

Triodos Impact Strategies II N.V.

Erratum annual report 2023

Table: Return based on NAV - Triodos Energy Transition Europe Fund

On page 8, at the 3-year return 'p.a.' should be removed.

20 June 2024

Triodos Investment Management B.V.



Triodos Impact Strategies II N.V.

-Triodos Energy Transition Europe Fund
-Triodos Food Transition Europe Fund

Annual Report 2023

Information for shareholders

General meeting of shareholders: 14 June 2024

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General information

Legal structure

Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund (hereafter: the sub-funds) were launched in June 2006 and January 2014 respectively, as sub-funds of Triodos SICAV II (Luxembourg). On 2 December 2019, the sub-funds changed domicile to the Netherlands and have been set-up as sub-funds of a newly incorporated Dutch legal entity, Triodos Impact Strategies II N.V. (hereafter: the Fund).

The Fund was incorporated on 10 September 2019 under the Laws of the Netherlands as an investment company with variable capital as referred to in article 2:76a DCC (Dutch Civil Code). The Fund, which has its seat in Driebergen-Rijsenburg, the Netherlands, at Hoofdstraat 10, 3972 LA, is registered in the trade register of the Dutch Chamber of Commerce under number 75806754. The Fund is an alternative investment fund subject to the requirements of Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Managers (AIFMD), as implemented in the Netherlands with the Dutch Financial Supervision Act (Wft). The Fund is regulated by the Dutch Authority for the Financial Markets (AFM).

The sub-funds have an open-end fund structure. Triodos Energy Transition Europe Fund has euro-denominated share classes for retail and professional investors, one of which is listed on Euronext Fund Services. Triodos Food Transition Europe Fund has euro-denominated share classes for professional and certain qualified private investors. None of its share classes are listed on any stock exchange.

Alternative Investment Fund Manager

Triodos Investment Management B.V. (the AIFM), a wholly owned subsidiary of Triodos Bank N.V., acts as the sole statutory director and manager of Triodos Impact Strategies II N.V. Triodos Investment Management B.V. is licensed by the AFM to manage investment companies within the meaning of Section 2:65 Wft. Triodos Investment Management B.V. is a member of the Dutch Fund and Asset Management Association (DUFAS). More information about processes and policies of Triodos Investment Management B.V. can be found at www.triodos-im.com/governance.

The Management Board of Triodos Investment Management B.V. consists of:
Dick van Ommeren (Chair of the Management Board)
Kor Bosscher (Managing Director Finance, Risk & Operations)
Hadewych Kuiper (Managing Director Investments)

Fund managers

Triodos Investment Management B.V. has separate internally appointed fund managers for each of the sub-funds. The fund manager of Triodos Food Transition Europe Fund is Adam Kybird. Triodos Energy Transition Europe Fund was managed by Vincent van Haarlem until 31 May 2023, when he was succeeded by Daphne Postma who was the fund manager as from 1 June 2023 until 31 January 2024. The sub-fund is currently managed by Sonja de Ruiter on an interim basis.

Supervisory Board

Triodos Impact Strategies II N.V. has a Supervisory Board that is responsible for supervising the day-to-day management of the AIFM in its capacity as statutory director of the Fund. The manager will therefore provide the members of the Supervisory Board with all information that is necessary for or conducive to the execution of these tasks. The members of the Supervisory Board are independent from the Triodos Group (consisting of Triodos Bank N.V. and its subsidiaries, including Triodos Investment Management B.V.), as a further safeguard of the checks and balances within the Fund.

The Supervisory Board has the following members:
Ineke Bussemaker (Chair)
Elfrieke van Galen
Gerard Groener
Ernst de Klerk
Gerard Roelofs

Gerard Roelofs has been appointed as member of the Supervisory Board. In addition, Jan Willem van der Velden has stepped down as member of the Supervisory Board and was succeeded by Ernst de Klerk as of the General meeting of shareholders on 09 June 2023.

Administrator, Fund Agent, Listing Agent, Paying Agent, Transfer Agent and Depositary

CACEIS Bank, Netherlands Branch (CACEIS) has been appointed as Administrator, Fund Agent, Listing Agent, Paying Agent and Transfer Agent for Triodos Impact Strategies II N.V..

BNP Paribas S.A., acting through its Amsterdam branch (BNP Paribas) acts as the depositary of the Fund within the meaning of the AIFM Directive and has been appointed by the AIFM.

Management Report

Objectives

Triodos Energy Transition Europe Fund

The overall objective of Triodos Energy Transition Europe Fund is to offer investors an environmentally sound investment in companies that accelerate the energy transition with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable and lasting contribution to the reduction of CO₂ emissions.

Triodos Energy Transition Europe Fund invests in equity and/or quasi-equity, such as shareholder loans and preferred capital, and in subordinated debt in qualifying investments. The sub-fund primarily invests in project companies that generate renewable energy, reduce energy use, make the energy system more flexible or that enable electrification. The sub-fund invests in projects in the development phase or provides growth capital to privately-owned companies that are active in the abovementioned sectors with the objective of accelerating their growth. The sustainable investment objectives of the sub-fund are:

- Increase proportion of zero emission energy
- Enable a 24/7 reliable zero emission energy system
- Support entrepreneurs to accelerate the energy transition

The sub-fund contributes to climate change mitigation as environmental objective set out in article 9 of the Taxonomy Regulation.

Triodos Food Transition Europe Fund

Triodos Food Transition Europe Fund invests in the much-needed transition towards ecologically and socially resilient food and agriculture systems. It aims to offer investors a unique opportunity to invest in the long-term development of the organic and sustainable food sector in Europe and to have a positive social and environmental impact.

The investment focus is on values-based businesses with a proven business model, a strong team and recurring revenues. Through an evergreen approach, the sub-fund invests as an aligned partner, by providing succession and/or growth equity capital. The sub-fund typically takes significant minority or majority (quasi-)equity positions, is represented on the board of directors and/or at annual shareholders meetings and adds value through a strategic, professional ownership approach.

The sub-fund uses an impact framework to define its impact goals in a transparent and concrete way in all stages of the investment process, from deal sourcing and due diligence to execution and portfolio management. The framework illustrates the process from identifying objectives to assessing impact results based on indicators.

The sub-fund has both environmental and social objectives. In particular, the sustainable investment objectives of the sub-fund are:

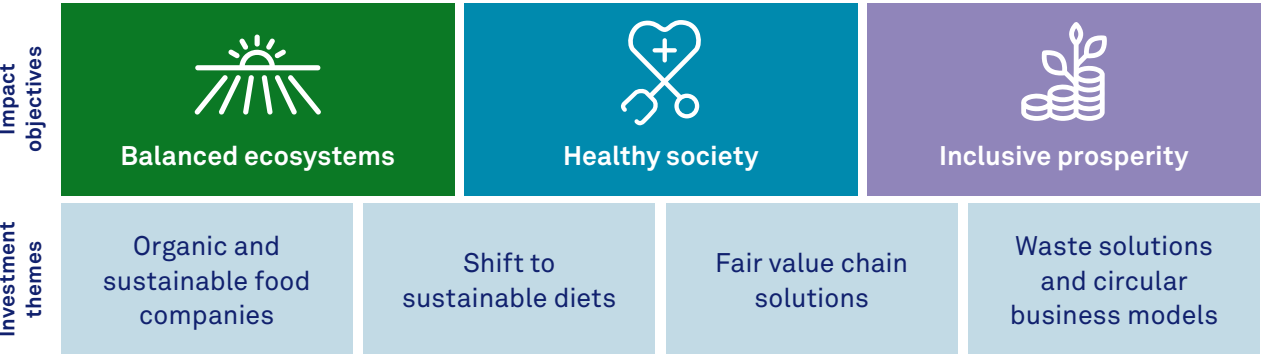
- Restoring balance in our ecosystems (environmental objective)
- Promoting a healthier society (environmental objective)
- Supporting a more inclusive and prosperous food value chain (social objective)

The sub-fund contributes to climate change mitigation as environmental objective as set out in Article 9 of the Taxonomy Regulation. Further, it is expected that the sub-fund also contributes to other environmental objectives.

Sustainable Finance Disclosure Regulation

As an impact investor, Triodos Investment Management has sustainability at the core of all its investment activities. Due to the implementation of the EU Sustainable Action Plan and in particular the sustainable Finance Disclosure Regulation (SFDR), specific information/explanations concerning sustainability is included in this annual report. The introduction of

Impact framework



SFDR should improve the ability of investors to assess investment funds on their sustainability. There are three groups of financial products under the SFDR: those integrating sustainability risks (Art. 6), those promoting environmental and social characteristics (Art. 8) and those having sustainable investment as their objective (Art. 9). Each sub-fund of Triodos Impact Strategies II N.V. has sustainable investment as its objective, as set out in Article 9 of the SFDR.

Article 11 of SFDR requires financial products, as referred to in Article 9 of the SFDR, to include a description of their overall sustainability-related impact by means of relevant sustainability indicators in the annual report. The data used to calculate the performance of the sustainability indicators is derived by the AIFM once per year from investee companies directly and/or via data providers. The sustainability-related information can be found in the sustainability annex of the relevant sub-fund on page 97 and 108 respectively.

More detailed information about the investment strategy of the sub-funds we refer to the prospectus of 1 January 2023 and the supplementary statement dated 1 April 2023, which is available on our website (www.triodos-im.com). More information about the sub-funds' impact and developments can be found in its annual impact report at www.triodos-im.com/impact-report/2023.

Triodos Energy Transition Europe Fund

Key figures

(amounts in EUR)	2023	2022	2021	2020
Net assets value at year-end	166,146,113	183,983,983	128,832,116	150,817,477
<i>Number of shares outstanding at year-end</i>	<i>3,596,344</i>	<i>3,539,106</i>	<i>3,588,430</i>	<i>4,440,149</i>
Income from investments	15,376,095	8,201,459	6,000,461	8,862,116
Realised changes in investments	12,426,796	1,418,858	145,624	-139,672
Exchange rate results	-19,656	-21,453	12,559	-23,132
Total operating expenses	-5,345,388	-4,798,530	-4,259,619	-4,522,802
Net operating income	22,437,847	4,800,334	1,899,025	4,176,510
Unrealised results on investments	-43,868,852	51,045,387	9,436,832	-4,001,069
Unrealised results on receivables	–	–	–	–
Net result	-21,431,005	55,845,721	11,335,857	175,441

Ongoing charges per share class*				
I-cap (EUR)	1.24%	–	–	–
Q-cap (EUR)	2.56%	2.77%	2.63%	2.62%
R-cap (EUR)	3.11%	3.32%	3.17%	3.00%
Z1-cap (EUR)	2.56%	2.78%	2.62%	2.51%
Z2-cap (EUR)	2.56%	2.78%	2.62%	2.49%

* The ongoing charges for the financial years 2021-2023 reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. The ongoing charges for the financial year ending 2020 are calculated over the thirteen-month period since the launch of the sub-fund and annualised to arrive at the estimated yearly ongoing charges figure.

Per outstanding share

Share

(amounts in EUR)	2023	2022	2021	2020
Net assets value at year-end	46.20	51.99	35.85	33.97
Income from investments	4.28	2.32	1.67	2.00
Realised changes in investments	3.46	0.40	0.04	-0.03
Operating expenses and exchange rate results	-1.49	-1.36	-1.19	-1.01
Unrealised results	-12.20	14.42	2.63	-0.90
Net result	-5.95	15.78	3.16	0.04

Net asset value (NAV) per share

(amounts in EUR)	2023	2022	2021	2020
I-cap (EUR)*	54.81	–	–	38.68
Q-cap (EUR)	54.48	61.34	42.15	38.60
R-cap (EUR)	49.30	55.81	38.54	35.51
Z1-cap (EUR)	44.44	50.03	34.33	31.45
Z2-cap (EUR)	44.39	49.98	34.33	31.45

* The I-cap share class has been reopened as from 10 August 2023. There is no data available over 2021 and 2022.

Return based on NAV per share* ** ***

	1-year return	3-year return p.a.	5-year return p.a.	10-year return p.a.	return p.a. since inception
I-cap (EUR)	–	41.70%	8.39%	–	6.17%
Q-cap (EUR)	-10.73%	41.14%	8.26%	5.86%	4.57%
R-cap (EUR)	-11.35%	38.83%	7.64%	5.25%	3.97%
Z1-cap (EUR)	-10.85%	41.30%	8.28%	5.85%	4.31%
Z2-cap (EUR)	-10.86%	41.14%	8.25%	5.83%	4.30%

* The I-cap share class has been reopened as from 10 August 2023. Therefore there is no 1-year return available.

** NAV per share is based on share prices as per year end, i.e., the last price at which shares were traded in the reporting period.

*** All share classes have a limited history. Triodos Impact Strategies II N.V. – Triodos Energy Transition Europe Fund is the successor of Triodos SICAV II – Triodos Renewables Europe Fund. Returns prior to the launch date of a share class are based on the returns of the comparable share class of Triodos SICAV II – Triodos Renewables Europe Fund.

For a more detailed explanation of key figures that cannot be directly derived from the financial statements, we refer to Annex A.

Retrospective review Triodos Energy Transition Europe Fund and market developments

In the reporting period, the sub-fund's net assets decreased from EUR 184.0 million as per 31 December 2022 to EUR 166.1 million as per 31 December 2023, of which 80.7% was invested (31 December 2022: 88.2%). The portfolio currently comprises of 41 investments (31 December 2022 42 investments). In the course of 2023, the value of the sub-fund's portfolio diminished from EUR 162.6 million as per 31 December 2022 to EUR 134.0 million as per 31 December 2023. Part of the portfolio's value was converted into cash due to high dividend payments as a consequence of the good performance over 2022, on top of which the value was negatively impacted by lower power price forecasts and increasing interest rates leading to a higher cost of capital. Due to a very active investment year, in which multiple new investments were done, amounting to EUR 30 million in disbursements, liquidity levels of the sub-fund were brought below 20%. One of the main aims for the sub-fund remains to retain a healthy cash balance, by retaining the promising deal flow and high-paced conversion into investment with a good impact and risk return profile.

Triodos Energy Transition Europe Fund data, 31 December 2023

Net assets	EUR 166.1 million
Portfolio value	EUR 134.0 million
Number of equity investments	31
Number of subordinated loans	20
Number of investments	41*
Number of countries	10

* Some investees receive both equity and loan(s)

The Impact Report 2023 for Triodos Energy Transition Europe Fund gives insights into the impact of the projects that the sub-fund finances.

See: <https://www.triodos-im.com/impact-report/2023>.

Investments

As per 31 December 2023, the net assets of Triodos Energy Transition Europe Fund totalled EUR 166.1 million (31 December 2022: EUR 184.0 million), of which 80.7% was invested (31 December 2022: 88.2%). The sub-fund has 41 investments throughout Europe (31 December 2022: 42) in renewable energy related projects, comprising onshore wind, ground-mounted and roof-top solar photovoltaic assets. In addition, the sub-fund finances multiple battery storage projects as well as growth capital to energy transition companies. Especially, the amount committed to and invested in projects in the development and construction phase increased over 2023. Furthermore, Triodos Energy Transition Europe Fund participates in three energy transition funds of

which one was added during 2023. Two of these funds invest in energy transition companies across Europe, while the other one participates in renewable energy projects in emerging markets. There have been several incremental disbursements to these funds during the year.

Triodos Energy Transition Europe Fund's portfolio decreased during 2023. The project equity segment of the sub-fund saw a decline over 2023 mainly due to a decrease in power prices as markets adapted to new energy sources and energy savings initiatives, which came after a significant rise in prices in 2022 caused by geopolitical tensions and supply-demand imbalances. This sequence of events led to adjustments in asset valuations, influenced by updated short-term baseload power price projections for the Netherlands and the United Kingdom.

Most notable event during the first quarter was the sale of two fully owned Spanish solar assets; Carpio and Lucentum. The two assets were nearing the end of their life cycle and sold at a good return. During the second quarter, a new asset was added to the portfolio. The sub-fund provided the company Sunvigo with a convertible loan to support scaling the business. Sunvigo is a company that bundles PV systems, batteries, asset financing, installation, operation, and insurance into one simple power contract and electricity tariff for homeowners in Germany. Further there were several incremental disbursements throughout the first six months of 2023. These incremental disbursements comprise amongst others the battery adjacent to solar farm Zuidbroek, an increase of shareholding in United Kingdom (UK) based windfarm Fenpower, and the two fund investments. In the second half of the year five new investments were added to the portfolio. The loan to Giga Rhino and the equity position in Giga Buffalo, both storage projects from Giga Storage, were converted into a loan to the holding company Giga Zoo. A loan amount of EUR 16.1 million has been committed to Giga Zoo, which is partially disbursed. The transaction facilitates GIGA Storage to develop more Battery Electric Storage Systems (BESS). Secondly, the sub-fund provided debt and acquired an equity stake in the newly set up SPV together with Solar Access to fund the development, construction and operation of the solar PV assets that will enable Wavin, a manufacturer, to become CO₂ neutral. Thirdly, the sub-fund took a position in a solar development project on the same location as one of its wind farms (Willem Anna Polder). The fourth new investment relates to an EUR 10 million commitment to the SET IV fund. The focus of the SET IV fund is, like the SET III fund,

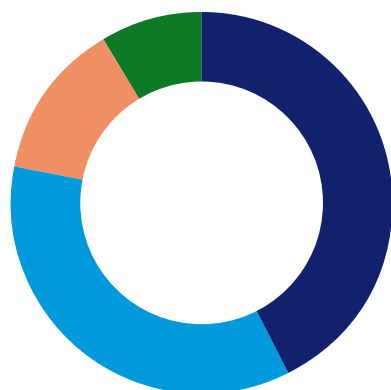
early-stage companies active in digitalization in the energy transition. Lastly there was an EUR 9.7 million loan commitment to Zircon of which the first drawdown took place in December. The transaction facilitates the further development of three wind projects in Ireland, Northern Ireland and Romania. Next to the new investments, there were repayments of the mezzanine loans provided to the wind development projects Binnenmaas and Oude Mol following their successful crowd funding campaigns to enhance local participation. In December, the sub-fund exited its positions in Einhundert Energy and Einhundert Solar. The sub-fund was bought out by a strategic partner that will continue to support Einhundert in their further endeavours. Settlement of the transaction will take place in January 2024.

As per 31 December 2023, 35.4% of the sub-fund's investment portfolio consisted of solar projects (31 December 2022: 50.5%), 42.7% of wind projects, (31 December 2022: 35.6%), 13.5% of storage projects (31 December 2022: 5.3%), and 8.4% of energy efficiency projects and other projects (31 December 2022: 8.6%). On an annual basis, solar assets provide more stable cash flows than wind assets. The cash flows from wind energy projects are slightly less predictable because of greater fluctuations in input, i.e., wind. Over the reporting period, the average power production of the sub-fund's portfolio was close to budgeted. One of the German tail-end wind assets also underperformed compared to budgeted due to operational issues.

The sub-fund's weighted average portfolio discount rate on 31 December 2023 was 8.85% for the instruments valued using a discounted cash flow method (31 December 2022: 7.4%). The increase mainly relates to increased risk-free rates.

Sector allocation (% of portfolio)

31 December 2023



Wind	42.7
Solar	35.4
Storage	13.5
Energy efficiency and other sectors	8.4

Asset allocation (% of fund's net assets)

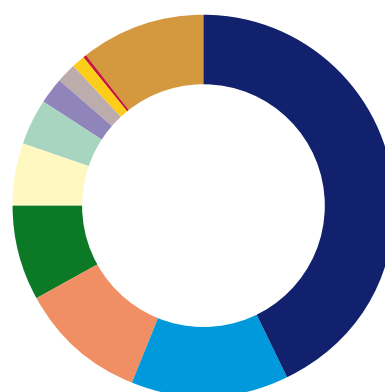
31 December 2023



Equity and quasi-equity	53.6
Subordinated debt	27.6
Other assets and liabilities	18.8

Country allocation (% of portfolio)

31 December 2023



The Netherlands*	42.9
Germany	13.4
Belgium	10.9
Ireland	7.8
United Kingdom	5.4
Denmark	4.0
Romania**	2.2
France	1.6
Italy***	1.0
Spain	0.5
Others*	10.3

* Includes three fund-in-fund investments (SET Ventures III, SET Ventures IV, Construction Equity Fund U.A.), which are domiciled funds with investments in Western Europe and emerging markets respectively. Further, it includes the investment in an SPV that facilitates the development and installation of solar panels on the rooftops of Wavin factories across Europe.

** The exposure to Romania is through an Irish parent company

*** The exposure to Italy is through a Dutch parent company

Operational performance

The solar farms in Belgium, (GFS Veurne and Silvius Sun) and the Netherlands (SEP and Solar Access Energy International) are operating in line with expectations. Production of GFS and SEP was slightly above budget whilst for SEI and Silvius, it was slightly below budget. Dutch windfarms Roompotsluis, Neeltje Jans, and Zeeland performed slightly better than budgeted mainly driven by higher-than-expected production in the third quarter. The German windfarm Amonenburg also performed well. Nevertheless, German-based windfarm Midlum underperformed significantly due to maintenance problems and shortage of available technical staff to resolve it timely. These problems have been addressed. The two Dutch windfarms of which the repowering was completed in 2022, Neeltje Jans II and Roompotsluis II, performed in line with expectation. The storage project in which the sub-fund holds a majority stake is the Iwell Megacube. The Iwell battery became operational at the beginning of the year. Gridbeyond is a provider of behind-the-meter battery storage across the United Kingdom and Ireland. GridBeyond will be managing the process from the procurement of the equipment, installation & construction of the storage assets, operation and maintenance, and revenue generation through bringing these assets into the market. The largest part of the in 2023 added rooftop solar portfolio for Wavin is not yet operational. The newly setup SPV will install solar PV systems for the rooftops of Wavin's factories in Poland, Sweden, France, UK, Italy and Germany.

Majority interest/decisive influence

The overview below shows participating interests where Triodos Energy Transition Europe Fund exercises or can exercise significant influence. Whether the sub-fund has significant influence is determined by considering the shareholding, voting rights and board representation.

