European Fund for Southeast Europe

# Impact report 2025

KEY FIGURES

Marketing material

# Key figures

## Funding

EUR 1.62 bn
Assets under management

22
Public and institutional investors

## Investments

EUR 1.46 bn
Outstanding investment portolio

EUR 5.12 bn
Cumulative volume invested in partner lending institutions

15
Active countries

91
Active partner lending institutions

## Advisory and capacity building

SINCE INCEPTION

771
Advisory and capacity building projects managed

EUR 63 mn
Volume of advisory and capacity building projects managed

15
Countries with active advisory and capacity building projects

81,900
People benefitted from capacity building

46%
Share of female participants of capacity building

## Impact

1.37 mn
Number of sub-loans facilitated to micro, small and medium enterprises (MSMEs) and households[1]

EUR 12.6 bn
Volume of sub-loans enabled to MSMEs and households through EFSE financing[1]

2.87 mn
Indirect jobs supported by MSMEs[1,2]

1.18 mn
– of which women[1,2]

80%
Share of sub-loans disbursed in local currency[3]

34%
Share of female MSME end-borrowers[4]

25%
Share of young MSME end-borrowers[4]

73%
Share of rural MSME end-borrowers[4]

[1] Cumulative figure since inception.
[2] Figures are modeled by EFSE based on primary reporting and third-party data.
[3] Based on on sub-loans disbursed in the last 4 quarters.
[4] Based on outstanding portfolio as of December 2025.

All data presented in this report covers Regional Sub-Fund (RSF) and Ukraine Sub-Fund (USF) performance. For the key risks, refer to page 3.

# Key Risks

As an impact investing fund pursuing a sustainable investment objective, EFSE takes investment decision based on the impact-risk-return principle. While the Fund seeks to contribute to positive impact, it is exposed to a range of financial, sustainability and positive impact-related risks. These risks are actively assessed and managed throughout the investment lifecycle, however, actual results may differ from expectations due to market conditions, economic developments, Partner Lending Institutions’ (PLIs’) performance, and other external factors.

## Key risks include:

### Financial risks

EFSE is exposed to credit, political, currency, and liquidity risks. These risks  are managed through rigorous due diligence, active monitoring, diversification, and prudent portfolio management. Currency risk is further mitigated through the Fund’s tranche structure, which helps reduce the impact of foreign exchange fluctuations on senior investors.

### Sustainability risks

EFSE systematically assesses and manages sustainability risks and adverse impacts throughout the investment lifecycle. Key sustainability risks include adverse impacts related to labor practices, health and safety, human rights, or environmental performance, and governance. These risks are managed and mitigated through the Fund’s Environmental and Social Management System (ESMS), which includes E&S due diligence and risk categorization, compliance with IFC Performance Standards, exclusion of high-risk and prohibited activities, and ongoing monitoring and engagement with PLIs.

### Impact risks

EFSE also assesses and manages risks that may affect the achievement of its intended sustainable investment objective. These include alignment risk, which is mitigated by partnering with institutions focused on, or committed to expanding, MSME finance; execution risk is addressed through due diligence, ongoing monitoring, use-of-proceeds requirements, and targeted capacity building where needed; and evidence risk is managed through a research-based impact approach supported by regular PLI reporting, portfolio studies, and impact assessments.

Further information on the Fund‘s investment strategy, sustainability-related disclosures and key risks are available in the Fund’s Prospectus and related investor documentation.

# Our Contribution to the SDGs

EFSE's activities have been mapped against the SDGs at SDG target level, based on which six have been selected as core SDGs. All sustainability-related disclosures for EFSE are published here and here.

