20 ANNUAL REPORT 21

2020 ANNUAL REPORT 2021

CONTENTS

FOREWORD

Dear Shareholders, Clients and Partners,

After two years marked by the pandemic, our markets have shown resilience from both a financial and economic perspective, despite the worldwide health problems and societal damage. This resilience was reported and monitored thanks to our partnership with the World Bank throughout 2021, and their quarterly 'CGAP Global Pulse Survey on Microfinance Institutions' which used our data to provide analytics and transparency to our industry. As for our own portfolios, their risk provisioning increased by approximately 1% last year, which was manageable. This reflects the fact that the financial institutions which we finance have faired well overall throughout the crisis, with recovery rates almost back to normal. The portfolio growth rate of the 50 institutions with which we work the most reached 15%, and their profitability measured through their return on equity reached 12%, both confirming this return to pre-pandemic performance.

As a result, our operational activity has continued to grow, with a record USD 1.2 billion in new deal origination in 2021. We maintained our coverage in 80 markets, with investments in 290 portfolio companies, 38 of which are new relationships. Overall, the regional exposure and country breakdown remained stable. Latin America and South & East Asia remained our largest regional exposures (both 31%), followed by Europe & Central Asia (24%) and Africa (12%), slightly smaller than previous years. We split our origination volumes into 842 transactions, most of which were promissory notes or loan agreements. We structured nevertheless 60 of them as formal bond issuances, representing almost half (47%) of the origination volume; 17 were compliant with International Capital Markets Association (ICMA) protocols for impact bonds, with 7 certified as social bonds, 6 as green bonds and 4 as sustainable bonds. Among these, a USD 5 million financing of Samunnati, an Indian agricultural microfinance institution, resulted in the firm receiving the innovation award in the green bond category from Environmental Finance (EF).

The portfolio management side of the business posted modest growth of 4% in assets under management (AuM), reaching USD 2.9 billion, split among 25 funds. New growth from Benelux, France and Switzerland complemented our historical clients in Germanic and Nordic countries. Paradoxically, gross yields didn't increase in our markets despite heightened risks. With a slower pace of deployment and some marginally higher provisioning, there was pressure on investor returns. The SMX index nevertheless delivered 3.14% in USD hedged terms, still showing resilience and consistency in our asset class. Yields were higher on our forex unhedged mandates, benefiting from the currency play, with a net return range of 3 to 4% in USD, 5 to 6% in CHF and 10 to 14% in SEK. Our portfolio managers were also able to deploy their portfolios beyond microfinance into the green, agri and fintech sectors, setting the stage for multi-thematic and multi-asset portfolios for some clients. The team also confirmed its pension fund single investor mandate capacity, starting a first mandate outside Switzerland with Pensioenfonds Detailhandel in the Netherlands.

The company continued to grow across all its activities, with 38 new staff hired, taking the total headcount to 163. These represent a wide diversity of 38 nationalities, spread across our 10 office locations. The team also successfully launched offices in Armenia (Yerevan) and India (New Delhi) to be closer to our markets, a move accelerated by travel restrictions during the pandemic. Noticeably, the gender balance shifted to a majority of women, with 51% of them in 2021. The company launched a diversity and inclusion plan to further enhance overall the corporate culture. Finally, Symbiotics reengaged with its historical digital edge, thanks to strong data management and business intelligence initiatives and investments.

Overall, operational results translated into an exceptionally solid financial bottom line. Profitability was, paradoxically, high during this challenging period, with increased revenues and measured cost growth. This continued a trend of growth in shareholder value, which reflects the overall capacity of Symbiotics to positively impact all our stakeholders, be they clients, suppliers, employees or the community in general.

Management successfully deployed our transformation strategy with the creation of Symbiotics Group SA (as a holding company) and carried out the preparatory work that will lead to the splitting of activities between Symbiotics Investments, Symbiotics Asset Management and Symbiotics Capacity Building in 2022. We also finalized the spin-off and successful equity fund raising of 'Tameo Impact Fund Solutions SA', which will allow the business lines they are leaving with to benefit from their full independence and strive in our ecosystem (which includes fund surveys, research, benchmarks, indexes and support services).

Symbiotics delivered positive impact results on all three measurement fronts. First on the 'ESG integration' promise, for which we use environmental, social and governance ratings on all invested companies: the average grade was of 3.75 out of 5, which is historically very high. Second on the 'SDG intentionality' promise, for which we assign an impact objective to each investment, using Sustainable Development Goals: we stay very centered around SDG 1 'no poverty' (37% of the portfolio), SDG 8 'decent work' (37%), SDG 5 'gender equality' (16%). Third on the 'BOP outreach' promise, for which we measure the capacity to reach the base of the pyramid population, defined as micro-, small and medium enterprises and low and middle income households, based in low and middle income economies: we can claim a direct access to finance to more than 2 million end clients, with an average balance of USD 3,195, in countries with an average gross national income per capita of USD 5,736.

Overall, we are confident that, despite the challenging environment, we are on track with our Strategic Plan 2025, and that these positive results will pave the way for future success.

We would like to thank all of you for your continued trust. We look forward to seeing Symbiotics continue to grow as a leader in its impact ecosystem.

With kind regards,

Jacques de Saussure,
Chairman

Roland Dominicé,
CEO

STRATEGY

Symbiotics is the leading market access platform for impact investing

VISION
Our vision is to improve the human capacity of living together on the planet, with a particular focus on socio-economic inclusion and climate resilience.

MISSION
Our mission is to foster sustainable development in emerging and frontier economies by connecting investors to local financial intermediaries, enterprises and projects.

VALUES
- Impact driven: inclusive, self-conscious and coherent, depth and sense of purpose
- Independent: stand-alone and task control, self-judgment and leadership, fairness and reliability
- Principled: strong ethics, loyalty, pride and responsibility, competence and care
- Performing: pragmatic and results-oriented, merit-based personal contributions
- Team player: open-minded and positive, sharing and respectful.

GOVERNANCE

BOARD OF DIRECTORS

JACQUES DE SAUSSURE
Chairman

BETH KRASNA
Vice-president

DAVID LEDERMANN
Member, Secretary

PIERCARLO GERA
Member

MICHEL GUILLET
Member

LORE VANDEWALLE
Member

LAURENCE VOGT SCHOLLER
Member

GENERAL MANAGEMENT

ROLAND DOMINICÉ
Chief Executive Officer

YVAN RENAUD
Chief Operating Officer

CHRISTOPHE FAVRE
Chief Finance Officer

STAFF

> *The Company has demonstrated again resilience, solidarity, and adherence to its core values. We continued to invest in supporting our people, whether in technology, operations or soft skills. For a company of our size, present in now 10 locations, we are proud of the diversity we have achieved, the management support to this cause, and the benefits and support that we could offer in terms of careers development.*

CHRISTOPHE FAVRE, CHIEF FINANCIAL OFFICER

10

AMSTERDAM
CAPE TOWN
GENEVA
LONDON
MEXICO CITY
NEW DELHI
PARIS
SINGAPORE
YEREVAN
ZURICH

OFFICE LOCATIONS

163

51% FEMALE

49% MALE

GLOBAL STAFF

38

NATIONALITIES

24 YOUNGEST

38

AVERAGE AGE

OLDEST 61

82

OF WHICH 55 ARE EMPLOYEES HOLDING 40.25% OF VOTING RIGHTS

SHAREHOLDERS

38

50% FEMALE

50% MALE

NEW HIRES

As of December 2021

SYMBIOTICS GROUP

CORPORATE

FINANCE

The Finance and Administration unit has group-wide responsibility for financial accounting, consolidation and reporting, the preparation of statutory financial statements and audits, treasury management, corporate financial risk management and asset/liability management, as well as facility management at the headquarter and in support of Symbiotics affiliate offices.

For the ongoing implementation of an enterprise resource planning (ERP) tool in all our locations, the unit deployed new features, such as integrated invoice and expense approval systems and payroll software at HQ and in Singapore and its pairing with the Human Resources Information System (HRMS).

These initiatives reinforce the unit's capacity to work on a unified platform irrespective of location, increase our collaboration with external accounting firms, and shorten and simplify our financial report production cycle for better management decision-making.

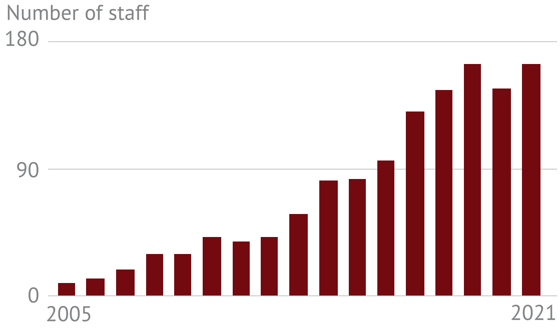
CONTROLLING

The Controlling unit worked on the enhancement of our budgeting capacities, the accuracy and automation of forecasting models for both revenues and costs, and the design of an activity-based costing (ABC) framework, further leveraging the company's performance management solution to better use financial data for decision-making.

PEOPLE

The number of permanent staff on payroll grew again in 2021, to reach 163, a net increase of 15 people year-on-year.

Figure 1
Staff at year-end



In 2021, the People unit worked on its institutionalization, with the aim of adjusting the HR framework to meet the firm's growing complexity:

- A dedicated pandemic ad-hoc committee provided guidance to ensure employee safety and consistency in the application of COVID-19 rules.
- We implemented a Human Resources Information System (HRMS) throughout the group. This major investment enables the unit to manage the entire life cycle of an employee on a unified platform, ensuring better data quality and better decision-making through dedicated key performance indicators (KPIs) and a dashboard.
- We clarified and completed HR policies, updated staff regulations at HQ and implemented local versions in selected locations. The relationship between the unit and the hubs has intensified through regular meetings and HR trips to the hubs to support hub integration. This overall effort will continue in 2022.