Investment (name)	Country	Ownership %	Nature
Helium	France	48.9%	Solar – Operational
Haringvliet	Netherlands	48.0%	Wind – Operational
Willem-Annapolder	Netherlands	43.6%	Wind – Operational
Zuidbroek	Netherlands	49.0%	Solar – Development
Duurkenakker	Netherlands	49.5%	Solar – Operational
Fenpower Ltd	UK	29.0%	Wind – Operational
Wavin	Europe	49.0%	Solar – Construction
Windspace	Denmark	21.0%	Wind/Solar – Development

The investments shown in the following table, where the sub-fund has a majority interest, are excluded from consolidation due to the availability of an exit strategy, in accordance with the interpretation of article 407c, Title 9, Book 2 of the DCC, which is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board.

The overview below includes assets in which the sub-fund holds a majority stake. In no case there is any agreement or intention to grant financial support by the legal entities to these holdings.

Investment (name)	Residence	Ownership %	Nature	Any restrictions or agreement impacting dividends/repayments
GFS Veurne	Belgium	100.0%	Solar – Operational	no
Silvius Sun	Belgium	80.0%	Solar – Operational	no
Amonenburg	Germany	100.0%	Wind – Operational	no
Midlum	Germany	100.0%	Wind – Operational	no
SolarAccess Energy International	Italy	70.0%	Solar – Operational	no
Einhundert Solar	Germany	60.0%	Solar – Operational	no
Neeltje Jans	Netherlands	50.0%	Wind – Operational	no
Roggeplaat	Netherlands	90.0%	Wind – Operational	no
Roompotsluis	Netherlands	50.0%	Wind – Operational	no
SolarAccess Energy International	Netherlands	70.0%	Solar – Operational	no
Zeeland I	Netherlands	50.0%	Wind – Operational	no
SEP	Netherlands	80.0%	Solar – Operational	no
Vluchthaven	Netherlands	50.0%	Wind – Operational	no
Noordland-Buiten	Netherlands	50.0%	Wind – Operational	no
Iwell	Netherlands	80.0%	Storage – Development	no
Gridbeyond	Ireland	50.0%	Storage – Development	no

Results

Financial results

Triodos Energy Transition Europe Fund closed the financial year 2023 with a net operating income of EUR 22.4 million (2022: EUR 55.8 million). The sub-fund received EUR 15.4 million in dividends, interest and other income (2022: EUR 8.2 million). Total expenses, the majority of which consist of management fees, amounted to EUR -5.3 million (2022: EUR -4.8 million). In addition to this, the downward adjusted electricity price forecasts and macro-economic factors such as inflation adjustments in cost forecasts also led to an unrealised depreciation on investments of EUR -43.9 million (2022: EUR 51.0 million appreciation). The net result for the period was EUR -21.4 million (2022: EUR 55.8 million).

The key figures on page 7 provide an overview of developments per Triodos Energy Transition Europe Fund participation over the past four years.

Return

In the reporting period, the net asset value for the for the Q-cap and R-cap share class decreased by -10.7% and -11.3% respectively (2022: 44.8% and 44.3%). The net asset value for the Z1-cap share class decreased by -10.8% (2022: 45.2%) and -10.9% for the Z2-cap share class (2022: 45.1%). The drop mainly relates to lower valuations driven by decreased power price forecasts and increased risk-free rates.

Swing pricing

The prospectus was updated in 2023 to introduce swing pricing, an entry or an exit fee on the net asset value. This mechanism can be applied by the AIFM to protect long-term investors from the costs associated with buying or selling shares in the sub-fund. As of the publication date of this annual report, swing pricing has not yet been implemented. More information on swing pricing can be found in the Fund's prospectus.

Liquidity

Cash as percentage of NAV increased over 2023 (from 10.9% to 18.6%). The increase relates to multiple factors among which the successful sales of the Spanish assets, the repayments of the loans to the Netherlands-based wind development projects Binnenmaas and Oude Mol and the annual net investor inflow. The main events that had downward pressure on the sub-funds cash were successful disbursements. Please refer to the section 'Investments' for more details on those. It remains key priority for the sub-fund to balance liquidity with a strong pipeline. These two factors combined with an annual net inflow resulted in an increased cash ratio. To comply with SFDR requirements for Article 9 funds, the sub-fund will invest at least 75% of its Net Assets in sustainable investments. This implicitly means that the cash

percentage of the sub-fund may not exceed the 25% limit as it will not qualify as sustainable investment.

The sub-fund has had a EUR 20 million credit facility with Triodos Bank Netherlands which expired per January 2024. The facility has been replaced by a new credit facility of EUR 15 million on 9 February 2024. The use of this facility is only intended to bridge a potential, short-term mismatch in cashflows.

Costs

The largest item in the cost structure of Triodos Energy Transition Europe Fund is the management fee paid to the AIFM, Triodos Investment Management B.V.. The AIFM uses this fee primarily to cover staff-related costs and travel expenses incurred in connection with the labour-intensive investment process. Other costs include the fees paid to BNP Paribas and CACEIS for their depositary and administrative services.

Triodos Energy Transition Europe Fund's ongoing charges, including the management fee per 31 December 2023, amounted to 2.6% for the Q-share class (2022: 2.8%), 3.1% for the R-share class (2022: 3.3%), 2.6% for the Z1-share class (2022: 2.8%) and 2.6% for the Z2-share class (2022: 2.8%) and I-cap (EUR) share class 1.2% (2022: -). More detailed information about management fees and ongoing charges can be found on page 38.

Market developments

At the start of 2023, there was some caution regarding the global economy. The high interest rate environment and ongoing geopolitical risks were thought to result in a mild recession in the United States (US) and eurozone. However, the reopening of the Chinese economy provided some stimulus at an early stage, while the US economy held up well throughout the year and an energy related recession in the Eurozone was avoided. The latter strongly relates to the increased gas outputs in the US, a mild start of the winter and to a lesser extent to an increase in low-carbon, local energy generation. Global inflation has been gradually falling and prospects of rate cuts have been driving positive sentiment in equity markets across the world.

Although central banks in advanced economies are likely done with hiking interest rates given the recent decline in inflation, we expect global growth to slow down in 2024. Because high interest rates for longer will eventually weigh on the global economy. Despite the less benign global environment, emerging markets are expected to weather well as in many cases the stronger fundamentals will provide some relief. There is still uncertainty though regarding conflicts both in Europe and the Middle East.

Their containment hinges on the success of international efforts to prevent further escalation.

In relation to global climate policies, COP28 delivered progress on curbing the use of fossil fuels. Further, the deal also called on parties to help triple global renewables capacity by 2030. Both these targets are achievable but ambitious. Hopes at COP28 on international trading of carbon offsets evaporated as issues on how to define a 'high-quality' offset and how to encourage transparency and avoid double counting proved too difficult to resolve.

Sector developments and outlook

Within the global, geopolitical and regulatory context described above, energy markets will transition in the years to come. Global oil refining capacity is set to expand at much slower pace over the next years compared to previous decades. This development is counterintuitive considering oil demand is still growing faster than refineries can add capacity in the near term. This can be explained by a weak investment proposition for increasing capacity as the demand outlook beyond 2023 is increasingly uncertain. This might put upward pressure on electricity prices in the long-term.

For wind, a lot of focus is on the offshore sector in the coming years. Unfortunately, high costs and interest rates have challenged financial viability of offshore projects under existing revenue contracts. The long-term outlook for offshore wind remains positive, though growth will be delayed and come at higher costs due to the situation described above.

Solar is already on track to achieve its share of the COP28 goal of tripling global renewable capacity by 2030. Module prices are at an all-time low and are likely to keep falling. Enough polysilicon – one of the key raw materials for the solar industry – was produced to meet demand in 2023. Realizing sufficient supply of this material was previously a bottleneck in the solar industry.

The battery storage industry has been bouncing back from supply chain disruptions in 2021 and 2022. Furthermore, falling lithium carbonate prices resulted in a drop of costs for battery energy storage systems. Prices also follow a downward trend over duration. Generally, the longer the duration i.e., the time needed to discharge a batteries power capacity, the cheaper. Technology selection in storage system is also mostly driven by development costs. Lithium Iron Phosphate batteries saw a continued growth in the global energy storage market as these batteries have lower development costs compared to Nickel Manganese Cobalt Oxide batteries. Battery rack and fully installed storage system prices are expected to drop in 2024. For both, this is expected to be mostly driven by decreasing raw material prices.

Besides investing in energy generating capacity, investment in the EU's power grid should be ramped up to facilitate a 24/7 reliable energy system. The EU Action Plan for Grids seems ambitious. However, upgrades will take years to implement, and the full impact of the plan will therefore only be visible in long-term. Key focus areas include improving access to finance, providing guidelines for investing ahead of realised needs and increasing cross-border planning.

Outlook

The sub-fund has been successful in its objective to focus on investing outside of the Netherlands. Recent investments had EU-wide scope and the sub-fund obtained exposure to Romania. A jurisdiction to which the sub-fund did not have exposure before. Now these deals have materialised, the remainder of the pipeline as at 31 December 2023 comprises many disbursements to projects in Netherlands due to redevelopment opportunities of existing assets. In the first quarter of 2024 the sub-fund expects to partially sell one of its German wind farms. The sale enables the sub-fund to co-redevelop the turbines with its new partner. Additionally, there are upcoming investments in projects in Ireland and Germany and to EU-wide portfolios. Despite both continued interesting investment opportunities in the Netherlands and successful diversification efforts during 2023, focus will remain on diversifying country exposure as well as investing in technologies beyond wind and solar.

Besides sector and country diversification, diversification criteria include revenue sources and partners. Revenue sources can be diversified by targeting assets that are active in different markets or by negotiating fixed power purchase agreements. Partner diversification will limit the effect of a partner failing to meet contractual or other agreed obligations. Despite the ringfenced nature of most investments, an underperforming partner could potentially jeopardize the operation of involved assets. The sub-fund made significant progress by establishing new partnerships and will aim to continue this over the course of 2024.

Another objective in the sub-fund outlook for 2023 was to optimize the portfolio. The sale of the Spanish assets has significantly contributed to this optimization. Efforts to keep progressing on this objective are expected to be continued in 2024. Possibly other tail-end asset will be exited to free up capital to allocate to new projects that generate more impact.

Lastly, the sub-fund will keep focussing on full compliance with the SFDR article 9 requirements. Please refer to the SFDR annex to this report for the full disclosure.

Triodos Food Transition Europe Fund

Key figures

(amounts in EUR)	2023	2022	2021	2020
Net assets value at year-end	59,317,013	60,117,262	71,973,264	51,720,021
Number of share outstanding at year-end	562,408	572,204	524,643	450,767
Income from investments	11,074	1,341,678	1,163,776	1,406,479
Realised changes in investments	325,047	2,770,749	5,457,190	170,583
Exchange rate results	65,779	-99,411	-9,349	-24,407
Total operating expenses	-1,805,094	-2,163,004	-1,777,687	-1,906,819
Net operating income	-1,403,194	1,850,012	4,833,930	-354,164
Unrealised results on investments	1,642,816	-20,084,375	6,256,428	8,209,714
Net result	239,622	-18,234,363	11,090,358	7,855,550
Ongoing charges per share class*				
I-dis	1.93%	2.67%	2.68%	3.09%
Q-cap	2.13%	3.02%	2.94%	3.34%
Q-dis	2.10%	2.90%	2.94%	3.34%

* The ongoing charges for 2021 to 2023 reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the share prices is taken into account. The ongoing charges for the financial year ending 2020 are calculated over the thirteen-month period since the launch of the sub-fund and annualised to arrive at the estimated yearly ongoing charges figure.

Per outstanding share*

(amounts in EUR)	2023	2022	2021	2020
Net assets value at year-end	105.47	105.06	137.19	114.74
Income from investments	0.02	2.34	2.22	3.12
Realised changes in investments	0.58	4.84	10.40	0.38
Operating expenses and exchange rate results	-3.09	-3.95	-3.37	-4.18
Unrealised results	2.92	-35.10	11.93	18.21
Net result	0.43	-31.87	21.14	17.43

* The amounts per share are based on the net asset value as presented in this annual report. There is a difference between the net asset value of the sub-fund presented in this annual report compared to the published share prices as per 31 December 2023 (i.e. the last price at which shares were traded in the reporting period).

Net asset value (NAV) per share*

(amounts in EUR)	2023	2022	2021	2020
I-dis	106.52	110.97	137.88	106.60
Q-cap	104.85	109.93	136.85	106.39
Q-dis	105.97	110.12	137.16	106.43

* NAV per share is based on share prices as per year end, i.e., the last price at which shares were traded in the reporting period.

Return based on NAV per share* **

	1-year return***	3-year return p.a.	5-year return p.a.	10-year return p.a.	return p.a. since inception
I-dis	-4.01%	-0.03%	-1.10%	0.63%	0.64%
Q-cap	-4.62%	-0.48%	-1.42%	0.47%	0.48%
Q-dis	-3.77%	-0.14%	-1.21%	0.58%	0.58%

* NAV per share is based on share prices as per 28 December 2023, i.e. the last price at which shares were traded in the reporting period.

** All share classes have limited history. Triodos Impact Strategies II N.V. – Triodos Food Transition Europe Fund is the successor of Triodos SICAV II – Triodos Organic Growth Fund. Returns prior to the launch date of share class are based on the returns of the comparable share class of Triodos SICAV II – Triodos Organic Growth Fund.

For a more detailed explanation of key figures that cannot be directly derived from the financial statements, we refer to Annex A.

Retrospective review Triodos Food Transition Europe Fund and market developments

In the reporting period, the sub-fund's net assets decreased from EUR 60.1 million as per 31 December 2022 to EUR 59.3 million as per 31 December 2023. The sub-fund has delivered some real successes in 2023 despite a wider environment that of persistent market challenges, including declining multiples and a difficult trading environment impacting valuations across various sectors, and particularly in sustainable food industry within the Private Equity market. The year's landscape was further shaped by economic headwinds and geopolitical instability, necessitating resilience and operational efficiency enhancements to navigate uncertainties effectively. As per 31 December 2023, 81.7% of the net assets was invested (31 December 2022: 67.7%). Even though the macro environment proved challenging, there were some clear positives for the sub-fund with two new investments, a very successful exit, and three follow-on investments. Additionally, much effort has been dedicated to the portfolio operations, positioning the sub-fund more favourably for the year ahead.

Triodos Food Transition Europe Fund data, 31 December 2023

Net assets	EUR 59.3 million
Portfolio value	EUR 48.4 million
Number of equity investments	12
Number of countries	9

The Impact Report 2023 for Triodos Food Transition Europe Fund highlights the importance and dynamics of the portfolio companies, presented by means of a description of their activities, stories, videos and numbers.

See: <https://www.triodos-im.com/impact-report/2023>

Investments

At the end of December 2023, Triodos Food Transition Europe Fund was invested in 12 sustainable consumer good companies (31 December 2022: 12) in 9 different countries (31 December 2022: 8) and across all parts of the value chain. The sub-fund invests in these portfolio companies through equity participations and ideally is also represented on the board.

Notwithstanding the adversities in the market, 2023 proved to be a successful year for the team.

In July 2023, the sub-fund acquired a minority shareholding in JetDrinks, a Netherlands-based importer, distributor, producer, specialized wholesaler, and brand owner of environmentally and health-conscious

drinks and food products. The company's aspiration is to become the primary wholesaler and brand ambassador for sustainable and innovative food and beverage products in the Netherlands and Belgium. The company's clientele includes wholesalers, foodservice establishments, and retail clients throughout the Netherlands, Belgium, and Luxemburg. The growth capital will fuel JetDrinks' expansion of its product portfolio and other strategic initiatives.

In July 2023, Triodos Food Transition Europe Fund divested its equity stake in HARI&CO, a French producer of organic plant-based meat alternatives, primarily made from beans and pulses. In partnership with the early-stage venture capital fund Eutopia, the sub-fund made its initial investment in the company in September 2019, and has played its role of catalytic and impact capital since then. The shareholding was sold to Groupe Avril SCA, an international agro-food group headquartered in France. This represents the next step for the business and its founders, enabling them to scale operationally and geographically, bringing their vision of organic, plant-based alternatives to a much greater market. The sub-fund is proud to have been part of HARI&CO's journey and the exit delivered a great impact and financial return to the sub-fund.

During the year, the sub-fund exited its investment in Beendhi. The business has struggled in the past few years and as such, Triodos Food Transition Europe Fund chose to take the opportunity to exit the investment and enable other investors to step in and support Beendhi's future endeavours.

In December 2023, StadtSalat secured EUR 2.5 million funding from existing shareholders, including a small follow-on investment by Triodos Food Transition Europe Fund. The investment helps secure the business for the coming years and supports its plan to be EBITDA positive by mid-2024. This additional funding follows the launch of two new sites last year and very strong growth over the past months. Therefore, the company is well capitalised, and the sub-fund has increased its shareholding through this participation meaning a stronger outlook for returns in the longer term.

In December 2023, the sub-fund acquired a minority shareholding in KoRo, a Berlin-based bulk food and snacking brand focused on transparency and fair prices, supporting KoRo's aspiration to become Europe's premier high-quality food brand. Founded in 2014, KoRo began as an online shop and has evolved into a EUR 100 million+ company, emphasizing quality, affordability,

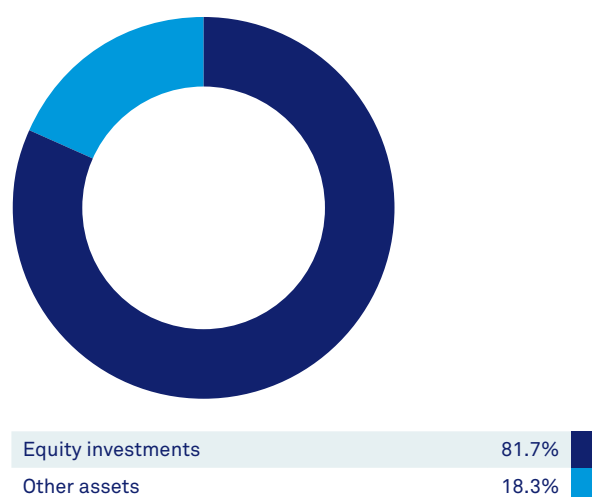
and sustainability. Offering over 1,000 products to 1.4 million customers across 17 countries, KoRo stands out with its efficient large packs and innovative products. The company is committed to reducing environmental impact by providing products in bulk packages, maintaining a short supply chain, and avoiding intermediaries. KoRo, with its focus on growth, plans to expand its online and retail presence in Europe, strengthen its brand, and enhance logistical operations. The recent investment is expected to fuel sustainable future growth, aligning with customer demands for high-quality, transparent food.

In December 2023, Triodos Food Transition Europe Fund made a follow-on investment in existing investee Groupe Natimpact, a federation of organic agri-food SMEs, through a convertible loan to support its acquisition of Base Organic Food. Base Organic Food specializes in the sourcing and creation of a production chain for 100% organic dried fruits, seeds, and cereal. The company predominantly distributes products in bulk and offers a range of finished products in France, with the ambition of making organic products accessible to a wider audience. With a commitment to placing humanity at the core of its business, the brand develops fair trade product lines, aiming to contribute to a more equitable world that prioritizes the health of everyone. This transaction secures 100% ownership of Base Organic Food and strengthens Groupe Natimpact's commitment to sustainable sectors with positive environmental and societal impacts.

In the past year, amidst continued economic uncertainties and market volatility, the challenges facing the sub-fund's portfolio persisted. Despite these hurdles, numerous investments were made, and the capitalization tables of portfolio companies were strengthened. The entrepreneurs demonstrated remarkable adaptability

Asset allocation (% of fund's net assets)

31 December 2023



and strategic decision-making in navigating the turbulent landscape. This resilience not only sustained operations but also enhanced the portfolio's overall strength and viability.

Majority interest

As of 31 December 2023, the sub-fund does not hold a majority interest or controlling stake in any of its investees.

The following overview includes participating interests where Triodos Food Transition Europe Fund exercises or can exercise significant influence, with a shareholding of between 20% and 50%. In determining this significant influence, factors such as voting rights and board representation are taken into account, in addition to the size of the shareholding.

Investment (name)	Nature	Country
Aarstiderne A/S	Organic meal boxes	Denmark/Sweden
Groupe Natimpact SAS	Federation of organic SMEs	France
JetDrinks BV	Importer, distributor, wholesaler, producer and brand owner of sustainable food and beverages	The Netherlands
StadtSalat GmbH	Healthy food restaurant chain with optimized delivery	Germany

Derivatives

Triodos Food Transition Europe Fund uses forward foreign exchange contracts in order to hedge the currency risks on investments in US dollars, British pounds, Swedish kronor, Danish kroner, Swiss francs and, if possible and financially feasible, other foreign currencies. The sub-fund may not invest in or apply special techniques or instruments, other than currency hedging instruments and the sub-fund may not invest more than 50% of its net assets in un-hedged non-euro denominated investments.

In the context of currency hedging, the sub-fund may enter into forward foreign exchange contracts, call options or put options in respect of currencies, currency forwards or exchange of currencies on a mutual agreement basis, provided that these transactions are carried out either on exchanges or over-the-counter with first class financial institutions that specialize in these types of transactions and are shareholders of the relevant over-the-counter markets. The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given

currency (including a currency bearing a substantial relation to the value of the Reference Currency (i.e. the currency of denomination) of the sub-fund - known as "Cross Hedging") - may not exceed the total valuation of such assets and liabilities, nor may they, as regards their duration, exceed the period during which such assets are held or anticipated to be acquired or during which such liabilities are incurred or anticipated to be incurred.

For more Information about the use of derivatives, we refer to note 3 of the notes to the balance sheet of Triodos Food Transition Europe Fund.

Results

Financial results

Triodos Food Transition Europe Fund closed the financial year 2023 with a negative net operating loss of EUR -1.4 million (2022: EUR 1.9 million). Total expenses, the majority of which consist of management fees, amounted to EUR -1.8 million (2022: EUR -2.2 million). The (un) realised value gain in the sub-fund's portfolio amounted to EUR 1.6 million (2022: EUR -20.1 million). The net result of Triodos Food Transition Europe Fund in the reporting period therefore amounts to a profit of EUR 0.2 million (2022: loss EUR -18.2 million).

The key figures on Page 14 provide an overview of developments per Triodos Food Transition Europe Fund participation over the past four years.

Return

In the reporting period, the net asset value for the Q-dis and Q-cap share classes decreased by 3.8% and 4.6% respectively (2022: decreased by 19.7%). The net asset value for the I-dis share decreased by 4.0% (2022: decreased by 19.5%). The 3-year average net return of the Q-dis is -0.1% and the average net return per annum since inception is 0.6%. The long-term net target return is 8.0% per annum, which Triodos Food Transition Europe Fund aims to achieve through a combination of dividend income and value gains in the portfolio.

