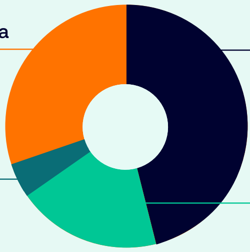
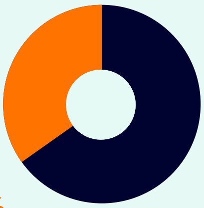
Cardano Impact Financial Inclusion Fund (I)

Impact results 2024

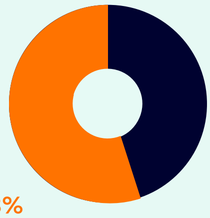
Cardano can be seen as a frontrunner in investing in microfinance since 2007. Cardano Impact Financial Inclusion Fund (I)) (CIFIF (I)) aims to increase (digital) access to responsible and affordable financial products and services for Micro-entrepreneurs, Small- and Medium-sized Enterprises (MSMEs) and low-income households in emerging markets with the intent to stimulate income generating activities and support low-income households in meeting their basic needs. CIFIF (I) is an open-end fund launched in 2014. Below an overview of the impact highlights 2024, for more details see the full Annual Sustainability & Impact Report 2024.

Portfolio overview





35%
NAV in local currency



58%
Low and lower- middle income countries

5 Dimensions of Impact

WHAT was outcome?
62 Financial institutions received funding to grow their MSME portfolio.

WHO is benefitting?
MSMEs with limited/no access to capital across 27 emerging and developing countries.

HOW MUCH of outcome is occurring?
23.6M end clients reached (189,084).
4.9M MSMEs served (CIFIF (I)* = 93,394).
1.4M first time borrowers (CIFIF (I)* = 42,819).

CONTRIBUTION
16 local currency loans to financial institutions.
76% FIIs are providing financial literacy training.
42% FIIs offer business development services.

RISK
90% Portfolio companies formally subscribed to the Client Protection Pathway.

Access to finance

Due to the fund investments, the MSME portfolios of local financial institutions are increasing and more MSMEs can obtain finance.

62
Financial Institutions received a loan

12.1 million
MSMEs and low-income households served

139,768
of these MSMEs and low-income households can be attributed to CIFIF (I)'s investments in 2024

Since 2014, CIFIF (I) has invested 575 million euros in local financial institutions that have provided financial services about 1.2 million end clients, thereby supporting approximately 6 million household members.

Financial inclusion

In the long-term, the fund aims to grow local MSMEs, empower women, and support low-income household.

50%
Rural clients / smallholders

69%
Female clients

72%
Poor and low-income clients

6%
Clients was previously "unbanked"

2.9 M
Jobs supported through SMEs

€1,249
Average size micro loans

The Fund positively contributes to the following SDGs:

1 NO POVERTY
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

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CIFIF (I) = Attributable impact: the share of the total end-clients served by all financial institutions scaled by the Fund's investment size on the total assets of each individual company.
**We assume that extra income benefits other members of the household and that worldwide, households comprise of 5 members on average.

Microfinanciera Fundeser

Investment Case in spotlight

Limes: A Zesty Boost for the Well-being of Farming Families

Limes in Nicaragua: More Than Just Flavor

In Nicaragua, limes are indispensable. They add flavor to dishes like ceviche and limonada, and are packed with vitamin C. But the fruit is not only popular for its taste and health benefits — its cultivation also plays a crucial role in the local economy and is a significant source of income for many small-scale farmers who rely on its production and export.

Growing Prosperity with Every Lime

For Marvin (52) and his family, limes are at the heart of their livelihood. On 2.1 hectares of land behind his house, he cultivates around 300 lime trees. He works the land year-round—plowing, tending the trees, and harvesting. Due to climate change, he has noticed a decline in yields. To compensate, he uses fertilizer to keep the trees healthy and ensure they produce large limes.

Marvin has been married for 22 years and lives with his wife, three children (aged 15, 18, and 22), and his wife's relatives in a remote rural area. Three times a week, he drives a pickup truck to the market in the nearby village to sell his limes. His family helps with the harvest year-round — two days a week, yielding about 5,000 limes per month. People from the nearby area also help as day laborers for 7 euros a day.

To invest in materials and agricultural supplies, Marvin has taken out a small loan. He is content with his life close to nature and his family. His wife bakes bread for extra income, and together they grow corn, cassava, and rice for their own use. Limes have a positive effect on soil quality and can be well combined with other crops. This makes the cultivation sustainable and versatile. Marvin proudly says:

> ***“Thanks to the limes, we will not go hungry!”***

Financing for Small-Scale Farmers

Marvin has obtained a microloan from Fundeser, a new company in CIFIF (I)'s portfolio. In 2024, the Fund provided a senior loan of 2 million dollars to Fundeser because the financial institution specifically targets smallholder farmers and rural communities. The financial institution offers agricultural and livestock credits to smallholder farmers as well as loans to micro-enterprises and small businesses in rural areas. The agricultural credit products align well with CIFIF (I)'s impact ambition to contribute to the economic development of small-scale farmers and food security.

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