**Unilever**	**UN Environment**	**Total**
Net assets attributable as at 1 January 2022	10,072,141	1,944,363	12,016,504
Contributions during the year	-	25,000	25,000
Net result for the year	1,269,466	248,213	1,517,679
Net assets attributable to the contributors	**11,341,607**	**2,217,576**	**13,559,183**
Unfunded USD amount as at 31 December 2022 (2)	**15,000,000**	**-**	**15,000,000**
Total funded and unfunded amount	**26,341,607**	**2,217,576**	**28,559,183**

(1) NOK denominated amount. The USD equivalent is approximated by translating at the NOK/USD exchange at the end of the period. The actual USD funded contribution amount was determined at the date that the respective tranches of the commitment were called.
(2) Unfunded amounts that are conditional. During the year 2022, USD 5,000,000 was made available for drawdown but wasn't utilized & during 2023, USD 5,000,000 remained available for drawdown which wasn't utilized. Upon termination of the Contribution agreement, and any extension periods agreed upon, no further amounts can be withdrawn.

TECHNICAL ASSISTANCE BUDGET

Following the resolution of the Board in the meeting of 20 June 2019, an amount of USD 1,000,000 from the contribution made by KLD has been set aside for a technical assistance budget (the "TA Budget") with effect from 1 July 2019. The purpose of the TA Budget is to support the development of the pipeline projects of the Fund, in close connection with the investment process, and as set out in the TA Guidelines of the Fund, which were also adopted during the Board meeting of 20 June 2019. Specifically, the TA Budget will be used to support potential borrowers to comply with the Fund's Environmental & Social Management System ("ESMS") which is required in order to qualify for financing from the Fund. Areas eligible for support relate to:

- Complying with those Fund investment criteria which go well above the typical criteria of local or international financial institutions, and which create an entry barrier for the Fund's clients.

- Sharing 'first mover'-costs of industry and landscape transformation and inclusive business models (steering a client towards deforestation-free supply chains, sustainably managed landscapes or inclusive production models often incurs high upfront costs which can be prohibitive and therefore a real barrier to market transformation, particularly in settings where public goods are deficient, and the client has to compensate for this at its own cost).

- Generally, the support is limited to activities directly related to the Fund's investment process and excludes support for project development, institutional capacity building or skills development which are unrelated to the Fund's investment criteria.

ACTIVITIES

- On 10 October 2023, the Fund requested a further drawdown from Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO") of an amount of USD 1,000,000 in accordance with the Concessional Debt Facility Agreement dated 25 November 2021. On 19 October 2023, the payment was received as a loan under the Development Capital Facility available under that agreement and which bears zero interest and is repayable in 2035.

- On 11 October 2023, the Fund finalized a USD 1,000,000 2-year loan agreement with Belterra Agroflorestas Ltda. The entire amount was disbursed on 19 October 2023. Belterra Agroflorestas Ltda will use the Fund's financing for strengthening cocoa agroforestry model until it has reached stable cash flow generation and improved credit risk.

BALANCE SHEET

In order to disclose the nature of the TA Budget, the following segregated Balance sheet has been disclosed:

	2023 USD	2022 USD
ASSETS		
Fixed Assets		
Financial assets		
Investments	1,000,000	-
	1,000,000	-
Current Assets		
Cash and cash equivalents	578,018	891,122
Interest receivable on loans	20,278	-
Other current assets	55,208	24,496
	653,504	915,618
Total Assets	**1,653,504**	**915,618**
LIABILITIES		
Equity		
Other reserves	(521,918)	(265,052)
	(521,918)	(265,052)
Non-current liabilities		
Grants	1,117,916	1,179,770
Long term loans	1,000,000	-
	2,117,916	1,179,770
Current liabilities		
Accrued expenses and other liabilities	57,506	900
Total Equity and Liabilities	**1,653,504**	**915,618**

PROFIT AND LOSS ACCOUNT

In order to disclose the nature of the TA Budget, the following segregated Profit and loss account has been disclosed:

	2023 USD	2022 USD
Investment interest income	20,278	-
Total revenue	**20,278**	**-**
General costs	(315,377)	(119,571)
Total operating expenses	**(315,377)**	**(119,571)**
Operating result	**(295,099)**	**(119,571)**
Foreign currency result	(528)	(1,506)
Other income	-	1,697
Interest and similar income	38,761	10,725
Total financial result	38,233	10,916
Net result	**(256,866)**	**(108,655)**

CASH FLOW STATEMENT

In order to disclose the nature of the TA Budget, the following segregated Cash flow statement has been disclosed:

(The statement of cash flows is presented in the direct method. The direct method was selected in recognition of the disclosure required by the primary audience for the Fund's financial statements.)

	2023 USD	2022 USD
Cash flow from operating activities		
Operating expenses paid	(351,342)	(110,152)
Investments made	(1,000,000)	-
Interest received from investments	-	-
Other Interest received	38,761	10,725
Proceeds from loans	1,000,000	
Net cash provided by/(used in) operating activities	**(312,581)**	**(99,427)**
Cash flow from financing activities		
Capital contributions	-	-
Net cash provided by/(used in) financing activities	**-**	**-**
Exchange rate and translation differences on cash and cash equivalents	523	-
Cash and cash equivalents, movement during the period	**(313,104)**	**(99,427)**
Cash and cash equivalents at the beginning of the period	891,122	990,549
Cash and cash equivalents at the end of the period	**578,018**	**891,122**

SUBSEQUENT EVENTS

On 01 February 2024, the Fund disbursed the second tranche of USD 12,000,000 to ETC Group as per the Loan Agreement dated 22 December 2023.

On 31 January 2024, the Fund incorporated &Green Fund BV and &Green Fund Vehicle BV. On 1 April 2024, the Fund transferred to &Green Fund BV all loans in its portfolio, and will use the loan from FMO, financed by GCF, to provide further loans to, borrowers in countries in which the Fund is permitted to use the GCF funding. On 4 August 2024, the Fund financed &Green Fund Vehicle BV with USD 12,000,000, disbursed on a new loan account directly to Phuc Sinh Corporation as per facility agreement dated 28 June 2024, and will use funds other than the loan from FMO, financed by GCF, to provide further loans to, borrowers in countries in which the Fund is not permitted to use the GCF funding.

On 16 February 2024, the Fund concluded a USD 180,000,000 Investment Facility Agreement, which included a USD 750,000 Technical Assistance grant, (the "IFA") and a USD 8,600,000 Technical Assistance Grant Agreement (the "TAGA") with FMO. On 05 April 2024, the Fund requested the first disbursement of USD 80,000,000 under the IFA and the first grant of USD 3,931,119 under the TAGA. On 31 May 2024, both the first loan under the IFA and the first grant under the TAGA were received.

On 21 February 2024, the Fund amended and restated the Investment Advisory Agreement with the Investment Advisor to a Stichting Support Agreement in terms of which the Investment Advisor continues to provide basic non-investment support services to the Stichting Board. On the same date, the Investment Advisor concluded an Investment Management Agreement with each of the &Green Fund BV and &Green Fund Vehicle BV on materially the same terms as the original Investment Advisory Agreement with the Stichting.

The Credit Committee is dissolved with effect from 29 February 2024 and, with effect from 1 March 2024, the final investment decisions on the portfolios, which are being transferred to &Green Fund B.V. and &Green Fund Vehicle B.V., will be delegated to the investment committees of each of those entities.

On 30 May 2024 the Board resolved to write off the loan to Mercon with effect from the next date that a quarterly report is prepared, which was 30 June 2024. Although Mercon had entered chapter 11 (restructuring) proceedings before the U.S. Bankruptcy Court in December 2023, at the end of the year the Mercon business and balance sheet appeared healthy enough to exit the Chapter 11 proceedings and continue operating. The Board has now received information with respect to the operations of Mercon since the end of the year, together with legal advice from its duly appointed US bankruptcy law advisors, which now confirm that the probability of a default is 100% and that the loss given that default, due to the legally subordinate nature of the loan to Mercon, would be 100% at the outcome of the Chapter 11 proceedings.

On 5 April 2024 the Roncador loan was repaid in full as part of a reorganization. As the investment into the cattle-integration project was fully completed ahead of schedule, the need for longer-term capital had already been reduced and Roncador was able to attract cheaper financing from local banks. Consequently, the parties mutually agreed to the early repayment of the loan and it was fully prepaid in April 2024.

The Board is not aware of any other significant events that have occurred since the balance sheet date that were not included in the financial statements.

Amsterdam, 28 October 2024
BOARD

Kleiterp, ND   Arango, C   Eckstein, MI

OTHER INFORMATION

Details of the Fund's Board and other most relevant involved parties:

BOARD OF DIRECTORS
Mr. Nanno Kleiterp, Chairperson
Ms. Felia Salim (term ended on 4 June 2024)
Mr. Joost Oorthuizen (term ended on 4 June 2024)
Ms. Claudia Arango
Mr. Mark Eckstein (appointed with effect from 4 June 2024)

ADVISORY BOARD
Ms. Helen Clark, Chairperson
Mr. Per Fredrik Ilsaas Pharo
Ms. Sabine Miltner
Mr. Bayu Krishnamurti (term ended on 31 December 2023)
Ms. Rosa Lemos de Sá
Mr. Eric Soubeiran (term ended on 31 December 2023)

CREDIT COMMITTEE
(Credit committee dissolved as at 29 February 2024)
Mr. Mark Eckstein, Chairperson
Ms. Lidwen Schils
Mr. Lucian Peppelenbos

LEGAL COUNSEL
Simmons & Simmons LLP
Claude Debussylaan 247,
1082 MC Amsterdam, The Netherlands

INVESTMENT ADVISOR
Sail Investments B.V. (previously named Sail Ventures B.V.)
Lange Voorhout 44,
2514 EG Den Haag, The Netherlands

FUND ADMINISTRATOR
Intertrust (Netherlands) B.V.
Basisweg 10, 1043 AP Amsterdam,
The Netherlands

BOARD ADVISOR
Innpact S.á.r.l
5, rue Jean Bertels
1230 Luxembourg, Luxembourg

AUDITOR
KPMG Accountants N.V.
Laan van Langerhuize 1,
1186 DS Amstelveen, The Netherlands

2.1 BOARD

The Fund is managed by the Board, which has general responsibility for all aspects of the administration and management of the Fund. The Board has decision-making powers for carrying out the objectives of the Fund and acts as the legal representative with the power to bind the Fund with respect to third parties. The members of the Board are appointed by the Advisory Board.