Swing pricing

The prospectus was updated in 2023 to introduce swing pricing, an entry or an exit fee on the net asset value. This mechanism can be applied by the AIFM to protect long-term investors from the costs associated with buying or selling shares in the sub-fund. As of the publication date of this annual report, swing pricing has not yet been implemented. More information on swing pricing can be found in the Fund's prospectus.

Liquidity

On 31 December 2023, the sub-fund held 17.4% of its net assets in cash and cash equivalents (31 December 2022: 30.3%). During the reporting period, the net outflow amounted to EUR 1.0 million.

Costs

The main recurring item in the cost structure of Triodos Food Transition Europe Fund is the management fee paid to the AIFM, Triodos Investment Management B.V.. The AIFM uses this fee primarily to cover staff-related costs and travel expenses incurred in connection with investments. The investment process is labour-intensive. A new investment on average takes four to six months to be put into effect, from the initial meeting to the signing of contracts and other documentation. As the sub-fund focuses on investment opportunities across a number of European countries (with the initial focus on Northwestern Europe), relatively frequent travelling is required. Other costs include the fees paid to BNP Paribas and CACEIS for their depositary and administrative services.

The ongoing charges on an annual basis as per 31 December 2023 of the Q-dis class, including the management fee, represented 2.1% of the sub-fund's net assets (2022: 2.9%). The ongoing charges of the I-dis share class is 1.9% (2022: 2.7%) and the ongoing charges for the Q-Cap share class is 2.1% (2022: 3.0%). Ongoing charges are based on annualised costs. More detailed information about management fees and ongoing charges can be found on page 38

Market developments

The market for Triodos Food Transition Europe Fund has remained challenging, although improved from the difficult climate of 2022. Global economic activity is projected to have expanded by 3.1% in 2023, below the historical average of this century but surpassing earlier expectations. Suppressing growth were key factors including record-high inflation, the war in Ukraine, and tight monetary policies. Surprising resilience was evidenced in the eurozone and the UK, fuelled by ongoing economic support from government policy stimulus. Consumer confidence in the EU showed recovery in Q4 2023, and although it is much improved from 2022, it remains below its long-term average. In the food & agriculture sector, there are further indications of gradual improvement. Food inflation steadily decreased throughout the year, reducing to 5.7% in December 2023, offering relief to consumers and businesses alike. Pipeline pressures in the consumer food segment are easing, marked by a decline in producer price inflation for manufactured food to 2.8% in October, the lowest since

April 2021. Notably, Initial evidence is being seen for the organic food market as it recovers from the lows of 2022, with steady growth observed across several markets in Europe.

For example, Germany experienced a notable surge in organic farms from 2020, up by approximately 10% to 28,700 in 2023. In the Netherlands, a growing preference for organic products among households led to a significant 42% increase in sales in the same period. Consumer satisfaction with supermarket developments and a strong desire for an expanded organic product range are also evident. This gives us confidence in a broader rebound in the organic food sector in Europe.

The European private equity market saw a 26.5% year-on-year decline in deal value in 2023. Despite this, the deal value remained 10-20% above pre-2021 levels, demonstrating private equity's resilience in the face of macroeconomic challenges however the make-up of deal types shifted. Smaller follow-on deals made up 54.7% of the total deal count. The UK & Ireland dominated European dealmaking, accounting for 30.1% of deal value, followed by France & Benelux at 22.7%. Deal values decreased across all regions, with the Nordics and France & Benelux showing comparatively higher resilience. The European venture capital market experienced a decrease in deal value by 45.6% year-on-year in 2023, reflecting a correction from the inflated activity in 2021 and 2022. Despite this drop, deal value in 2023 remained higher than in previous years and the 10-year average, showcasing sustained growth outside the hype of the prior two years. In agtech, 2023 saw a focus on climate solutions, while in foodtech eGrocery experienced funding declines were that dramatic.

Europe encountered challenges in its pursuit of the Green Deal in 2023, but amidst the hurdles, significant policy developments showcased resilience and progress. Despite opposition affecting certain aspects, the EU made strides in addressing PFAS pollution, combatting greenwashing, and nature restoration. Efforts to crack down on misleading green claims gained momentum, reflecting a positive shift towards transparency in environmental practices. While international negotiations on a global plastic treaty faced obstacles, ongoing discussions indicate a commitment to finding solutions. Europe's emphasis on critical raw materials for strategic autonomy not only promotes domestic production but also aligns with efforts to boost green technologies. These endeavours, despite challenges, reflect a collective commitment to balancing economic and environmental priorities, offering a hopeful outlook for the future.

The reality of the challenges to our food system also became more apparent in 2023 with the world facing a

barrage of climate-related challenges including the return of the El Niño pattern and escalating temperatures. From unprecedented droughts in Spain, floods, and wildfires, to record-breaking heatwaves globally, the urgency to address climate change grew ever more pressing. 2023 was hottest year on record, with temperatures 1.48 degrees Celsius above the pre-industrial period. Despite efforts, CO₂ emissions reached record levels of 419 parts per million, underscoring the imperative for immediate action to curb emissions and mitigate environmental degradation.

In addition to the environmental upheavals, geopolitical tensions and conflicts added to the year's complexity. The Ukraine-Russia war entered its second year, with persistent heavy fighting and minimal territorial gains for either side. This continued to impact energy prices, food prices and the overall global economy. The latter part of the year saw heightened tensions between Hamas and Israel exacerbate. Following an attack by Hamas, Israel responded which further escalated the situation in the Gaza Strip.

In conclusion, the sustainable food sector encountered another challenging year. Despite these challenges our optimism regarding the sector's long-term prospects remains steadfast. The sub-fund closely monitors developments in the sector and broader context and takes these into consideration with new investments and in managing the existing portfolio. Over the long-term, the developments over the past year strengthen our belief in the essential transition towards sustainable practices, which will shape a fair and robust food value chain that serves future generations and respects our planet's boundaries.

Currency developments

The sub-fund aims to hedge all its non-EUR exposure and therefore has only a very limited exposure to currency developments.

Market developments by sector

In 2023, the trajectory set by 2022's pivotal events continued to shape trends in the food industry, emphasizing the importance of sustainability and consumer-centric practices. Key trends present in 2023 include:

- **Alternative Proteins:** Alternative proteins encompass a variety of sources, including plant-based proteins, cultured or lab-grown meat, insect protein, and other innovative options. The surge in attention for alternative proteins in Europe is driven by their sustainability, animal welfare, and health benefits, offering lower environmental impact and potential nutritional

advantages. From 2020 onwards, the sector gained much interest and investments from those seeing the rapid growth and opportunities in the sector. However, 2023 was a hard year for the market which saw shifts in consumer behaviour and challenges in sustaining growth. The sub-fund did, however, exit HARI&CO during the year, demonstrating the benefit of our commitment to organic and minimally processed alternative proteins. Looking forward, we expect to see continued market evolution as demand recovers but consumers look for higher quality / more affordable options in this segment

- **Climate-Positive Farming:** there was a notable rise in interest in climate-positive farming methods, with a particular focus on regenerative agriculture and carbon farming. Regenerative agriculture involves practices that aim to improve soil health, increase biodiversity, and enhance ecosystem resilience while also sequestering carbon from the atmosphere. Carbon farming is often encouraged and incentivized through voluntary carbon offset markets, where agricultural practices that enhance carbon sequestration can earn credits. Overall, the adoption of regenerative agriculture and carbon farming represents a proactive approach by farmers and agricultural businesses to address climate change by improving soil health, reducing carbon emissions, and promoting environmental sustainability.
- **Health and Diet:** the year witnessed continued increase in consumer awareness regarding health and diet, spurring a demand for personalized nutrition, functional foods, and sustainability. This heightened consciousness led to an increased desire for nutritious, whole foods, and greater transparency in food labelling. In response, companies adapted by diversifying their product offerings with healthier options, prioritizing clean ingredients, and providing comprehensive nutritional information. This trend reflects a growing emphasis on meeting the evolving needs and preferences of health-conscious consumers through personalized nutrition and functional foods that align with sustainability principles.

In essence, the trends witnessed in 2023 reflect a growing effort towards creating a more sustainable, ethical, and health-focused food ecosystem. As the industry continues to evolve, with an emphasis on innovation, transparency, and consumer-centric practices in shaping the future of food. These developments underscore importance of addressing pressing global challenges while meeting the demands of an increasingly conscious consumer base.

Outlook

The market for sustainable food faces various competing pressures in 2024. At a macro level the global economy is still projected to grow, but more slowly with advanced economies, notably the eurozone, facing further deceleration, potentially pushing the UK into a recession by mid-year. Consumer confidence continues to improve although still remains below its long-term average. On a more positive note, the European Central Bank (ECB) anticipates food inflation to continue its declining trend in 2024 and 2025, alongside expected decreases in food and beverage commodity prices. Certain developments will likely continue favouring the downward trend, including the fall of global gas prices resulting in lower input costs and normalising supply chains. The disinflation outlook could trigger more competition across retail food providers and improve the purchasing power of households. Even in a slowed economic climate, the market's outlook for 2024 remains positive, as there are clear signs of recovery from the challenging conditions the food and agriculture market faced in the past few years. On the other hand, dynamic labour cost developments, possible upward pressures from adverse weather effects and geopolitical developments could still fuel food inflation, posing challenges despite the overall downward trajectory.

Investor activity in European private equity is poised for growth in 2024, with exits remaining subdued relative to deal-making. The UK is set to maintain its lead in private capital deal value across Europe, while France and Germany are expected to narrow the gap, reflecting sustained investor confidence in the region's agricultural prospects.

On the policy front, the European Commission's allocation of EUR 185.9 million in 2024 to fund promotion activities for sustainable and high-quality EU agri-food products domestically and internationally is a notable initiative. A quarter of this funding is earmarked for programs focused on organic products, signalling a commitment to promoting sustainability in agricultural practices. Simultaneously, the EU's deforestation regulation, reaching a significant milestone by the end of 2024, aims to prohibit the importation of goods linked to land deforested after December 31st, 2020. The impending EU elections in the summer of 2024 add another layer of complexity to the European political landscape. The right-wing surge in the polls appears prominent, with predictions suggesting that these parties could pick up nearly a quarter of seats. This scenario could threaten major green and climate laws.

From an environmental angle, 2024 is poised to match the record warmth experienced in the previous year, with a notable 50% chance of setting a new temperature record. The persistent effects of El Niño and the increasing concentration of greenhouse gases underscore the urgent need for proactive measures to mitigate climate change effects and address environmental challenges. As such, navigating the complexities of the year ahead will require a concerted effort towards sustainability and resilience in the food and agricultural sector.

Given the headwinds faced by the market over the past few years, the outlook for the sector 2024 is more positive, as signs of rebounding to much-improved circumstances are becoming evident. Considering the impending challenges ahead, whether it be on an economic, policy, geopolitical or environmental front, the call for an urgent and transformative shift towards sustainable and resilient food and agriculture systems has never been more evident. Triodos Food Transition Europe Fund advocates for a systemic transition towards ecologically and socially robust models, grounded in balanced ecosystems, societal well-being, and inclusive prosperity. With recent events underscoring the importance of this vision, the sub-fund remains committed to promoting sustainable consumption throughout Europe. In the past year, the investment team has successfully prioritized deal sourcing activities to identify potential investment opportunities aligned with the sub-fund's strategy. With a fully staffed team the sub-fund is well-equipped to capitalize on new investment prospects. Key areas of focus will be around nature based solutions, healthy eating and brands that support growth in the organic & regenerative movement. As a result, we anticipate a further decrease in our cash ratio for 2024 as we actively pursue investments that align with the sub-fund's strategic objectives.

Risk management

As manager of the sub-funds, Triodos Investment Management B.V. ensures adequate management of the relevant risks. To this end, the manager has set up an integrated risk management system. This includes the sub-fund's risk management policy and the manager's integrated risk management framework.

Risk management has been set up in accordance with the three-lines-of-defense model. The first line (the manager's executive function), the second line (the risk management function) and the third line (the internal audit function) operate independently of each other. The risk management function in the second line and the internal audit function in the third line are functionally and hierarchically separated from the sub-fund's management.

For the financial risks, please refer to the section "Financial risks". The non-financial risks consist of 'operational risks' and 'compliance risks'. Operational risks include the risks that arise from human error, process, or system failure and external events. It includes the improper handling of confidential information and the so-called compliance risk of regulatory requirements not being met. Compliance risks are risks related to failure to comply with applicable laws and regulations. These risks are identified, assessed, managed and monitored on an ongoing basis through appropriate procedures and reports. These risks are assessed on the basis of a pre-defined and quantified risk appetite based on the risk appetite at Triodos group level.

Risk management function

Triodos Investment Management B.V. has a risk & compliance application that enables integrated management of all risk related issues. This includes our integral risk management system, our internal 'Control Testing' and its outcomes, and our procedures relating to risk event management. In addition, the results of risk and control self-assessments are recorded, as well as the translation of the results of these sessions into the integrated risk management system. The application provides a central capture ('audit trail') for all of the above. Knowledge sessions and awareness training sessions are organized for new employees.

ISAE 3402 report

The aim of this ISAE 3402 report is to give our institutional investors and their independent external auditors assurance on the investment management activities of

Triodos Investment Management B.V.. The Assurance Report of the independent auditor (chapter 2) provides assurance that Triodos Investment Management B.V. has properly designed and operational controls to meet the control objectives regarding the investment management activities described in this report (for example related to financial reporting). The focus area for Triodos Investment Management B.V. is to be in-control of its processes, systems and services outsourced to third parties.

Triodos Investment Management B.V. obtained on 13 March 2024 an unqualified opinion on its ISAE 3402 type II report covering the period from 1 January 2023 up to 31 December 2023.

Solvency

Triodos Investment Management B.V. complies with the minimum solvency requirements imposed on managers of investment institutions in accordance with the Dutch Decree on prudential rules under the Financial Supervision Act (BPR), AIFMD and the Dutch Civil Code. This makes Triodos Investment Management B.V. a robust party that can absorb setbacks to a sufficient extent.

Fraud

The combination of Triodos Investment Management B.V.'s organizational culture, behavior and management style create a climate where socially responsible standards and ethics are of major importance. Our organization places a high value on ethical business practices and has appropriate measures in place to prevent, detect, act upon and report on fraudulent practices, both inside and outside the organization. These measures are defined in the Financial Crime Prevention Policy. Examples of these measures include policies and procedures for preventing financial crimes, money laundering by investors and investees and financing of terrorism. Triodos Investment Management B.V. also performs customer due diligence, extensive investment due diligence during onboarding and monitoring of business relationships and outsourced parties.

Strong governance guarantees transparent decision-making processes throughout the organization. Triodos Investment Management B.V. annually performs a systematic integrity risk analysis (SIRA) of our processes, products and contract parties. The SIRA ensures that potential risks are regularly assessed with regard to all integrity-related topics, such as internal and external fraud. SIRA fraud assessments include, for example,

an analysis of risks related to co-workers not reporting fraud incidents, fraud risks of an outsourced party in relation to its own business culture or in relation to the reporting's on the Triodos investment funds. Triodos Investment Management B.V. regularly assesses whether fraud risks are sufficiently mitigated by existing controls. The result of all these activities is reported by the Fraud Officer to the Triodos Investment Management B.V. Board, Supervisory Board of the sub-funds, Triodos Bank Group Compliance and the Triodos Bank Executive Board.

Investing in countries where corruption also occurs is the main fraud-related risk. Triodos Investment Management B.V., however, undertakes all viable efforts to mitigate this risk and accepts that this exposure is inherent to fulfilling its mission of financing positive impact. When there is a fraud-related risk, this may lead to additional Customer Due Diligence (CDD) measures to be implemented, which is laid down in the CDD Risk Rating Methodology. During the reporting period fraud-related risks have not led to actual fraud cases.

Going concern

This annual report has been prepared based on a going concern assumption. This assumption means that the AIFM expects that the activities of both sub-funds will continue for the foreseeable future. In order to reach this conclusion, the following topics were assessed, among other things.

Both sub-funds are assessed by means of a product review at least once every two years, or sooner if deemed necessary. Adjustments will be made where necessary to ensure that the sub-funds continue to meet the expectations of investors, are aligned with changed market conditions and contribute to the strategy of Triodos Investment Management B.V.. In addition, the product review confirms that the sub-funds comply with legislation and regulations, which is continuously monitored within Triodos Investment Management B.V. The results of the product review are discussed and approved by the Product Governance Committee. The last product review for both sub-funds took place in the third quarter of 2022. As of 31 December 2022, there were no reasons that give doubts about the continuity of the sub-funds.

The continuity of the sub-funds may be jeopardized by liquidity problems. The sub-fund's liquidity is monitored monthly and described in a liquidity report. In this report, a number of scenarios are calculated, as well as the effect they are expected to have on the liquidity position. For more information on liquidity, please refer to the

sections on liquidity management on pages 12 & 18 and liquidity risk on page 43.

Both sub-funds may borrow up to 10% of their Net Asset Value from reputable financial institutions to cover short-term liquidity requirements. In addition, Triodos Food Transition Fund may additionally obtain temporarily bridge financing up to 10% of its net assets to finance new investments. Too much debt can create situations where the sub-fund cannot meet all its obligations. The sub-fund is cautious about taking on debt. The sub-fund's debt consists of current short-term debts related to operating activities. Ratios that further explain the use of debt can be found on pages 45 & 46.

Statement on business operations

Triodos Investment Management B.V. has assessed various aspects of its business operations during the past financial year. Based on this, Triodos Investment Management B.V. declares that it has a description of the set-up of the business as referred to in article 115y(5) of the BGFO (Besluit Gedragstoezicht financiële ondernemingen - Decree on Conduct of Business Supervision of Financial Undertakings under the Wft (Wet Financieel Toezicht)), which meets the requirements stipulated in Sections 3:17(2)(c) and 4:14(1) of the Wft.

Triodos Investment Management B.V. has not found that the business operations are not effective and do not function in accordance with the description. Triodos Investment Management B.V. declares with a reasonable degree of certainty that the business operations functioned effectively and in accordance with the description during the reporting year 2023. For more information about the management of operational risks, we refer to the annual report of Triodos Investment Management B.V..

Financial risks

Triodos Impact Strategies II N.V. invests resources of shareholders for their account and risk. In order to provide shareholders with the best possible information, the prospectus describes all of the risks to which the sub-funds are exposed. The prospectus also describes the risk appetite in the Risk and Risk Management sections. These documents are published on www.triodos-im.com on the pages of the sub-funds under 'Documents'.

The most financial risks that the sub-funds faced in 2023 apply to both sub-funds. Some specific risks – project risk and interest rate risk – only apply to Triodos Energy Transition Europe Fund, since Triodos Food Transition Europe Fund does not invest in projects and only makes private equity investments. For an overview of the – common and specific – risks we refer to the table below.

	Triodos Energy Transition Europe Fund	Triodos Food Transition Europe Fund
Common risks of the sub-funds		
Credit risk	X	X
Counterparty risk	X	X
Concentration risk	X	X
Market risk	X	X
Valuation risk	X	X
Currency risk	X	X
Liquidity risk	X	X
Sustainability and climate risk	X	X
Sub-fund's specific risks		
Project risk	X	
Interest rate risk	X	

The management of the financial risks during this reporting period is described in more detail in the section 'General notes to the financial statements' under 'Management of financial risks'.

Remuneration policy

Triodos Investment Management B.V. and Triodos Bank N.V. believe good and appropriate remuneration for all its co-workers is very important. Triodos Bank Group has therefore drafted the International Remuneration and Nomination policy ("Remuneration Policy"), which can be accessed via www.triodos-im.com/governance. The Remuneration Policy is applicable to all business units of Triodos Bank Group and is assessed by the Executive Board and the Supervisory Board of Triodos Bank N.V. annually.

Key elements of the Remuneration Policy are:

- Award fair and relatively modest remuneration for all co-workers based on the principle that the bank's results are the joint accomplishment of all co-workers.
- The remuneration used by Triodos Investment Management B.V. does not offer bonus or share option schemes. Financial incentives are considered an inappropriate way to motivate and reward co-workers in a values-based bank. Variable remuneration is therefore limited.
- Triodos Investment Management B.V. may provide individual tokens of appreciation. These are limited and decided discretionally. They are restricted to a maximum one month's salary with a maximum of EUR 10,000 gross a year. These contributions are for extraordinary achievements and are at the discretion of management after consultation with Human Resources. Tokens of appreciation are not based on preset targets and are always offered post factum.
- An annual collective token of appreciation can be paid for the overall achievements and contribution of all co-workers. This amount, with a maximum of EUR 500 gross per person, is the same for all co-workers, whether they work full time or part time, and awarded pro rata for those not in service throughout the whole year. For 2023, a collective end-of-year token of appreciation of EUR 350 gross was awarded.

In 2023, the total remuneration of the 203 co-workers working for Triodos Investment Management B.V. amounted to EUR 24.6 million (2022: 216 co-workers, EUR 23.2 million). The increase in remuneration of 2023 versus 2022 can entirely be explained by a combination of a yearly increase in wages and the impact of the structural income adjustments of the salary table in accordance with the collective labour agreement of CLA Banks.

Based on Article 22(2) of the AIFMD and section XIII (Guidelines on disclosure) of the 'ESMA Guidelines on sound remuneration policies under the AIFMD', AIFMs are required to at least disclose information about their remuneration practices for co-workers whose professional activities have a material impact on its risk profile (so-called 'identified staff'). The tables below and on the next page provide an overview of the total remuneration, broken down into fixed and variable remuneration, and the remuneration of the senior management and the identified staff.

In 2023, the presentation was revised retrospectively to include comparative figures from 2022, offering readers more pertinent insights through a retrospective adjustment. Firstly, the company's identified staff list was updated to reflect a company restructuring which took place per June 2023. Besides Senior Management (the Management Board), Identified staff include all co-workers in positions who may have a material impact on the risk profile of the sub-funds. Based on the updated governance structure, Identified Staff relates to all co-workers in Director positions. It no longer involves fund managers and managers of support departments like in 2022. In 2023, there were no co-workers at Triodos Investment Management B.V. with a total remuneration of EUR 1 million or more. Furthermore, given that most employees at Triodos Investment Management B.V. collaborate across various funds, it is presumed, in accordance with purpose of the AIFMD regulation,

Triodos Investment Management B.V.