| SDG | EFSE contribution and indicators | 2024 | 2025 |
|---|---|---|---|
| 1 NO POVERTY | **EFSE contributes to enabling access to financial services, including microfinance.** | | |
| | Number of subloans facilitated to MSMEs and households[1] | 1.30 mn | 1.37 mn |
| | Share of MSME sub-loans disbursed below 20,000 EUR[2] | 85% | 82% |
| | Share of microfinance institutions among active partner lending institutions | 24% | 20% |
| 2 ZERO HUNGER | **EFSE helps improve agricultural productivity and the livelihoods of small-scale food producers through secure and equal access to financial services.** | | |
| | Share of rural MSME end-borrowers[3] | 73% | 73% |
| 5 GENDER EQUALITY | **EFSE contributes to improving gender equality and women's empowerment by facilitating access to financial services and training for women entrepreneurs and women-owned enterprises and supporting women-held jobs.** | | |
| | Share of female MSME end-borrowers[3] | 37% | 34% |
| | Share of indirect jobs supported in finaced MSMEs held by women[1,4] | 41% | 41% |
| | Women entrepreneurs and professionals empowered through targeted technical assistance[1] | 5,700 | 6,100 |
| 8 DECENT WORK AND ECONOMIC GROWTH | **EFSE contributes to economic development and job creation by enabling entrepreneurs to establish and grow businesses through, for example, tailored financial services, mentorship, and strong ecosystems that support entrepreneurship.** | | |
| | Indirect jobs supported in financed MSMEs[1,4] | 2.59 mn | 2.87 mn |
| | People benefitted from training and capacity building[1] | 64,600 | 81,900 |
| | Investees and partners supported with tailored capacity building[1] | 237 | 246 |

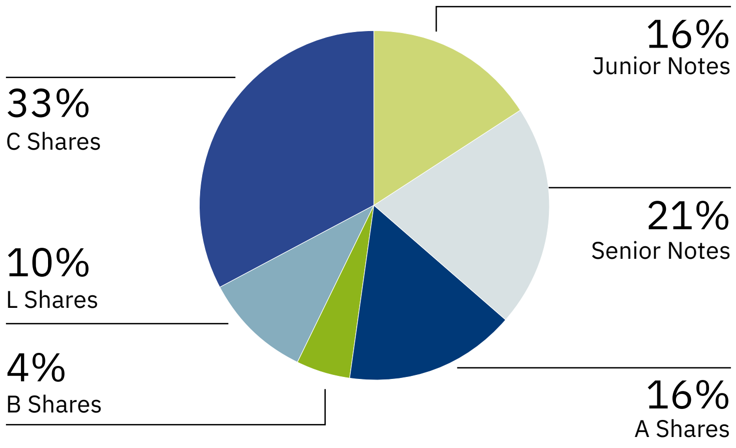
| SDG | EFSE contribution and indicators | 2024 | 2025 |
|---|---|---|---|
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | **EFSE contributes to inclusive and sustainable industrialisation by upgrading small-scale enterprises through improved access to finance and innovative solutions** | | |
| | Number of active borrowers[3] | 107,600 | 106,500 |
| | Share of outstanding portfolio in local currencies[3] | 19% | 25% |
| | Volume of subloans enabled for MSMEs and households through EFSE financing[1] | € 11,4 bn | € 12,6 bn |
| | Partner lending institutions financed[1] | 148 | 154 |
| 10 REDUCED INEQUALITIES | **EFSE contributes to the economic inclusion of all by sustaining and growing business income among marginalised entrepreneurs.** | | |
| | Share of young MSME end-borrowers[3] | 24% | 25% |
| | Share of sub-loans disbursed in local currencies[2] | 78% | 80% |
| 17 PARTNERSHIPS FOR THE GOALS | **As a pioneer in blended finance, EFSE contributes to bringing together public and private investors for sustainable development.** | | |
| | Committed capital[5] | € 1.2 bn | € 1.5 bn |
| | Volume of advisory & capacity building projects[1] | € 48 mn | € 63 mn |
| | Share of private capital committed to EFSE | 37% | 38% |

[1] Cumulative figure since inception.
[2] Based on sub-loans disbursed in the last 4 quarters.
[3] Based on outstanding portfolio as of December 2025.
[4] Figures are modeled by EFSE based on primary reporting and thid-party data.
[5] Committed capital includes originally committed amounts on active contracts, not including any changes in the Net Asset Value (NAV) overtime.

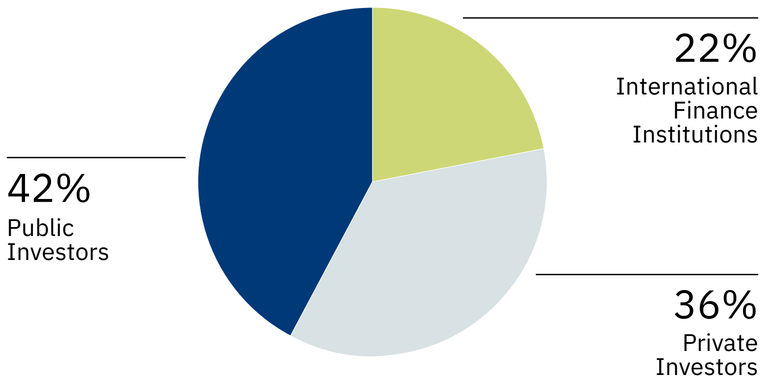
Any decision to invest in the fund should take into account all of the fund's characteristics or objectives as described in the prospectus or other fund documentation.