The Board meets at least once every quarter and ad hoc meetings are convened as required by the level of activities of the Fund. The meetings during 2023 were held on 16 February 2023, 11 May 2023, 03 August 2023, 15 November 2023 and 08 December 2023.

2.2 ADVISORY BOARD

The Advisory Board is comprised of persons nominated by the Fund's contributors, as well as technical experts and distinguished persons appointed by the Advisory Board itself. The Advisory Board provides binding advice to the Board on certain strategic matters as outlined in the Articles of Association of the Fund, including advice regarding the mission of the Fund and the jurisdictions in which the Fund can operate, and non-binding advice on other strategic issues upon request by the Board. The Advisory Board furthermore approves the dissolution of the Fund and the destination of any liquidation surplus as defined in the Articles.

The Advisory Board meets at least twice a year and ad hoc meetings are convened as required by the level of activities of the Fund. The meetings during 2023 were held on 12 May 2023 and 16 November 2023.

OTHER INFORMATION (CONTINUED)

2.3 CREDIT COMMITTEE

The Credit Committee is appointed by the Board and is responsible for making transaction recommendations to the Board based on proposals made by the Investment Advisor in accordance with the Fund's Investment Principles and other Fund documents.

The Credit Committee meets at least four times a year and ad hoc meetings can be convened by the Investment Advisor as required by the level of activities of the Fund. The meetings during 2023 were held on 11 July 2023, 02 November 2023, 29 November 2023 and 30 November 2023.

The Credit Committee is dissolved with effect from 29 February 2024 and, with effect from 1 March 2024, the final investment decisions on the portfolios, which are being transferred to &Green Fund B.V. and &Green Fund Vehicle B.V., will be delegated to the investment committees of each of those entities.

2.4 INVESTMENT ADVISOR

The Board appointed a specialized Investment Advisor, Sail Investments B.V. (previously named Sail Ventures B.V.), as of 14 July 2017. The Investment Advisor oversees the day-to-day business and operations related to the management of the Fund in accordance with the Fund's overall policies (in particular the Investment Principles (including the ESMS), the Articles of Association and the Operations Memorandum) and resolutions of the Board.

The Investment Advisor is responsible for calculating and assessing the valuation (and any potential impairments) of the assets of the Fund for recommendation to the Board for its final approval, every calendar quarter.

On 21 February 2024, the Fund amended and restated the Investment Advisory Agreement with the Investment Advisor to a Stichting Support Agreement in terms of which the Investment Advisor continues to provide basic non-investment support services to the Stichting Board. On the same date, the Investment Advisor concluded an Investment Management Agreement with each of the &Green Fund BV and &Green Fund Vehicle BV on materially the same terms as the original Investment Advisory Agreement with the Stichting.

2.5 BOARD ADVISOR

Innpact S.á.r.l was appointed Board Advisor by the Board on 14 July 2017.

The Board Advisor provides governance and operational support to the Board and the Advisory Board.

2.6 FUND ADMINISTRATOR

The Board appointed Intertrust as the Fund Administrator on 16 March 2018. The Fund Administrator provides accounting and reporting services, transaction services and domiciliation services as well as regulatory and compliance support to the Fund.

2.7 LEGAL COUNSEL

The Board appointed Simmons & Simmons as the Fund's legal counsel in the Netherlands on 9 September 2018. Simmons & Simmons provide advice and opinions on the Fund's constitutional documents and contributor agreements and ad-hoc advice and support to the Fund on VAT and other regulatory matters.

2.8 AUDITOR

KPMG Accountants N.V. has been re-appointed by the Board to perform an independent audit of the annual financial statements for the year 2023.

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2023

(After appropriation of result)

	NOTE	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
ASSETS			
Fixed assets			
Financial assets			
Investments	[1]	128,835,719	126,647,548
Total fixed assets		**128,835,719**	**126,647,548**
Current assets			
Receivables			
Other receivables	[2]	2,799,569	2,162,210
Other prepayments and accrued income	[3]	81,381	44,608
		2,880,950	**2,206,818**
Cash and cash equivalents	[4]	**15,571,270**	**23,794,555**
TOTAL ASSETS		**147,287,939**	**152,648,921**
EQUITY AND LIABILITIES			
EQUITY			
Other reserves	[5]	(5,404,205)	12,703,503
Total foundation capital		**(5,404,205)**	**12,703,503**
LIABILITIES			
Non-current liabilities			
Redeemable Grants	[6]	11,950,000	11,950,000
Grants	[7]	78,823,939	81,381,362
Long term loans	[8]	60,000,000	45,000,000
Total non-current liabilities		**150,773,939**	**138,331,362**
Current liabilities			
Accrued expenses and other liabilities	[9]	1,918,205	1,614,056
Total current liabilities		**1,918,205**	**1,614,056**
Total equity and liabilities		**147,287,939**	**152,648,921**

PROFIT AND LOSS FOR THE YEAR 2023

	NOTE	2023 USD	2022 USD
Investment interest income	[10]	8,716,075	6,879,706
Other operating income	[11]	48,643	893,992
Total operating income		**8,764,718**	**7,773,698**
Interest expense on long term loans*		(1,826,263)	(1,298,660)
Realized investment gain / (loss)	[12]	-	(574,827)
Movement in provision for impairment*	[13]	(24,111,829)	646,132
General costs	[14]	(5,041,702)	(4,564,421)
Total operating expenses		**(30,979,794)**	**(5,791,776)**
Operating result		**(22,215,076)**	**1,981,922**
Other interest and similar income	[15]	1,572,835	406,631
Other interest and similar expenditure	[16]	(10,000)	(91,302)
Foreign currency result	[17]	2,544,533	9,569,998
Total financial result		**4,107,368**	**9,885,327**
Net result for the year		**(18,107,708)**	**11,867,249**

**Comparative figures have been reclassified to conform to the presentation adopted in the current year.*

CASH FLOW STATEMENT FOR THE YEAR 2023

The Cash flow statement has been prepared according to the direct method.

	NOTE	2023 USD	2022 USD
Cash flow from operating activities			
Operating expenses paid	**[3] [9]**	**(4,882,878)**	**(4,178,324)**
Other income	**[11]**	**48,643**	**78,400**
Investments made	**[1]**	**(26,300,000)**	**(60,750,958)**
Redemption of notes	**[1]**	**-**	**23,750,000**
Net proceeds from MFX hedge	**[1]**	**-**	**621,065**
Interest received	[15]	1,572,835	405,949
Interest received from investments	[1]	8,152,546	6,698,450
Other financial charges	[16]	(10,000)	(121,806)
Interest and similar expenses paid		(1,774,207)	(943,730)
		7,941,174	**6,038,863**
Net cash provided by/(used in) operating activities		**(23,193,061)**	**(34,440,954)**
Cash flow from financing activities			
Grants received	[7]	-	49,770
Redeemable grants received	[6]	-	25,000
Proceeds from loans	[8]	15,000,000	42,500,000
(Increase)/decrease in due to affiliates		(19,116)	25,000
Net cash provided by/(used in) financing activities		**14,980,884**	**42,599,770**
Exchange rate and translation differences on cash and cash equivalents		(11,108)	(22,292)
Net increase/(decrease) in cash and cash equivalents		**(8,223,285)**	**8,136,524**
Movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		23,794,555	15,683,031
Increase (decrease) cash and cash equivalents		(8,223,285)	8,111,524
Cash and cash equivalents at the end of the period		**15,571,270**	**23,794,555**

NOTES TO THE FINANCIAL STATEMENTS

GENERAL

Stichting andgreen.fund (the "Fund") is a Dutch foundation ("stichting") that was incorporated under the laws of the Netherlands on 11 July 2017. The Fund's statutory seat is in Amsterdam, the Netherlands, and the registered office address is at Basisweg 10 1043AP Amsterdam, the Netherlands. The Fund qualifies to be small sized entity.

The objective of the Fund is to prove that financing inclusive, sustainable and deforestation-free commodity production can be commercially viable and replicable, thus strengthening the case for a new inclusive rural development paradigm that protects valuable forests and peatlands and promotes high-productivity agriculture. The lending philosophy of the Fund is to demonstrate proof of concept for both public and private actors on how to provide for inclusive economic growth together with forest and peat protection (and potentially restoration) when financing the production of agricultural commodities that are sourced from tropical landscapes.

The Fund's Investment Advisor is Sail Investments B.V. (previously named Sail Ventures B.V.), a private limited company incorporated pursuant to the laws of the Netherlands, and the Fund's Board Advisor is Innpact S.á.r.l, a private limited company incorporated pursuant to the laws of Luxembourg.

BASIS OF PREPARATION

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and they comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in US dollar (USD). The functional currency of the Fund is USD, which the Board considers to reflect the primary economic environment in which the Fund operates. The Fund's investing activities primarily take place in USD, and its material expenses are denominated and paid in USD. The financial statements cover the year 1 January 2023 to 31 December 2023.

Assets and liabilities are measured at historical cost, unless stated otherwise in the further principles. An asset is recognized on the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Fund and the asset has a cost price or value of which the amount can be measured reliably.

A liability is recognized on the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably.

An asset or liability is no longer recognized in the balance sheet, and thus derecognized, when a transaction results in all or substantially all rights to economic benefits, and all or substantially all of the risks, related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognized in the profit and loss account, taking into account any provisions related to the transaction.

Income is recognized in profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured reliably. Revenues and expenses are allocated to the respective periods to which they relate. Based on the prospectus of the Fund, the revenue of the fund will be mainly the interest income generated on investments. The interest income will be recognized when the interest is due based on the terms as stated in the investment agreements.