(remuneration in EUR)	Co-workers at AIFM		'Identified staff' in senior management positions		Other 'Identified staff'		Other staff	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>Number of staff</i>	203	216	3	3	6	7	194	206
<i>Average FTEs</i>	207.3	209.1	3	3	6.4	7.7	197.9	198.4
Fixed remuneration	24,439,685	23,070,415	719,556	678,137	1,561,754	1,537,161	22,158,375	20,855,116
Non-recurring remuneration	186,775	116,119	1,050	–	1808	–	183,917	116,119
Total remuneration	24,626,460	23,186,534	720,606	678,137	1,563,562	1,537,161	22,342,292	20,971,235

that providing a full overview without resorting to hypothetical allocation keys for assigning individuals to specific funds is better for the insights. As from 2023, Triodos Investment Management B.V. will only disclose the consolidated figures for fixed and non-recurring remuneration conform regulatory requirements. As these tables are intended to show the remuneration of co-workers, all other costs incurred by the AIFM, such as housing, workplace and travel costs and the cost of outsourced activities are excluded. The amounts shown in the tables include income tax, social security contributions, pension contributions and tokens of appreciation. Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund do not have any co-workers.

Driebergen-Rijsenburg, 30 April 2024

Ad interim fund manager
Triodos Energy Transition Europe Fund
Sonja de Ruiter

Fund manager
Triodos Food Transition Europe Fund
Adam Kybird

The Management Board of
Triodos Investment Management B.V.
Dick van Ommeren (Chair of the Management Board)
Kor Bosscher (Managing Director Finance, Risk & Operations)
Hadewych Kuiper (Managing Director Investments)

Report of the Supervisory Board

The Supervisory Board of Triodos Impact Strategies II N.V. signed these annual accounts in accordance with legislation and the articles of association of the Fund. For Triodos Energy Transition Europe Fund, the financial year 2023 closed with a net result of EUR -21.4 million. For Triodos Food Transition Europe Fund, the financial year 2023 closed with a net result of EUR 0.7 million. The Supervisory Board proposes to the General Meeting of Shareholders to adopt the annual accounts of 2023 and grant discharge to the Management Board and the Supervisory Board for the performance of their duties in this financial year.

The Supervisory Board met six times during the reporting period. During the meetings, the Supervisory Board was informed about the in- and outflow, the liquidity position, and the options available when the sub-funds' liquidity declines. In each of the meetings, the Supervisory Board discussed the development and investment results of the sub-funds with the relevant fund manager. The Supervisory Board also obtained quarterly information on changes in legislation and the risk management of the sub-funds such as financial risks, operational risks, sustainability risks and fraud risks.

The Supervisory Board discussed the increased uncertain macroeconomic conditions due to, among other things, the ongoing war between Russia and Ukraine and the geopolitical developments in the Middle East, and the impact of this on the food- and energy prices. In each of the meetings, the Board paid attention to investment results and the impact objectives of the sub-funds. Furthermore, the sub-fund plans and the impact reports of the sub-funds have been discussed with the Supervisory Board. The Supervisory Board approved the allocation of the extra audit costs of the annual report of TIS II. Regarding Triodos Energy Transition Europe Fund, the Supervisory Board paid special attention to the newly implemented valuation model, the liquidity levels and the pipeline of the sub-fund. Furthermore, they discussed the fluctuations of the power prices and the effect on the performance of the sub-fund. Regarding Triodos Food Transition Europe Fund, the Supervisory Board paid special attention to the liquidity levels and the market circumstances and its impact on the performance of the sub-fund.

During the annual education day, the main topics were the impact strategy of Triodos Investment Management B.V. and investment dilemmas for impact investing.

The Supervisory Board is satisfied with the policy pursued by the AIFM and the way the Supervisory Board has exchanged ideas with the AIFM during the year.

The composition of the Supervisory Board of Triodos Impact Strategies II N.V. has changed in 2023. Jan Willem van der Velden stepped down as member of the Supervisory Board as of the General Meeting in June 2023 because his term of office ended. The Supervisory Board would like to thank Jan Willem van der Velden for his efforts and involvement. Ernst de Klerk and Gerard Roelofs have been appointed as members of the Supervisory Board in June 2023.

Driebergen-Rijnsenburg, 30 April 2024

Ineke Bussemaker (Chair)
Elfrieke van Galen
Gerard Groener
Ernst de Klerk
Gerard Roelofs

**Financial Statements
(Combined)**

Financial Statements (combined)

Balance sheet as at 31 December 2023

Before profit appropriation (amounts in euro's)	Note*	31-12-2023	31-12-2022
Investments			
Equity instruments	1	135,397,539	166,998,018
Debt instruments	2	46,970,631	36,256,893
Collateral	3	–	410,000
Derivatives (positive)	3	104,109	160,890
Total investments		182,472,279	203,825,801
Receivables			
Subscription of own shares	4	259,038	819,341
Debtors	5	1,101,050	664,399
Other receivables	6	1,963,920	2,364,547
Total receivables		3,324,008	3,848,287
Other assets			
Formation costs	7	338,706	703,704
Cash and cash equivalents	8	41,449,071	38,221,217
Total other assets		41,787,777	38,924,921
Current liabilities			
Redemption of own shares	4	287,622	239,112
Management fees payable		1,163,567	1,348,848
Accounts payable and accrued expenses	9	522,203	403,561
Derivatives (negative)	3	147,546	506,243
Total current liabilities		2,120,938	2,497,764
Receivables and other assets less current liabilities		42,990,847	40,275,444
Assets less current liabilities		225,463,126	244,101,245
Equity			
	10		
Issued and paid-up capital		4,158,752	4,111,310
Share premium reserve		174,427,485	171,921,664
Revaluation reserve		27,355,587	64,735,689
Legal reserves		338,706	703,704
Other reserves		40,373,979	-34,982,480
Unappropriated profit		-21,191,383	37,611,358
Total equity		225,463,126	244,101,245

* See the notes to the balance sheet and profit and loss account .

Financial Statements (combined)

Profit and loss account for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Direct results from investments			
Income from investments			
Dividend		11,076,508	5,389,217
Interest		4,439,490	2,707,455
Other income	11	269,624	180,804
		15,785,622	8,277,476
Indirect results from investments			
Realised changes in value of investments	12		
Equity instruments		12,516,525	5,325,251
Debt instruments		590,659	121,373
Derivatives		-355,341	-1,257,017
		12,751,843	4,189,607
Unrealised changes in value of investments	13		
Equity instruments		-39,605,089	31,727,667
Debt instruments		-2,922,862	-1,050,390
Derivatives		301,916	283,735
		-42,226,036	30,961,012
Other operating income		-398,453	1,265,661
Total other operating income		-398,453	1,265,661
Total income		-14,087,024	44,693,756
Operating expenses			
Formation expenses capitalised	7	364,998	364,998
Management fees	14	4,780,282	4,653,205
Administrative and depositary fees		254,412	368,711
Audit and advisory fees		384,480	770,408
Other interest		821	251,202
Other expenses	15	1,365,489	553,010
Total operating expenses		7,150,482	6,961,534
Operating result		-21,237,506	37,732,222
Exchange rate results		46,123	-120,864
Result before taxes		-21,191,383	37,611,358
Income tax	16	—	—
Result for the year	10	-21,191,383	37,611,358

* See the notes to the balance sheet and profit and loss account.

Financial Statements (combined)

Cash flow statement for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Cash flow from investment activities			
Result Ex. exchange rate differences		-21,237,506	37,732,222
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		-12,751,843	-4,189,609
Unrealised changes in value of investments		42,226,036	-30,840,148
Purchases of investments		-52,825,297	-28,180,522
Sale of investments		43,935,929	6,709,802
Redemptions of debt instruments		–	14,428,721
Paid and received collateral		410,000	120,000
Costs directly charged to equity ¹		364,998	364,998
Movement in assets and liabilities			
Movement in receivables from investment activities		-765,251	-2,241,745
Movement in liabilities arising from investment activities		662,587	198,907
Net cash used in investment activities		19,653	-5,897,374
Cash flow from financing activities			
Received from subscriptions		28,056,118	40,353,118
Paid for redemptions		-24,894,040	-35,248,840
Net cash flow used in/ generated from financing activities		3,162,078	5,104,278
Change in cash and cash equivalents		3,181,731	-793,096
Cash and cash equivalents at the beginning of the reporting period		38,221,217	39,135,177
Exchange rate differences		46,123	-120,864
Cash and cash equivalents at the end of the reporting period	8	41,449,071	38,221,217

* See the notes to the balance sheet and profit and loss account.

¹ The costs directly charged to equity comprise the formation costs of the Fund.

General notes to the financial statements

Legal structure

Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund (hereafter: the sub-funds) were launched in June 2006 and January 2014 respectively, as sub-funds of Triodos SICAV II (Luxembourg). On 2 December 2019, the sub-funds changed domicile to the Netherlands and have been set-up as sub-funds of a newly incorporated Dutch legal entity, Triodos Impact Strategies II N.V. (hereafter: the Fund).

The Fund was incorporated on 10 September 2019 under the Laws of the Netherlands as an investment company with variable capital as referred to in article 2:76a DCC (Dutch Civil Code). The Fund, which has its seat in Driebergen-Rijsenburg, the Netherlands, at Hoofdstraat 10, 3972 LA, is registered in the trade register of the Dutch Chamber of Commerce under number 75806754. The Fund is an alternative investment fund subject to the requirements of Directive 2011/61/EU of June 8, 2011 on Alternative Investment Fund Managers (AIFMD), as implemented in the Netherlands with the Dutch Financial Supervision Act (Wft). The Fund is regulated by the Dutch Authority for the Financial Markets (AFM).

The sub-funds have an open-end fund structure. Triodos Energy Transition Europe Fund has euro-denominated share classes for retail and professional investors, one of which is listed on Euronext Fund Services. Triodos Food Transition Europe Fund has euro-denominated share classes for professional and certain qualified private investors. None of its share classes are listed on any stock exchange.

As at 31 December 2023 the Fund's holds the following wholly owned sub-funds:

- Triodos Energy Transition Europe Fund, registered address: Hoofdstraat 10, Driebergen-Rijsenburg, Netherlands
- Triodos Food Transition Europe Fund, registered address: Hoofdstraat 10, Driebergen-Rijsenburg, Netherlands

Administrator, fund agent, listing agent, paying agent and transfer agent

CACEIS Bank, Netherlands Branch (CACEIS) has been appointed as Administrator, Fund Agent, Listing Agent, Paying Agent and Transfer Agent and is charged among other things with:

- calculating the Net Asset Value and conducting the financial administration of the Fund and the sub-funds;
- with assessing and accepting or rejecting sale and purchase orders in respect of shares listed on Euronext Amsterdam, as entered in the Euronext Amsterdam order book on behalf of the sub-funds;
- all activities relating to the listing of the Listed Shares on Euronext Amsterdam;
- with maintaining the Register of Shareholders and the processing of the issue (registration) and redemption orders of the off-exchange Shares and settlement arrangements thereof.

Depository

BNP Paribas S.A. (BNP Paribas), acting through its Amsterdam branch, acts as the Depository of the Fund within the meaning of the AIFM Directive and is appointed by the AIFM. The depositary agreement between the AIFM, Fund and the Depository sets out the tasks and obligations of the Depository, the Fund Management and the Fund in accordance with the AIFMD rules. This agreement also states that the Depository accepts the liability described in the AIFMD rules towards the Fund and the AIFM. In any case, the Depository shall be liable towards the AIFM and the Fund for the loss of financial instruments. This liability also applies to any third party engaged by the Depository.

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Accounting principles

General accounting principles

General information

The financial statements have been prepared in accordance with the regulations laid down in Title 9 of Book 2 of the DCC, the Wft and the Dutch Guidelines for Annual Reporting, in particular Guideline 615 (RJ 615) for Investment Institutions and the going concern assumption. Some of the terms used in this annual report deviate from the models for investment institutions prescribed in the Dutch Decree on the financial statements models (Besluit modellen jaarrekening).

The financial statements of the sub-funds have been added to the annual report 2023 of Triodos Impact Strategies II N.V. The financial statements of the sub-funds are considered to be part of the notes to the financial statements of Triodos Impact Strategies II N.V..

Reporting period

The Fund and the sub-funds' financial year is the same as the calendar year, the comparative period concerns the year-end 31 December 2022. The current year reporting period of the Fund and the sub-funds is 1 January 2023 to 31 December 2023.

Comparison with previous year

The accounting policies have been applied consistently throughout the reporting period and have remained unchanged compared to the previous year reporting period.

Functional and reporting currency

Both the functional currency and the presentation currency are the euro. (Monetary) Assets and liabilities in foreign currencies have been converted at the rates on the reporting date. Exchange rate differences resulting from settlement and conversion are credited or debited to the profit and loss account.

The exchange rates used per 31 December are (1 EUR =):

Currency rate	2023	2022
USD	1.1046	1.0673
GBP	0.8666	0.8873
SEK	11.133	11.120
DKK	7.4546	7.436
CHF	0.9297	0.987

Non-monetary assets carried at cost in a foreign currency are translated at the exchange rate on the date of the transaction. Transactions in foreign currencies during the reporting period are included in the financial statements at the exchange rate on the transaction date.

References

References are included in the balance sheet, profit and loss account and cash flow statement. They are references to the explanatory notes.

Criteria for recognition in the balance sheet

Where the Fund irrevocably becomes a party to the contractual terms of a financial instrument, it recognises that financial instrument in its balance sheet. The basis for initial measurement of the financial instruments is fair value. If a financial instrument is transferred to a third party following a transaction, it is no longer included in the balance sheet. All or virtually all rights to economic benefits and all or substantially all risks relating to the financial instrument then vest in the third party.

Financial Statements (combined)

Consolidation

Equity investments of Triodos Impact Strategies II's sub-funds are excluded from consolidation due to the existence of an exit strategy. The interpretation of article 407c, Title 9, Book 2 of the DCC is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board. According to RJ 217.308.b, the exemption from Article 407c can be applied by investment entities that apply RJ 615 - for majority interests in investments - if an exit strategy has been formulated with regard to these majority interests at the time of acquisition, such that it is clear that these interests are only held to be alienated at a time subsequently defined within the exit strategy.

Judgements, estimates and uncertainties

The preparation of the financial statements requires the AIFM of the Fund and sub-funds forms to make judgements, estimates and assumptions which may be essential for the amounts included in the financial statements.

These partly determine how the principles are applied and how the value of the assets and liabilities are reported. The same applies to the reporting of revenues and expenses. The actual outcomes may differ from the estimates made by management. These estimates and assumptions are therefore periodically reviewed. If an estimate is revised, it is included in the relevant period.

If it is necessary for the purposes of providing the information required under article 362(1) of Book 2 of the DCC, the nature of these opinions, estimates and the assumptions associated with the uncertainties are included in the notes to the relevant items of the financial statements.

Accounting principles for the balance sheet

Investments

Investments of the sub-funds are initially recognized at fair value. Transaction costs directly attributable to the acquisition of investments are recognized in the profit and loss account. The subsequent measurement, is also fair value but the proxy to determine fair value depends on the type of assets. Refer to the following paragraph for details.

Disclosure of estimates

The AIFM makes use of multidisciplinary credit and valuation committees which are held regularly throughout the year that operate independently of operational matters. They establish, review and monitor adherence to the Triodos Investment Management B.V. Valuation Policy and Methodologies as diligently as possible. Furthermore, they verify that the appropriate Valuation Methodology is used and, if applicable, establish the value of individual investments within the Fund. In preparing the valuations, the AIFM may make use of external experts. However, all valuations are approved by representatives of the AIFM in the valuation committees.

Equity instruments, mezzanine loans and subordinated debt investments

Except fund investments, private equity investments are valued based on the application of an earnings multiple valuation methodology or on the basis of discounted cash flows for which the projected cashflows are the result of future expectations on capex, revenues, expenses, debt inflow, tax, cash inflow and cash outflows.

Mezzanine loans and subordinated debt investments are valued on the basis of discounted cash flows. Investments in investment funds (so called fund-to-fund investments) are valued at fair value for which cost price is assumed the best proxy for the period immediately after establishment of the investment fund for a maximum of three years, after three years the Fund's net asset value is considered the best proxy for fair value.

Earnings multiple valuation methodology

In relation to the earnings multiple valuation methodology, most investees will be profitable companies with stable earnings and business model. According to the IPEV guidelines, the price of a recent transaction is not a valuation method by itself. As such, each arm's length transaction triggers a valuation review. In principle, non-profitable investees will be valued based on revenue multiples. The comparable approach implies the determination of a maintainable earnings base as well as transaction multiples, or alternatively trading multiples of a peer group of companies.

At the first valuation date following the investment, the asset will be valued at purchase price when this is regarded as the best representation of fair value as defined by applicable accounting standards, unless there is a trigger event

Financial Statements (combined)

for which valuation at fair value is considered more appropriate. The trigger events are evaluated by the independent valuation committee. At each following valuation interval, the asset will in principle be valued using the following inputs:

1. Valuation EBITDA (profitable investees) or Valuation Revenue (non-profitable investees)
2. Valuation Multiple which is build up by:
 - a) Industry specific market multiple
 - b) Premium-discount ratio
 - c) Adjustment scale
3. Surplus assets, excess liabilities and net debt

Valuations resulting from the earnings multiple valuation methodology will be subject to a broad valuation review at least once per two years in the absence of an arm's length transaction in the company. This will be done by performing a discounted cash flow analysis/earnings valuation technique (DCF) in combination with an analysis of comparable transactions in the market. This analysis may, among others, result in a recommendation to implement changes in the Multiple Market selection, adjustments to the Premium Discount Ratio and the adjustment scale. In between such reviews, key metrics related to the performance of the company and the market are being monitored.

Discounted (project) cash flows

In case the investments are valued on the basis of discounted (project) cash flows all known and project specific assumed aspects are taken into account. The assumptions used in the calculation of the expected project cash flows available are compared with realised historical project financials, other comparable projects and project budgets and adjusted in case of new insights that are likely to impact the project cash flows. A building block approach towards the required discount rate based on the sum of a risk-free rate, country risk premium, project risk premium and market premium will be applied. To avoid discrepancy between the development in the market and the building block approach, the market premium will be used to keep the total discount rate in line with return requirements observed in the market.

The following items are distinguished which result in projected cashflows: CAPEX, revenues, expenses, debt service and tax. For mezzanine loans the cashflows will be the result of the repayment schedule and interest payments for that loan. For the projected cash flows on revenue a reputable third-party specialist (the power price advisor) provides the central wholesale power curve for the Dutch and UK market, and proxies for other European countries are used where revenues are less dependent on price projections because of the greater role of subsidies.

On revenues and expenses two types of inflation are used. For inflation on power prices the projections of the power price advisor are applied. The power price advisor provides in their report Consumer Price Index inflation for the UK and an average European index. For contracts that include an inflation indexation the IMF WEO semi-annual inflation forecast per country is used. These figures are updated bi-annually. For the long term the central bank inflation target (2%) is followed.

Development phase projects

An equity investment can hold a development asset in addition to its operating activities. Due to the high uncertainty of both successful completion of the project as well as future cash flows, the development asset is valued at cost price as best proxy for its fair value. The fair value of the equity investment is then a combination of the discounted cash flow method for the operating activities and the at cost for its development activities.

Fund of fund investments

In the period immediately after establishment of an (investee) fund, the investment is valued at fair value for which cost price is the best proxy for the period immediately after establishment of the investment fund for a maximum of three years, after three years the fund net asset value is considered the best proxy for fair value. The cost price includes all costs paid by the sub-fund including investments, transaction costs and start-up costs.

Derivatives

Derivatives (currency hedging instruments) are only used for the sole purpose of hedging currency risk. The accounting policy for derivatives is fair value on initial recognition in the balance sheet, with all assets and liabilities arising from derivatives being calculated using market-based present value models. This calculation is made on the balance sheet date by discounting the future cash flows for each contract using the interest rate curve of the relevant currency.

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In the absence of objective interest rate curves, the valuations can be used resulting from the agreements with the counterparties. The outcome of such valuation is also used for the exchange of collateral in accordance with contractual provisions. Subsequent to initial recognition, derivatives are measured at fair value. Changes in value are accounted for through the profit and loss account.

Collateral

Cash collateral is exchanged with counterparties as a result of provisions of agreed forward foreign exchange contracts. This exchange can be either collateral to be paid or collateral to be received and is recognized in the balance sheet at nominal value on initial recognition and per subsequent valuation, which is also an approximation of their fair value. The amount of collateral to be contractually exchanged is determined on the basis of a statement from an independent third party. The third party calculates the value of the forward exchange contracts on a daily basis on the basis of renewed value calculations, as described in the paragraph above and at least the amount of the necessary collateral. The size of the contractual collateral to be exchanged is established on the basis of a statement from the external party. For collateral received in connection with open derivative positions, the sub-fund recognizes in the balance sheet a liability to the counterparty for the collateral to be repaid. For collateral provided in connection with open derivative positions, the sub-fund recognizes a claim against the counterparty.

Receivables

Receivables are initially measured at the fair value of the consideration and are subsequently measured at amortised cost. Provisions for bad debts are deducted from the carrying amount of the receivable. The carrying amount of receivables is also an approximation of their fair value. Receivables have a remaining term of less than one year, unless stated otherwise.

Formation costs

If and when a sub-fund is created, costs related to their creation will be allocated to the relevant sub-fund and, where applicable, amortised over a maximum period of five years. The formation costs incurred in connection with the organization and start-up of the sub-funds Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund amounted to maximum EUR 1,200,000 and EUR 550,000 respectively and are capitalised in the respective sub-fund.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with a term of less than one year. Bank overdrafts are included in amounts owed to credit institutions under current liabilities. Cash and cash equivalents are measured at nominal value, which is also an approximation of the fair value of this item.

Current liabilities

Current liabilities are initially recognized at fair value. After initial recognition, current liabilities are measured at amortised cost, being the amount payable taking into account premium or discount and transaction costs. Since there are no premiums or discounts and transaction costs, the amortised cost is approximately equal to the nominal value. Current liabilities have a term of less than one year.

This balance sheet item consists mainly of management fees to be paid, repayments received in advance and costs to be paid which relate to the financial year under review. These costs incurred and expected invoices are determined annually as at the balance sheet date, taking into account the cost structure included in the prospectus. The amount of these costs is estimated; however, the amount is limited by the limits set out in the prospectus.