# Funding

## Available funding by investment class




## Fund investors by investor type




Figures as of 31 December 2025.

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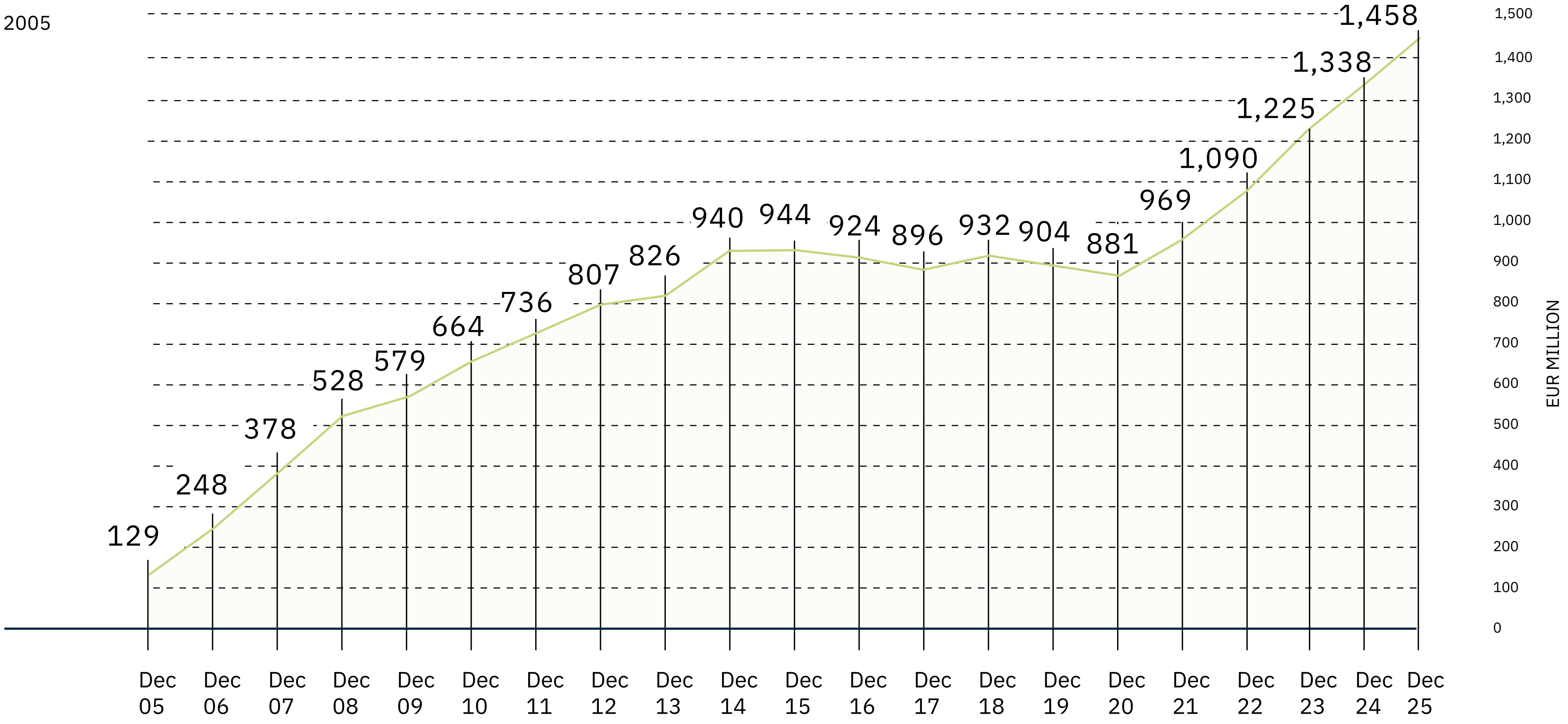
# Investments