In the current year's financial statements, 'Interest expense on long term loans' and 'Movement in provision for impairment' financial statement captions in Profit and loss have been reclassified to conform to the presentation adopted in the current year. These reclassifications were made to improve the clarity and consistency of the financial information presented. The changes are not material and do not affect the overall financial position or net result for any period presented.

Based on article 396 of Book 2 of the Dutch Civil Code, the Fund applies exemptions to the presentation and disclosures in the Fund's financial statements.

THE FUND

Stichting andgreen.fund has been registered with the Dutch Chamber of Commerce under file number 69175357.

The capital structure of the Fund is based on the principle that contributions can be made available by means of grants, redeemable grants and concessional loans. Grants shall be subordinate to redeemable grants, redeemable grants shall be subordinate to all loans and to all other creditors of the Fund. Repayment of redeemable grants, upon the redemption event specified in the relevant contribution agreement, shall have priority over reclaimed grants if any, but shall be subordinate to payment of interest and capital to lenders as well as to all other creditors of the foundation. The means and income of the Fund are exclusively intended for the realization of the Fund's objective. Profits and income generated by the Fund from its activities will be retained by the Fund for investments and operations purposes, as agreed with the contributors.

GOING CONCERN

The Fund has a negative foundation capital/equity but has sufficient medium-term liquidity and forecasts to generate sufficient income to cover its operating costs. Therefore the financial statements have been prepared on a going concern basis.

FINANCIAL INSTRUMENTS

Financial instruments include primary financial instruments, such as receivables and liabilities. The principles of primary financial instruments is applied in the recognition per balance sheet item. Financial instruments are valued at amortized cost unless explained otherwise in the notes. The Fund has no derivative financial instruments.

ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

RISK MANAGEMENT

Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring of risks, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The primary focus of the risk management of the Fund is focused on market risks (currency and interest rates), liquidity risk and credit risk:

Currency risk is the risk that the value of financial instruments fluctuates due to changes in foreign exchange rates. The Fund's investments are predominantly denominated in USD which is the Fund's functional currency. However, the Fund may extend loans in foreign currencies (currencies other than the Fund's functional currency, USD) which could lose value as a result of unfavorable foreign exchange movements. Where possible and cost-effective, the Fund may elect to retain funds in foreign currency and rotate funds into new transactions within the same currency zone in order to mitigate the impact of foreign currency fluctuations. The redeemable grants and the loan are denominated in USD, but the grant from KLD is denominated in NOK.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

PARTICULARS	LIABILITIES		ASSETS	
	2023	2022	2023	2022
EUR (euro)	52,606	114,748	206,001	192,801
NOK (Norwegian krone)	800,000,000	800,000,000	31,708	30,814

The following significant exchange rates (the value of USD 1,00 in each currency) have been applied during the year.

PARTICULARS	AVERAGE RATE		YEAR-END SPOT RATE	
	2023	2022	2023	2022
EUR (euro)	0.924	0.951	0.906	0.936
NOK (Norwegian krone)	10.450	9.616	10.172	9.852

Sensitivity analysis: A 100 Bps strengthening of the USD against the following currencies at 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

PARTICULARS	EQUITY		PROFIT OR LOSS	
	2023 (USD)	2022 (USD)	2023 (USD)	2022 (USD)
EUR currency impact	(1,849)	(882)	(1,849)	(882)
NOK currency impact	77,232	82,334	77,232	82,334
Fx Gain/(Loss)	**75,383**	**81,452**	**75,383**	**81,452**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk primarily results from exposure to the volatility of interest rates. However, the Fund holds its investments to maturity and therefore it accounts for the investments at amortized cost and the interest rates are fixed, except for the Mercon & ETC Group transaction which have variable interest rate from the year 2026 & 2027 respectively, as was the case with the financial assets as at 31 December 2023 and 31 December 2022. At the reporting date the interest rate profile of interest bearing financial instruments was:

	2023 USD	2022 USD
Fixed rate instruments		
Financial assets	171,576,948	153,500,233
Financial liabilities	(60,000,00)	(45,000,000)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

Sensitivity analysis: Any increase/(decrease) in interest rates will have no effect on results and equity of the Company, because, financial instruments in general are at fixed rate.

Liquidity Risk

The Fund manages its liquidity, and its asset and liability matching, in accordance with its Liquidity Management Policy. In terms of the policy, the cash flow requirements of the Fund are managed in order to ensure that all of the Fund's financial commitments are met timeously; all of the Fund's expenses are duly paid when they all fall due; and the returns on cash balances are maximized through low risk short-term investments. The short term and the long term forecasts for the Fund's liquidity, and asset and liability matching, requirements are reviewed by the Board at each scheduled quarterly meeting.

Credit risk is associated with the inability of the Fund's borrowers to act in a manner consistent with the terms and conditions of their contractual agreements with the Fund, resulting in a financial loss. The Fund runs the risk of any one or more of the borrowers defaulting on their borrowings from the Fund through non-payment of either interest and/or on their principal repayment. Credit risk is monitored on a regular basis through qualitative and quantitative assessment of each of the Fund's borrowers. The Fund performs intensive checks in order to pre-select potential borrowers. There is no significant credit risk associated with the cash at bank since the Fund maintains cash accounts with Rabobank, a large financial institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after adjustment of impairment on the financial assets as at 31 December 2023 and 31 December 2022.

FOREIGN CURRENCY RESULT

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. At initial recognition, transactions denominated in a foreign currency are translated into the functional currency of the Company at the exchange rates at the date of the transactions. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognized in profit and loss in the period in which the exchange differences arise. Exempted from this are exchange differences on monetary items that are part of a net investment in a foreign operation. Non-monetary balance sheet items and equity, which are valued at cost or amortized cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

	1 JANUARY 2023	31 DECEMBER 2023
The exchange rates used in the financial statements are:		
1 USD (US dollar) = EUR (euro)	0.938590	0.905879
1 USD (US dollar) = NOK (Norwegian krone)	9.880965	10.172401

FINANCIAL ASSETS

Financial assets are initially recognized at fair value. Subsequently, they are valued at amortized cost unless there has been a breach in the lending restrictions and eligibility criteria stipulated in the Investment Principles and other fund documents of an underlying project in the Fund's investment portfolio. If no premium or discount and transaction costs are applicable, the amortized cost is equal to the nominal value of the receivables, less a provision for uncollectible debts based on expected credit losses. The valuation of the Fund's investment portfolio is calculated by the Investment Advisor.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognized at fair value and any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognized in profit or loss. Fair value is calculated using the current values and option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

HEDGE ACCOUNTING

The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

CASH FLOW HEDGES

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

FAIR VALUE HEDGES

When a derivative is designated as a fair value hedging instrument, the gain or loss from remeasuring the hedging instrument at fair value shall be recognized in profit or loss and the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

The Company's activities expose it primarily to the financial risks of changes in interest rates. The significant interest rate risk arises from its loans. The Company's policy is to convert a significant proportion of its floating rate debt to fixed rates through interest rate swaps. The Company designates these as fair value hedges of interest rate risk.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates.

IMPAIRMENT

The Fund recognizes loss allowances for expected credit losses ("ECLs") on the financial assets measured at amortized cost.

The Fund measures loss allowances for stage 2 (underperforming) and stage 3 (non-performing) loans at an amount equal to their lifetime ECLs. Stage 1 (performing) loans are measured at their 12-month ECLs and include: 1. financial assets that are determined to have low credit risk at the reporting date; 2. other financial assets for which credit risk has not increased significantly since initial recognition. Financial assets for which the credit risk has increased significantly since initial recognition, and where credit risk is not considered low, are classified as Stage 2 assets. Interest on Stage 1 and Stage 2 loans are based on gross carrying amount and interest on Stage 3 is only based on net amounts (i.e. amortized cost less impaired amounts).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking macroeconomic information.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade' (or the financial asset is considered to be 'investment grade' by the Fund's internal credit risk scorecard); the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and/or adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Fund assumes that the credit risk on a financial asset has increased significantly if the borrower is 30 days or more past due on financial payment (unless reasonable and supportable information is available to demonstrate that the borrower can service its debt); if there has been a significant increase in credit risk according to the Fund's internal credit risk scorecard; or if a forbearance concession is granted or the contractual cash flows of a financial instrument are modified, and it is determined that the credit risk has increased significantly as a result.

CREDIT QUALITY ANALYSIS

	2023				2021			
	ECL STAGE	CARRYING AMOUNT	COLLATERAL	CREDIT RATING	ECL STAGE	CARRYING AMOUNT	COLLATERAL	CREDIT RATING
Loans								
DHARMA SATYA NUSANTARA TBK	1	30,000,000	-	Ba2	1	30,000,000	-	Ba1
Risk trigger point: Caa								
AGROPECUÁRIA RONCADOR LTDA	1	9,971,239	-	Ba1	1	9,971,239	-	Ba1
Risk trigger point: B1								
MARFRIG GLOBAL FOODS S.A.	2	30,000,000	-	B2	2	30,000,000	-	Ba2
Risk trigger point: B2								
AGROPECUARIA BAMBUSA S.A.S.	1	6,034,440	-	B2	1	3,734,440	-	B2
Risk trigger point: B3								
PT HILTON DUTA LESTARI	2	11,000,000	-	Caa	2	6,000,000	-	B2
Risk trigger point: Caa								
FS LUXEMBOURG S.À R.L	2	30,000,000	-	Caa	2	30,000,000	-	B1
Risk trigger point: Caa								
MERCON B.V.	3	20,000,000	-	Ca-C	3	20,000,000	-	Caa
Risk trigger point: PD Doubles								
ETC GROUP	1	18,000,000	-	Ba2	-		-	-
Risk trigger point: B2								
		155,005,679	**-**			**129,705,679**	**-**	

CREDIT-IMPAIRED FINANCIAL ASSETS

The Fund considers a financial asset to be 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data: significant financial difficulty of the borrower or issuer; a breach of contract such as a default (if the borrower is more than 90 days past due on financial payment; or if it is determined that the fund is unlikely to recover the contractual cash flows of the financial asset due to credit risk deterioration); or it is probable that the borrower will enter bankruptcy or other financial reorganization. Credit-impaired financial assets are classified as Stage 3 assets.