Equity

The total of shareholders' equity is determined by the amount that remains after all assets and liabilities have been included in the balance sheet in accordance with the applicable valuation principles.

Redemption and subscription of own shares

The amounts received or paid for the subscription or redemption of shares are almost entirely processed in the issued capital and the share premium of the relevant sub-fund. The share premium comprises the difference between the amounts paid/received on the issue/purchase of shares and the nominal value.

When Triodos Food Transition Europe Fund repurchase its own shares, the net asset value of the shares might be decreased by redemption charge of 0.50% of the net asset value. In the event of a Net Redemption in the "Z-1

Financial Statements (combined)

Capitalization share class” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0.50% of the net asset value. When applicable, these charges are accounted for in the profit and loss account and accrue entirely to the relevant sub-fund. These charges serve to cover the transaction costs incurred.

Revaluation reserve

Movements as a result of realised or unrealised revaluations of investments are recognized through the profit and loss account. The change in (un)realised gains/losses in the balance sheet account of investments comprises the positive and negative revaluations during the reporting period. Movements in the provisions for expected bad debts are also charged or credited to the result. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves in equity.

Legal reserve / capitalised cost reserve

This relates to a legal reserve for the amount of the capitalised formation costs.

Accounting principles for the determination of the result

General

The results of the sub-funds are determined by the direct and indirect results from investments and the costs relevant for the sub-funds. The results are attributed to the reporting period to which they relate and are accounted for in the profit and loss account.

Direct results from investments

Interest and other income are allocated on a time-proportionate basis to the financial year to which they relate. Composite average historical cost prices are used to determine the realised results on partial disposals of investments. Income from payments of profit distributions on equity investments (dividend income) is recognized when the right to receive payment is established, for example when a dividend declaration is made by an investee.

Indirect results from investments (Revaluations)

All movements as a result of realised/unrealised revaluations of investments are taken to the profit and loss account. The part of the profit relating to a positive unrealised revaluation is added to the revaluation reserve. This only applies to investments without a frequent market quotation. Realised increases in the value of the investments are taken from the revaluation reserve to the profit and loss account at the time of realisation.

Other income

Other operating income includes results that are not directly related to the results from investments in the context of normal, non-incidental investment activities, such as interest – or dividend income.

Operating expenses

Expenses are allocated on an accrual basis to the period to which the activities relate. If accruals for costs are determined, costs still to be paid and prepaid will also be taken into account.

Transaction costs for investments

Transaction costs may include brokerage costs, transfer costs and notary fees, among others. Transaction costs directly attributable to the acquisition of investments are directly charged to the profit and loss account. The exception to this treatment is for investments in projects that are under construction or development (i.e. that are not yet operational) for which all costs (including transaction costs) are capitalised. Transaction costs related to the sale of investments are recognized as part of the realised change in value. Subsequent valuations of financial investments do not take into account any selling costs. Transaction costs on purchases of derivatives are charged directly to the profit and loss account.

The total amount of identified transaction costs of investments (in addition to the transaction costs of derivatives) over the reporting period is disclosed in the notes to the financial statements of the sub-funds.

Other income and expenditure

Other income and expenditure are allocated on an accrual basis to the period to which the activities relate.

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Management fee

The alternative investment manager of the Fund pursuant to article 2:65 Wft, being Triodos Investment Management B.V. will receive a management fee (free of VAT) in relation to each sub-fund. For Triodos Energy Transition Europe Fund the management fee is calculated on the relevant Share Class' net assets, accrued weekly and payable quarterly. For Triodos Food Transition Europe Fund the management fee is calculated on the relevant Share Classes' net assets, accrued and payable quarterly. More details about the percentages used for each Share Class reference is made to the notes to the relevant items of the financial statements.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate.

Functional and reporting currency in the profit and loss account

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account and exempt profit components. For Dutch corporate income tax purposes, the Fund is treated as a domestic taxpayer, meaning that it is subject to the standard Dutch corporate income tax regime (in 2023 profits up to EUR 200,000 are subject to a rate of 19% (2022: 15% over the first EUR 395,000) and profits in excess of this amount are subject to a rate of 25.8% (2022: 25.8%).

However, such net profits do not include dividends and capital gains that fall within the scope of the participation exemption. The Fund is eligible for application of the participation exemption with respect to the benefits derived from investments in shares of the portfolio companies, provided the shareholding in each portfolio company represents at least 5% of the issued nominal share capital of such portfolio company.

Ongoing charges

The ongoing charges of a sub-fund includes all costs charged to the sub-fund in a reporting period, excluding the costs of investment transactions and interest charges. The ongoing charges factor is expressed as a percentage of the average net asset value of the relevant sub-fund. Average net asset value is calculated based on the frequency of issue of the net asset value. All net asset values issued during the reporting period are added up and divided by the number of net asset values issued.

Portfolio Turnover Rate

The Portfolio Turnover Rate is the total amount of all investment transactions less the total amount of transactions in the issued capital, related to the average net asset value. Due to the specific nature of the sub-funds, the portfolio turnover rate cannot simply be compared with other investment funds (e.g. with investments in (listed) shares and bonds).

The turnover factor is calculated as follows: $[(\text{Total 1} - \text{Total 2}) / X] * 100$

- Total 1: the total amount of investment transactions (purchases + sales);
- Total 2: the total amount of transactions in own shares (issue + redemptions) of the sub-funds;
- X: the average net asset value of the sub-fund. The average net asset value is calculated based on the frequency of issue of the net asset value. All net asset values issued during the reporting period are added up and divided by the number of net asset values issued.

Related party transactions

Significant transactions with related parties are disclosed. This explains the nature, volume and scope of the transaction and other information required to provide the insight.

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Accounting principles for the cash flow statement

The cash flow statement provides insight into the origin of the cash and cash equivalents that became available during the reporting period and shows how these cash and cash equivalents were used. The cash flow statement has been prepared according to the indirect method. In the cash flow statement, the result – through adjustments - has been

converted into cash flows. Cash flows relating to investments, movements in provisions, formation costs, short-term receivables and short-term liabilities are included under cash flows from investment activities. Other cash flows related to the redemption and subscription of (own) shares are included under cash flows from financing activities.

Accounting principles for the sub-funds

The financial statements of the sub-funds have been prepared in accordance with the same principles that apply to Triodos Impact Strategies II N.V., as set out in the preceding paragraphs: i) General accounting principles; ii) Accounting principles for the balance sheet; iii) Accounting principles for determining the result; and iv) Accounting principles for the cash flow statements apply mutatis mutandis to the sub-funds.

Management of financial risks

The sub-funds aim to achieve positive returns on investments irrespective of market movements. However, there can be no assurance that the investment policy will be successful or that the sub-funds will achieve their investment objectives. There are certain risks to be considered. Most risks are common and apply to both sub-funds. Some specific risks – project risk and interest rate risk – only apply to Triodos Energy Transition Europe Fund, since Triodos Food Transition Europe Fund does not invest in projects and only makes private equity investments. For an overview of the – common and specific – risks we refer to the table below.

	Triodos Energy Transition Europe Fund	Triodos Food Transition Europe Fund
Common risks of the sub-funds		
Credit risk	X	X
Counterparty risk	X	X
Concentration risk	X	X
Market risk	X	X
Valuation risk	X	X
Currency risk	X	X
Liquidity risk	X	X
Sustainability and climate risk	X	X
Sub-fund's specific risks		
Project risk	X	
Interest rate risk	X	

Triodos Investment Management B.V. has established an Impact & Financial Risk Committee (IFRC) that is responsible for monitoring the financial risks, and compliance with limits and other restrictions, of the sub-funds. The IFRC meets on a quarterly basis and develops a vision, guidelines and advice on the risks faced by the sub-funds.

In order to provide shareholders with the best possible information, the prospectus describes all of the aforementioned risks to which the sub-funds are exposed. The prospectus also describes the risk appetite in the Risk and Risk Management sections. These documents are published on www.triodos-im.com on the page of the sub-fund under 'documents'.

Credit risk

The sub-funds are exposed to credit risk. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its interest and repayment obligations, which would have a negative impact on the sub-fund's profits and net assets. Credit risk – based on the definition of reporting requirements – applies to the entire balance sheet. From an economic perspective, the main sources of credit for the sub-fund are the debt portfolio, the derivative financial assets and the cash and cash equivalents. The debt portfolio almost exclusively provides risk-bearing financing, often without a mortgage or other form of collateral. The maximum exposure to credit risk before any credit enhancements as at 31 December is the carrying amount of the financial assets as set out below:

Reporting period 2023

Amounts in euro's	Triodos Energy Transition Europe Fund	Triodos Food Transition Europe Fund	Combined
Debt instruments	44,973,042	1,997,589	46,970,631
Derivatives	–	104,000	104,000
Cash and cash equivalents	30,941,663	10,507,408	41,449,071
	75,914,705	12,608,997	88,523,702

Financial Statements (combined)

Reporting period 2022

Amounts in euro's	Triodos Energy Transition Europe Fund	Triodos Food Transition Europe Fund	Combined
Debt instruments	35,241,623	1,015,270	36,256,893
Derivatives	–	160,000	160,000
Cash and cash equivalents	19,990,391	18,230,826	38,221,217
	55,232,014	19,246,096	74,478,110

The sub-funds policy for managing credit risk is based on managing both the counterparty and the concentration risk (see below) and taking cash collateral in case of derivative financial assets. The AIFM also manages the credit risk by monitoring, with the same frequency as the publication of the NAV, the arrears on interest and repayment obligations to ensure that adequate action is taken in response to overdue payments.

Counterparty risk

The sub-funds are susceptible to the risk that counterparties of the sub-funds will default on their obligations as a result of inter alia a moratorium of payment or involuntarily liquidation. Such counterparties include the Depositary and third parties that as part of custodial services provided have custody of assets of the sub-fund. Counterparty risk can arise from derivatives positions (Triodos Food Transition Europe Fund), bank deposits and investments in money market funds.

The counterparty risk is mitigated by only allowing counterparties with a high credit rating as eligible counterparties for transactions regarding money market funds, derivatives (Triodos Food Transition Europe Fund) and deposits. The counterparty risk is monitored through both internal and external credit ratings.

The counterparty risk is also reduced by means of the restriction that the sub-funds may only invest up to the higher of EUR 15 million (Triodos Food Transition Europe Fund) or 20% (both sub-funds) of its net assets in securities and financing instruments issued by the same entity / investee. With regard to derivative financial assets, the counterparty risk is reduced by exchanging cash collateral with the counterparty. The amount of cash collateral exchanged is monitored on a daily basis.

Concentration risk

Triodos Energy Transition Europe Fund has a very specific, sector-based investment focus on renewable energy. The associated typical risks of this sector will be spread to a limited extent only. For Triodos Food Transition Europe Fund the concentration risk is managed by applying an investment limit of the higher of 15 million or 20% of its net assets for securities and financing instruments issued by the same investee. For Triodos Energy Transition Europe Fund the risk is mitigated by applying an investment limit of 20% of its net assets for securities and financing instruments issued by the same investee.

To ensure post trade compliance with the Fund prospectus, compliance with the limits on a sub-fund level as defined in the prospectus is checked ex-post by the AIFM, at least on the frequency of publication of the NAV. To ensure that only investments are made that are in line with the Fund prospectus and in accordance with the investment strategy, all decisions on investment proposals are taken by the Investment Committee. The AIFM checks the exposures included in the proposal against the limits set out in the Fund prospectus.

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The sub-funds may:

- invest up to 100% of its net assets in securities not listed on a stock exchange nor dealt on a Regulated Market;
- invest up to the higher of EUR 15 million (Triodos Food Transition Europe Fund) or 20% (both sub-funds) of its net assets in securities and financing instruments issued by the same entity / investee;
- acquire up to 100% of the securities and the financing instruments issued by the same entity / investee;
- invest up to 25% of its net assets in project development type of activities (Triodos Energy Transition Europe Fund);
- invest up to 25% of its net assets in companies active in the energy transition, with a maximum of 5% of net assets per investee (Triodos Energy Transition Europe Fund);
- invest up to the higher of EUR 7.5 million (Triodos Food Transition Europe Fund) or 10% (both sub-funds) of its net assets in entities based in non-European countries (this does not include EFTA countries and the United Kingdom which are to be considered as part of Europe);
- invest up to 40% of Triodos Energy Transition Europe Fund's net assets in non-euro denominated investments;
- invest up to 10% of Triodos Energy Transition Europe Fund's net assets in other investment institutions;
- invest up to the higher of EUR 30 million (Triodos Food Transition Europe Fund) or 40% (both sub-funds) of its net assets in one country, with the exception of the Netherlands for Triodos Energy Transition Europe Fund, where Triodos Energy Transition Europe Fund may invest up to 50% of its net assets;
- invest up to 50% in un-hedged exposures of non-euro currencies (Triodos Food Transition Europe Fund) or 20% of its net assets in un-hedged exposures of a single non-euro currency (Triodos Energy Transition Europe Fund).

In case a passive breach on any of the investment restrictions would occur, the AIFM will act in the best interest of the shareholder.

Market risk

Market risk is the risk that the value of an investment will fluctuate as a result of fluctuations in external factors such as exchange rates (currency risk), interest rates (interest rate risk), market prices (market price risk) and inflation.

Many factors can affect the market value of the assets that the sub-funds have invested in. Not only factors inherent to the pertinent issuing company or investment institution or the sector in which it operates may influence that value; geopolitical developments and national developments may also have that effect. Investments by a sub-fund may be geared towards an expected upswing of or downswing in the value of a security. If markets move the other way, the value of a sub-fund may be negatively affected.

The sub-funds invests in risk-bearing assets, that are usually unsecured for which no collateral is provided (or offer second ranked collateral after the Senior debt lenders). It also invests in project companies that are often highly leveraged. Shares issued by the project companies (and partially owned by the sub-fund) may therefore be pledged to the bank that has provided the Senior debt to these project companies.

The return on the underlying investments may only be generated or become available after a number of years, or after the partial or total sale of those investments. In case of a major default by the project the (expected) return may never be generated at all.

Insufficient access to new funding from investors may keep the sub-funds from competitive bidding. In the event of insufficient projects to invest in, the overall return suffers as a result of holding a high proportion of cash.

The AIFM closely monitors the markets that are relevant to the investment portfolio. The AIFM will engage with co-owners and management to ensure that investees implement the most appropriate strategies for successful long-term sustainable business development and performance. In addition, the 'credit risk' restrictions as described above also mitigate the sub-fund's exposure to certain market risks (e.g. currency risk).

The 99% Value-at-Risk (VaR) is 26.6% for Triodos Energy Transition Europe Fund (31 December 2022: 25.33%) and 16.6% for Triodos Food Transition Europe Fund (31 December 2022: 16.37%). A VaR of 5%, for example, means that there is a 1% chance that the loss caused by adverse market developments over a period of 1 year will exceed 5% of the sub-fund's net asset value.

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Valuation risk

As the sub-funds invest almost exclusively in assets not listed on any stock exchange, or in assets not traded on a Regulated Market, its investments may not have readily available prices and may be difficult to value. In order to determine the value of these investments, the sub-funds will employ a consistent, transparent and appropriate valuation methodology, based on the International Private Equity and Venture Capital Valuation Guidelines (“IPEV”), as published by the IPEV Board and endorsed by Invest Europe. To the extent that this methodology relies on periodic market-based data and peer group comparisons, the valuation of the sub-funds’ assets may fluctuate with the variations in such data.

In addition, there is no guarantee that the valuations applied at the time of investment will allow for the build-up of business value or be able to provide returns to investors.

The AIFM has implemented an extensive framework including a valuation methodology and procedures. The AIFM of the sub-funds thus guarantees an independent, sound, comprehensive and consistent valuation method. The framework describes general requirements for the selection, implementation and application of the valuation methodology and techniques for all investments and ensures consistent procedures. In doing so, the varied nature of the investments and the related “market practice” for valuing these investments is taken into account. The framework also ensures a consistent approach to the valuation process, the independent valuation committees and in some cases the use of external valuation experts.

Currency risk

Currency risk is the risk that changes in exchange rates may have a negative impact on the sub-fund’s results and net assets. The functional and reporting currency for the sub-funds is the euro, whereas investments may be denominated in other currencies. Exposure to volatile exchange rates can affect the value of the investments and thus the sub-fund’s assets. The sub-funds are therefore exposed to currency risk. The currency risk is mitigated by restrictions on the relevant exposures and by using hedging instruments (Triodos Food Transition Europe Fund). The Investment Committee of the AIFM decides whether an investment needs to be hedged for non-fund currency exposure and decides on the criteria for doing so, based on a recommendation in the investment proposal.

The sub-funds may invest up to 10% of its net assets (both sub-funds) or EUR 7.5 million (Triodos Food Transition Europe Fund), whichever is higher in non-hedged, non-euro-denominated investments. Triodos Food Transition Europe Fund aims to hedge all its non-euro-denominated investments.

The exchange rates used as at 31 December 2023 are disclosed as part of the general accounting principles. The impact of currency risk is also part of the Value-at-Risk calculations, which are disclosed under market risk.

Liquidity risk

Liquidity risk is the risk that the sub-fund does not have sufficient liquid assets available to meet its obligations, particularly to investors. For an adequate management of the liquidity of the sub-funds, the AIFM has set up a liquidity management framework in accordance with the AIFMD Rules in order to:

- ensure that sub-funds’ liquidity risk is appropriately measured, monitored and managed;
- assess the risk of insufficient liquidity by regularly conducting tests under normal and exceptional (stress test) liquidity conditions;
- have adequate escalation measures in place in case of a liquidity shortage or distressed situations (liquidity contingency plan);
- ensure compliance with the sub-funds’ investment strategy, liquidity profile, and redemption policy.

The sub-funds invest almost exclusively in assets not listed on any stock exchange, or in assets not traded on a regulated market. The investments are therefore relatively illiquid. Despite the AIFM’s best efforts to honour redemption requests, there is no guarantee that there will be sufficient funds to cover the redemption of shares of the sub-fund and there is no guarantee that the redemption can take place on the requested date. In case the AIFM will be required to sell assets in order to pay for the redemption of shares, there is a risk of the AIFM not being able to retain the most favourable price.

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The following measures can be taken to mitigate the liquidity risk:

- The sub-funds aim to maintain sufficient buffers in the form of cash or cash equivalents or to offer sufficient other guarantees. The cash buffers are determined every month based on historical inflow and outflow, projections of the inflow and the results of certain stress tests;
- The sub-funds may decide to temporarily close for redemptions or subscriptions by suspending or restricting the purchase and issue of shares of the sub-funds.

In 2023, the sub-funds have periodically received dividend income. Liquidity was adequate for the sub-funds to meet its payment obligations and facilitate the subscriptions to and redemptions of its shares. Additionally, Triodos Energy Transition Fund had a credit facility of 20 million and is only intended to bridge a potential short-term mismatch in cashflows. The said credit facility has been terminated in January 2024 and replaced with EUR 15 million facility on 9th February 2024.

On 31 December 2023, Triodos Food Transition Europe Fund held 17.4% of its net assets in cash and cash equivalents (31 December 2022: 28.9%) and Triodos Energy Transition Europe Fund held 18.5% of its net assets in cash and cash equivalents (31 December 2022: 21.9%).

To mitigate this risk the AIFM closely monitors the liquidity position of the sub-fund. In addition, each sub-fund uses published cut-off times for redemption orders:

Sub-fund	Cut-off date	Valuation Date
Triodos Energy Transition Europe Fund	Every Wednesday, 16:00	Every Thursday (the day following the redemption request)
Triodos Food Transition Europe Fund	45 Business Days prior to the Quarterly Valuation, 16:00	The last Business Day of each calendar quarter

Sustainability and climate risk

The performance of the shares depends on the performance of the investments of the sub-funds, which could also be adversely affected by sustainability and climate risks. Sustainability and climate risks consists of an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investments of the sub-fund.

The risk and the causal effect can arise from both sides. The sustainability and climate risks take place in the investee and cause negative impact to outside the investee (inside out) as well as take place outside the investee and cause negative impact to the investee (outside in). When assessing sustainability risks, the sub-funds differentiate between different risk types, including physical/societal risks and/or transition risks.

The due diligence on investees, the positive selection and the negative impact screening in the investment process as described in the sustainability annex of the Prospectus minimise the risk of potential environmental, social or governance events or conditions that may cause an actual or a potential material negative impact on the value of the investments. The sub-funds consider sustainability factors that could lead to sustainability risks, for example:

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- Climate change as an environmental factor: the sub-fund's assets are sensitive to variations in weather and climate. For example, droughts, extreme weather events, flooding and landslides can affect generation capacity, damage the asset or disrupt the service;
- Health & safety as a social factor: poor occupational health & safety policies and practices can lead to severe injuries, illnesses and even fatalities. Accidents can lead to downtime and sites may be legally required to shut down;
- Natural resources as an environmental factor: the energy transition has induced a strong increase of demand for certain commodities which in some cases are mined in poor labour conditions. Depletion of required commodities could increase prices and put further pressure on labour conditions;
- Fair taxes as a governance risk: companies with aggressive tax planning can face increased risks of investigations and penalties and increased legal and compliance costs. This could lead to reputational damage and affect profitability.

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- Biodiversity as an environmental factor: loss or decrease in biodiversity may have direct impact on crop yields and soil fertility, which might affect availability and/or pricing of inputs;
- Labour conditions as a social factor: unfair labour practices and principles that might occur in certain areas of the agricultural value chain in which an Investee operates might lead to a decrease in productivity, health, well-being and commitment of employees in the value chain;
- Business ethics as a governance factor: less mature companies with unsophisticated governance structures and internal processes, which limits incorporation of business ethics, might generate a potential risk of irregularities and / or liabilities.

Despite the thorough screening process, there is a risk that the sub-funds may have invested in an investee that does not meet the sustainability investment criteria (anymore). The AIFM has a process in place to mitigate such a situation, and to ensure that the sub-funds comply with the investment strategy at the shortest time possible.

Project risk

The project risk is constituted by the fact that the amount of electricity produced is determined by various uncertain factors, such as wind speed, rainfall and sunlight, which depend on the location of each project. In addition, technology risk (e.g. the actual performance of wind turbines and solar panels) can affect the amount of electricity produced. Where Triodos Energy Transition Europe Fund invests in projects that are not yet operational, it is also exposed to a construction risk at the project level. In order to minimize the project risk, the sub-fund works with experienced counterparties. Before the sub-fund invests in a project, the technical design and the yield estimate are verified by an independent technical advisor. In the operational phase, the sub-fund works with experienced commercial managers who manage and report on the performance of the project. This risk is further mitigated by geographically diversifying the portfolio, by working with multiple developers and by varying the key technology suppliers (turbines, modules, inverters). Triodos Energy Transition Europe Fund limits the investment in projects to a maximum of 25% of the sub-fund's net assets. The limit in consent phase type of assets is included in one development limit (25%) in companies active in the energy transition, with a maximum of 5% of the sub-fund's net assets per investee.