## Outstanding investment portfolio

Since inception in December 2005

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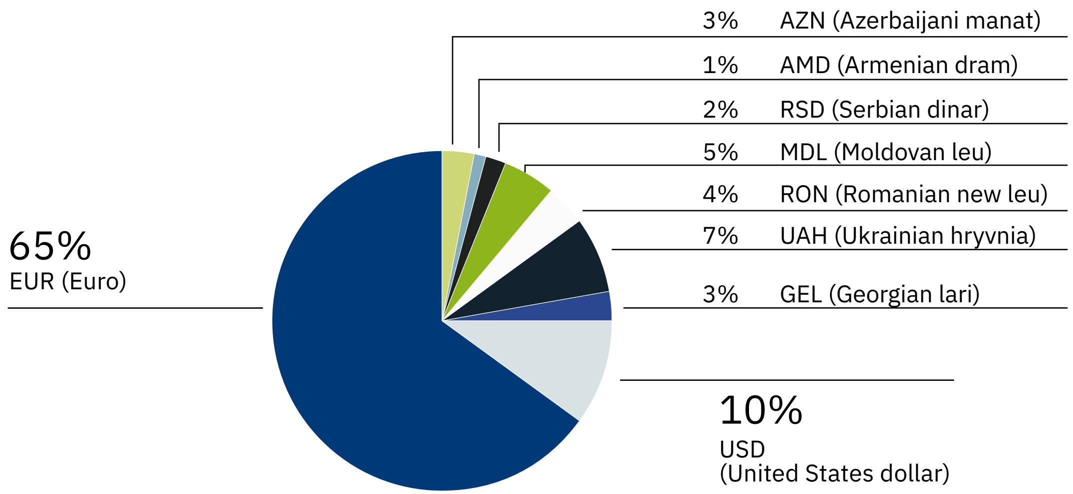
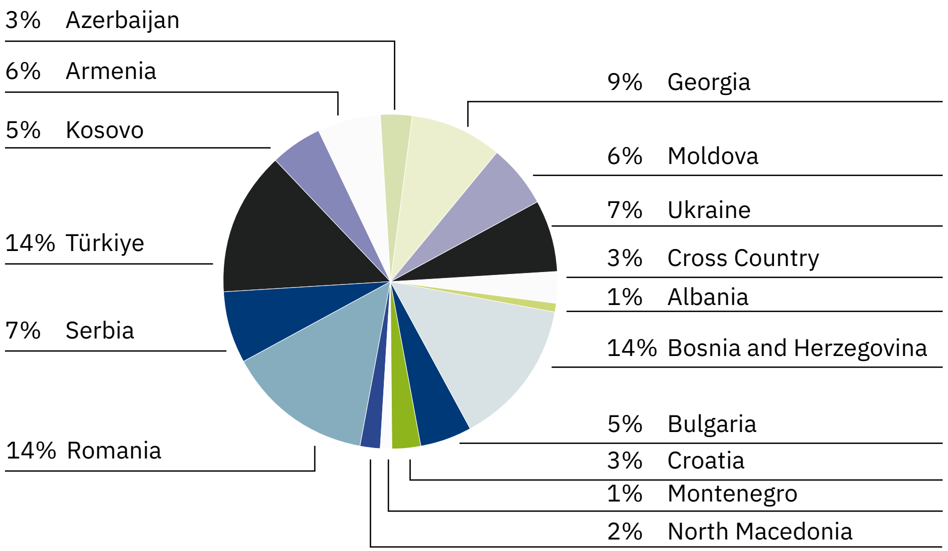
# Investments

## Outstanding investment portfolio by currency




## Outstanding investment portfolio by country

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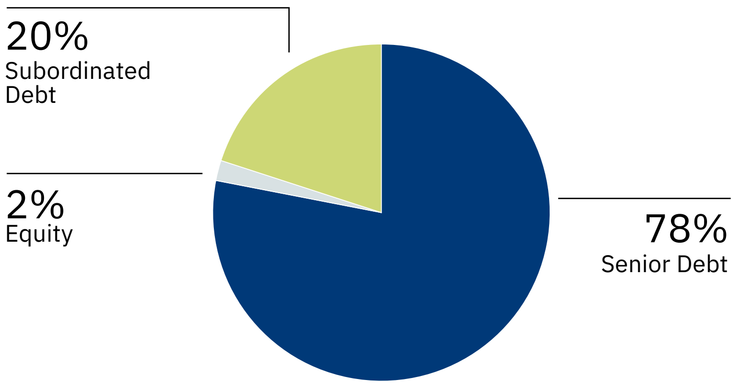
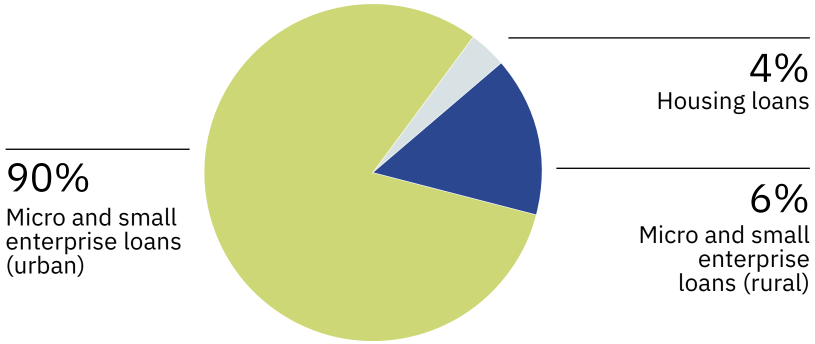
# Investments