Movement from Stage 2 to Stage 3 is triggered by one or more of the following conditions: if the borrower is more than 90 days past due on financial payment; or if it is determined that the fund is unlikely to recover the contractual cash flows of the financial asset due to credit risk deterioration. Objective evidence of impairment includes, but is not limited to, observable data about the following events: bankruptcy, central bank intervention, distressed restructuring or any material adverse change in conditions or any development that is likely to result in a diminished recovery of cash flows of that financial asset; or if a forbearance concession is granted due to financial difficulty of the borrower, where the Fund would not otherwise grant such concession, and the concession has a detrimental impact on the estimated future cash flows of the financial asset; or if it is determined that the borrower's poor performance on material Environmental & Social commitments and/or other matters will have a detrimental impact on the timing or amount of estimated future cash flows of the financial asset.

MEASUREMENT OF ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset and measured on an individual basis.

Presentation of allowance for ECLs is in the statement of financial position. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The key inputs into the measurement of ECLs are the term structure of the variables: probability of default (PD), loss given default (LGD) and exposure at default (EAD) based on the financial and non-financial information, country risk, seniority level, GDP forecasts and collateral information.

The EAD represents the exposure at default in the event of a default. The EAD of a loan is its gross amortized amount at the time of default, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, scheduled by contract or otherwise, expected draw downs and accrued interest.

The LGD is the magnitude of the likely loss if there is a default. LGD is based on the difference between the contractual cash flows and any future cash flows or collateral value that the fund expects to receive in the case of a default. The collateral value is based on external valuations and a discount is applied based on credit market best practice. The discount includes both a liquidation discount and legal discount. As a final check, the use of external market data for LGD which is based on Moody's recovery rate data, is considered as a sense check.

The PD is an estimate of the likelihood of default over a given time horizon, namely the contractual period over which the Fund is exposed to credit risk.

The 12-month ECL and lifetime ECL are calculated using the EAD of a loan, the macro-adjusted PD and the LGD.

INCORPORATION OF FORWARD-LOOKING INFORMATION

The Fund uses global GDP figures in the GDP-to-Default regression, because (1) forecast GDP growth rates are used to incorporate forward- looking macroeconomic information, as required by IFRS; (2) default rate data is only available at a global level (because data is not available or robust enough on a country or regional level). Performing the regression at a global level enables one to perform a statistically significant regression (similar to when performing a regression at a more granular level). A Probability-weighted Macro-adjusted Security PD is used as an input into the ECL calculation.

QUANTITATIVE INFORMATION OF ECL

	31 DECEMBER 2023			
	MACRO-ADJUSTED PD	EAD	LGD	EIR*
Dharma Satya Nusantara TBK	0.96%	30,305,000	68%	6.22%
Agropecuária Roncador LTDA	0.46%	10,122,220	40%	3.03%
Marfrig Global Foods S.A.	3.18%	31,179,167	72%	5.07%
Agropecuaria Bambusa S.A.S.	3.18%	6,180,724	40%	7.50%
PT Hilton Duta Lestari	9.32%	11,097,090	30%	7.75%
FS Luxembourg S.À R.L.	9.32%	30,097,500	72%	6.50%
Mercon B.V.	100.00%	20,559,665	78%	9.85%
ETC GROUP	0.96%	18,015,000	63%	10.00%

**Effective Interest Rate*

	31 DECEMBER 2022			
	MACRO-ADJUSTED PD	EAD	LGD	EIR*
Dharma Satya Nusantara TBK	0.67%	30,305,001	68%	6.22%
Agropecuária Roncador LTDA	0.43%	10,118,482	46%	3.03%
Marfrig Global Foods S.A.	0.91%	31,179,167	72%	5.07%
Agropecuaria Bambusa S.A.S.	3.93%	3,893,924	55%	7.45%
PT Hilton Duta Lestari	3.93%	6,055,542	30%	7.75%
FS Luxembourg S.À R.L.	2.92%	30,097,500	72%	6.50%
Mercon B.V.	13.52%	20,060,194	81%	9.85%
ETC GROUP	0.00%	0	0%	0.00%

**Effective Interest Rate*

WRITE-OFF FINANCIAL ASSETS

A write-off is made when contractual cashflows are deemed to be non-collectible, when the fund has no reasonable prospects of recovery after, among others, enforcement of collateral or legal enforcement by means of lawsuits. Further more, a write-off is performed when a loan or other credit instrument is forgiven by the fund. Financial instruments are assessed on an individual basis, depending on specific circumstances. Write-offs are charged against previously booked provisions for impairments. If no specific provision for impairment had been previously recognized, the write-off is included directly in the profit and loss account.

LOANS GRANTED AND PURCHASED BONDS

Any loans granted and bonds purchased, the financial assets with fixed or determinable payments, are measured at amortized cost as the Fund has the firm intention and the contractual and economic ability to hold them to maturity.

RECEIVABLES

Upon initial recognition, the receivables are recorded at fair value and subsequently valued at amortized cost. The fair value and amortized cost equal the nominal value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

CASH AND CASH EQUIVALENTS

Cash at bank and in hand is valued at nominal value and, insofar as not stated otherwise, is at the free disposal of the Fund. Cash at bank and in hand relate to immediately due and payable withdrawal claims against credit institutions and cash resources. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date into the reporting currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies. Cash and cash equivalents that are not readily available to the Fund within 12 months are presented under financial fixed assets.

EQUITY

The equity of the Fund is limited to the net result and other reserves. The net asset value of the Fund is allocated to the grant and redeemable grant contributors based on the waterfall model approved by the Board during 2019 and revised in 2021.

NON-CURRENT LIABILITIES

Grants, redeemable grants and concessionary loans are classified as liabilities as the Fund has an obligation to repay an amount at a future date. The respective contribution agreements specify the timing and amount of this obligation. The grants and redeemable grants are initially recognized at fair value at the date that a capital call is issued to the contributor. The concessionary loans are recognized at the value at which the Fund has received them. Transaction costs that are directly attributable to the acquisition or issue of a liability are included in the initial measurement. After initial recognition, non-current liabilities are measured at amortized cost. If no premium or discount or transaction costs are applicable, the amortized cost is equal to the nominal value of the liability.

CURRENT LIABILITIES

Current liabilities concern debts with a term of less than one year. Upon initial recognition, current liabilities are stated at fair value. Transaction costs that are directly attributable to the acquisition or issue of a liability are included in the initial measurement. After initial recognition, current liabilities are measured at amortized cost. If no premium or discount or transaction costs are applicable, the amortized cost is equal to the nominal value of the liability.

CORPORATE INCOME TAX

In accordance with the tax ruling obtained from the Dutch tax authorities (as per article 900 of Book 7 of the Dutch Civil Code), the Fund is exempt from Dutch corporate income tax, provided that there is no material change of relevant law and/or the facts and circumstances as described in the tax ruling.

VAT

The Fund is not VAT exempt and therefore files VAT returns on a quarterly basis. The Fund does not provide any services within the European Union and therefore it is not required to levy VAT on the services which it provides, but can claim the input VAT, for which it is reimbursed.

INTEREST INCOME AND EXPENSE

Interest income and expense is recognized in the profit and loss account on an accrual basis, using the effective interest rate method in the period to which they belong.

Premium, discount and redemption premiums are recognized as interest expense in the period to which they belong. The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognized in the profit and loss account. On the balance sheet, the amortized value of the debt(s) is recognized. The amounts of the premium that are not yet recognized in the profit and loss account and the redemption premiums already recognized in the profit and loss account, are recognized as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognized in the profit and loss account are recognized as a reduction of the debt(s) to which they relate.

Other operating and non-investment related expenses and income are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

CASH FLOW

The cash flow statement is presented in the direct method.

NOTES TO THE BALANCE SHEET

	NOTE	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
ASSETS			
FIXED ASSETS			
Investments [1]			
Promissory notes			
TLFF I PTE. LTD - Class B1a	(1)	-	-
TLFF I PTE. LTD - Class B1c	(2)	-	-
Loans			
Dharma Satya Nusantara TBK	(3)	29,814,106	(1,298,660)
Agropecuária Roncador LTDA	(4)	9,953,142	(574,827)
Marfrig Global Foods S.A.	(5)	26,436,471	646,132
Agropecuaria Bambusa S.A.S.	(6)	5,961,403	(4,564,421)
PT Hilton Duta Lestari	(7)	9,951,806	(5,791,776)
FS Luxembourg S.À R.L.	(8)	22,364,549	1,981,922
Mercon B.V.	(9)	5,453,640	406,631
ETC GROUP	(10)	17,900,602	(91,302)
Belterra Agroflorestas Ltda	(11)	1,000,000	9,569,998
		128,835,719	**9,885,327**

The investments are valued at amortized cost less provision for impairment based on the Expected Credit Loss (ECL) method. For the loans, an allowance is estimated based on 12-month ECL for Dharma Satya NusantaraTBK, Agropecuaria Roncador LTDA, Agropecuaria Bambusa S.A.S., and ETC Group because none of these loans have had a significant increase in credit risk since initial recognition.

However, the loans to PT Hilton Duta Lestari ("HDL"), FS Luxembourg S.A.R.L. ("FS"), Marfrig Global Foods S.A. ("Marfrig") and Mercon B.V., had a significant increase in credit risk since initial recognition, with HDL, FS, Marfrig categorised as a stage 2 ECL and Mercon as a stage 3 ECL and all have an ECL allowance estimated based on lifetime ECL.

Due to the investments being made in USD, no sensitivity analysis has been performed for FX. As an result, there is no FX risk exposure.

(1) TLFF I PTE. LTD - Class B1a

Opening balance	-	16,553,751
Amortization of discount on notes	-	413,737
Movement in provision for impairment	-	3,032,512
Redemption	-	(20,000,000)
Closing balance	**-**	**-**

The promissory notes B1a were acquired on 26 February 2019. The notes were purchased at a discount of USD 469,150. Amortisation of the purchase discount is included in interest income. TLFF I notes fully redeemed on 18 August 2022, Fund received its full USD 20,000,000 of principal and USD 411,341 in accrued interest. IRR on the investment since March 2019 is approximately 10% p.a.