PROJECT SPOTLIGHT
The deployment of Hubdrive, our first HRMS

We deployed our human resource management system (HRMS) with the help of Senergy, a specialized Swiss IT firm. The tool is accessible in all our locations.

The software offers employees and managers self-service HR functions: the population of pay slip and key personal documents: work contracts on the personal profile, a leave and absence module with dedicated validation flows, an automated time module for time tracking, a customized attendance module for reporting, and a recruiting module that interfaces with our website and external portals such as LinkedIn.

The HRMS plays a central role in the corporate IT ecosystem since the software is the focal entry point of all employee data. Reporting and analytics will link to our Business Intelligence (BI) platform. We expect to add a talent and performance management module in 2022. The tool is fully compliant with the European Union General Data Protection Regulation (EU GDPR).

- A comprehensive compensation and benefits review is ongoing, including a review of our ranking system and salary grids. We completed a preliminary salary-grid analysis across all locations; the next steps will include finalizing the job cartography, in collaboration with the executive committees of each business line, carrying out a benchmarking exercise and initiating a global benefits review to ensure consistency and equity across all locations.
- We launched a diversity and inclusion project, which comprises the setting up of a steering committee with representatives from all business lines, a comprehensive staff survey on inclusion, and the creation of working groups focusing on the workstreams identified thanks to the survey. The next steps will encompass the implementation of a diversity and inclusion (D&I) KPI dashboard, the design of a D&I learning curriculum, the launch of a women's empowerment initiative and the defining of an internal communication strategy for this important topic.

INFORMATION, COMMUNICATION & TECHNOLOGY

2021 was another transition year. Our focus on Information helped us formalize our processes and develop ways to gather, aggregate, consolidate and report on the evolution of key initiatives, such as the Strategy Controlling, Transformation and Impact committees.

On the communication side, the Corporate Communication team developed updated corporate guidelines to ensure that we keep a clear understanding of our brand assets and continue to deliver a consistent experience to our stakeholders. We updated the corporate website to align with organizational changes. We continued to support the organization and management of various events – online and in-person. We coordinated numerous press and social media releases with the business divisions aiming to raise the awareness of our successes. We also launched various initiatives supporting our future organization. For example, integrating new project management tools, organizing our photographic database and more generally formalizing our roles and responsibilities with our peers.

The Internal Communication function continued to develop and implement tools to inform and involve our colleagues worldwide. For example, the newly drafted Internal Communication principles document informs on everything the function can do to support our colleagues. We organized various initiatives throughout the year, from knowledge sharing events and internal training sessions, to after work drinks, offsites, Townhall meetings and supporting internal staff activities. The team worked closely with the HR function throughout the year to support initiatives such as staff on-boarding, the new diversity and inclusion project, and learning and development activities.

The Internal Communication function took the lead in developing our corporate social responsibility (CSR) strategy by creating concept documents defining a vision for the company. A newly-formed CSR Committee helps gather, select and guide all CSR initiatives. The next phase will look at the proper allocation of resources to further grow our means and impact.

On the Technology side, the focus has been on presenting a clear and useful operating model to support each division while sustaining its own growth.

The definition of best practice for procurement supports the increasing demand for third-party software implementation in our information system, currently composed of more than 80 applications. Among the most significant are: Ledgy, a shareholding management tool; Microsoft Business Central, a financial management solution; a new customer relationship management (CRM) tool for the asset management function; Hubdrive, an HR management software; and Microsoft Exchange online, improving our emailing capacity.

The Business Intelligence Unit is continuing to build a reporting platform to access data across the organization. The team delivered bespoke reports and dashboards, while increasing the amount of certified data available. Our colleagues have started training on Power BI to understand, use and create their own outputs. To support the team effort, two new BI Specialists joined, one in July and one in November. We have maintained our push towards a hybrid cloud model, expanding our use of tools such as Office 365 and SharePoint, which now powers our Intranet. We have made Teams our primary communication and collaboration tool across the company, which was a key component of our successes during the period where we could not work closely together.

Our team has grown in 2021, with the addition of one person in the internal communication function and one dedicated to training colleagues on the use of Business Intelligence. In addition, we are sourcing external partners locally to support us in terms of guidance and best practices, and temporary resources, to increase our offer and flexibility.

PROJECT SPOTLIGHT
Business Intelligence

We formed the Business Intelligence (BI) Unit with the vision to better leverage data, which is an asset for the company.

In order to achieve our goal of enhancing the understanding and use of internal data, we needed to build a resilient management system that could adapt to future company transformations. We wanted to create a single version of the truth, where every user has access to data based on the same calculation rules and definitions and can also construct their own analysis and perspective.

During 2021, the BI Unit on-boarded two new contributors to the unit's success, along with several external experts to support its activity.

We continued to integrate new modules from Admin, such as Loan Bookkeeper, Fund Accounting, Credit Risk, Watch List and SMX Index Metrics, and the new software Business Central. We also created many key performance indicators for reporting.

We produced several reports for the Risk and Recovery, Corporate Finance, and Markets units and some bespoke projects (Market COVID Benchmark, Blended Portfolio MEF, Vena Input Report).

Going forward, we will integrate new and existing modules from Admin, SymFact, Bloomberg, Vena and other sources. We are also focusing our energy on further developing the Certified Reports program. We will launch the self-service BI by introducing it through the BI Academy, and will open BI Support Services to help and guide colleagues in their discovery of the BI Reporting Platform. In addition, we plan to expand our Master Data repository service to all new and existing business software within the group.

LEGAL, RISK & COMPLIANCE

The company had an intense year in 2021 in terms of legal, risk and compliance activities.

RISK

From a risk standpoint, despite the context of the COVID-19 pandemic, our activities continued without any major disruption during the year. Only a limited number of cases that we needed to work out were directly linked to COVID-19. In terms of market risks, the watch list classification remained subject to lockdown, payment moratoria programs and capital control measures imposed locally. During 2021, and for varying reasons, Myanmar, Sri Lanka and Lebanon saw deteriorations in country risks.

During 2021, we implemented several risk management measures. Improvements such as Market Risk Stress Tests (MST), Liquidity Stress Tests (LST), the risk appetite statement and sustainability risks were required by law. Also, due to the growth and evolution of the business, we implemented several internal improvements, including the automatization of the risk mapping and control plans and the streamlining of risk reporting tools for the investment funds.

COMPLIANCE

From a Swiss regulatory standpoint, the Compliance unit finalized implementing the Financial Services Act (FinSA), the Financial Institutions Act (FinIA) and their respective ordinances (FinSO and FinIO). As a consequence, the relevant code of conduct policies and procedures were implemented or updated. Clients received communications about their classification before the end of the transitional period.

In addition, we transposed the requirements of FINMA Circular 2018/3 on outsourcing activities into our Code of Conduct and a new Delegation of Offering Procedure. In the course of 2022, we will expand this monitoring activity to other material outsourcing pursuits.

In the meantime, the European Union (EU) legislative environment has evolved to create a more transparent financial system. This is having an impact on Symbiotics and our activities. First of all, the EU is at the forefront of the environmental, social and governance (ESG) movement, heavily pushing for harmonized solutions in order to tackle ESG matters. Among these solutions, the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation had an impact on Symbiotics and our investment funds, especially with respect to the introduction of new sustainability-related disclosure requirements. As such, we have classified our investment vehicles as Article 9 funds, meaning with a sustainable investment as their objectives. We also amended the funds' prospectus in line with SFDR and taxonomy requirements, adopted an ESG Policy and Remuneration Policy, and published an SFDR disclosure on our website. Secondly, the EU published its sixth Anti-Money Laundering (AML) Directive, strengthening existing AML/CFT (Combatting the Financing of Terrorism) provisions. We integrated the directive's provisions, which entered into force in December 2021, into the AML policies of our funds and EU subsidiaries to reflect these changes.

- The Trade and Cooperation Agreement (TCA) between the EU and the United Kingdom (UK), also known the Brexit deal, came into force from January 2021. The TCA does not grant equivalent status to firms operating under the Markets in Financial Instruments Directive (2004/39/EC) (MiFID II) in the UK. Therefore, our UK subsidiary lost its passporting license to provide financial advisory services for bond placement activities in the EU. The Dutch subsidiary took over these activities, keeping the group's continuity for such endeavors within the EU.
- Symbiotics France SA onboarded the alternative investment fund management activity of Symbiotics Sicav II in July 2021. At the same time, Céline Georges-Picot became its new General Manager.

LEGAL AND CORPORATE

As for corporate governance and organization, in March 2021 Symbiotics has become a Certified B Corporation with 116.1 points, ranking among the top three certified Swiss B Corp companies. After seeking prior approval from the Swiss Financial Market Supervisory Authority (FINMA), we amended the Articles of Association and Organizational Regulations to reflect our commitment to balancing profit and purpose.

In June 2021, FINMA and the General Assembly of shareholders approved the following changes:

- Resignation of Ivan Pictet as Chairman of the Board
- Resignation of Tineke Ritzema as member of the Board
- Election of Jacques de Saussure as Chairman of the Board, replacing Ivan Pictet
- Election of Laurence Vogt Scholler as a new member of the Board
- Election of Piercarlo Gera as a new member of the Board

At the end of 2021, and within the context of the group's transformation, the new holding company Symbiotics Group SA chaired by Jacques de Saussure was incorporated. All shareholders agreed to the transfer of the totality of their shares to Symbiotics Group SA as of 3 December 2021.