## Outstanding investment portfolio by instrument




## Outstanding investment portfolio by product

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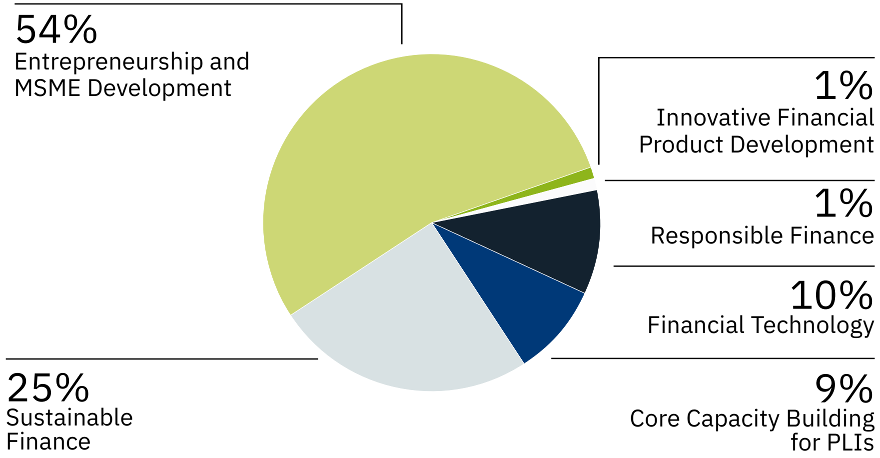
# Advisory and capacity building