(2) TLFF I PTE. LTD - Class B1c

Opening balance	-	3,407,440
Amortization of discount on notes	-	43,764
Movement in provision for impairment	-	298,796
Redemption	-	(3,750,000)
Closing balance	**-**	**-**

The promissory notes B1c were acquired on 26 February 2019. The notes were purchased at a discount of USD 469,150. Amortization of the purchase discount is included in interest income. TLFF I notes fully redeemed on 18 August 2022, Fund received its full USD 3,750,000 of principal and USD 77,127 in accrued interest. IRR on the investment since March 2019 is approximately 10% p.a.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(3) Dharma Satya Nusantara TBK		
Opening balance	29,871,741	29,830,134
Movement in provision for impairment	(57,635)	41,607
Closing balance	**29,814,106**	**29,871,741**

The Facilities Agreement between the Fund and PT Dharma Satya Nusantara Tbk. (DSN), PT Dharma Intisawit Nugraha (DIN) and PT Karya Prima Agro Sejahtera (KPAS) was signed on 23 April 2020 with nominal amount of USD 30,000,000. The USD 5,000,000 Facility A was disbursed on 30 April 2020 and the remaining USD 25,000,000 Facility B was disbursed on 21 October 2020. The facilities have a tenor of 10 years and bears interest at a fixed rate of 6% per annum.

(4) Agropecuária Roncador LTDA		
Opening balance	9,952,145	9,944,832
Movement in provision for impairment	997	7,313
Closing balance	**9,953,142**	**9,952,145**

The Loan and Guarantee Agreement between the Fund and Agropecuaria Roncador LTDA. was signed on 30 April 2020 and the full loan amount of USD 10,000,000 was disbursed on 15 July 2020. The loan has a tenor of 8 years and bears interest at a fixed rate of 2.95% per annum. The loan disbursed balance is net of capitalized transaction costs and fee income.

(5) Marfrig Global Foods S.A.		
Opening balance	29,804,787	29,823,318
Movement in provision for impairment	(3,368,316)	(18,531)
Closing balance	**26,436,471**	**29,804,787**

The Loan and Guarantee Agreement between the Fund and Marfrig Global Foods S.A. was signed on 07 January 2021 and the full amount USD 30,000,000 was disbursed on 19 March 2021. The loan has a tenor of 10 years and bears interest at a fixed rate of 5% per annum. As a result of using the audited financial statements as at 31 December 2023, the Expected Credit Loss provision for impairment on the USD 30,000,000 loan to Marfrig Global Foods S.A. increased significantly by USD 3,368,316 during 2023. Marfrig was finalizing the integration of the new businesses acquired, negatively impacting group profits in the reporting period.

(6) Agropecuaria Bambusa S.A.S.		
Opening balance	3,676,181	-
Loan disbursed	2,300,000	4,754,358
Movement in provision for impairment	(14,778)	(58,259)
FX loss on conversion of loan from COP to USD	-	(1,019,918)
Closing balance	**5,961,403**	**3,676,181**

The Loan and Guarantee Agreement between the Fund and Agropecuaria Bambusa S.A.S. was signed on 31 December 2021. The first tranche of COP 18 billion (equivalent to USD 4,754,358) was disbursed on 11 March 2022. On 1 December 2022 the principal amount disbursed and the accrued but unpaid interest outstanding on the first tranche of the loan was converted from COP to USD at the exchange rate on that date. The converted loan has a tenor of 12 years and bears interest at a fixed rate of 7.5% per annum. On 27 February 2023, the Fund invested USD 2,300,000 in Agropecuaria Bambusa S.A.S.("HSJ - HACIENDA SAN JOSE") as per the Amended and Restated Loan Agreement dated 01 December 2022. The remaining USD 1,700,000 loan will be dsibursed in the course of 2024.

(7) PT Hilton Duta Lestari		
Opening balance	5,933,756	-
Loan disbursed	5,000,000	6,000,000
Movement in provision for impairment	(981,950)	(66,244)
Closing balance	**9,951,806**	**5,933,756**

On 09 May 2023, the Fund concluded an addendum to the USD 12,000,000 8-year loan facility agreement with PT Hilton Duta Lestari ("HDL") to change the conditions precedent for the disbursements of the undrawn USD 6,000,000. HDL will use facility B loan towards payment of all fees, cost and expenses incurred by the company in connection with each Facility, for funding the Interest Reserve account and towards financing Invoiced Progress Payments. The first disbursement of USD 2,000,000 under Facility B was disbursed on 21 June 2023, followed by the second disbursement of USD 1,900,000 on 19 September 2023 and the third disbursement of USD 1,100,000 on 14 November 2023. The loan bears interest at a fixed rate of 7.75% per annum.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(8) FS Luxembourg S.À R.L.		
Opening balance	29,403,294	-
Loan disbursed	-	30,000,000
Movement in provision for impairment	(7,038,745)	(596,706)
Closing balance	**22,364,549**	**29,403,294**

The Loan and Guarantee Agreement between the Fund and FS Luxembourg S.À R.L., was signed on 12 May 2022 and the full loan amount of USD 30,000,000 was disbursed on 13 June 2022. The loan has a tenor of 8 years and bears interest at a fixed rate of 6.50% per annum. As a result of using entity's financial statements as at 31 December 2023, the Expected Credit Loss provision for impairment on the USD 30,000,000 loan to FS Luxembourg S.A.R.L increased significantly by USD 7,038,745 during 2023.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(9) Mercon B.V.		
Opening balance	18,005,644	-
Loan disbursed	-	20,000,000
Movement in provision for impairment	(12,552,004)	(1,994,356)
Closing balance	**5,453,640**	**18,005,644**

The Facility Agreement between the Fund and Mercon B.V. was signed on 15 December 2022 and the full loan amount of USD 20,000,000 was disbursed on 20 December 2022. The loan has a tenor of 8 years and bears interest at a rate of 9.85% per annum for the first interest calculation period of 36 months until 20 December 2025, whereafter it bears interest at the floating rate, calculated using the Term SOFR plus 6.25% per annum, for the second interest calculation period.

The loan includes a variable payment ("upside amount") interest rate on the outstanding Loan, based on the ROE percentage which is capped at 11%. The valuation of the upside amount is nil, based on the underlying value of the RoE of the company, and calculated using a binomial option pricing model. On 6 December 2023, the Mercon affiliated debtor group (including the fund's borrower, Mercon B.V.) filed for a reorganization bankruptcy under Chapter 11 of the Untied States Bankruptcy Code. As a result the Expected Credit Loss provision for impairment on the USD 20,000,000 loan to Mercon B.V. increased significantly to USD 14,546,360 as at 31 December 2023.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(10) ETC GROUP		
Opening balance	-	-
Loan disbursed	18,000,000	-
Movement in provision for impairment	(99,398)	-
Closing balance	**17,900,602**	**-**

On 22 December 2023, the fund finalized a USD 30,000,000 8-year tenor loan facility with ETC Group. The first loan amounting to USD 18,000,000 was disbursed on 28 December 2023. The loan has a tenor of 8 years and bears interest at a rate of 10% per annum for the first interest calculation period of 36 months until 28 December 2026, whereafter it bears interest at the floating rate, calculated using the Term SOFR plus 5.45% per annum, for the second interest calculation period.

ETC Group is a company incorporated and validly existing under the laws of Mauritius. ETC Group will apply all amounts borrowed by it under the Facility for general corporate or working capital purposes to support its initiative to achieve a deforestation-free cocoa supply chain for its activities in Cote d'Ivoire by creating a high-impact cocoa sourcing blueprint which can be scaled across the Borrower's entire supply chain, including through the implementation of its NDPE Policy and the ESAP.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(11) Belterra Agroflorestas Ltda		
Opening balance	-	-
Loan disbursed	1,000,000	-
Closing balance	**1,000,000**	**-**

On 11 October 2023, the Fund finalized a USD 1,000,000 2-year loan agreement with Belterra Agroflorestas Ltda. The entire amount was disbursed on 19 October 2023. Belterra Agroflorestas Ltda will use the Fund's financing for strengthening cocoa agroforestry model until it has reached stable cash flow generation and improved credit risk. The loan bears interest at a fixed rate of 10% per annum.

The USD 1 million exposure to Belterra is financed with the funds drawn from the Development Capital Facility(DCF) provided by the Mobilising Finance for Forests programme(MFF) managed by FMO. The DCF can only be used to finance "Potentially Eligible High Impact Projects", which are defined as "potentially High Impact projects that are reasonably deemed by the Fund - not yet to be investable by the Fund in accordance with the Investment Principles but which have a high likelihood of developing into a project that is investible by the Fund". By design, the DCF funded projects cannot form part of the Fund's Portfolio. The Fund is required to have an increased risk appetite for those projects, distinct from its Investment Principles and the Fund, FMO and MFF foresaw a number of potential outcomes for the projects (like Belterra) – from a successful DCF project (which develops into a project that is investible by the Fund) to a full write off of the project amount (in which event the amount due for repayment under the DCF is also reduced by that amount).

This distinct nature of the DCF and the DCF-funded investments (NOT forming part of the Fund's portfolio) meant that the Fund did not consider it necessary to prepare an ECL assessment for the exposure to Belterra.