Finally, 2021 saw the incorporation of two new subsidiaries: Symbiotics Caucasus and Central Asia LLC in Yerevan and Symbiotics South Asia Pte. Ltd. in New Delhi.

In order to cope with all these regulatory challenges and reorganization changes, Legal, Risk & Compliance became an independent division managed by María Peña, reporting directly to the CEO. Alphée Lacroix is the new Legal & Compliance Manager in charge of the Legal and Compliance Unit. We created a new separate role to directly manage legal corporate matters: Amy Bergstraesser is responsible for this new role.

SYMBIOTICS INVESTMENTS

MARKETS

The markets recovered remarkably well from the COVID-19 pandemic in 2021. The underlying portfolio of our partners grew on average more than 10% during the year, with levels above 20% demonstrated across Asia. Meanwhile, portfolio quality improved, with a significant decrease in underlying portfolio restructuring due to the pandemic. Yet, portfolio at risk > 30 days (PAR30) levels did not subside to pre-pandemic levels (median of 4% compared to 2.5% in Dec-20). Fortunately, this did not greatly affect the sector's solvency and profitability, whose trends were stable to positive. Liquidity levels remained good, following improved confidence in the markets, although they decreased slightly at the end of the year to support growth.

In 2021, Symbiotics expanded its geographical presence, opening new regional offices in Yerevan, Armenia and Delhi, India. These new locations will support growth in regions where Symbiotics has long been active. This move is inscribed in our strategy and further affirms our presence in these markets, closer to our partners, where impact investment actually takes place. In most regions – except in Asia where movement restrictions remained throughout 2021 – the second semester offered our teammates the opportunity to travel again, visit prospects and partners, and see firsthand their growth and solidity.

Figure 2

Portfolio growth

Figure 3

Portfolio under COVID moratorium and Non-Performing Loan

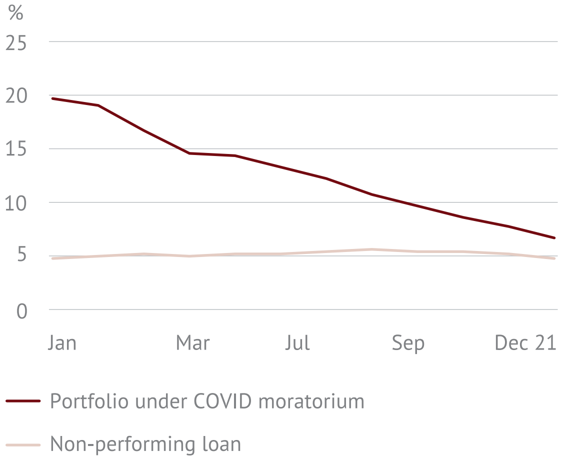


Figure 4

Capital Adequacy

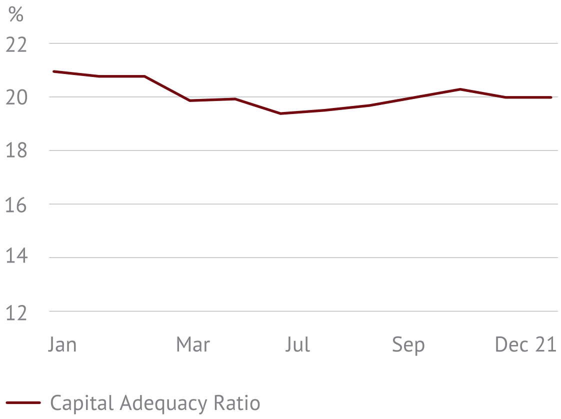


Figure 5

Return on Equity

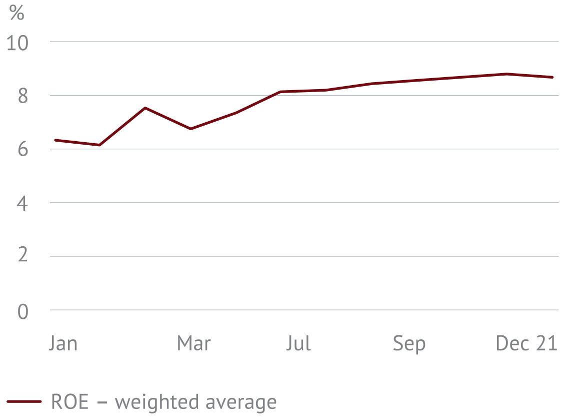


Figure 6

New investees in 2021

REGION	INVESTEES
Eastern Europe, Central Asia & MENA	7
Central & Eastern Europe	1
Russia, Caucasus & Central Asia	3
Middle East and North Africa	3
Latin America & the Caribbean	14
South America	6
Central America, Mexico & the Caribbean	8
South & East Asia	6
South Asia	2
East Asia & Pacific	4
Sub-Saharan Africa	11
Western Europe	0
TOTAL	**38**

Therefore, Symbiotics maintained wide market coverage during the year, with investments in almost 80 countries and significant geographical diversification. We temporarily lost exposure in Serbia and Nepal and gained some in Benin, Jamaica and Turkey. The number of active investees remained stable at around 290.

While microfinance continues to prevail as a target theme, we provided our clients with exposure to sector-specific financial institutions (FIs), such as education, agriculture and housing. Our portfolio also grew with investments in impactful fintech active in remittances or payment systems (substantial transfer cost reduction).

The Symbiotics investment portfolio once again showed resilience in 2021. Non-performing investments (NPIs) were 7.1% in Dec-21, up from 6% in Dec-20. While they remained stable in Latin America, Eastern Europe and Central Asia (ECA) and the Middle East and North Africa (MENA) despite almost two years of the COVID-19 pandemic, NPIs grew in Asia, essentially due to the situation in Myanmar (see details in the East Asia section). Meanwhile, in sub-Saharan Africa, NPI levels materially improved on the back of successful debt restructurings in Cameroon, Zambia, Tanzania and Côte d'Ivoire.

REGIONAL FOCUS

LATIN AMERICA & THE CARIBBEAN

In 2021, Latin America recovered from the severe impact of the pandemic. Most governments reacted with an expansion of their fiscal and monetary policy, boosting economic growth to mitigate the social impact of the crisis. In addition, the availability of vaccines allowed for relaxations of restrictions from which the economy and, in particular, the service sector benefited. This led to an economic recovery and GDP growth of approximately 6% in the region. In line with this positive development, financial regulators lifted moratorium rules and other pandemic-specific regulations. As a consequence of increased deposit levels, due to lower consumption and greater availability of local funding, demand for external funding was not high at the beginning of the year. However, strong economic growth boosted demand in the second semester. Although this trend was visible in both sub-regions, it was stronger in South America – driven by Colombia, Peru and Ecuador. Symbiotics was able to grow its outstanding portfolio in the region while maintaining asset quality, relying on the long-term relationship with investees as well as on our deep market knowledge, which allowed us to onboard 10 new partners in the region.

SUB-SAHARAN AFRICA

In sub-Saharan African (SSA), the pandemic triggered supply chain disruptions, rising inflation and currency depreciation in many countries. Nonetheless, the region emerged from the 2020 recession and expanded by 3.3% in 2021, with some dynamic economies such us Côte d'Ivoire, Kenya and Ghana quickly picking up. The impact of the Delta variant together with some new lockdowns (Uganda, South Africa) and the slow rollout of vaccinations overall led regional growth in 2021 to remain below trends. However, central banks maintained accommodative monetary policies and we witnessed an overall improvement in investee performance. We observed a focus on portfolio quality, with improved underwriting conditions and few additional moratoriums or restructurings, and a shift to digitalization across processes and delivery channels. This, together with available liquidity, enabled most of our investees to return to pre-COVID-19 levels, driven by gross loan portfolio (GLP) growth, a return to profitability and stable capital positions. As a result, funding demand from FIs remained elevated and Symbiotics was able to close a record year in terms of origination in the SSA region. On the downside, West Africa witnessed political instability, with coups in Mali, Guinea and Burkina Faso.

SOUTH ASIA

South Asian countries faced the emergence of the Delta variant, which resulted in lockdowns during the first half of 2021, leading to slower growth among FIs in the region. During the second half of the year, lockdowns were less restrictive while still limiting the Omicron surge. Central banks in the region continued with accommodative monetary policies, ensuring enough liquidity in the system. This helped Symbiotics investees maintain their portfolio levels and extend timely credit to end-borrowers in their respective market segments. As a result, despite a difficult year financially, FI portfolios grew by 15% in 2021, followed by an increase in loan recollection of an average of 80%. Additionally, many FIs in South Asia raised significant equity after the first lockdown in 2020 and maintained comfortable solvency levels. As a consequence of this strategy, FIs had robust capitalization levels to absorb increasing write-offs and provisioning requirements. Nonetheless, within the South Asia region, the Sri Lankan economy contracted severely in 2020 owing to the COVID-19 pandemic and rebounded an estimated 3.4% in 2021 as global conditions recovered and export demand improved. However, the country's external position remains vulnerable to looming external and domestic downside risks, a significant trade deficit, and depleting foreign reserves. On the other hand, Bangladesh and Nepal offer high potential in the region, especially in green financing.