Interest rate risk

Interest rate risk is the risk that unfavourable changes in interest rate on the financial markets will have a negative impact on the profit and net asset value of the sub-fund. The performance of the Triodos Energy Transition Europe Fund is susceptible to interest rate movements on capital markets. This is due to the valuation method, according to which the net present value of expected cash flows is calculated by incorporating a rolling average market interest rate in its discount factor. In principle, rising interest rates have a negative impact and falling interest rates have a positive impact on the valuation of underlying investments. However, the positive impact of decreasing interest rates is capped, as the valuation method is based on a minimum discount rate.

The AIFM closely monitors the interest rates relevant for the valuation of the Triodos Energy Transition Europe Fund's investments by measuring, among other things, the Macaulay and modified durations of the investment portfolio.

Leverage ratio

The leverage effect is determined by the AIFMD as being any method by which the AIFM increases the exposure of the sub-funds of Triodos Impact Strategies II N.V., whether through borrowing of cash or securities leverage embedded in derivative positions, or by any other means. Increased leverage creates risks for the sub-funds.

The leverage ratio is calculated on a frequent basis and shall not exceed such thresholds as further described in the sub-funds Supplement in the prospectus of Triodos Impact Strategies II N.V., using both the "gross method" and the "commitment method" in accordance with European regulations. The gross method gives the overall exposure of the sub-funds, whereas the commitment method gives insight in the hedging and netting techniques used by the AIFM.

Financial Statements (combined)

The leverage ratios are calculated by means of the commitment method and are as follows:

	2023	2022
Triodos Energy Transition Europe Fund	100.00%	100.01%
Triodos Food Transition Europe Fund	100.00%	100.00%

The sub-funds may borrow up to 10% of its net assets for short-term liquidity requirements. In addition, the sub-funds may temporarily (with terms of generally up to 24 months) obtain bridge financing up to 10% of its net assets to finance new investments. Within this limit, the sub-funds will borrow money from reputable financial institutions. The sub-funds can only use leverage in the situations described above when borrowing money and then the sub-fund's leverage will be expected at a maximum of 150% using the commitment method of calculation and 180% using the gross method of calculation. The sub-funds do not use borrowed capital (borrowed money) to finance its assets in order to increase the expected return on equity, so-called leverage. The leverage effect, or the leverage ratio, is for this reason almost equal to 100% and only deviates from 100% due to the possible presence of short-term liabilities and / or short-term receivables on the balance sheet date or in regard of the aforementioned.

Tax aspects

Taxation of the Fund

Dutch corporate income tax

For Dutch corporate income tax purposes, the Fund is treated as a domestic taxpayer, meaning that it is subject to the standard Dutch corporate income tax regime (in 2023 profits up to EUR 200,000 are subject to a rate of 19% (2022: 15% over the first EUR 395,000) and profits in excess of this amount are subject to a rate of 25.8% (2022: 25.8%)).

However, such net profits do not include dividends and capital gains that fall within the scope of the participation exemption. It is envisaged that the Fund will be eligible for application of the participation exemption with respect to the benefits derived from investments in shares of the portfolio companies, provided the shareholding in each portfolio company represents at least 5% of the issued nominal share capital of such portfolio company.

Capital tax and stamp duty

No capital tax or stamp duties will be levied on capital contributions made to the Fund.

VAT

The management of a collective investment fund is exempt from VAT when the Fund (i) has more than one investor, (ii) operates on the principle of risk-spreading, (iii) is subject to specific state supervision and (iv) the investors bear the risk of the investments. A decree was published by the Dutch Ministry of Finance stating that according to the Dutch Ministry of Finance, investment funds which fall within the scope of the AIFMD (like the Fund) are in principle considered to be subject to specific state supervision. Also taking into account the other characteristics of the Fund, the management of the Fund should therefore be exempt from VAT.

Belgian savings tax

In relation to the asset test that must be applied by Belgian private investors in the context of article 19bis of the Income Tax Code 92, the following data is provided to determine which part of the income should be regarded as interest.

Name of the sub-fund	In scope of Belgian Savings Tax	Method used to determine the status	Asset ratio	Period of validity of the status
Triodos Energy Transition Europe Fund	Yes	Asset testing	36.24%	From May 1, 2023 until April 30, 2024
Triodos Food Transition Europe Fund	Yes	Asset testing	31.08%	From May 1, 2023 until April 30, 2024

Notes to the balance sheet

1. Equity instruments

Movement schedule equity instruments	2023	2022
Opening balance	166,998,018	123,776,912
Purchases	19,230,340	20,739,098
Sales	-23,742,254	-14,570,910
Change in realised gains/losses	12,516,525	5,325,251
Change in unrealised gains/losses	-39,605,090	31,727,667
Balance at end of reporting period	135,397,539	166,998,018

The change in unrealised gains/losses comprises the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves. Please refer to note 11 and 10 for Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund respectively.

2. Debt instruments

Movement schedule debt instruments	2023	2022
Opening balance	36,256,893	37,569,116
Disbursements	33,594,957	7,441,425
Repayments	-20,549,015	-8,470,167
Change in realised gains/losses	590,659	121,373
Change in unrealised (losses)/gains	-2,922,862	-404,854
Balance at end of reporting period	46,970,631	36,256,893

The change in unrealised gains/losses comprises the positive and negative revaluations during the reporting period. For any Information about the characteristics of the debt Instruments, e.g. interest percentages, maturity, reference is made to the note 2 of the balance sheet of Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund.

Provision(s)

Per year-end 2023 none (2022 none) of the debt instruments had a provision on applied. A movement schedule in regard of the provisions has therefore not been included.

3. Derivatives

Movement schedule	2023	2022
Opening balance	-345,353	-629,087
Expiration	-351,886	-1,257,795
Change in realised gains/losses	353,583	1,257,795
Change in unrealised gains/losses	300,219	283,734
Balance at end of reporting period	-43,437	-345,353

Collateral

With regard to the derivative positions with Triodos Bank N.V. and Rabobank, agreements have been made regarding the exchange of mutual collateral, i.e. liquidity deposited as security in connection with the fair value of derivative positions.

As at the balance sheet date, the Fund has paid a collateral payment of EUR – (2022: EUR 410,000) in connection with the fair value positions of the derivative positions (2023: positive fair value rounded to EUR 104,000 (2022: EUR 160,000); negative fair value rounded to EUR 148,000 (2022: EUR 506,000).

For more Information about the derivatives, reference is made to the notes to the specific balance sheet item of Triodos Food Transition Europe Fund.

Financial Statements (combined)

4. Issue of own shares & Redemption of own shares

These balance sheet items do relate to the amounts receivable or payable in regard of the subscription or redemption of own shares per reporting date.

5. Debtors

Debtors	31-12-2023	31-12-2022
Triodos Energy Transition Europe Fund	1,101,050	664,399
Triodos Food Transition Europe Fund	–	–
Total	1,101,050	664,399

The debtors mature within one year.

6. Other receivables

Other receivables	31-12-2023	31-12-2022
Interest receivable	961,472	763,753
Prepayments	3,200	–
Dividend receivable	70,800	43,800
Other receivables	58,855	125,604
Earn out receivable <12 months	817,769	804,892
Earn out receivable >12 months	51,824	626,498
Total other receivables	1,963,920	2,364,547

The other receivables mature within one year, except for the amount of EUR 51,824 (2022: EUR –). For further details on other receivables, we refer to the sub-fund specifics.

7. Formation costs

The total formation costs amounted to EUR 1,830,000. These formation costs will be amortised over a period of five years.

Formation costs	2023	2022
Opening balance	703,704	1,068,702
Amortised capitalised costs	-364,998	-364,998
Total formation costs per end of reporting period	338,706	703,704

8. Cash and cash equivalents

Cash and cash equivalents are balances in current accounts, savings accounts and deposits held with Triodos Bank N.V., Rabobank, CACEIS, ING and BNP Paribas. Cash and cash equivalents are at the free disposal of the entity. For more details in regard of the cash and cash equivalents (e.g. weighted Interest rates) reference is made to the notes to the balance sheet of the sub-funds.

9. Accounts payable and accrued expenses

The accounts payable and accrued expenses comprise the following:

Accounts payable and accrued expenses	2023	2022
IMS fee (Caceis fees)	14,951	37,000
Supervisory fee	29,893	30,501
Audit fee	303,068	255,899
Advice costs	22,799	18,750
Payments in transit	8,126	8,126
Other accrued expenses	143,366	53,285
Total accounts payable and accrued expenses	522,203	403,561

Financial Statements (combined)

All accounts payables and accrued expenses are expected to be settled within one year.

10. Equity

Shareholders' equity among the sub-funds	2023	2022
Triodos Energy Transition Europe Fund		
Opening Balance	183,983,983	128,832,117
Additions to capital including share premium reserve	23,634,222	-693,853
Redemptions of capital including share premium reserve	-20,041,086	-31,256,611
Positive revaluations from investments	-37,373,441	47,476,383
Change to legal reserves	-255,299	-255,299
Change to other reserves	-7,056,566	-4,804,059
Changes in unappropriated profit	23,254,300	44,685,305
Balance per end of reporting period	166,146,113	183,983,983
Triodos Food Transition Europe Fund		
Opening Balance	60,117,262	71,973,264
Additions to capital including share premium reserve	3,861,593	6,378,361
Redemptions of capital including share premium reserve	-4,901,464	-4,231,341
Positive revaluations from investments	-6,662	-9,544,642
Change to legal reserves	-109,699	-109,699
Change to other reserves	29,441,082	24,976,040
Changes in unappropriated profit	-29,085,099	-29,324,721
Balance per end of reporting period	59,317,013	60,117,262
Total per end of reporting period	225,463,126	244,101,245

(Registered) Capital

The Fund's share capital amounts to two hundred and twenty-five thousand euro (EUR 225,000) and is divided into ten (10) priority shares and three (3) series of ordinary shares, numbered 1 to 3. Each series of ordinary shares is divided into eight (8) share types, designated by the letters O, R CAP, Z-1 CAP, Z-2 CAP, Q CAP, Q DIS, I CAP and I DIS.

The shares each have a nominal value of one euro (EUR 1).

Issued and paid-up capital	2023	2022
Opening balance	4,111,310	4,113,073
Issued capital	510,105	657,199
Paid-up capital	-462,663	-658,962
Balance per end of reporting period	4,158,752	4,111,310
Share premium reserve		
	2023	2022
Opening balance	171,921,664	166,235,393
Addition from shares issued	26,985,706	40,515,259
Withdrawal from shares issued	-24,479,885	-34,828,988
Balance per end of reporting period	174,427,485	171,921,664
Revaluation reserve		
	2023	2022
Opening balance	64,735,689	27,784,259
Movement in positive revaluations of equity investments	-36,212,466	36,833,218
Movement in positive revaluations of debt investments	-1,684,235	-1,793
Movement in positive revaluations of derivatives	516,599	120,005
Balance per end of reporting period	27,355,587	64,735,689

Financial Statements (combined)

Legal reserves	2023	2022
Opening balance	703,704	1,068,702
Change to legal reserves	-364,998	-364,998
Balance per end of reporting period	338,706	703,704
Other reserves	2022	2021
Opening balance	-34,957,479	-20,822,262
Appropriation of result	74,966,460	-14,500,215
Capitalised costs	109,699	109,699
Amortised capitalised costs	255,299	255,299
Balance per end of reporting period	40,373,979	-34,982,479
Unappropriated profit	2022	2021
Opening balance	37,611,358	22,426,215
Addition / withdrawal other reserves	-58,802,741	15,185,143
Balance per end of reporting period	-21,191,383	37,611,358

Notes to the profit and loss account

11. Other income

In the event of a net redemption in the “Z-1 Capitalisation share class” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0.50% of the NAV for the benefit of Triodos Energy Transition Europe Fund.

12. Realised changes in value of Investments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised value increases – equity	13,762,128	6,957,701
Realised value decreases – equity	-1,245,603	-1,632,450
Realised value increases – debt	965,228	194,494
Realised value decreases – debt	-374,569	-73,121
Realised value increases – derivatives	270,841	377,923
Realised value decreases – derivatives	-626,182	-1,634,941
Total realised changes	12,751,843	4,189,607

13. Unrealised changes in value of Investments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains – equity	7,287,087	51,285,059
Unrealised losses – equity	-46,892,177	-19,557,392
Unrealised gains – debt	890,906	545,560
Unrealised losses – debt	-3,813,768	-1,595,950
Unrealised gains – derivatives	610,352	830,862
Unrealised losses – derivatives	-308,436	-547,127
Total unrealised changes	-42,226,036	30,961,012

14. Investment management fees

The sub-funds of Triodos Impact Strategies II N.V. (Triodos Food Transition Europe Fund and Triodos Energy Transition Europe Fund) do pay for the provision of management services and supporting services a Management Fee to Triodos Investment Management B.V.. For more details about the management fee, reference is made to the corresponding notes to the financial statements of the sub-funds.

15. Other expenses

Reference is made to the note to the profit and loss account of the respective sub-funds for more details about the other expenses.

16. Income tax

For Dutch corporate income tax purposes, the Fund is treated as a domestic taxpayer, meaning that it is subject to Dutch corporate income tax on its worldwide net profits. However, such net profits do not include dividends and capital gains that fall within the scope of the participation exemption. The worldwide net profits of the Fund in the reporting period are negative resulting in no corporate income tax.

Subscription and redemption charges

In case of Triodos Food Transition Europe a subscription charge of up to a maximum of 3% of the NAV may be applied for the benefit of selling agents. The precise subscription charge can be obtained from the relevant party. In case of Triodos Food Transition Europe, a subscription charge of up to a maximum of 5% of the NAV may be applied for the benefit of a (sub) Distributor and/or other selling agents. The precise subscription charge can be obtained from the relevant party. These do not have any impact on the result of the respective sub-fund and/or current shareholders.

Financial Statements (combined)

When Triodos Food Transition Europe Fund repurchase its own shares, the NAV of the shares might be decreased by redemption charge of 0.50% of the NAV. In the event of a Net Redemption in the “Z-1 Capitalisation share class” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0,50% of the net asset value. When applicable, these charges are accounted for in the profit and loss account and accrue entirely to the relevant sub-fund. These charges serve to cover the transaction costs incurred.

Ongoing charges

The ongoing charges (ratio) reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account. For more details about the ongoing cost ratios, reference is made to the corresponding notes to the financial statements of the sub-funds.

Turnover ratio

Because the actual purchases and sales of investments take place via the sub-funds, the turnover ratio of the sub-funds is included in the notes to the financial statements of the sub-funds.

Identified transaction costs

The table below shows the identified transaction costs over the reporting period per sub-fund:

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Triodos Energy Transition Europe Fund	634,788	78,022
Triodos Food Transition Europe Fund	210,263	47,658
Total	845,051	125,680

Employees

Triodos Impact Strategies II N.V. does not employ any employees. Triodos Investment Management B.V., the alternative investment manager of Triodos Impact Strategies II N.V. performs, or is responsible for in case activities are outsourced, the activities for the Fund.

Remuneration of the Supervisory Board

The compensation for the external members of the Supervisory Board amounts to EUR 4,000 a year for an external member and EUR 5,500 for the chairperson. The remuneration for members of the Supervisory Board is determined by the General Meeting of Shareholders. This does not take into account market conformity. No loans, advances or guarantees have been provided to the members of the Supervisory Board. For reasons of principle, there is no option scheme for members of the Supervisory Board.

Subsequent events

There are no subsequent events after balance sheet date.

Other disclosures

Related parties

Triodos Impact Strategies II N.V. and the sub-funds (Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund) have the following relevant relationships and transactions based on the definition of related parties from Article 2:381 and paragraph 3 of Title 9, Book 2 of the DCC.

Triodos Investment Management B.V.

Triodos Investment Management B.V. manages the sub-funds for which it receives a management fee. This excludes the unappropriated result for the current financial year, except for the unrealised changes in the value of investments. The sub-fund transactions are carried out under the management of Triodos Investment Management B.V..

Financial Statements (combined)

Triodos Bank N.V.

Triodos Bank N.V. is the sole shareholder of Triodos Investment Management B.V. The sub-funds hold part of their liquid assets at Triodos Bank N.V. at market rates.

Triodos Bank N.V. administers investment positions of third-party distributors for which it receives a fee from Triodos Energy Transition Europe Fund in 2020.

Triodos Bank N.V. carries out various activities as registered carrier and received a fee for this in 2023. The amount is indexed annually.

Stichting Triodos Holding

Stichting Triodos Holding sold its shares in Triodos SICAV II and after the restructuring from Luxembourg to the Netherlands, Stichting Triodos Holding bought 10 shares in Triodos Impact Strategies II N.V. The share in Triodos Renewables Europe Fund has been sold for EUR 41.39 leading to a realised gain of EUR 16.39. The share in Triodos Organic Growth Fund has been sold for EUR 97.48 leading to a realised loss of EUR 2.52.

AFX Solutions LLC

AFX Solutions LLC is a financial institution with a focus on currency instruments trading. Triodos Investment Management B.V. fulfils a supervisory function over this entity.

Service providers

The AIFM can make use of service providers in order to manage the Fund efficiently and insofar the AIFM deems the use of such service providers in the best interest of investors. Insofar the use of the service providers qualifies as delegation within the meaning of the AIFM Directive, the agreements entered into with these providers comply with the requirements as set out in the AIFMD Rules. The AIFM has appointed the following external service providers:

Administrator

Pursuant to an agreement dated 21 November 2019, CACEIS has been appointed by the AIFM as administrator of the Fund. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of 60 days' notice. It may further be terminated forthwith by the AIFM when it is in the interest of the shareholders.

The administrator is responsible for the calculation of the NAV per Share, the maintenance of records and other general administrative functions. As these tasks qualify as one of the Annex I AIFM Directive tasks of the AIFM, the AIFMD Rules on delegation have been complied with.

Transfer Agent

Pursuant to an agreement dated 21 November 2019, CACEIS has been appointed by the AIFM as transfer agent of the Fund. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of 60 days' notice. It may further be terminated forthwith by the AIFM when it is in the interest of the shareholders.

The transfer agent is responsible for the maintenance of the Register of Shareholders and the processing of the issue (registration) and redemption of the off-exchange Shares and settlement arrangements thereof. As these tasks qualify as one of the Annex I AIFM Directive tasks of the AIFM, the AIFMD Rules on delegation have been complied with.

Fund Agent and Listing Agent

Pursuant to an agreement dated 21 November 2019, CACEIS has been appointed by the AIFM as Fund Agent of the Fund. This agreement is made for an unlimited duration and may be terminated by either party giving a minimum of 90 days' notice. It may further be terminated forthwith by the AIFM when it is in the interest of the shareholders.

As Fund Agent and Listing Agent CACEIS is responsible for assessing and accepting or rejecting sale and purchase orders in respect of Listed Shares, as entered in the Euronext Amsterdam order book on behalf of the Fund.

ENL agent and Paying Agent

Pursuant to an agreement dated 21 November 2019, CACEIS has been appointed by the AIFM as both the ENL (Euroclear Netherlands) agent and the principal Paying Agent of the Fund in respect of the listed shares.

Financial Statements (combined)

Interests of members of the Supervisory Board and Management Board in the Fund's investments

The members of the Supervisory Board of Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund and the Management Board of Triodos Investment Management B.V. have no personal interest in any investment made by Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund during the reporting period.

Profit appropriation

The Management Board of Triodos Investment Management B.V. proposes to the General Meeting of Shareholders to deduct the result to the reserves.

Financial Statements

Triodos Energy Transition Europe Fund

Balance sheet as at 31 December 2023

Before profit appropriation (amounts in euro's)	Note*	31-12-2023	31-12-2022
Investments			
Equity instruments	1	89,031,964	127,384,002
Debt instruments	2	44,973,042	35,241,623
Total investments		134,005,006	162,625,625
Receivables			
Issue of own shares	3	259,038	819,341
Debtors	4	1,101,050	664,399
Other receivables	5	1,088,497	897,233
Total receivables		2,448,585	2,380,973
Other assets			
Formation costs	6	237,120	492,419
Cash and cash equivalents	7	30,941,663	19,990,391
Total other assets		31,178,783	20,482,810
Current liabilities			
Redemption of own shares	3	287,622	239,112
Management fees payable		875,942	1,005,765
Accounts payable and accrued expenses	8	322,697	260,548
Total current liabilities		1,486,261	1,505,425
Receivables and other assets less current liabilities		32,141,107	21,358,358
Assets less current liabilities		166,146,113	183,983,983
Equity			
Issued and paid-up capital	9	3,596,344	3,539,106
Share premium reserve	10	116,624,048	113,088,151
Revaluation reserve	11	21,765,596	59,139,036
Legal reserves	12	237,120	492,419
Other reserves	13	45,354,010	-48,120,450
Unappropriated profit	14	-21,431,005	55,845,721
Total equity		166,146,113	183,983,983

* See the notes to the balance sheet and profit and loss account.

Profit and loss account for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Direct results from investments			
Income from investments			
Dividend		11,076,508	5,389,217
Interest and disbursement fee		4,029,963	2,631,438
Other income	15	269,624	180,804
		15,376,095	8,201,459
Indirect results from investments			
Realised changes in value of investments			
Equity instruments	16	11,956,410	1,296,707
Debt instruments	17	472,114	121,373
Derivatives		-1,728	778
		12,426,796	1,418,858
Unrealised changes in value of investments			
Equity instruments	18	-39,838,051	50,920,355
Debt instruments	19	-4,030,801	125,032
		-43,868,852	51,045,387
Total income		-16,065,961	60,665,704
Operating expenses			
Amortisation of formation expenses	6	255,299	255,299
Management fees	20	3,630,943	3,264,293
Administrative and depositary fees	21	179,937	286,157
Audit and advisory fees	22	275,594	563,497
Other interest paid	23	207	157,901
Other expenses	24	1,003,408	271,383
Total operating expenses		5,345,388	4,798,530
Operating result		-21,411,349	55,867,174
Exchange rate results		-19,656	-21,453
Result before taxes		-21,431,005	55,845,721
Income tax		—	—
Result for the year		-21,431,005	55,845,721

* See the notes to the balance sheet and profit and loss account.