PROVISION FOR IMPAIRMENT

		31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
TLFF I PTE. LTD - Class B1a	(1)	-	-
TLFF I PTE. LTD - Class B1c	(2)	-	-
Dharma Satya Nusantara TBK	(3)	(185,894)	(128,259)
Agropecuária Roncador LTDA	(4)	(18,097)	(19,094)
Marfrig Global Foods S.A.	(5)	(3,563,529)	(195,213)
Agropecuaria Bambusa S.A.S.	(6)	(73,037)	(58,259)
PT Hilton Duta Lestari	(7)	(1,048,194)	(66,244)
FS Luxembourg S.À R.L.	(8)	(7,635,451)	(596,706)
Mercon B.V.	(9)	(14,546,360)	(1,994,356)
ETC GROUP	(10)	(99,398)	-
		(27,169,960)	**(3,058,131)**
(1) TLFF I PTE. LTD - Class B1a			
Opening balance		-	(3,032,512)
Movement in provision for impairment		-	3,032,512
Closing balance		**-**	**-**
(2) TLFF I PTE. LTD - Class B1c			
Opening balance		-	(298,796)
Movement in provision for impairment		-	298,796
Closing balance		**-**	**-**
(3) Dharma Satya Nusantara TBK			
Opening balance		(128,259)	(169,866)
Movement in provision for impairment		(57,635)	41,607
Closing balance		**(185,894)**	**(128,259)**
(4) Agropecuária Roncador LTDA			
Opening balance		(19,094)	(26,407)
Movement in provision for impairment		997	7,313
Closing balance		**(18,097)**	**(19,094)**
(5) Marfrig Global Foods S.A.			
Opening balance		(195,213)	(176,682)
Movement in provision for impairment		(3,368,316)	(18,531)
Closing balance		**(3,563,529)**	**(195,213)**
(6) Agropecuaria Bambusa S.A.S.			
Opening balance		(58,259)	-
Movement in provision for impairment		(14,778)	(58,259)
Closing balance		**(73,037)**	**(58,259)**
(7) PT Hilton Duta Lestari			
Opening balance		(66,244)	-
Movement in provision for impairment		(981,950)	(66,244)
Closing balance		**(1,048,194)**	**(66,244)**
(8) FS Luxembourg S.À R.L.			
Opening balance		(596,706)	-
Movement in provision for impairment		(7,038,745)	(596,706)
Closing balance		**(7,635,451)**	**(596,706)**

PROVISION FOR IMPAIRMENT (CONTINUED)

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
(9) Mercon B.V.		
Opening balance	(1,994,356)	(3,032,512)
Movement in provision for impairment	(12,552,004)	(1,994,356)
Closing balance	**(14,546,360)**	**(1,994,356)**
(10) ETC GROUP		
Opening balance	-	-
Movement in provision for impairment	(99,398)	-
Closing balance	**(99,398)**	**-**

BREAKDOWN OF FINANCIAL ASSETS AS OF 31 DECEMBER 2023

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Gross Amortised Value	64,005,679	71,000,000	20,000,000	**155,005,679**
Provision balance	(376,426)	(12,247,174)	(14,546,360)	**(27,169,960)**
Net Amortised Value	63,629,253	58,752,826	5,453,640	**127,835,719**

BREAKDOWN OF FINANCIAL ASSETS AS OF 31 DECEMBER 2022

	STAGE 1	STAGE 2	STAGE 3	TOTAL
Gross Amortised Value	129,705,679	Nil	Nil	**129,705,679**
Provision balance	(3,058,131)	Nil	Nil	**(3,058,131)**
Net Amortised Value	126,647,548	Nil	Nil	**126,647,548**

BREAKDOWN OF ECL PROVISION AS OF 31 DECEMBER 2023

	31 DECEMBER 2023			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Loans and promissory notes at amortised cost				
Balance at 1 January 2023	3,058,130	-	-	3,058,130
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(858,163)	858,163	-	-
Transfer to Stage 3	(1,994,356)	-	1,994,356	-
Net remeasurement of loss allowance*	65,784	10,942,670	12,552,004	23,560,458
New financial assets originated or purchased	105,031	446,341	-	551,372
Financial assets that have been derecognized	-	-	-	
Write-offs**	-	-	-	-
Unwind of discount	-	-	-	-
Foreign exchange and other movements	-	-	-	-
Balance at 31 December 2023	**376,426**	**12,247,174**	**14,546,360**	**27,169,960**

** During the year, the ECL provisions for the loans are re-measured on a quarterly basis.*
*** There have not been any write-offs yet.*

BREAKDOWN OF ECL PROVISION AS OF 31 DECEMBER 2022

	31 DECEMBER 2022			
	STAGE 1	STAGE 2	STAGE 3	TOTAL
Loans and promissory notes at amortised cost				
Balance at 1 January 2022	372,954	3,331,308	-	3,704,262
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Net remeasurement of loss allowance*	(30,389)	-	-	(30,389)
New financial assets originated or purchased	2,715,565	-	-	2,715,565
Financial assets that have been derecognized	-	(3,331,308)	-	-3,331,308
Write-offs**	-	-	-	-
Unwind of discount	-	-	-	-
Foreign exchange and other movements	-	-	-	-
Balance at 31 December 2022	**3,058,130**	**-**	**-**	**3,058,130**

** During the year, the ECL provisions for the Promissory notes and the loans are re-measured on a quarterly basis.*
*** There have not been any write-offs yet.*

CURRENT ASSETS

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
CURRENT ASSETS		
Other receivables [2]		
Interest receivable on loans	2,569,471	2,004,131
Value added tax receivable	179,357	156,369
Accounts receivable	50,741	1,710
	2,799,569	**2,162,210**

The above receivables are expected to receive within 1 year.

INTEREST RECEIVABLE ON LOANS

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Promissory notes		
TLFF I PTE. LTD - Class B1a	-	-
TLFF I PTE. LTD - Class B1c	-	-
Loans		
Dharma Satya Nusantara TBK	305,001	305,001
Agropecuária Roncador LTDA	150,981	147,243
Marfrig Global Foods S.A.	1,179,167	1,179,167
Agropecuaria Bambusa S.A.S.	146,284	159,484
PT Hilton Duta Lestari	97,090	55,542
FS Luxembourg S.À R.L.	97,500	97,500
Mercon B.V.	558,170	60,194
ETC GROUP	15,000	-
Belterra Agroflorestas Ltda	20,278	-
	2,569,471	**2,004,131**
TLFF I PTE. LTD - Class B1a		
Opening balance	-	190,000
Interest income	-	1,122,246
Interest received	-	(1,312,246)
Closing balance	**-**	**-**
TLFF I PTE. LTD - Class B1c		
Opening balance	-	35,130
Interest income	-	207,499
Interest received	-	(242,629)
Closing balance	**-**	**-**
Dharma Satya Nusantara TBK		
Opening balance	305,001	305,001
Interest income	1,825,000	1,825,000
Interest received	(1,825,000)	(1,825,000)
Closing balance	**305,001**	**305,001**
Agropecuária Roncador LTDA		
Opening balance	147,243	143,615
Interest income	302,835	302,725
Interest received	(299,097)	(299,097)
Closing balance	**150,981**	**147,243**
Marfrig Global Foods S.A.		
Opening balance	1,179,167	1,179,166
Interest income	1,520,833	1,520,834
Interest received	(1,520,833)	(1,520,833)
Closing balance	**1,179,167**	**1,179,167**
Agropecuaria Bambusa S.A.S.		
Opening balance	159,484	-
Interest income	449,866	446,840
Realized FX result on Interest	1,810	(17,628)
Interest received	(464,876)	(269,728)
Closing balance	**146,284**	**159,484**

INTEREST RECEIVABLE ON LOANS (CONTINUED)

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
PT Hilton Duta Lestari		
Opening balance	55,542	-
Interest income	607,815	293,209
Interest received	(566,267)	(237,667)
Closing balance	**97,090**	55,542
FS Luxembourg S.À R.L.		
Opening balance	97,500	-
Interest income	1,977,083	1,088,750
Interest received	(1,977,083)	(991,250)
Closing balance	**97,500**	97,500
Mercon B.V.		
Opening balance	60,194	-
Interest income	1,997,365	60,194
Interest received	(1,499,389)	-
Closing balance	**558,170**	**60,194**
ETC GROUP		
Opening balance	-	-
Interest income	15,000	-
Interest received	-	-
Closing balance	**15,000**	**-**
Belterra Agroflorestas Ltda		
Opening balance	-	-
Interest income	20,278	-
Interest received	-	-
Closing balance	**20,278**	**-**

The ECL on interest receivable on loans has been considered together with the principal and presented in note [1] Investments of Balance sheet.

Other prepayments and accrued income [3]		
Prepaid insurance & other expenses	81,381	44,608
	81,381	**44,608**
Cash and cash equivalents [4]		
Current account	15,571,270	2,794,555
Deposit account	-	21,000,000
	15,571,270	**23,794,555**

Cash and cash equivalents are freely at the disposal of the Fund. The Fund places excess cash in fixed term deposits until it is able to deploy these funds in investments. Fixed term deposit time periods are managed to coincide with likely deployment needs based on the progression of leads through the investment process.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
EQUITY AND LIABILITIES		
EQUITY [5]		
Other reserves		
Opening balance	12,703,503	836,254
Result for the year	(18,107,708)	11,867,249
Closing balance	**(5,404,205)**	**12,703,503**
NON-CURRENT LIABILITIES		
Redeemable grants [6]		
Redeemable grants	11,950,000	11,950,000
	11,950,000	**11,950,000**

	Unilever	UN Environment	Total
2023			
Contribution as at 1 January 2023	10,000,000	1,950,000	11,950,000
Contributions during the year	-	-	-
Closing balance	**10,000,000**	**1,950,000**	**11,950,000**
2022			
Contribution as at 1 January 2022	10,000,000	1,925,000	11,925,000
Contributions during the year	-	25,000	25,000
Closing balance	**10,000,000**	**1,950,000**	**11,950,000**

	31 December 2023	31 December 2022
Grants [7]		
Grants	78,823,939	81,381,362
	78,823,939	**81,381,362**

	KLD	Ford Foundation	FMO	Total
2022				
Contribution as at 1 January 2022	81,201,592	130,000	49,770	81,381,368
Contributions during the year	-	-	-	-
Change in contribution due to FX movements	(2,557,423)	-	-	(2,557,423)
Closing balance	**78,644,169**	**130,000**	**49,770**	**78,823,939**

In 2022. the Fund received a non-redeemable grant of EUR 45,268 (equivalent to USD 49,770) as techincal assistance provided by FMO in terms of the Capacity Development Agreement between the parties. This amount is not repayable.