EAST ASIA & PACIFIC

The pandemic and efforts to minimize the economic fallout continued to dominate the agendas of East Asia countries in 2021. The main priority for many governments was to secure and quickly rollout COVID-19 vaccines to their populations. However, many countries struggled to inoculate their populations in the early months due to insufficient supplies and poor distribution channels. China, Mongolia and Cambodia were able to quickly immunize most of their populations by Q2–21, while others, such as Indonesia and Vietnam, only did so one to two quarters later. Cambodia and Vietnam, which previously saw very low infections, were forced to impose stifling economic lockdowns to contain the spread. Nonetheless, many countries relaxed their pandemic controls in 2021 and allowed for greater reopening of their economies, especially when a sufficiently high proportion of the population had been immunized. While some FIs provided additional moratoriums and restructuring to their borrowers, the impact on portfolio quality and profitability was relatively mild compared to 2020, as both FIs and borrowers had adapted better. Moreover, most FIs saw their portfolio quality stabilize and grew their assets in 2021. In Myanmar, the military staged a coup and overthrew the newly elected government, reversing years of rising freedom and economic growth. The economy is expected to have contracted a massive 18.4% in 2021 according to the Asian Development Bank (ADB) due to rising insecurity, the disappearance of foreign direct investment (FDI) and a banking liquidity crisis. Despite strong capitalization and decent liquidity, all investees have subsequently been placed under workout management due to the challenging operating environment. Even with the subsiding of the pandemic, we foresee a challenging future for the microfinance sector in Myanmar.

EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA

Following the initial shock of the pandemic in 2020, Eastern Europe and Georgia witnessed a rebound in 2021, reporting excellent credit growth, averaging 5.6% and 12.6%, respectively, on the back of stronger demand from microenterprises and small and medium enterprises (SMEs) exposed to agriculture and small local trade, while also aided by recovering tourism revenues. Most Symbiotics investees proved to be resilient, as reflected in stable capital adequacy ratios and improving profitability following resumed credit demand and reversals of provisions. That said, as most moratorium measures came to completion during 2021, asset quality remained stable, with a slight trend towards improvement. Thanks to positive GDP growth and appropriate government responses, investor confidence also increased as reflected in highly liquid markets and ample funding from international FIs. Soft sanitary restrictions in the Caucasus and Central Asia allowed for gradual economic growth and stable operations in 2021. Coupled with a stable geopolitical situation, the post-pandemic recovery resulted in strong origination with our long-term partners and some new institutions.

MIDDLE EAST AND NORTH AFRICA

The Middle East, North Africa, Afghanistan and Pakistan (MENAP) region also made good progress in 2021 as the economy had been recovering despite recent COVID-19 variants and slow vaccine rollouts, with GDP growth in the Middle East and North Africa bouncing back (estimated 4.2% in 2021 vs –3% in 2020). Although the economic consequences of the pandemic put more pressure on household savings and on FI asset quality, especially in countries witnessing social or political instability, our investees reported good loan portfolio quality and sufficient liquidity levels overall, thanks to their timely response during the pandemic and to central bank support. With the relaxation of lockdowns during the second half of 2021, demand for financing increased, with our investees reporting strong LP growth and projecting strong performance in 2022.

MARKET COVERAGE

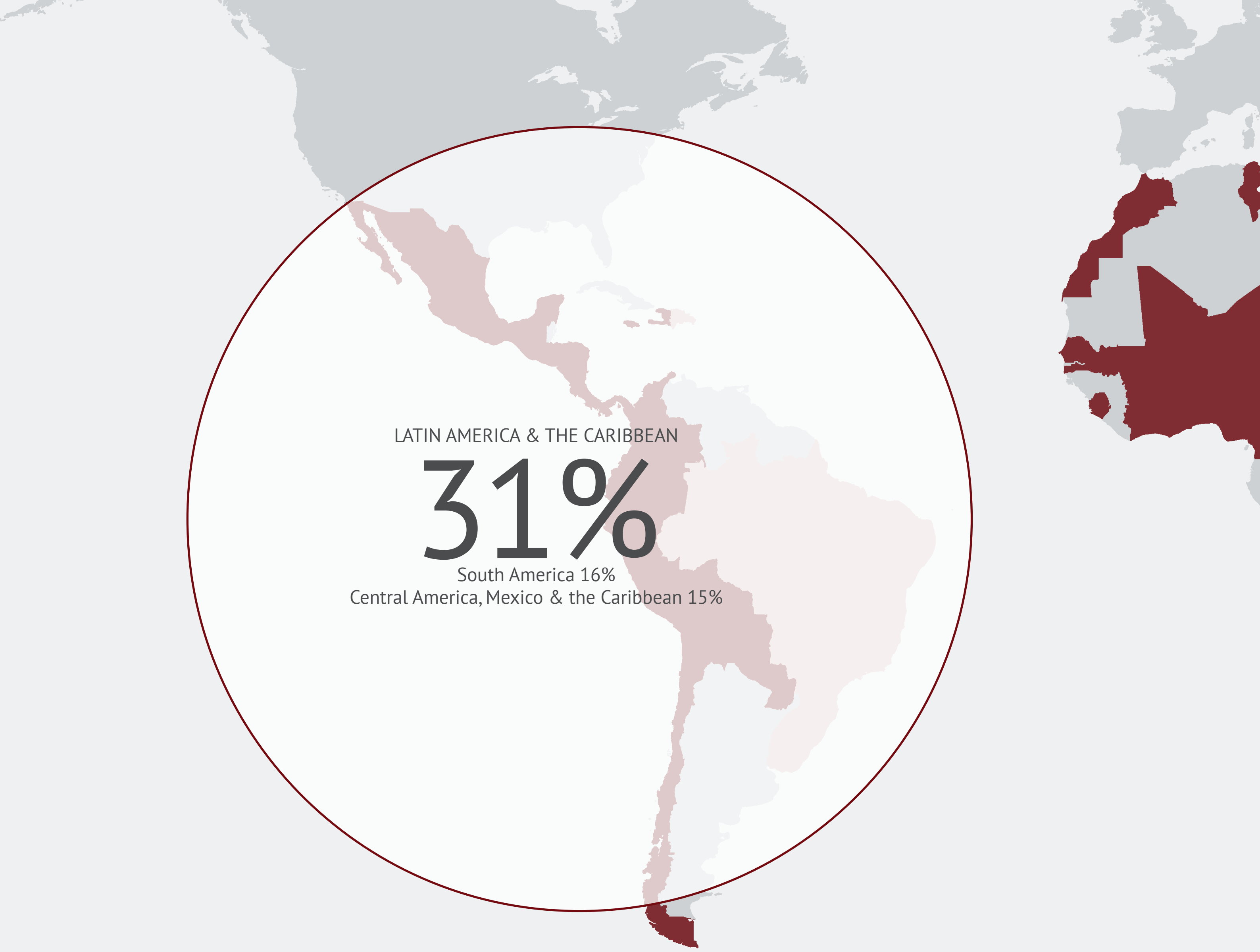
KLAUS GEYER
Regional Director
Latin America and the Caribbean

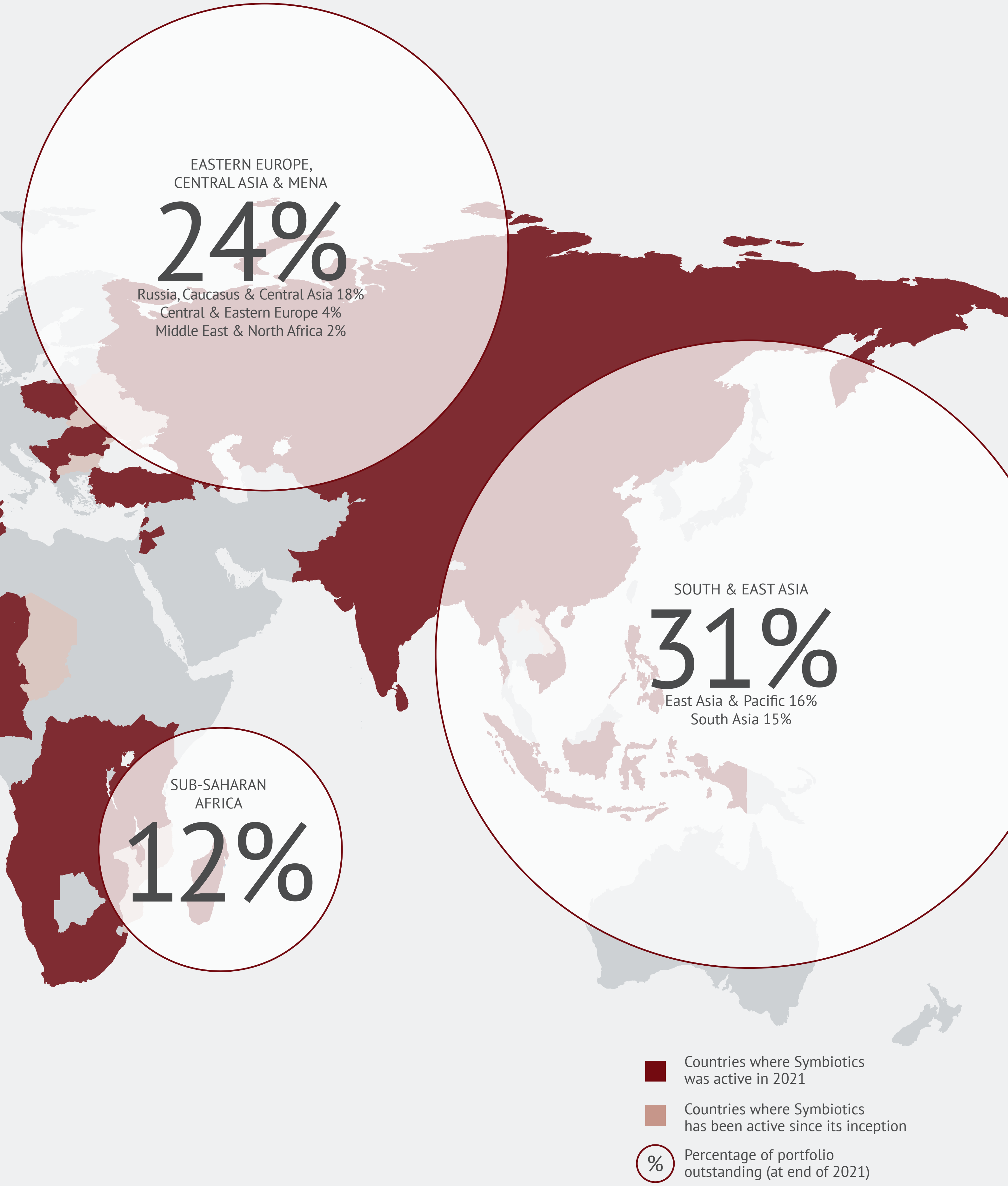
DUNCAN FRAYNE
Regional Director
Sub-Saharan Africa

EUGENE TAN
Regional Manager
South and East Asia

ALEXANDR FANDO
Regional Manager
Eastern Europe, Central Asia and MENA

PRASHANT BHARDWAJ
Regional Manager
South Asia





Note: Total excludes Western Europe and North America which are not shown in the breakdown.