Cash flow statement for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Cash flow from investment activities			
Result ex. Exchange rate differences		-21,411,349	55,867,174
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		-12,426,796	-1,418,859
Unrealised changes in value of investments		43,868,852	-51,023,935
Purchases of investments		-40,060,610	-20,003,020
Redemptions of debt instruments		37,239,172	14,428,721
Costs directly charged to equity ⁶		255,299	255,299
Movement in assets and liabilities			
Movement in receivables from investment activities		-1,357,141	-926,170
Movement in liabilities arising from investment activities		661,552	176,276
Net cash flow used in rom investment activities		6,768,979	-2,644,514
Cash flow from financing activities			
Received from subscriptions		24,194,525	29,743,417
Paid for redemptions		-19,992,576	-31,017,499
Net cash flow from financing activities		4,201,949	-1,274,082
Change in cash and cash equivalents		10,970,928	-3,918,596
Cash and cash equivalents at the beginning of the reporting period		19,990,391	23,930,440
Exchange rate differences		-19,656	-21,453
Cash and cash equivalents at the end of the reporting period	7	30,941,663	19,990,391

* See the notes to the balance sheet and profit and loss account.

Notes to the balance sheet

1. Equity instruments

Movement schedule equity instruments	2023	2022
Opening balance	127,384,002	68,948,187
Investments	8,465,653	12,822,067
Divestments	-18,936,049	-6,603,314
Change in realised gains	11,956,409	1,296,707
Change in unrealised gains	-39,838,051	50,920,355
Balance at end of reporting period	89,031,964	127,384,002

The cost price of the equity instruments at year-end 2023 was EUR 73,321,603 (2022: EUR 71,835,589).

The investments, where the sub-fund has a majority interest, are excluded from consolidation due to the existence of an exit strategy, in accordance with the interpretation of article 407c, Title 9, Book 2 of the DCC which is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board.

2. Debt instruments

Movement schedule debt instruments	2023	2022
Opening balance	35,241,623	35,638,894
Purchases	31,594,957	7,180,954
Redemptions	-18,304,851	-7,824,630
Change in realised gains in real	472,114	121,373
Change in unrealised gains in unreal	-4,030,801	125,032
Balance at end of reporting period	44,973,042	35,241,623

The change in unrealised gains/losses comprise the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves. Interest and other income are allocated on a time-proportionate basis to the financial year to which they relate.

The cost price of the debt instruments at year-end 2023 was EUR 48,209,536 (2022: EUR 34,447,316). The nominal interest rate on debt Instruments at year-end 2023 was on average 8.4% per year (2022: 6.8%). The remaining term of these debt Instruments varies from 5 to 198 months. This mainly concerns risk-bearing financing that is not based on collateral or pledges.

The breakdown of the debt portfolio by maturity is as follows:

	31-12-2023**	31-12-2022**
Maturity < 1 year	7,500,000	960,000
Maturity 1 year until 3 years	1,500,000	7,800,000
Maturity 3 years until 5 years	4,709,909	740,965
Maturity > 5 years	34,499,627	24,346,019
	48,209,536	33,846,984

** The above figures concern the nominal amounts and therefore do not reconcile with the balance sheet.

The debt portfolio consists of EUR 0 (2022: EUR 4,017,723) of profit participating loans, EUR 8,739,226 (2022: EUR: 2,178,978) of shareholder loans, EUR 22,978,917 (2022: EUR 29,044,922) of subordinated loans, EUR 4,015,456 (2022: EUR: 0) of senior loans and EUR 9,239,443 (2022: EUR: 0) of convertible loans.

Loan to Bonniconlon Windfarm with nominal value of EUR 2,500,000 is maturing in September 2024 and loan to Sunvigo with nominal value of EUR 5,000,000 is maturing in October 2024.

Financial Statements (Triodos Energy Transition Europe Fund)

Provision(s)

Per year-end 2023, no provision on debt instruments was applicable (2022: none). A movement schedule in regard of the provisions has therefore not been included.

3. Issue of own shares & Redemption of own shares

These balance sheet items do relate to the amounts receivable or payable with regard to the subscription or redemption of own shares as per reporting date.

4. Debtors

Debtors	31-12-2023	31-12-2022
Principal receivable	135,000	293,823
Interest receivable	966,050	370,576
Total Debtors	1,101,050	664,399

The debtors have a maturity shorter than one year.

5. Other receivables

Receivables	31-12-2023	31-12-2022
Accrued interest receivable	958,842	727,829
Dividend receivable	70,800	43,800
Other receivables	58,855	125,604
Total other receivables	1,088,497	897,233

The other receivables consist of interest receivable amounting to EUR 958,842 (2022: EUR 727,829) per year-end and do relate to accrued interest to be received on the debt instruments. The other receivables have a maturity shorter than one year.

6. Formation costs

The total formation costs of the sub-fund amounted to EUR 1,280,000. These formation costs will be amortised over a period of five years.

Formation costs	2023	2022
Opening balance	492,419	747,718
Amortised capitalised costs	-255,299	-255,299
Total formation costs per end of reporting period	237,120	492,419

7. Cash and cash equivalents

Cash and cash equivalents include balances in current accounts, savings accounts and deposits held with Triodos Bank N.V., Rabobank, CACEIS and ING. Cash and cash equivalents are at the free disposal of the sub-fund.

The following interest rates are applicable as per 31 December 2023:

On the (savings or current) account(s) hold at Triodos Bank 0.00% (2022: 0.00%);

On the (savings or current) account(s) hold at Rabobank EUR: 4.73% (2022: 1.69%);

On the (savings or current) account(s) hold at CACEIS 3.00% (2022: 1.50%);

On the (savings or current) account(s) hold at ING 4.56% (2022: 1.80%).

Financial Statements (Triodos Energy Transition Europe Fund)

8. Accounts payable and accrued expenses

The accounts payable and accrued expenses comprise the following:

Accounts payable and accrued expenses	31-12-2023	31-12-2022
Audit fee	223,208	184,010
IMS fee (Caceis fee)	10,085	25,000
Supervisory fee	20,515	24,662
Advice costs	22,799	18,750
Other accrued expenses	37,964	–
Payments in transit	8,126	8,126
Total accounts payable and accrued expenses	322,697	260,548

All accounts payables and accrued expenses are expected to be settled within one year.

9. Issued and paid-up capital

Issued and paid-up capital	31-12-2023	31-12-2022
Opening balance	3,539,106	3,588,430
Issued capital	474,124	576,241
Paid-up capital	-416,886	-625,565
Balance per end of reporting period	3,596,344	3,539,106

Changes in the number of shares:

	2023					
	R-cap	Z1-cap	Z2-cap	Q-cap	I-cap	Total
Number of shares as per start of the reporting period	864,661	150,219	2,344,588	179,638	–	3,539,106
Subscriptions	26,009	7,332	316,878	70,487	53,418	474,124
Redemptions	-40,879	-9,709	-310,657	-55,641	–	-416,886
Number of shares outstanding per end of reporting period	849,791	147,842	2,350,809	194,484	53,418	3,596,344

	2022					
	R-cap	Z1-cap	Z2-cap	Q-cap	I-cap	Total
Number of shares as per start of the reporting period	872,371	157,635	2,325,575	232,849	–	3,588,430
Subscriptions	32,364	20,808	446,543	76,527	–	576,242
Redemptions	-40,074	-28,224	-427,530	-129,738	–	-625,566
Number of shares outstanding per end of reporting period	864,661	150,219	2,344,588	179,638	–	3,539,106

A subscription charge of up to a maximum of 5% of the Net Asset Value may be applied for the benefit of a (sub) Distributor and/or other selling agents. The precise subscription charge can be obtained from the relevant party.

Triodos Energy Transition Europe Fund comprises of the following share classes:

Euro-denominated Class “R” Capitalisation Shares (ISIN Code: NL0013908684)

denominated Class “Z-1” Capitalisation Shares (ISIN Code: NL0013908692)

denominated Class “Z-2” Capitalisation Shares (ISIN Code: NL0013908700)

denominated Class “Q” Capitalisation Shares (ISIN Code: NL0013908718)

denominated Class “I” Capitalisation Shares (ISIN Code: NL0013908726)

Financial Statements (Triodos Energy Transition Europe Fund)

Quality requirements to obtain Shares of a specific Share Class:

Class “R” Capitalisation Shares are open to certain Retail Investors, depending on their country of residence. Class “R” Shares charge rebates or commissions which may be retained or passed on by the Distributors depending on applicable law and market practice.

Class “Z-1” Capitalisation Shares are listed and traded on Euronext Amsterdam and open to all investors who subscribe through a bank or other qualifying financial institution with access to Euronext Amsterdam. Class “Z-1” Shares do not charge any form of rebates or commissions.

Class “Z-2” Capitalisation Shares are open to designated Retail Investors who subscribe through a Distributor. Class “Z-2” Shares do not charge any form of rebates or commissions.

Class “Q” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “Q” Shares is EUR 100,000. The minimum holding amount for the Class “Q” Shares is EUR 100,000.

Class “I” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Shares is EUR 10 million. The minimum holding amount for the Class “I” Shares is EUR 10 million.

10. Share premium reserve

Share premium reserve	2023	2022
Opening balance	113,088,151	113,732,680
Addition from shares issued	23,160,094	29,986,516
Withdrawal from shares issued	-19,624,197	-30,631,045
Balance per end of reporting period	116,624,048	113,088,151

11. Revaluation reserve

The revaluation reserves concern the positive unrealised changes in the value of individual investments with a valuation at the balance sheet date that is higher than the initial cost. A decrease in revaluation reserves means a decrease in the cumulative positive revaluation of investments.

Revaluation reserves	2023	2022
Opening balance	59,139,036	11,041,181
Movement in positive revaluations of equity investments	-36,219,090	48,099,648
Movement in positive revaluations of debt investments	-1,154,350	-1,793
Balance per end of reporting period	21,765,596	59,139,036

The positive revaluations of individual investments above the initial cost are added to the revaluation reserves in equity. This only applies to investments without frequent market quotations. Negative revaluations below the initial cost of individual investments are charged directly to the profit and loss account. As a result, no straightforward reconciliation is possible between the revaluation reserve in equity (note 11) and the revaluations in value of investments (notes 18 and 19).

Financial Statements (Triodos Energy Transition Europe Fund)

12. Legal reserves

Legal reserves	2023	2022
Opening balance	492,419	747,718
Changes to legal reserves	-255,299	-255,299
Balance per end of reporting period	237,120	492,419

13. Other reserves

Other reserves	2023	2022
Opening balance	-48,120,450	-11,613,750
Appropriation of result	55,845,721	11,335,858
Withdrawal revaluation reserve	37,373,440	-48,097,857
Amortised capitalised costs	255,299	255,299
Balance per end of reporting period	45,354,010	-48,120,450

14. Unappropriated profit

This concerns the not yet distributed result for the (extended) financial year.

Unappropriated profit	2023	2022
Opening balance	55,845,721	11,335,857
Withdrawal other reserves	-55,845,721	-11,335,857
Addition other reserves	-21,431,005	55,845,721
Balance per end of reporting period	-21,431,005	55,845,721

Three-year overview of the sub-fund's equity:

	2023	2022	2021
Fund's equity (in EUR)	166,146,113	183,983,983	128,832,116
Number of outstanding shares	3,596,344	3,539,106	3,588,430
Net asset value per share (in EUR)	46.20	51.99	35.90

Notes to the profit and loss account

15. Other income

In the event of a net redemption in the “Class Z-1 Capitalization share” of Triodos Energy Transition Europe Fund on a Valuation Date, all transactions will be settled at net asset value minus 0.50% of the net asset value for the benefit of Triodos Energy Transition Europe Fund.

16. Realised changes in value of equity instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised gains	11,956,410	1,296,707
Total realised changes	11,956,410	1,296,707

The realised changes are calculated on the basis of the actual sales transaction in comparison with the historical cost. The average cost price is used in the event of partial sale of equity instruments.

17. Realised changes in value of debt instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised gains	835,564	194,494
Realised losses	-363,450	-73,121
Total realised changes	472,114	121,373

18. Unrealised changes in value of equity instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains	2,919,275	51,737,011
Unrealised losses	-42,757,326	-816,656
Total unrealised changes	-39,838,051	50,920,355

19. Unrealised changes in value of debt instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains	310,441	545,560
Unrealised losses	-4,341,242	-420,528
Total unrealised changes	-4,030,801	125,032

20. Investment management fees

For the services it provides, the Alternative Investment AIFM is entitled to a management fee payable quarterly and calculated as follows:

Triodos Energy Transition Europe Fund pays for the provision of management services and supporting services an annual management fee to the AIFM of 1.70% for Class “I” Capitalization Shares, 1.95% for Class “Q” Shares, 1.95% for Class “Z-1” Shares and for “Z-2” Shares and 2.50% for Class “R” Shares, calculated on the relevant share class’ net assets, accrued weekly and payable quarterly. Costs for marketing and distribution activities related to retail investors and attributable to Class “I” Shares, Class “R” Shares and Class “Z” Shares will only be borne by Class “I” Shares, Class “R” Shares and Class “Z” Shares respectively, and will be part of the management fee. The costs for marketing activities related to retail investors and attributable to Class “Z” Shares may amount to maximum 0.20% (on an annual basis) of

Financial Statements (Triodos Energy Transition Europe Fund)

this Share Class, net assets. The management fee is excluding VAT and when applicable will be charged to Triodos Energy Transition Europe Fund.

In 2023 the total management fees charged by AIFM to the sub-fund is EUR 3,630,943 (2022: EUR 3,264,293)

21. Administrative and depositary fees

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Administrative fees		
Administration fees	168,985	247,941
Total administrative fees	168,985	247,941
Depositary fees		
BNP depositary fees	10,952	38,216
Total depositary fees	10,952	38,216
Total Administrative and Depositary fees	179,937	286,157

The depositary is entitled to receive depositary and custody fees for the safekeeping of the financial instruments that are held in custody, for the record keeping and verification of ownership of the other assets, for the oversight duties and for the cash flow monitoring. These fees consist of a fixed annual fee of EUR 20,000 and a variable fee equal to a percentage of the Net Asset Value of Triodos Energy Transition Europe Fund.

22. Audit and advisory fees

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Audit and advisory fees		
Audit fees	187,216	177,594
Legal fees	33,369	76,535
Advice fees	–	232,214
Fiscal advice fees	55,009	47,375
Notary fees	–	29,779
Total audit and advisory fees	275,594	563,497

The legal fees of EUR 33,369 (2022: EUR 76,535) primarily relate to due diligence and advice on investment transactions. The fiscal advice fees of EUR 55,009 (2022: EUR 232,214).

The audit fees for EUR 165,695 (2022: EUR 184,010) relate to the audit of the financial statements 2023. The costs for other audit services amounted to EUR 21,521 (2022: EUR 7,937). These other audit procedures relate to Prospectus and ISAE costs.

Audit fees	01-01-2023 – 31-12-2023		01-01-2022 – 31-12-2022	
	Pricewaterhouse Coopers Accountants N.V.	Other Pricewaterhouse Coopers network	Pricewaterhouse Coopers Accountants N.V.	Other Pricewaterhouse Coopers network
Audit of the financial statements	165,695	–	169,657	–
Other audit assignments	21,521	–	7,937	–
Total	187,216	–	177,594	–

23. Other interest paid

This concerns the (negative) interest on the bank accounts held by Triodos Energy Transition Europe Fund.

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24. Other expenses

The other expenses comprise the following:

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Other expenses		
Supervisory Board fee	22,499	22,233
Commissions and bank charges	648,882	100,476
<i>Transaction costs</i>	634,788	22,454
<i>Bank charges</i>	14,094	78,022
Various other expenses	332,027	148,674
<i>DNB costs</i>	56,687	1,850
<i>Marketing fees</i>	32,775	31,283
<i>Other costs</i>	242,565	115,541
Total other expenses	1,003,408	271,383

Cost structure

Triodos Energy Transition Europe Fund does not employ any employees or directors. The sub-fund is managed by Triodos Investment Management B.V. for a management fee. For more details regarding the management fee reference is made to Note 20.

Remuneration of the Supervisory Board

The compensation for the external members of the Supervisory Board amounts to EUR 4,000 a year for an external member and EUR 5,500 for the chairperson. The remuneration for members of the Supervisory Board is determined by the General Meeting of Shareholders. This does not take into account market conformity. No loans, advances or guarantees have been provided to the members of the Supervisory Board. For reasons of principle, there is no option scheme for members of the Supervisory Board.

The remuneration of the members of the Supervisory Board is as follows:

(amounts in euro's)	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Ineke Busemaker (chair)	5,500	5,500
Jan Willem van der Velden	2,000	4,000
Gerard Groener	4,000	4,000
Henk Raué	2,333	2,733
Elfrieke van Galen	4,000	4,000
Willem Schramade	–	2,000
Ernst de Klerk	2,333	–
Gerard Roelofs	2,333	–
Subtotal	22,499	22,233
Non-deductible VAT	–	–
Total	22,499	22,233

Financial Statements (Triodos Energy Transition Europe Fund)

Comparison operating expenses with prospectus

The operating expenses of the sub-fund for the reporting period amount to EUR 4,710,599 (2022: EUR 4,640,630).

Cost comparison 2022	Expenses 2023	Expenses prospectus
Management fee*	3,630,943	3,630,943
Costs of formation	255,299	255,299
Marketing fees**	56,687	233,405
Remuneration of the Supervisory Board members	22,499	22,499
Costs custodians***	10,952	10,952
Costs external independent auditor****	187,216	187,216
Regulator's costs	32,775	32,775
Costs of the administration of third-party distributors' investment positions*****	168,985	168,985
Registrar's fees	–	–
Other sub-fund related expenses	345,243	1,594,546
	4,710,599	6,136,620

Cost comparison 2022	Expenses 2022	Expenses prospectus
Management fee*	3,264,293	3,264,293
Costs of formation	255,299	255,299
Marketing fees**	31,283	211,578
Remuneration of the Supervisory Board members	22,233	22,233
Costs custodians***	38,556	38,556
Costs external independent auditor****	177,594	177,594
Regulator's costs	1,510	1,510
Costs of the administration of third-party distributors' investment positions*****	247,941	247,941
Registrar's fees	–	–
Other sub-fund related expenses	601,921	1,336,726
	4,640,630	5,555,730

* Reference is made to Note 20 for the percentages of management fee per share class.

** The costs for marketing activities incurred by the AIFM related to retail investors and attributable to Class "Z-1" Shares and the Class "Z-2" Shares will only be borne by Class "Z-1" Shares and the "Z-2" Shares respectively and may amount to maximum 0.20% (on an annual basis) of each of these Share Classes' net assets.

*** The depositary and custody fees consist of a fixed annual fee of EUR 20,000 and a variable fee equal to a percentage of the Net Asset Value of the Sub-Fund. At a fund size of EUR 186 million the estimated annual fees amount to EUR 30,200.

**** The independent auditor is entitled to a fee. These costs are estimated at EUR 172,392 annually.

***** The Fund Agent is entitled to a fee. At a fund size of EUR 150 million the estimated annual fees amount to EUR 10,440. The Transfer Agent is entitled to a fee. At a fund size of EUR 150 million the estimated annual fees amount to EUR 34,739. The Administrator is entitled to a fee. At a fund size of EUR 150 million the estimated annual fees amount to EUR 94,961.

Off-balance liabilities, assets and arrangements

Triodos Energy Transition Europe Fund has committed itself to investments of approximately EUR 38 million as per 31 December 2023 consisting of the following dates of maturity:

- within 1 year: EUR 24,037,983 million.
- within 2 up to 5 years: EUR 13,886,653 million.

Related party transactions

The sub-fund has significant transactions with related parties. These are specified below.

Triodos Bank N.V.

The sub-fund holds a cash balance of EUR 8,365 (2022: EUR 244,884) at Triodos Bank N.V. (refer to Note 7).

Triodos Investment Management B.V.

The sub-fund pays a management fee to the AIFM. During 2023 management fees of EUR 3,760,766 (2022: EUR 2,953,247) were paid to the AIFM (refer to Note 20). As at 31 December 2023, an amount of EUR 875,942 (2022: EUR 1,005,765) is payable to the AIFM.

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Ongoing charges

The ongoing charges (ratio) is calculated by dividing all relevant costs, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account.

Ongoing charges	2023	2022
I-cap (EUR)	1.24%	–
Q-cap (EUR)	2.56%	2.77%
R-cap (EUR)	3.11%	3.32%
Z1-cap (EUR)	2.56%	2.78%
Z2-cap (EUR)	2.56%	2.78%

Turnover factor

The turnover factor is 19.18% in 2023 (2022: -9.29%). The turnover factor is calculated as:

The total movement in investments of EUR 77,299,782 (purchases of EUR 40,060,609; sales of EUR 37,239,172 (2022: EUR 47,079,511; purchases of EUR 20,003,020; sales of EUR 14,149,292) minus the total movement in own shares of EUR 43,675,308 (issue of own shares of EUR 23,634,222; redemption of own shares of EUR 20,041,086), (2022: EUR 61,819,368; issue of own shares of EUR 30,562,757; redemption of own shares of EUR 31,256,611) divided by the average net assets of EUR 175,331,986 (2022: EUR 158,735,121). Due to the specific nature of Triodos Energy Transition Europe Fund, the turnover factor cannot simply be compared with other investment funds.

Subsequent events

There is no significant subsequent event that requires disclosure in these financial statements.

Financial Statements

Triodos Food Transition Europe Fund

Balance sheet as at 31 December 2023

Before profit appropriation (amounts in euro's)	Note*	31-12-2023	31-12-2022
Investments			
Equity instruments	1	46,365,575	39,614,016
Debt instruments	2	1,997,589	1,015,270
Collateral	3	–	410,000
Derivatives (positive)	3	104,109	160,890
Total investments		48,467,273	41,200,176
Receivables			
Other receivables	4	875,423	1,467,314
Total receivables		875,423	1,467,314
Other assets			
Formation costs	5	101,586	211,285
Cash and cash equivalents	6	10,507,408	18,230,826
Total other assets		10,608,994	18,442,111
Current liabilities			
Management fees payable		287,625	343,083
Accounts payable and accrued expenses	7	199,506	143,013
Derivatives (negative)	3	147,546	506,243
Total current liabilities		634,677	992,339
Receivables and other assets less current liabilities		10,849,740	18,917,086
Assets less current liabilities		59,317,013	60,117,262
Equity			
Issued and paid-up capital	8	562,408	572,204
Share premium reserve	9	57,803,437	58,833,513
Revaluation reserve	10	5,589,991	5,596,653
Legal reserves	11	101,586	211,285
Other reserves	12	-4,980,031	13,137,970
Unappropriated (loss)/profit	13	239,622	-18,234,363
Total equity		59,317,013	60,117,262

* See the notes to the balance sheet and profit and loss account.