2022				
Contribution as at 1 January 2022	90,808,710	130,000	-	90,938,710
Contributions during the year	-	-	49,770	49,770
Change in contribution due to FX movements	(9,607,118)	-	-	(9,607,118)
Closing balance	**81,201,592**	**130,000**	**49,770**	**81,381,362**

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Long term loans [8]		
Term Loan Facility - HAPEP II	2,500,000	2,500,000
FMO Loan Facility	25,000,000	25,000,000
MFF Loan Facility	32,500,000	17,500,000
	60,000,000	**45,000,000**

The Fund received the term loan facility of USD 2,500,000 from HAPEP II (HAPEP II Holding GmbH) in 2020. The loan is repayable in 2032. The loan bears interest at a fixed rate of 2.92% per annum and is repayable in 2032.
The Fund received the term loan facility of USD 25,000,000 from FMO in 2022. The loan bears interest at a fixed rate of 5.26% per annum and is repayable in 2033.

On 10 October 2023, the Fund requested a further drawdown from FMO of an amount of USD 1,000,000 in accordance with the Concessional Debt Facility Agreement dated 25 November 2021. 19 October 2023, the Fund received USD 1,000,000 as a grant from FMO under the Development Capital Facility which bears zero interest as per the agreement and is repayable in 2035.

On 13 April 2023, the Fund received USD 14,000,000 second tranche of the USD 33,250,000 MFF (Mobilizing Finance for Forests) concessional debt facility from FMO in 2023. The fund received the USD 17,500,000 first tranche of the USD 33,250,000 MFF concessional debt facility from FMO in 2022. The loan drawn as part of the Investment Facility bears interest at a fixed rate of 1.5% per annum and is repayable in 2035.

The following is an overview of the carrying amounts of all liabilities at the reporting date and the cash outflow to meet each payment obligation over the next 12 month.

31 DECEMBER 2023	TYPE	CARRYING AMOUNT USD	12 MONTH CASH FLOW OBLIGATIONS USD
KLD	Grant	78,644,169	-
Ford Foundation	Grant	130,000	-
FMO	Grant	49,770	
UNEP	Redeemable Grant	1,950,000	-
Unilever	Redeemable Grant	10,000,000	-
HAPEP II	Concessional loan	2,500,000	74,217
FMO (Term Facility)	Concessional loan	25,000,000	1,340,569
FMO (MFF Concessional Debt Facility)	Concessional loan	32,500,000	481,688
		150,773,939	**1,896,474**

31 DECEMBER 2022	TYPE	CARRYING AMOUNT USD	12 MONTH CASH FLOW OBLIGATIONS USD
KLD	Grant	81,201,592	-
Ford Foundation	Grant	49,770	
FMO	Redeemable Grant	130,000	-
UNEP	Redeemable Grant	1,950,000	-
Unilever	Redeemable Grant	10,000,000	-
HAPEP II	Concessional loan	2,500,000	74,014
FMO (Term Facility)	Concessional loan	25,000,000	1,333,264
FMO (MFF Concessional Debt Facility)	Concessional loan	17,500,000	266,146
		138,331,362	**1,673,424**

Due date of each liability:

1. *KLD and FMO due dates are not applicable as they are both grants.*
2. *In accordance with the Grant Letter from the Ford Foundation (22 June 2021), the USD 130,000 grant from the Ford Foundation was paid up front on 6 July 2021 and available for a period, which was extended to 30 June 2024, and any grant funds not expended or committed for the purposes of the grant within that period will be returned to the Ford Foundation. As at 31 December 2022, the grant had not been expended or committed and the amount was therefore still considered to be redeemable. As at 31 December 2023, the full amount was either expended or committed and therefore non-redeemable.*
3. *UNEP's redeemable grant is required to be repaid within 90 days of the repayment date (31 December 2037).*
4. *Unilever's redeemable grant: each funding amount shall become due for repayment to Unilever from 15 years after the date of the respective payment date for such funding amount. The USD 5 million received in 2020 will be due in 2035, and another USD 5 million received in 2021 will be due in 2036.*
5. *HAPEP's concessional loan will be due in 2032.*
6. *FMO's concessional loan will be due in 2033.*
7. *MFF's concessional loan will be due in 2035.*

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
CURRENT LIABILITIES		
Accrued expenses and other liabilities [9]		
Investment Advisor fee payable	727,422	601,222
Interest payable on loans (1)	413,034	360,812
Audit fee payable	109,297	112,300
Performance fee payable	477,646	375,971
Other payables	190,806	163,751
	1,918,205	**1,614,056**
(1). Interest payable on loans		
Term Loan Facility - HAPEP II		
Opening balance	5,874	5,882
Interest accrued	74,021	74,014
Interest paid	(74,014)	(74,022)
Closing balance	**5,881**	**5,874**
Term Loan Facility - FMO		
Opening balance	295,875	-
Interest accrued	1,333,417	1,040,167
Interest paid	(1,329,764)	(744,292)
Closing balance	**299,528**	**295,875**
MFF Concessional Debt Facility - FMO		
Opening balance	59,063	-
Interest accrued	418,991	184,480
Interest paid	(370,429)	(125,417)
Closing balance	**107,625**	**59,063**

NOTES TO THE PROFIT AND LOSS ACCOUNT

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Investment interest income [10]		
Promissory notes		
TLFF 1 PTE. LTD - Class B1a	-	1,129,378
TLFF 1 PTE. LTD - Class B1c	-	212,776
Loans		
Dharma Satya Nusantara TBK	1,825,000	1,825,000
Agropecuária Roncador LTDA	302,835	302,725
Marfrig Global Foods S.A.	1,520,833	1,520,834
Agropecuaria Bambusa S.A.S.	449,866	446,840
PT Hilton Duta Lestari	607,815	293,209
FS Luxembourg S.À R.L.	1,977,083	1,088,750
Mercon B.V.	1,997,365	60,194
ETC GROUP	15,000	-
Belterra Agroflorestas Ltd	20,278	-
	8,716,075	**6,879,706**

Investment interest income relates to the promissory notes and loans in which the Fund is invested.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Other operating income [11]		
Hedging contract net gain	-	797,706
Upfront amount / commitment fees	48,643	78,400
Consultancy fees received	-	16,178
Accrued Interest on security deposit	-	1,708
	48,643	**893,992**
Realized investment gain / (loss) [12]		
Unamortized discount on TLFF notes	-	445,091
Loss on HSJ loan conversion	-	(1,019,918)
	-	**(574,827)**
Movement in provision for impairment [13]		
Promissory notes		
TLFF 1 PTE. LTD - Class B1a	-	3,032,512
TLFF 1 PTE. LTD - Class B1c	-	298,796
Loans		
Dharma Satya Nusantara TBK	(57,635)	41,607
Marfrig Global Foods S.A.	(3,368,316)	(18,531)
Agropecuária Roncador LTDA	997	7,313
Agropecuaria Bambusa S.A.S.	(14,778)	(58,259)
PT Hilton Duta Lestari	(981,950)	(66,244)
FS Luxembourg S.À R.L.	(7,038,745)	(596,706)
Mercon B.V.	(12,552,004)	(1,994,356)
ETC GROUP	(99,398)	-
Total	**(24,111,829)**	**646,132**

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
General costs [14]		
Fund administration costs	166,988	140,334
Auditor's costs	138,066	113,567
Consulting fees (1)	465,825	415,255
Board advisor fees (2)	110,314	90,506
Investment advisor fees (3)	2,721,939	2,269,806
Other general and administrative expenses (4)	417,163	610,478
Board remuneration (5)	110,000	110,000
Professional fees (6)	39,000	36,500
Bank charges	3,839	14,957
Insurance expenses	62,878	64,732
Performance fees (3)	477,645	375,971
Unrecoverable VAT expense	24,118	49,074
Legal fees	303,927	273,241
	5,041,702	**4,564,421**

NOTES:

(1) Consulting fees
Consulting fees include costs related to the Fund's jurisdictional eligibility criteria assessments, expert advice on tax, VAT, ESG and regulatory matters as requested on an ad hoc basis by the Fund.

(2) Board Advisor fees
As explained in section 2.5, the Board Advisor provides governance and operational support to the Board, the Advisory Board and the Investment Advisor. The scope of work and respective budget of the Fund Management Advisor is approved by the Board on an annual basis.

(3) Investment Advisor fees
As explained in section 2.4, the Investment Advisor is tasked with the day-to-day management of the Fund which includes identifying, structuring and negotiating loans, managing the investment pipeline, conducting due diligence and preparing borrower legal documentation, as well as providing ongoing investment and development performance monitoring and reporting.

In order to discharge its duties, the Investment Advisor has dedicated staff at its head office as well as in key focus regions for the Fund, to engage potential or existing clients. Due to the nature of the investments and objectives of the Fund, potential investments are resource intensive and require thorough investigation by the Investment Advisor. Pre-investment periods can take up to 24 months of due diligence and require multiple trips to the site of the project. Having made an investment, the Investment Advisor continues to actively engage and monitor clients' progress in achieving environmental and social targets/objectives and, where necessary, serving on boards or sub- committees.

The Investment Advisor fee is based on the scope of the activities required to be performed by the Investment Advisor. Furthermore, the fee is structured to promote and maintain alignment of interests between the Investment Advisor and the Fund. The advisory fee is based on a fixed percentage of the amount of the total outstanding financial fixed assets. It is 2.0% per annum of the amount up to and including USD 250 million, 1.75% per annum of the amount exceeding USD 250 million and up to and including USD 350 million, and 1.25% per annum of the amount exceeding USD 350 million. Over the Investment Advisory agreement term, the Investment Advisor may be eligible for an additional incentive payment in the event that the performance of the Fund outperforms a defined set of, mainly non-financial, targets set and agreed on a yearly basis with the Fund.

(4) Other general and administrative expenses
Other general and administrative expenses include costs related to the Fund's operations, including the costs of meetings and out-of- pocket expenses, marketing and fees related to the Fund's secure data room.

(5) Board Remuneration
The remuneration, and other terms of service, for the members of the Board is determined by the Advisory Board. The remuneration is payable on a quarterly basis in relation to the attendance and preparation for meetings.