INVESTMENTS

OVERVIEW

The year started with blurry visibility on the investment pipeline, with most of the world still struggling to cope with the pandemic. Like in 2020, the deal flow ended up being strong and allowed us to close a record year, with total origination passing the USD 1 billion mark for the first time and reaching USD 1.2 billion at year end. We disbursed loans to 160 financial institutions located in 60 countries. The original budget had a target of USD 960 million, which was established conservatively taking into account the lack of visibility in global markets, meaning that we ended up 22% above budget and 18% above the previous year's origination.

What was particularly striking in 2021 was the fact we had steady levels of origination throughout the year. The year started well, with a record month in January (USD 55 million), usually a low-activity month, and the following months continued to see good levels of origination, with a special mention for July at USD 156 million and December with USD 196 million. We managed to limit the strong traditional seasonality effect by spreading out disbursements more evenly than in previous years. It should be noted, however, that this is not something that is really in our control: it has mostly been the result of successive waves of COVID-19 receding at different times in different regions. The impact on investment teams was, nevertheless, beneficial since it allowed us to spread out the workload over the entire year instead of having a calm first semester and a heavy second one, which was the case in previous years.

The regional split in origination was quite even (between USD 300 million and USD 380 million), with the exception of sub-Saharan African, which remained significantly lower than other regions (at USD 150 million, +42% from 2020), which is consistent with previous years. What those figures don't show is the big difference in seasonality between regions. For instance, Asia started the year well but ended it poorly, resulting in origination being USD 48 million below 2020. This was linked on

Figure 7

Origination timeline

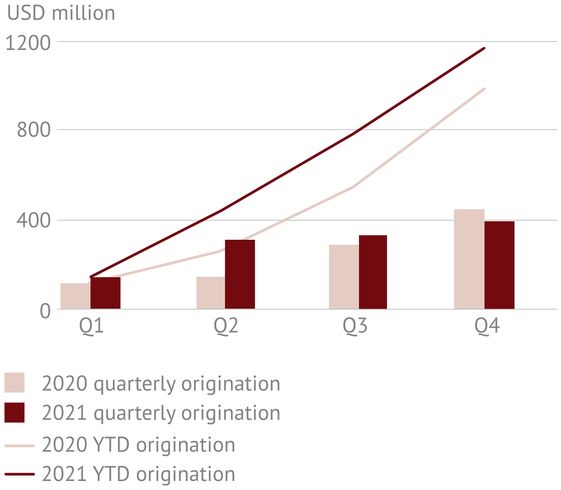
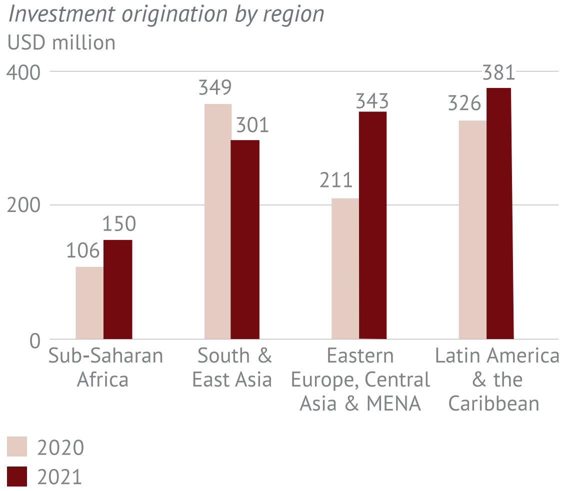


Figure 8

Investment origination by region



the one hand to better conditions early in the year, when infection rates were much lower and vaccine roll-out much faster in Asia than in other regions; on the other hand, the region suffered from the coup in Myanmar, which de facto closed the country, and a major economic crisis in Sri Lanka, which resulted in decreasing our exposure in this country. In Latin America, the start of 2021 was slow because of massive infection rates early in the year and firm COVID-related restrictions, whereas most countries lifted measures in the second semester, allowing for a pick-up in growth leading to increased demand for funding. As a result, Latin America ended the year as the strongest region and increased its origination by 17% from 2020. The good surprise of the year came from Eastern Europe and Central Asia, where origination increased by 63% from 2020 and was steady throughout the year. This is linked to less-stringent COVID measures and increasing commodity prices, which benefited several countries in the region.

Overall, the regional diversification of our outstanding portfolio remained fairly stable in 2021, with only minor adjustments from one region to another. The share of the top 5 countries decreased from 35.7% in 2020 to 32.6% in 2021, mostly due to clients willing to increase their diversification, which led them to favor growth in countries with lower exposures. Similarly, the share of the top 5 investees decreased from 10% in 2020 to 8.9% this year. The average outstanding exposure per investee increased by 10% to USD 9 million, a trend already observed in 2020. This is mostly an effect of originating large volumes to lower number of institutions (160 vs 170 one year ago). The pandemic has been an obstacle in taking on new partners, due either to prevailing uncertainties or to travel restrictions complicating business development. Still the number of active investees remained stable, an improvement from 2020, when we saw a slight decrease in the number of active investees. Our main source of origination – first tier companies (with balance sheets from USD 100 million to USD 1 billion) – continued to make up for a substantial part of total origination (55%, down from 62%), while the largest financial institutions (tier 0 with balance sheets above USD 1 billion) represented 21% (up from 12%) and second tier (with balance sheets from USD 10 million to USD 100 million) represented 22% (down from 26%). Third tier (balance sheets below USD 10 million) remained very low in terms of volume. For the first time in 10 years, the share of our USD-labeled portfolio increased, representing 40%, up from 36% in 2020.

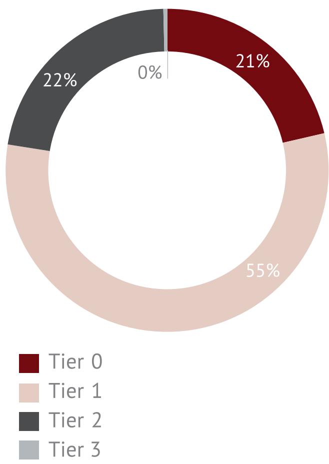
Figure 9

Portfolio outstanding by region

REGION	USD MILLION	%
Russia, Caucasus & Central Asia	474	18.2
East Asia & Pacific	423	16.2
South America	413	15.8
Central America, Mexico & the Caribbean	391	15.0
South Asia	379	14.5
Sub-Saharan Africa	312	12.0
Central & Eastern Europe	100	3.8
Middle East and North Africa	58	2.2
Western Europe	44	1.7
North America	16	0.7
TOTAL	**2,610**	**100**

Figure 10

Investment origination by tier



INVESTMENT INSTRUMENTS & SALES

Altogether, Symbiotics disbursed 842 transactions to 160 financial institutions: 537 were structured through direct promissory notes or loan agreements between funds and Financial Institutions (FIs). In addition, we issued 60 impact bonds, syndicating discretionary mandates, advisory mandates and third-party investors. These 60 bond issuances translated into 305 bond notes sold to 26 different investors/funds. Out of the 60 bonds, 17 were sustainable bonds according to International Capital Market Association (ICMA) principles, further broken down in 7 social bonds, 6 green bonds and 4 sustainability bonds. We also issued our first basket bond for Danish Development Fund IFU. The proceeds of this USD 22 million bond are exclusively targeted at investees located in least developed countries in sub-Saharan Africa. We have also structured a repackaging of a USD 30 million participation in a leading multilateral bank syndication for the Latin America Agribusiness Development Corporation (LAAD) into a green bond subscribed by one of the largest asset managers in Europe. Altogether, bond issuances amounted to USD 560 million (vs 419 million in 2020), representing 47% of origination in terms of volume. Senior debt still represents the bulk of our origination (92% of the total), whereas subordinated loans amounted to USD 85 million (7% of total). We also structured a couple of transactions as deposits in a partner financial institution, as liquidity management tools for the clients. Placement with third-party investors reached record levels at USD 68 million, always ensuring additionality to deal flow provided to managed or advised funds. In addition, we also placed substantial volumes of bond notes with development financial institutions (DFIs) and large asset managers.