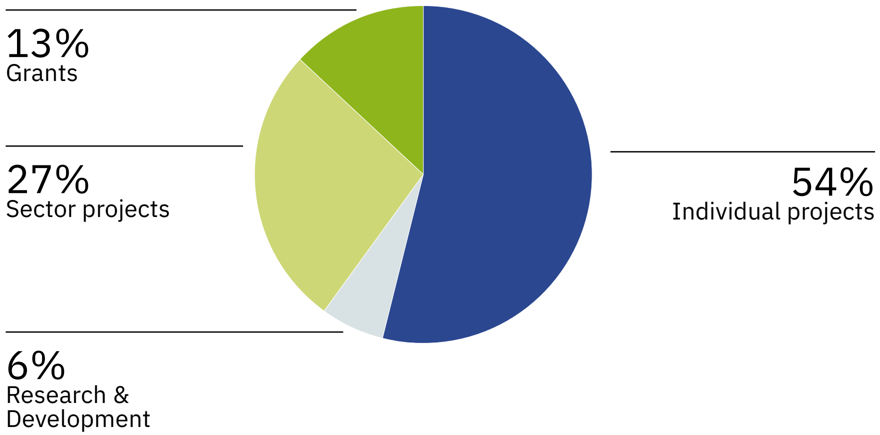
## Total scope of activities

Based on approved project volume YTD




## Advisory and capacity building by project type

Based on cumulative project volume

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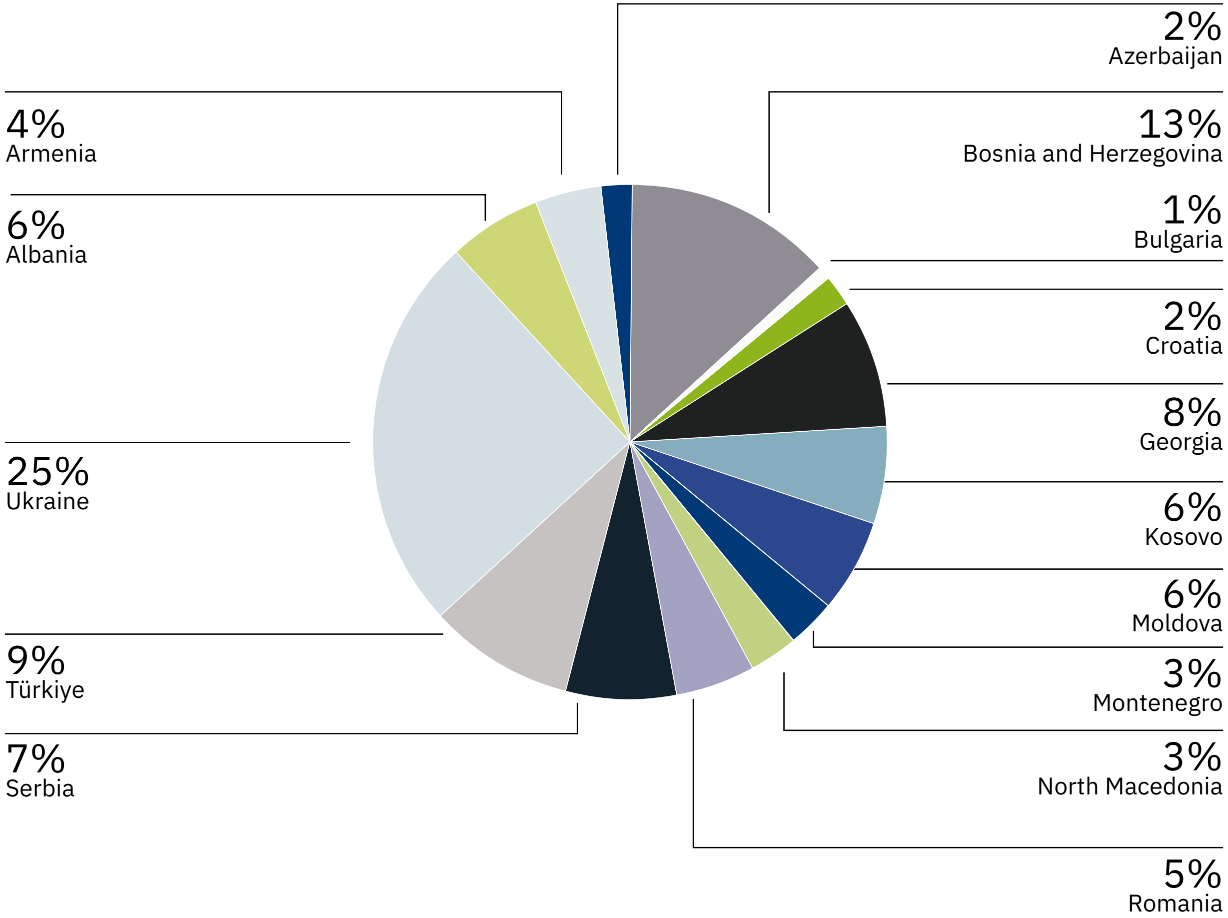
# Advisory and capacity building

## Project distribution by country

Cumulative, from inception of the EFSE Development Facility in 2006 at 31 December 2025