(6) Professional fees
Professional fees include recurring costs related to the management of the Fund, including remuneration to the Credit Committee that is payable on a quarterly basis in relation to the preparation for and attendance at Credit Committee meetings.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Other interest and similar income [15]		
Interest earned on deposits	1,572,835	406,631
	1,572,835	**406,631**

Interest income consists of interest earned on the Fund's short-term interest-bearing accounts. During the year 2023, the frequency of short term deposits made increased compared to 2022 resulting in higher interest income.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Other interest and similar expenditure [16]		
Negative interest on positive bank balance (1)	-	722
Financing cost	10,000	90,580
Total	**10,000**	**91,302**

(1) The interest was charged by Rabobank due to the negative interest rate on positive bank account for part of the year.

	31 DECEMBER 2023 USD	31 DECEMBER 2022 USD
Foreign currency result [17]		
FX change related to Grants	2,557,423	9,607,118
FX change related to operations	(14,700)	(19,491)
FX change on investments	1,810	(17,629)
Total	**2,544,533**	**9,569,998**

Given the nature of the Fund's global operations, it is exposed to foreign currency movements. This is due to the Fund using USD as its reporting currency while at times transacting in currencies other than the USD.

During the reporting period the Fund has been exposed to foreign currency movements in NOK and EUR.

Direct operating expenses of the Fund are partly in EUR and therefore the Fund keeps a limited balance in EUR on its accounts for those expenses.

The foreign currency position that the Fund holds in non-USD currencies may be open (i.e. unrealized) or closed (i.e. realized). Amounts invoiced to the Fund in a non-USD currency and paid at a later date will have a foreign currency movement. If this amount has been settled at the reporting date, it is considered closed and there is a realized foreign currency gain/loss. If it has yet to be settled at the reporting date, the Fund will have recognized an asset/ liability at the reporting date and the position is open with foreign currency movements resulting in unrealized gains/losses.

The Fund does not hold any foreign currency hedging instruments as at 31 December 2023 (31 December 2022: Nil).

AVERAGE NUMBER OF EMPLOYEES

During the year ended 31 December 2023, the Fund did not employ any personnel (31 December 2022: Nil).

RELATED PARTIES

The related parties include the Advisory Board, Board of Directors and Credit Committee.

During 2023, the members of the Board of Directors received an aggregate amount of USD 110,000 (2022: USD 110,000) and the members of the Credit Committee received an aggregate amount of USD 39,000 (2022: USD 36,500).

SUBSEQUENT EVENTS

On 01 February 2024, the Fund disbursed the second tranche of USD 12,000,000 to ETC Group as per the Loan Agreement dated 22 December 2023.

On 31 January 2024, the Fund incorporated &Green Fund BV and &Green Fund Vehicle BV. On 1 April 2024, the Fund transferred to &Green Fund BV all loans in its portfolio, and will use the loan from FMO, financed by GCF, to provide further loans to, borrowers in countries in which the Fund is permitted to use the GCF funding. On 4 August 2024, the Fund financed &Green Fund Vehicle BV with USD 12,000,000, disbursed on a new loan account directly to Phuc Sinh Corporation as per facility agreement dated 28 June 2024, and will use funds other than the loan from FMO, financed by GCF, to provide further loans to, borrowers in countries in which the Fund is not permitted to use the GCF funding.

On 16 February 2024, the Fund concluded a USD 180,000,000 Investment Facility Agreement, which included a USD 750,000 Technical Assistance grant, (the "IFA") and a USD 8,600,000 Technical Assistance Grant Agreement (the "TAGA") with FMO. On 05 April 2024, the Fund requested the first disbursement of USD 80,000,000 under the IFA and the first grant of USD 3,931,119 under the TAGA. On 31 May 2024, both the first loan under the IFA and the first grant under the TAGA were received.

On 21 February 2024, the Fund amended and restated the Investment Advisory Agreement with the Investment Advisor to a Stichting Support Agreement in terms of which the Investment Advisor continues to provide basic non-investment support services to the Stichting Board. On the same date, the Investment Advisor concluded an Investment Management Agreement with each of the &Green Fund BV and &Green Fund Vehicle BV on materially the same terms as the original Investment Advisory Agreement with the Stichting.

The Credit Committee is dissolved with effect from 29 February 2024 and, with effect from 1 March 2024, the final investment decisions on the portfolios, which are being transferred to &Green Fund B.V. and &Green Fund Vehicle B.V., will be delegated to the investment committees of each of those entities.

On 30 May 2024 the Board resolved to write off the loan to Mercon with effect from the next date that a quarterly report is prepared, which was 30 June 2024. Although Mercon had entered chapter 11 (restructuring) proceedings before the U.S. Bankruptcy Court in December 2023, at the end of the year the Mercon business and balance sheet appeared healthy enough to exit the Chapter 11 proceedings and continue operating. The Board has now received information with respect to the operations of Mercon since the end of the year, together with legal advice from its duly appointed US bankruptcy law advisors, which now confirm that the probability of a default is 100% and that the loss given that default, due to the legally subordinate nature of the loan to Mercon, would be 100% at the outcome of the Chapter 11 proceedings.

On 5 April 2024 the Roncador loan was repaid in full as part of a reorganization. As the investment into the cattle-integration project was fully completed ahead of schedule, the need for longer-term capital had already been reduced and Roncador was able to attract cheaper financing from local banks. Consequently, the parties mutually agreed to the early repayment of the loan and it was fully prepaid in April 2024.

Management is not aware of any other significant events that have occurred since the balance sheet date that were not included in the financial statements.

Amsterdam, 28 October 2024
BOARD

Kleiterp, ND

Arango, C

Eckstein, MI

INDEPENDENT AUDITOR'S REPORT

KPMG

OUR OPINION

We have audited the financial statements 2023 of Stichting andgreen.fund, based in Amsterdam. In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting andgreen.fund as at 31 December 2023, and of its result for the year 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1. the balance sheet as at 31 December 2023;
2. the profit and loss account for the year 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

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

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

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

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information.

DESCRIPTION OF THE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of the Board of Directors for the financial statements
The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the

Board of Directors either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

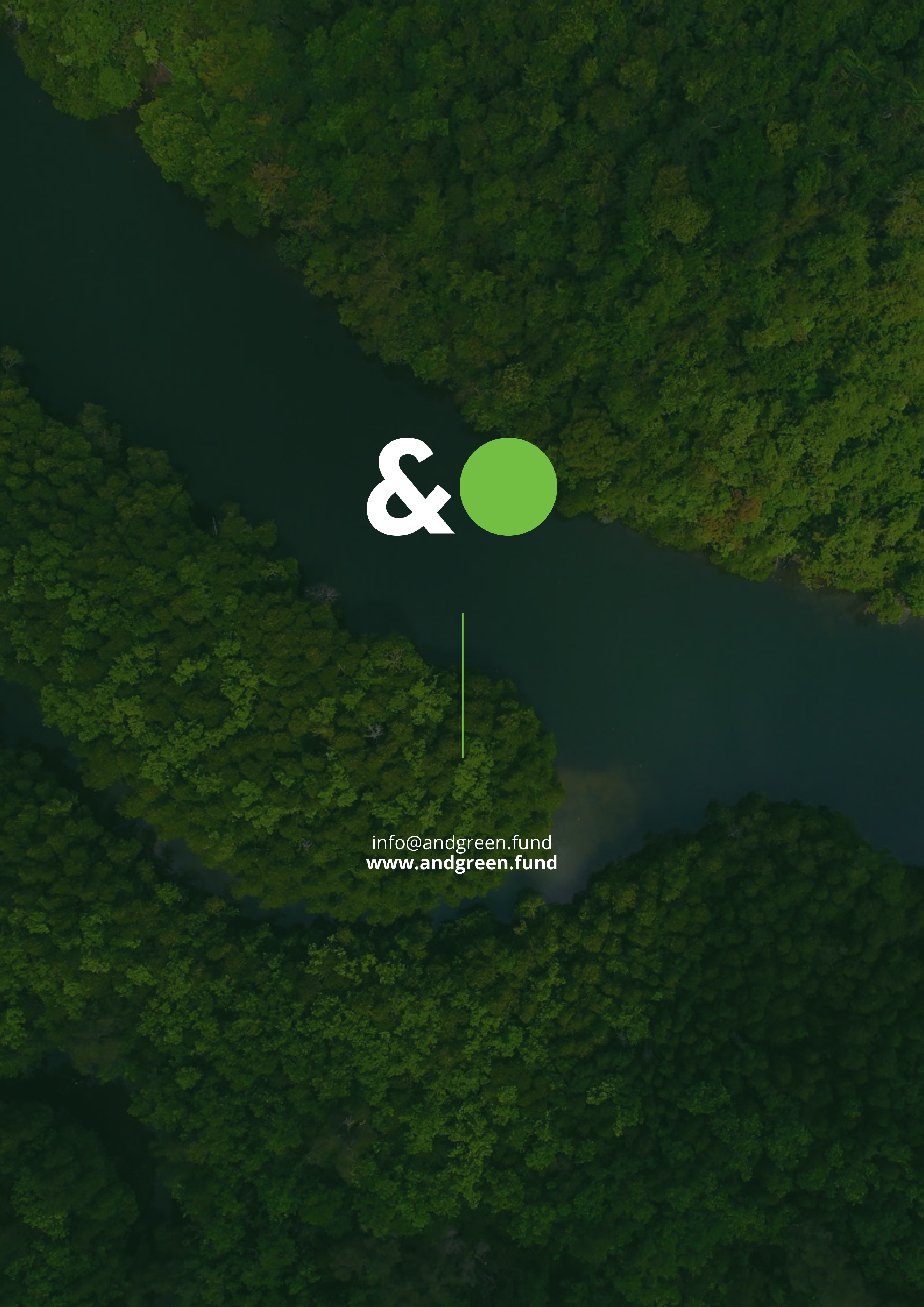
We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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

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

Amstelveen, 28 October 2024
KPMG Accountants N.V.

J.H.T. Kleijn RA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