PROJECT SPOTLIGHT

Samunnati Green Bond – empowering smallholder farmers to transform the agriculture sector in India

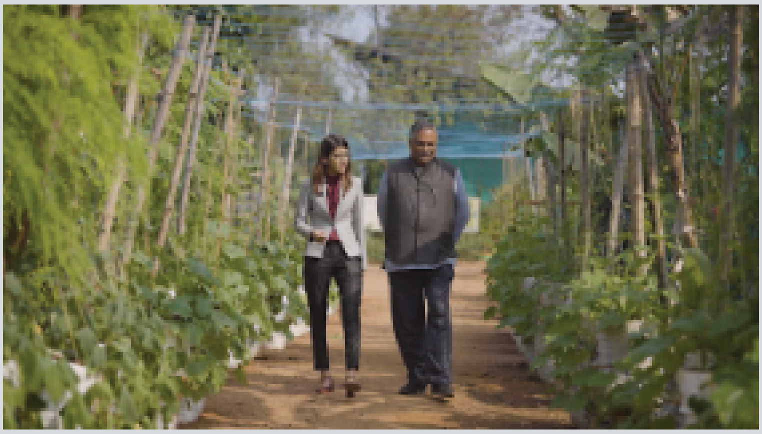
Samunnati
India

INR 370,000,000
(USD 5,000,000)

Maturity
36 Months

July 2021

GREEN BOND



Launched in 2014, Samunnati is a micro-finance institution providing tailored agricultural financing to smallholder farmers in India. Over half of India's population is employed in agriculture and allied activities, with nearly 87% of the farmers being smallholders. Many of them are less literate, come from underprivileged backgrounds and end up marginalized and in poverty. The sector also faces many agriculture-related risks, which smallholder farmers don't have the resources to tackle effectively.

Samunnati's business model is not limited to basic financial solutions. It also covers specialized loan and trade solutions, which are crucial to India's agriculture industry and the smallholder population. Samunnati has become a part of the agricultural ecosystem, allowing it to learn about the pain points of smallholder farmers and to step in and support them at different stages in the value chain.

Through its collaboration with farming organizations, Samunnati supports the development of innovative sustainable agricultural solutions that enhance crops, reduce pollution and finance water-efficient irrigation systems. It also works with businesses that provide development opportunities to those who are particularly disadvantaged, such as women and former soldiers.

Symbiotics has been lending to Samunnati since 2018. In 2020, we issued a social bond of USD 6.75 million. In 2021, we worked with the investee to identify eligible assets under our green bond framework, leading to a first green bond issued for the benefit of smallholder farmers.

SYMBIOTICS ASSET MANAGEMENT

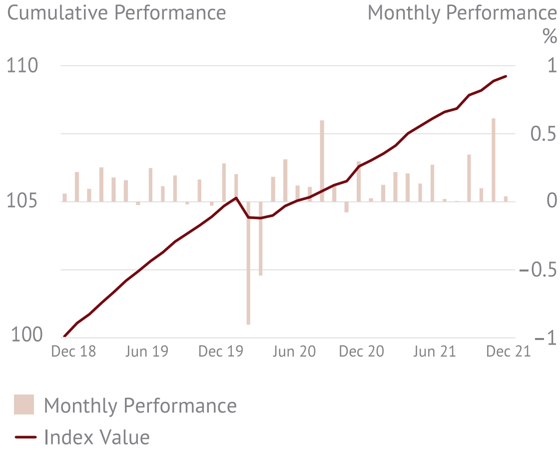
PORTFOLIO MANAGEMENT

Driven by a number of COVID-19 waves, 2021 was a challenging year. In the first quarter, the outlook for the US recovery was optimistic, thanks to the rollout of COVID vaccines and significant stimulus. Long-term yields were rising as investors anticipated tightening monetary policy to manage inflation. Emerging market currencies suffered as demand for the US dollar increased. In Myanmar, a coup provoked large-scale unrest, creating a difficult environment for our investees due to a lack of access to hard currencies.

The fear of global inflation continued to dominate market sentiment in the second quarter. Political risk increased, notably in Latin America (especially in Peru, Chile and Ecuador, among others) where inflation hit multi-year highs. The outbreak of new COVID-19 variants resulted in lockdowns across Asia, which had an adverse effect on currencies. This pressure dropped in the third quarter, with policymakers in several emerging and frontier economies increasing interest rates. Net flows to emerging markets slowed down due to economic headwinds in China, global supply chain bottlenecks, slow vaccine rollout and continuing anticipation of the US Federal Reserve tapering rates. This materialized in December, when the Federal Reserve accelerated tapering and projected three rate hikes for 2022 amid rising inflation.

In terms of performance, emerging market bonds were down slightly over the year (−1.80% for the J.P. Morgan Emerging Market Bond Index) following two years of positive returns. Demonstrating the resilience of our asset class, the Symbiotics Microfinance Index for Microfinance Investment Vehicles (SMX MIV), measuring the performance of the leading microfinance funds, was up 3.14% in USD terms, 2.15% in EUR terms and 1.54% in CHF terms, indicating a return to historical averages after a difficult 2020.

Figure 11
SMX USD Index



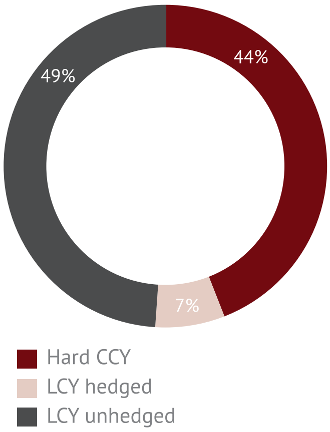
In this context, our more than 20 mandates posted moderate growth, with assets under management reaching USD 2.9 billion. Mandates managed for our distribution partners mainly drove this growth, whereas our blended finance portfolios and advisory mandates were stable overall.

Our currency strategy breakdown was stable this year, with more than half of our assets invested in local currency denominated instruments. This confirms our unique positioning as the leading provider of local currency debt, enhancing both the potential returns for our clients and the impact in our target markets.

Our local currency mandates performed well as high average coupons compensated for the depreciation of local currencies. Performance varied significantly depending on the reference currency. USD unhedged mandates posted net performance between 3.3% and 3.7%, whereas CHF mandates returned 5.3% to 6.3% and SEK mandates 10.5% to 13.7%, greatly benefitting from the appreciation of the US dollar over the year. Although market yields were lower than in previous years, the performance of our hedged mandates was resilient, with annual returns between 1.5% and 2.3%.

We continued to further diversify our assets under management and advisory by onboarding new impact themes, aiming to create broad impact across the full spectrum of the United Nations Sustainable Development Goals (SDGs). Our increased investment in Symbiotics Green, Social and Sustainability bonds (now accounting for more than USD 200 million in volume) illustrates this. Furthemore, we added several third-party deals covering themes such as sustainable agriculture.

Figure 12
AUM – breakdown by currency strategy (December 2021, USD)



PROJECT SPOTLIGHT
Winning a single investor mandate with Pensioenfonds Detailhandel

In March 2021, a Dutch consultant approached Symbiotics, which led us to submit a EUR 100 million portfolio proposal to Pensioenfonds Detailhandel (PFD), a pension fund targeting the retail sector in the Netherlands. Prior to that, PFD made the decision to allocate 1% of its EUR 30 billion of assets to impact investing and was looking for three asset managers to co-manage the mandate.

After passing the initial request for information phase, a team of sales, product development, portfolio management and marketing specialists put together a proposal outlining the capabilities of Symbiotics to build an emerging market impact debt portfolio that is fully tailored to the client's needs. As per PFD's request, it had to have a particular focus on SDG 8 (decent work and economic growth), SDG 12 (responsible consumption and production) and SDG 13 (climate action) to complement their approach to impact investing and the relevance of Symbiotics investment themes to the pension fund and its participants. Although the initial idea assumed a 100% hedged portfolio, the client saw value in our local currency investing approach during the final phase of the tender. The fund will also be compliant with Article 9 of the European Sustainable Finance Disclosure Regulation (SFDR). In October 2021, PFD confirmed that Symbiotics was among the three asset managers selected. The mandate will be funded in April 2022.

Winning this mandate in one of the largest European pension markets builds on our solid track record in managing tailored impact debt portfolios for large institutions. We are grateful for the trust Pensioenfonds Detailhandel has put in our long-standing expertise, in particular in unhedged local currency debt across emerging and frontier markets. We are seeing increasing interest in our asset class from pension funds in countries throughout Europe and we plan to further develop our existing partnerships in this segment.

CLIENTS

In 2021, the client breakdown remained stable and loyal, despite the challenging market environment. Growth came primarily from existing partnerships and relationships, in particular in Austria, Germany and Switzerland, and in terms of client segmentation primarily from customized partnerships in those regions.

BLENDED FINANCE

- Assets in blended finance portfolios remained stable overall. REGMIFA (Regional MSME Investment Fund for Sub-Saharan Africa SA), our blended finance fund dedicated to sub-Saharan Africa, confirmed inflows of around USD 30 million from two European development finance institutions. On the contrary, our outstanding balance with the the Microfinance Enhancement Facility (MEF) completes this DFI segment, which represents about 10% of our AuM.

DISTRIBUTION PARTNERSHIPS

- Mandates with distribution partners were the main growth driver for this year.
- As we celebrated the 15-year anniversary of our partnership with Impact Asset Management, assets in 'Dual Return Fund – Vision Microfinance' increased by more than 20%, reaching a record USD 750 million. Several other distribution mandates across Europe also posted healthy growth.
- Other distribution mandates in Benelux, France, the Nordics and Switzerland continued to provide good overall product and geographical diversification.

SINGLE INVESTOR MANDATES

- Swiss pension fund single investor mandates remained stable, with quite satisfactory Swiss Francs results, mostly unhedged against exotic currencies.
- A breakthrough took place at the end of the year, with the successful winning of an institutional investor mandate in the Netherland, with Pensioenfonds Detailhandel, in RfP (request for proposal) organized by Phenix Capital.