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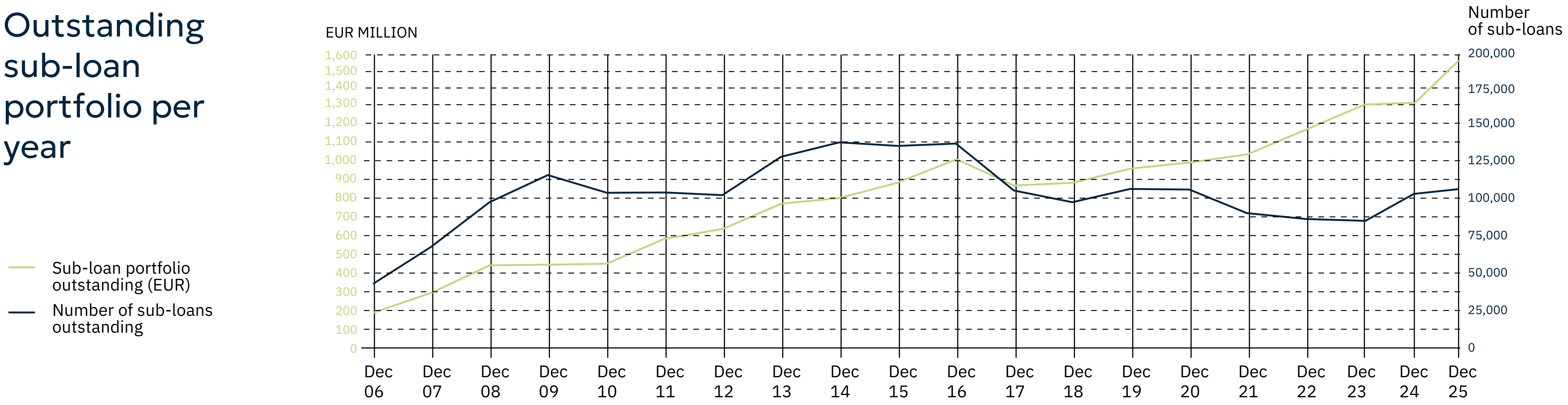
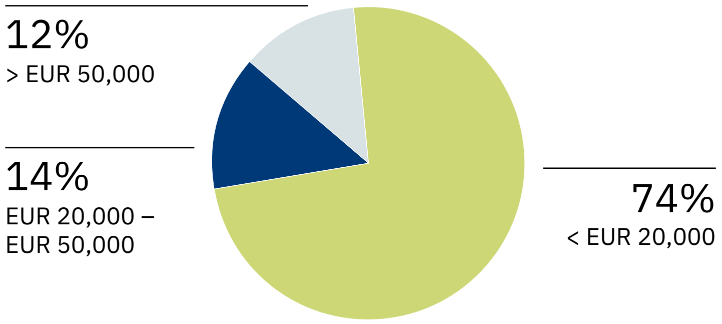
# Sub-Loan Portfolio

## Outstanding sub-loan portfolio per year




## Outstanding sub-loan portfolio by sub-loan size

Based on total number of sub-loans

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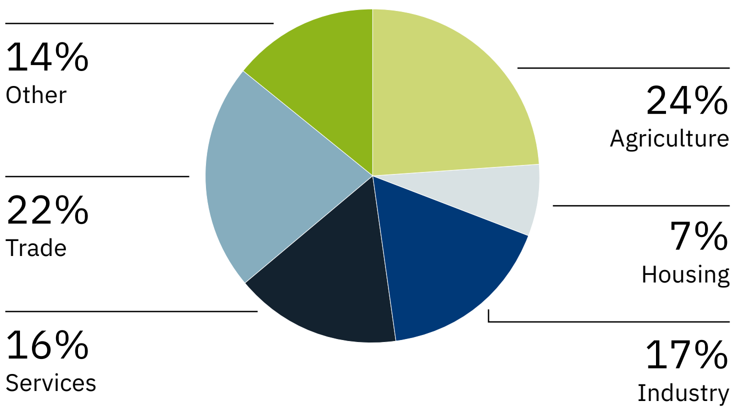
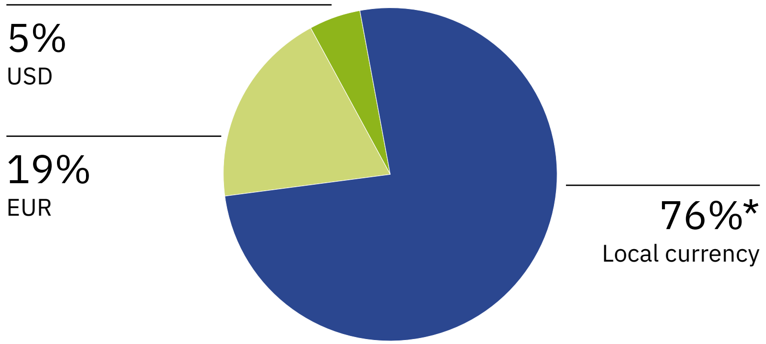
# Sub-Loan Portfolio

## Sub-loan portfolio outstanding by economic sector based on volume of sub-loans




## Sub-loan portfolio outstanding by currency based on volume of sub-loans

EUR as local currency/currency board in Bosnia and Herzegovina, Bulgaria, Kosovo, Montenegro




*EUR as local currency/currency board in Bosnia and Herzegovina, Bulgaria, Kosovo, Montenegro. Please refer to the offering document before making any final investment decisions.

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