SYMBIOTICS FUNDS

- The Emerging Impact Bond Fund (EBIF) more than doubled in size, with assets reaching USD 94 million at the end of 2021. Our successful partnership with Invethos in Bern and a significant subscription from a Swiss pension fund drove this growth.

Symbiotics continued to invest in its sales, marketing and business development teams, with a view to double its assets between 2020 and 2025. A key component of this growth is also made possible through its affiliated alternative investment fund manager (AIFM) in Paris, Symbiotics France SA, which facilitated the registration, management and distribution of funds within the European Union.

SYMBIOTICS CAPACITY BUILDING

In 2021, the Symbiotics Association for Sustainable Development (SASD) set its focus on expanding the range of its support to Symbiotics partner financial institutions (PFIs) by providing, in addition to financial inclusion support, capacity building and technical assistance in strategic innovation areas. Furthermore, SASD made progress on its strategic goal of diversifying its mandates and funding sources beyond its showcase mandate – the Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) Technical Assistance (TA) Facility.

In terms of relevant figures, in 2021 SASD obtained approval for 5 projects for a total value of CHF 991,000. Since the inception of the TA activities in 2011, SASD has successfully implemented 126 projects and mobilized CHF 16.5 million in donor contributions through December 2021.

In July 2021, SASD launched its first project under the Smallholder Safety Net Up-Scaling Programme (SSNUP) funded by the Swiss Agency for Development and Cooperation (SDC) and the Government of Luxembourg. The project aims to support AB Bank Zambia with the roll-out of its agriculture finance services by leveraging digital technology. A second project, designed to support agribusinesses in Nigeria through the roll-out of farmer insurance by using smartphones and drone technology, gained the approval of the SSNUP selection committee and in 2022 will be going into the contract negotiation round.

In 2021, SASD was able to close off three projects. Two of them were TA Packages (TAP) funded by the Government of Luxembourg, namely the flagship TAP for Education Finance, which covered six PFIs in six countries (Kenya, Mali, Nigeria, Senegal, Uganda and Zambia) and a TAP for the Agency for Private Enterprise Credit (ACEP) group focusing on digital financial services (DFS). A third project completed involved the implementation of a social media app to drive financial education and product uptake for AB Madagascar with the support of the Swiss Capacity Building Facility (SCBF). The SASD also continued with the implementation of a SCBF-funded project in Bolivia and has another proposal at advanced stages in Senegal.

As for the REGMIFA TA Facility, SASD made significant progress in the implementation of the first edition of the TAP on Crisis Impact Mitigation, which is supporting six PFIs in five countries (Ghana, Kenya, Madagascar, Nigeria and Uganda) with a focus in digitalization. It also made further progress with the launch of the second edition of this TAP, which will support another six PFIs in their digital transformation process. The plan is for the third and last edition of this TAP to launch in 2022.

A final REGMIFA TA Facility highlight relates to the launch by SASD in 2021 of the first edition of the TAP on SME Finance. Funded from a EUR 5 million contribution by KfW (the German Development Bank)/BMZ (The German Federal Ministry for Economic Cooperation and Development), this regional program intends to enhance the capabilities of REGMIFA PFIs to support and serve SMEs in sub-Saharan African countries that have joined or will join the G20 Compact with Africa. The TAP will have a total of 4 yearly editions, each benefitting at least six PFIs. For the first TAP round the initial six PFIs were drawn from Burkina Faso, Côte d'Ivoire and Senegal.

As a closing note, SASD proactively builds the capacity of PFIs on innovation themes such as DFS, SMEs, agriculture and green finance, with the purpose of both increasing the outreach of Symbiotics impact investments and contributing to the broader development agenda and the SDGs. Access to suitable training is key to achieving this goal. For this reason, SASD has developed a qualitative scholarship program that client PFIs has received well. In 2021, SASD awarded a total of 15 scholarships to the staff of PFIs in which Symbiotics has invested, for them to attend specialized DFS courses. The plan for the scholarship program for 2022 includes new training courses dedicated to green and sustainable finance.

PROJECT SPOTLIGHT
Pioneering a new delivery channel in Madagascar using the MyAccès Messenger app

AccèsBanque Madagascar (ABM) received its banking license in 2007 and has since pursued its mission to offer diversified, accessible and responsible financial solutions to the Malagasy population, with a special focus on micro-, small and medium enterprises. ABM has been a Symbiotics investee since 2018. The bank services over 44,000 borrowers and more than 200,000 depositors.

Despite its abundance of natural resources, Madagascar is classified among the poorest countries in the world, with 78.8% of its population living with less than USD 1.90 a day. Moreover, only 9.6% of Malagasy adults have a bank account, a number that decreases to 6.4% in rural areas.

In 2018, Madagascar had 1.9 million active Facebook users, with 86% accessing the platform via mobile phones and a usage trend increase of 19% yearly. Estimates indicate that Facebook held 86% of the market share among the six major social media platforms that year. Observing the proliferation of Facebook Messenger use among the local population, ABM aspired to develop and implement a banking tool that could leverage it as a channel to bring financial services and products to people whom the financial sector previously underserved or did not serve, and as an alternative to physical branches. Due to the novelty of Facebook as a channel for financial inclusion and a lack of funding and technical capacity, ABM requested technical assistance (TA) from Symbiotics to bring its project to fruition.

In October 2019, the Symbiotics Association for Sustainable Development (SASD) secured a TA grant of CHF 150,000 from the Swiss Capacity Building Facility for ABM to develop and implement the pioneering new delivery channel in Madagascar using a new Messenger application. The TA project, implemented by Access Microfinance Holding AG through a team of 5 local experts, started in February 2020 and was completed in November 2021. The outcome of the TA was the development of the digital *MyAccès* application, which allows users to access their ABM banking accounts to check balances and manage internal and external banking transfers, invoicing and mobile payments. *MyAccès* also allows clients to open bank accounts online, obtain instant loans, simulate loan instalments, and directly receive international remittances. At the end of the TA project, the *MyAccès* digital channel had 28,000 users (383% of the target at project inception), of whom 50% were women and 43% were from rural areas.

Client benefits

- Cost – The use of the service comes at no additional cost for the client. The application works with limited internet access and eliminates the need to travel to a branch or physical service point.
- Time savings and convenience – Users can sign up for the service remotely through a Facebook account. All transactions performed via the app are settled in real time. The app enables access to ABM services 24/7.
- Security and safety – It reduces the need to physically carry cash to and from the bank and the associated risk of robbery.

The *MyAccès* Facebook Messenger banking solution was the first of its kind in Madagascar. The tool improved the bank's market position, allowing it to effectively serve more clients and increase its outreach in line with ABM's vision and mission. Additionally, *MyAccès* has increased the edge the institution has over other players in the country and serves as a model in terms of innovation. Following the introduction of *MyAccès*, other financial institutions (microfinance institutions and commercial banks) have started to introduce similar services. In light of the success of *MyAccès* and the rapidity with which other financial institutions are replicating its model, it is highly likely that the use of a social platform as a channel for financial services and products will soon spread among the entire Malagasy financial market.

Onja, a 27-year-old Malagasy woman who studied economics and works for an international company, opened a bank account with AccèsBanque Madagascar in 2021 after hearing about the bank's interest rate offer and because her family members have accessed financial services from the bank for years. An avid Facebook user with a keen interest in technology, Onja was amazed to discover that she was able to perform all her banking transactions on her phone, at any time and from anywhere using her Messenger app through the ABM banking solution called *MyAccès*. Onja is able to instantly make electronic money transfers when needed and pays her electricity bills without leaving work to go to the electricity company as she had to do in the past. Thanks to her experience with Facebook banking on *MyAccès*, She is accustomed to making payments using her phone and rarely carries cash with her. Onja was excited to learn recently that she is eligible for an instant loan through the *MyAccès* service. When asked what *MyAccès* meant for her, Onja's reply was simple: "My daily life."

IMPACT REPORTING

IMPACT PROMISE

The Symbiotics Impact Promise defines how we filter our investment universe in line with our mission. We take a threefold approach using the following principles:

1. Sustainable finance principles

Using our proprietary social responsibility rating, we filter potential investments, ensuring that they comply with environmental, social and governance (ESG) principles.

2. Impact investing principles

We include social covenants in each transaction to ensure that investees address themes that contribute to the United Nations Sustainable Development Goals (SDGs).

3. Inclusive finance principles

We measure the social outreach of our investments to assess the extent to which they serve the bottom of the pyramid (BOP), ultimately benefiting low- and middle-income households and micro-, small and medium enterprises.

Mapping SDGs to investment themes

Financial Inclusion	SDG 1 (no poverty), SDG 5 (gender equality), SDG 10 (reduced inequalities)
SME Development	SDG 8 (decent work and economic growth) and SDG 12 (responsible consumption and production)
Food and agriculture	SDG 2 (zero hunger), SDG 14 (life below water) and SDG 15 (life on land)
Climate and energy	SDG 7 (affordable and clean energy) and SDG 13 (climate action)
Housing and infrastructure	SDG 6 (clean water and sanitation), SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities)
Healthcare and education	SDG 3 (good health and well-being) and SDG 4 (quality education)

STEP 1: SUSTAINABILITY MEASUREMENT

Before making any investment decision, we evaluate each potential investee through the Symbiotics Social Responsibility Rating to assess its likelihood to contribute to sustainable development, taking into account ESG norms. The rating is on a scale of 0 to 5, with 5 being an extremely strong likelihood of contributing to sustainable development. The rating methodology comprises seven dimensions (client protection, community engagement, environmental policy, financial inclusion, labor climate, product quality and social governance) encompassing approximately 100 quantitative and qualitative indicators. We have applied it systematically to all investment decisions since 2010, with over 2,200 ratings produced, to date.

STEP 2: IMPACT MEASUREMENT

Before making an investment, we evaluate and define an impact objective. We primarily map these objectives to thematic fields and use a mapping to specific SDGs. Symbiotics has largely been focusing on 'Financial Inclusion' and 'SME Development', but new themes have emerged in our portfolios such as 'Climate & Energy' or 'Food & Agriculture'. We include covenants in our investment agreements, to measure, monitor and report on their advancement on the intended impact objective.

STEP 3: OUTREACH MEASUREMENT

At all times, after investment decisions, we aggregate our portfolio outreach and inclusion information and see how much we have achieved on our third promise *to push money to where it normally doesn't flow*, into low and middle income countries, and in those countries into lower tier portfolio companies, which focus on business models addressing the needs of the base of the pyramid, namely low and middle income households and micro-, small and medium enterprises.

Figure 13
Sustainability Measurement
Social responsibility ratings

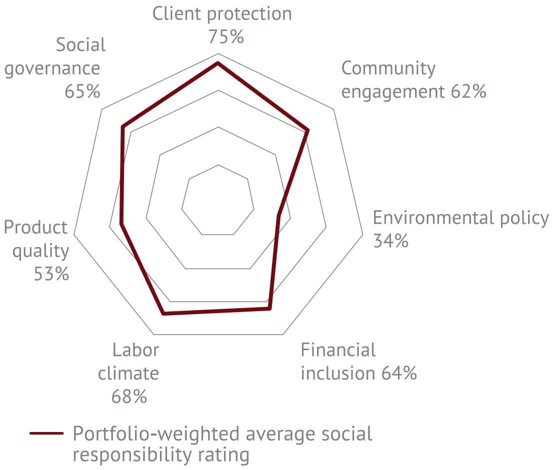


Figure 14
Impact Measurement
SDG contribution (% volume disbursed)

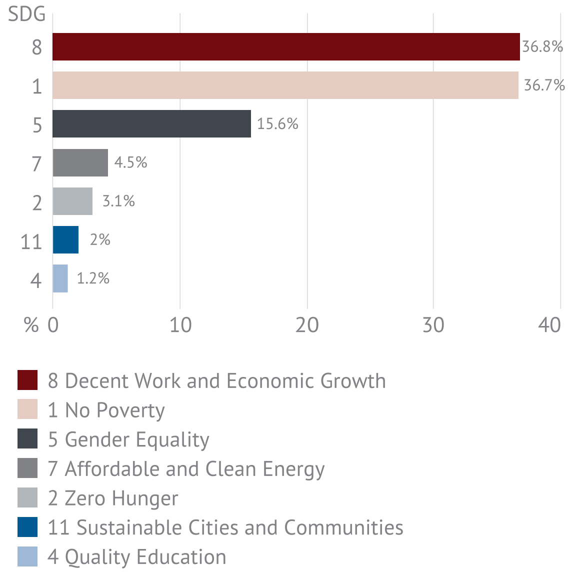


Figure 15
Outreach Measurement
Breakdown by breadth and depth per region

	BREADTH	DEPTH	BREADTH	DEPTH	BREADTH	DEPTH
REGION	NUMBER OF COUNTRIES	GNI PER CAPITA IN USD	NUMBER OF INVESTEES	ASSET SIZE IN USD MILLION	NUMBER OF END-BENEFICIARIES	MEDIAN LOAN IN USD
Central America, Mexico & Caribbean	9	8,041	40	596	72,952	8,702
South America	6	5,480	47	339	122,149	3,641
Central & Eastern Europe	7	6,950	17	105	26,928	3,476
Russia, Caucasus & Central Asia	8	2,814	41	476	192,535	1,748
Middle East and North Africa	7	8,192	11	313	24,350	1,086
Sub-Saharan Africa	23	3,086	67	451	308,806	1,709
South Asia	4	2,131	31	482	618,313	360
East Asia & Pacific	8	4,677	32	786	547,243	2,882
TOTAL	78		292		2,033,221	
AVERAGE		5,736		483		3,195

Data as of 30 November 2021. Total numbers include Western Europe and North America which are not shown in the breakdown.

CORPORATE SOCIAL RESPONSIBILITY

PARTICIPATIONS, MEMBERSHIPS, COMMITMENTS

We developed a corporate social responsibility (CSR) vision and strategy at Symbiotics in 2021 and have started its implementation. The newly created CSR Committee drives key CSR initiatives and projects in all offices worldwide. It is the steering force behind our CSR and is composed of staff willing to participate. Meeting regularly, it decides what initiatives and projects to support. We launched the first initiatives in the last quarter of 2021.

BCORP CERTIFICATION

Symbiotics was certified by the non-profit organization B Lab on 22 March 2021 with 116.1 points. Thus, we join a global community of B Corporation companies assessed for the highest standards of social and environmental performance and ethical business practices.

The B Corp Certification encompasses every aspect of the business and covers five key impact areas: governance, workers, community, environment and customers. The results of the B Lab assessment have provided an important benchmark for the company to further improve certain areas. We already took some concrete actions in 2021 and these will continue into 2022. The next assessment will be in 2023.

ENVIRONMENTAL SUSTAINABILITY

Symbiotics has signed up to the United Nations Race to Zero Campaign through the SME Climate Hub, with the goal to achieve net-zero emissions by 2030 by monitoring and reducing our carbon footprint. We created an Environment Working Group to provide support in becoming a more environmentally sustainable company. We launched a search for an external provider to help assess our carbon footprint and our waste, water and energy consumption worldwide, and to then offset carbon emissions and reduce consumption. The outcome of this initiative will bear fruit in 2022.

PAINT A SMILE

Paint a Smile is a Swiss non-profit non-governmental organization based in Geneva. Paint a Smile has decorated almost 200 pediatric wards and homes for the elderly with colorful paintings made by professional artists in 18 countries. Symbiotics supported the NGO once again by joining the Paint A Smile Color Team during the 43rd edition of the Escalade race in Geneva and financially supporting the Paint A Smile decoration project in the Pediatric Ward at the Hôpital de La Tour in Geneva.

DÉCOUVRIR

Découvrir is a Swiss non-profit association that supports qualified migrant women residing in Geneva and elsewhere in French-speaking Switzerland in their professional integration efforts. Representatives from our Human Resources department took part in a workshop in May 2021 organized by Découvrir and shared advice and tips with the participating women, who were professionally qualified migrants looking for opportunities to reintegrate professionally in Switzerland.

FATEN

Faten is the largest microfinance institution (MFI) in Palestine and is considered one of the best social impact MFIs in the Middle East and North Africa (MENA) region. Symbiotics has been partnering with FATEN since 2016. The military escalation in 2021 extensively damaged four of Faten's branches in Gaza and displaced many of its clients, who also lost their businesses. Symbiotics decided to support Faten to contribute to reconstructing the damaged branches.

NETWORKS

Symbiotics adheres to a variety of industry associations and organizations, some in the sustainable finance and impact investment sectors, others in legal and environmental areas. We actively manage all memberships to ensure a mutually beneficial relationship and active participation.

PROJECT SPOTLIGHT

Symbiotics becomes a Certified B Corporation®

Non-profit organization B Lab certified Symbiotics as a B Corporation® on 22 March 2021 with 116.1 points. We join a global community of B Corporation companies assessed for the highest social and environmental performance standards and ethical business practices.

B Corp Certification encompasses every aspect of the business and covers five key impact areas: **Governance, Workers, Community, Environment and Customers**. The results of the B Lab assessment have provided an important benchmark for the company to further improve certain areas. We already took some concrete actions in 2021 and will continue to implement others in 2022. The next B Lab assessment will be in 2023.

With respect to **Governance** and specifically ethics, we have leveraged the work done with Clients (see below) in order to increase the social and environmental dimensions in our decision-making process.

For the **Workers** dimension, Symbiotics has launched a Diversity and Inclusion (D&I) strategy, putting a new D&I Steering Committee and D&I Working Groups in place and conducting a staff survey on inclusion. We are planning the launch of a D&I KPI Dashboard, will put in place a D&I Learning Curriculum and foresee a Women's Empowerment initiative and an internal D&I communications strategy.

In terms of **Community**, Symbiotics has developed a Corporate Social Responsibility (CSR) vision and strategy and has started to implement it with the help of the new CSR Committee, which drives key CSR initiatives and projects in all offices worldwide.

Noting that we have room for improvement in the **Environment** impact area, Symbiotics has signed up to the United Nations Race to Zero Campaign through the SME Climate Hub, with the goal to achieve net-zero emissions by 2030 by monitoring and reducing our carbon footprint. We created an Environment Working Group to provide support in becoming a more environmentally sustainable company. With the help of an external provider, we are assessing our carbon footprint and our waste, water and energy consumption worldwide, with the aim of then offsetting carbon emissions and reducing consumption. The outcome of this initiative will bear fruit in 2022.

And for **Customers**, Symbiotics invests in line with our Impact Promise. A series of dashboards allow us to measure the impact on end-borrowers through an approach based on three pillars:

- **Sustainable Finance**: The ESG Rating Dashboard indicates the ESG rating scores spread across regions and clients. The Sustainable Finance Disclosure Regulation (SFDR) requires investors to be transparent, especially on the environmental impacts of our Funds and on the quality of the governance of our investees.
- **Impact Investing**: The SDG Intent Dashboard indicates the share of investments contributing to the different Sustainable Development Goals (SDGs) by region and client and aims to ensure the channeling of investments to support the SDGs each fund targets.
- **Inclusive Finance**: The BOP Outreach Dashboard displays the depth and breadth of our reach in terms of underserved or excluded households.

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