Profit and loss account for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Direct results from investments			
Income from investments			
Interest		409,527	76,017
		409,527	76,017
Indirect results from investments			
Realised changes in value of investments			
Equity instruments	14	560,115	4,028,544
Debt instruments	15	118,545	–
Derivatives	16	-353,613	-1,257,795
		325,047	2,770,749
Unrealised changes in value of investments			
Equity instruments	17	232,961	-19,192,687
Debt instruments	18	1,107,939	-1,175,423
Derivatives	19	301,916	283,735
		1,642,816	-20,084,375
Other income/(expenses)	20	-398,453	1,265,661
Total other operating income		-398,453	1,265,661
Total income		1,978,937	-15,971,948
Operating expenses			
Amortization of formation expenses	5	109,699	109,699
Management fees	21	1,149,339	1,388,912
Administrative and depositary fees	22	74,475	82,554
Audit and advisory fees	23	108,886	206,911
Other interest paid	24	614	93,301
Other expenses	25	362,081	281,627
Total operating expenses		1,805,094	2,163,004
Operating result		173,843	-18,134,952
Exchange rate results		65,779	-99,411
Result before taxes		239,622	-18,234,363
Income tax		–	–
Result for the year		239,622	-18,234,363

* See the notes to the balance sheet and profit and loss account.

Cash flow statement for the year ended 31 december 2023

(amounts in euro's)	Note*	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Cash flow from investment activities			
Result ex. Exchange rate differences		173,843	-18,134,952
Adjustment to reconcile the result to the cash flow generated by the investment activities:			
Realised changes in value of investments		-325,047	-2,770,750
Unrealised changes in value of investments		-1,642,816	20,183,787
Purchase		-12,764,687	-8,177,502
Sales		6,696,757	6,709,802
Paid and received collateral		410,000	120,000
Costs directly charged to equity		109,699	109,699
Movement in assets and liabilities			
Movement in receivables from investment activities		591,890	-1,315,575
Movement in liabilities arising from investment activities		1,035	22,631
Net cash flow used in/ generated from investment activities		-6,749,326	-3,252,860
Cash flow from financing activities			
Received from subscriptions		3,861,593	10,609,701
Paid for redemptions		-4,901,464	-4,231,341
Net cash flow generated from financing activities		-1,039,871	6,378,360
Change in cash and cash equivalents		-7,789,197	3,125,500
Cash and cash equivalents at the beginning of the reporting period		18,230,826	15,204,737
Exchange rate differences		65,779	-99,411
Cash and cash equivalents at the end of the reporting period	6	10,507,408	18,230,826

* See the notes to the balance sheet and profit and loss account.

Notes to the balance sheet

1. Equity instruments

Movement schedule equity instruments	2023	2022
Opening balance	39,614,016	54,828,725
Purchases	10,764,687	7,917,031
Sales	-4,806,205	-7,967,596
Change in realised gains	560,116	4,028,544
Change in unrealised (losses)/gains	232,961	-19,192,688
Balance at end of reporting period	46,365,575	39,614,016

The cost price of the equity instruments at year-end 2023 was EUR 50,295,144 (2022: EUR 43,776,548).

The investments, where the sub-fund has a majority interest, are excluded from consolidation due to the existence of an exit strategy, in accordance with the interpretation of article 407c, Title 9, Book 2 of the DCC which is guided by the accounting standard (RJ 217.308.b) issued by the Dutch Accounting Standards Board. An overview of the investments is included in the management report.

2. Debt instruments

Movement schedule debt instruments	2023	2022
Opening balance	1,015,270	1,930,222
Purchases	2,000,000	260,471
Sales	-2,244,165	-645,537
Revaluations due to realised gains	118,545	–
Revaluations due to unrealised (losses)/gains	1,107,939	-529,886
Balance at end of reporting period	1,997,589	1,015,270

The change in unrealised gains/losses comprise the positive and negative revaluations during the reporting period. Positive revaluations of individual investments above the initial cost price are added to the revaluation reserves.

3. Derivatives

The derivatives pertain to agreements made by the Triodos Food Transition Europe Fund to deliver specific amounts of foreign currency on the contractual dates. Derivatives consist of EUR 104,109 (2022: EUR 160,890) positive and EUR 147,546 (2022: EUR 506,243) negative values contracts, amounting to a total value of negative EUR 43,437 (2022: 345,353).

The movements and the relevant breakdowns are as follows:

Movement schedule	2023	2022
Opening balance	-345,353	-629,087
Expiration	-353,614	-1,257,795
Change in realised gains	353,614	1,257,795
Change in unrealised gains	301,916	283,734
Total	-43,437	-345,353

Financial Statements (Triodos Food Transition Europe Fund)

As at 31 December 2023, outstanding forward foreign exchange contracts are composed of:

Foreign currency contracts		2023	
	Payer notional amounts	Receiver notional amounts	Unrealised gain/ (loss) in EUR
Swiss francs (CHF)	2,829,028	2,964,567	-89,511
Danish krone (DKK)	79,390,217	10,690,086	29,066
British pound (GBP)	220,935	247,583	-5,803
Swedish krona (SEK)	10,687,003	914,784	-51,144
US dollar (USD)	6,983,460	6,350,775	73,955
Total			-43,437

Foreign currency contracts		2022	
	Payer notional amounts	Receiver notional amounts	Unrealised gain/ (loss) in EUR
Swiss francs (CHF)	3,645,633	3,546,220	-155,922
Danish krone (DKK)	81,857,034	11,010,440	-4,306
British pound (GBP)	235,683	277,638	12,534
Swedish krona (SEK)	11,109,786	1,026,860	28,004
US dollar (USD)	8,265,701	7,480,726	-225,663
Total			-345,353

Future cash flows from Investments are mainly affected by exchange rates and market interest rates. The forward foreign exchange contracts have been concluded to hedge the exchange risk on investments in foreign currencies. At year-end 2023, 9.4% (2022: 11.4%) of the investments of Triodos Food Transition Europe Fund are in US dollars, 0.6% (2022: 0.5%) in British pounds, 2.5% (2022: 2.6%) in Swedish krona, 23.3% (2022: 25.1%) in Danish krone and 2.1% (2022: 6.2%) in Swiss francs. The currency risk for the US dollar is largely hedged by means of forward foreign exchange contracts.

The sub-fund shall not invest in or apply special techniques or instruments, other than currency hedging instruments and the sub-fund may not invest more than 50% of its net assets in un-hedged non-euro denominated investments.

The derivatives are entered into with bank and financial institution counterparties (Rabobank and ING), which are rated A+, based on S&P Global and Fitch ratings. The contracts have been concluded with Rabobank and ING. The term of the forward foreign exchange contracts at year-end 2023 varies between 1 and 10 months.

Forward foreign exchange contracts	31-12-2023	31-12-2022
To receive	104,109	160,890
To pay	-147,546	-506,243
Total	-43,437	-345,353

The maturity of all currency contracts is less than one year (2022: less than one year).

Collateral

With regard to the derivative positions with Triodos Bank N.V. and Rabobank, agreements have been made regarding the exchange of mutual collateral, i.e. liquidity deposited as security in connection with the fair value of derivative positions.

As at the balance sheet date, the sub-fund has paid a collateral payment of EUR – (2022: EUR 410,000) in connection with the fair value positions of the derivative positions (2023: positive fair value rounded to EUR 104,000 (2022: EUR 160,000); negative fair value rounded to EUR 147,000 (2022: EUR 506,000)).

Financial Statements (Triodos Food Transition Europe Fund)

4. Other receivables

	31-12-2023	31-12-2022
Earn out receivable <12 months	817,769	724,403
Earn out receivable >12 months	51,824	502,902
Prepayments	3,200	–
Interest receivable	2,630	35,924
Receivable dividend tax	–	204,085
Total Other receivables	875,423	1,467,314

The book value of the earn-outs reflects their fair value.

All receivables are expected to be received in less than one year after balance sheet date, except the earn-out of EUR 51,824 which is expected in 2026.

5. Formation costs

The total formation costs of the sub-fund amounted to EUR 550,000. These formation costs will be amortised over a period of five years.

	31-12-2023	31-12-2022
Opening balance	211,285	320,984
Amortised capitalised costs	-109,699	-109,699
Total formation costs per end of reporting period	101,586	211,285

6. Cash and cash equivalents

Cash and cash equivalents include balances in current accounts, savings accounts and deposits held with Triodos Bank N.V., Rabobank, CACEIS, ING and BNP Paribas. Cash and cash equivalents are at the free disposal of the sub-fund. The following interest rates are applicable per 31 December 2023:

On the (savings or current) account(s) hold at Triodos Bank N.V. 0.00% (2023: EUR: 0.00%);

On the (savings or current) account(s) hold at Rabobank 3.33% (2022: 1.69%);

On the (savings or current) account(s) hold at CACEIS 3.00% (2022: EUR 1.50%);

On the (savings or current) account(s) hold at ING 3.34% (2022: 1.80%);

On the (savings or current) account(s) hold at BNP 1.79% (2022: 1.74%).

7. Accounts payable and accrued expenses

The accounts payable and accrued expenses comprise the following:

Accounts payable and accrued expenses	31-12-2023	31-12-2022
Other accrued expenses	105,402	53,285
Audit fee	79,860	71,889
Supervisory fee	9,378	5,839
IMS fee	4,866	12,000
Total accounts payable and accrued expenses	199,506	143,013

All accounts payables and accrued expenses are expected to be settled within one year.

Financial Statements (Triodos Food Transition Europe Fund)

8. Issued and paid-up capital

Issued and paid-up capital	31-12-2023	31-12-2022
Opening balance	572,204	524,643
Issued capital	35,981	80,958
Paid-up capital	-45,777	-33,397
Balance per end of reporting period	562,408	572,204

Changes in the number of shares:

	2023			
	Q-cap	Q-dis	I-dis	Total
Number of shares per January 1, 2023	248,549	224,674	98,981	572,204
Subscriptions	35,981	–	–	35,981
Redemptions	-23,326	-22,451	–	-45,776
Number of shares outstanding per end of reporting period	261,204	202,223	98,981	562,408

	2022			
	Q-cap	Q-dis	I-dis	Total
Number of shares per January 1, 2022	186,974	238,688	98,981	524,643
Subscriptions	77,211	3,748	–	80,959
Redemptions	-15,636	-17,762	–	-33,398
Number of shares outstanding per end of reporting period	248,549	224,674	98,981	572,204

A subscription charge of up to a maximum of 3% of the Net Asset Value may be applied for the benefit of selling agents. The precise subscription charge can be obtained from the relevant party.

Triodos Food Transition Europe Fund comprises of the following share classes:

Euro – denominated Class “Q” Capitalisation Shares (ISIN Code: NL0013908742)

Euro – denominated Class “Q” Distribution Shares (ISIN Code: NL0013908734)

Euro – denominated Class “I” Capitalisation Shares (ISIN Code: NL0013908759)

Euro – denominated Class “I” Distribution Shares (ISIN Code: NL0014115156)

Quality requirements to obtain Shares of a specific Share Class:

Class “Q” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum subscription amount for the Class “Q” Capitalisation Shares is EUR 250,000. The minimum holding amount for the Class “Q” Capitalisation Shares is EUR 250,000.

Class “Q” Distribution Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum subscription amount for the Class “Q” Distribution Shares is EUR 250,000. The minimum holding amount for the Class “Q” Distribution Shares is EUR 250,000.

Class “I” Capitalisation Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Capitalisation Shares is EUR 10 million. The minimum holding amount for the Class “I” Capitalisation Shares is EUR 10 million.

Class “I” Distribution Shares are restricted to Professional Investors and certain qualified private investors such as clients of private banks and/or high net worth individuals, depending on their country of residence. The minimum initial subscription amount for the Class “I” Distribution Shares is EUR 10 million. The minimum holding amount for the Class “I” Distribution Shares is EUR 10 million.

Financial Statements (Triodos Food Transition Europe Fund)

9. Share premium reserve

Share premium reserve	2023	2022
Opening balance	58,833,513	52,502,713
Addition from shares issued	3,825,612	10,528,744
Withdrawal from shares issued	-4,855,688	-4,197,944
Balance per end of reporting period	57,803,437	58,833,513

10. Revaluation reserve

The revaluation reserves concern the positive unrealised changes in the value of individual investments with a valuation at the balance sheet date that is higher than the initial cost. A decrease in revaluation reserves means a decrease in the cumulative positive revaluation of investments.

Revaluation reserves	2023	2022
Opening balance	5,596,653	16,743,078
Movement in positive revaluations of equity investments	-152,281	-11,266,430
Movement in positive revaluations of derivatives	145,619	120,005
Balance per end of reporting period	5,589,991	5,596,653

The positive revaluations of individual investments above the initial cost are added to the revaluation reserves in equity. This only applies to investments without frequent market quotations. Negative revaluations below the initial cost of individual investments are charged directly to the profit and loss account. As a result, no straightforward reconciliation is possible between the revaluation reserve in equity (note 9) and the revaluations in value of investments (note 17 & 18).

11. Legal reserves

Legal reserves	2023	2022
Opening balance	211,285	320,984
Change to legal reserves*	-109,699	-109,699
Balance per end of reporting period	101,586	211,285

Legal reserve is recognized for capitalised formation costs.

12. Other reserves

Other reserves	2023	2022
Opening balance	13,137,970	-9,208,512
Appropriation of result	-18,234,362	11,090,357
Addition revaluation reserve	6,662	11,146,426
Amortised capitalised costs	109,699	109,699
Balance per end of reporting period	-4,980,031	13,137,970

13. Unappropriated profit/(loss)

This concerns the not yet distributed result for the extended financial year.

Unappropriated profit	2023	2022
Opening balance	-18,234,363	11,090,358
Withdrawal other reserves	18,234,363	-11,090,358
Addition other reserves	239,622	-18,234,363
Balance per end of reporting period	239,622	-18,234,363

Financial Statements (Triodos Food Transition Europe Fund)

Three-year overview of the sub-fund's equity**:

	31-12-2023	31-12-2022	31-12-2021
Sub-fund's equity (in EUR)	59,317,013	60,117,262	71,973,264
Number of outstanding shares	562,408	572,204	524,643
Net asset value per share (in EUR)	105.47	105.06	137.19

** NAV per share is based on the net asset value as presented in this annual report.

Notes to the profit and loss account

14. Realised changes in value of equity instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised gains	1,805,718	4,383,487
Realised losses	-1,245,603	-354,943
Total realised changes	560,115	4,028,544

The realised changes are calculated on the basis of the actual sales transaction in comparison with the historical cost. The average cost price is used in the event of partial sale of equity instruments.

15. Realised changes in value of debt instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised gains	129,664	–
Realised losses	-11,119	–
Total realised changes	118,545	–

16. Realised changes in value of derivatives

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Realised gains	270,841	374,785
Realised losses	-624,454	-1,632,580
Total realised changes	-353,613	-1,257,795

17. Unrealised changes in value of equity instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains	4,367,812	1,066,308
Unrealised losses	-4,134,851	-20,258,995
Total unrealised changes	232,961	-19,192,687

18. Unrealised changes in value of debt instruments

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains	580,465	–
Unrealised losses	527,474	-1,175,423
Total unrealised changes	1,107,939	-1,175,423

Financial Statements (Triodos Food Transition Europe Fund)

19. Unrealised changes in value of derivatives

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Unrealised gains	610,352	830,862
Unrealised losses	-308,436	-547,127
Total unrealised changes	301,916	283,735

20. Other operating income

The other operating income amounting to EUR 113,413 (2022: EUR 1,265,661) relates to earn-out on disposal of investment and withholding taxes on dividends from investments.

21. Management fees

Triodos Food Transition Europe Fund pays for the provision of management services and supporting services an annual Management Fee to the AIFM of 2% for Class “Q” Capitalization Shares and Class “Q” Distribution Shares, calculated on the relevant Classes’ net assets, accrued and payable quarterly.

Triodos Food Transition Europe Fund pays for the provision of management services and supporting services an annual Management Fee to the AIFM of 1.75% for Class “I” Capitalization Shares and Class “I” Distribution Shares, calculated on the relevant Classes’ net assets, accrued and payable quarterly.

In 2023 the total management fees charged by the AIFM to the sub-fund is EUR 1,149,339 (2022: EUR 1,388,912)

22. Administrative and depositary fees

The breakdown of the administrative and depositary fees of total EUR 74,475 (2022: EUR 82,554) is as follows:

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Administrative fees		
Administration fees	64,354	69,425
Total administrative fees	64,354	69,425
Depositary fees		
BNP depositary fees	10,121	13,129
Total depositary fees	10,121	13,129
Total Administrative and Depositary fees	74,475	82,554

The depositary is entitled to receive depositary and custody fees for the safekeeping of the financial instruments that are held in custody, for the record keeping and verification of ownership of the other assets, for the oversight duties and for the cash flow monitoring. These fees consist of a fixed annual fee of EUR 10,000 and a variable fee equal to a percentage of the Net Asset Value of Triodos Food Transition Europe Fund.

23. Audit and advisory fees

	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Audit and advisory fees		
Audit fees	74,984	102,224
Legal fees	33,902	49,859
Advice fees	–	54,090
Notary fees	–	738
Total audit and advisory fees	108,886	206,911

Financial Statements (Triodos Food Transition Europe Fund)

The legal fees of EUR 33,902 (2022: EUR 49,859) primarily relate to due diligence on investment transactions, internal control and tax compliance advice.

The audit fees for EUR 63,572 (2022: EUR 102,140) relate to the audit of the financial statements 2023. The costs for other audit activities amounted to EUR 11,412 (2022: EUR 3,400). These other audit procedures relate to Prospectus and ISAE costs. The external independent auditor has not performed any advisory activities.

Audit fees	01-01-2023 – 31-12-2023		01-01-2022 – 31-12-2022	
	Pricewaterhouse Coopers Accountants N.V.	Other Pricewaterhouse Coopers network	Pricewaterhouse Coopers Accountants N.V.	Other Pricewaterhouse Coopers network
Audit of the financial statements	63,572	–	98,824	–
Other audit assignments	11,412	–	3,400	–
Total	74,984	–	102,224	–

24. Other interest paid

This concerns the (negative) interest on the bank accounts held by Triodos Food Transition Europe Fund.

25. Other expenses

The other expenses comprise the following:

Other expenses	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Supervisory Board fee	22,499	22,233
Commissions and bank charges	228,247	56,941
<i>Bank charges</i>	18,154	9,283
<i>Transaction costs</i>	210,093	47,658
Various other expenses	111,335	202,453
<i>DNB costs</i>	3,775	3,322
<i>Marketing fees</i>	3,795	17,705
<i>Other costs</i>	103,765	181,426
Total other expenses	362,081	281,627

Cost structure

Triodos Food Transition Europe Fund does not employ any employees or directors. The sub-fund is managed by Triodos Investment Management B.V. for a management fee. For more details regarding the management fee reference is made to Note 20.

Remuneration of the Supervisory Board

The compensation for the external members of the Supervisory Board amounts to EUR 4,000 a year for an external member and EUR 5,500 for the chairperson. The remuneration for members of the Supervisory Board is determined by the General Meeting of Shareholders. This does not take into account market conformity. No loans, advances or guarantees have been provided to the members of the Supervisory Board. For reasons of principle, there is no option scheme for members of the Supervisory Board.

Financial Statements (Triodos Food Transition Europe Fund)

The remuneration of the members of the Supervisory Board is as follows:

(amounts in euro's)	01-01-2023 31-12-2023	01-01-2022 31-12-2022
Ineke Busemaker (chair)	5,500	5,500
Jan Willem van der Velden	2,000	4,000
Gerard Groener	4,000	4,000
Henk Raué	2,333	2,733
Elfrieke van Galen	4,000	4,000
Willem Schramade	–	2,000
Ernst de Klerk	2,333	–
Gerard Roelofs	2,333	–
Subtotal	22,499	22,233
Non-deductible VAT	–	–
Total	22,499	22,233

Comparison operating expenses with prospectus

The operating expenses of the sub-fund for the reporting period amount to 1,594,831 (2022: EUR 2,022,045).

Cost comparison 2023	Expenses 2023	Expenses prospectus
Management fee*	1,149,339	1,149,339
Costs of formation	109,699	109,699
Marketing fees**	3,795	152,984
Remuneration of the Supervisory Board members	22,499	22,499
Costs custodians***	10,121	10,121
Costs external independent auditor****	74,984	74,984
Regulator's costs	3,775	3,775
Costs of the administration of third-party distributors' investment positions*****	64,354	64,354
Registrar's fees	–	–
Other sub-fund related expenses	152,265	1,089,456
	1,594,831	2,677,211

Cost comparison 2022	Expenses 2022	Expenses prospectus
Management fee*	1,388,912	1,388,912
Costs of formation	109,699	109,699
Marketing fees**	17,704	138,464
Remuneration of the Supervisory Board members	22,233	22,233
Costs custodians***	13,129	13,129
Costs external independent auditor****	102,224	102,224
Regulator's costs	3,322	3,322
Costs of the administration of third-party distributors' investment positions*****	69,425	69,425
Registrar's fees	–	–
Other sub-fund related expenses	295,397	586,387
	2,022,045	2,433,795

* Reference is made to Note 21 for the percentages of management fee per share class.

** The costs for marketing activities may amount to maximum 0.20% (on an annual basis) of the net assets of the sub-fund.

*** The depositary and custody fees consist of a fixed annual fee of EUR 10,000 and a variable fee equal to a percentage of the Net Asset Value of the Sub-Fund. At a fund size of EUR 60 million the estimated annual fees amount to EUR 12,903.

**** The Transfer Agent is entitled to a fee. At a fund size of EUR 50 million the estimated annual fees amount to EUR 8,228. The Administrator is entitled to a fee. At a fund size of EUR 50 million the estimated annual fees amount to EUR 50,094.

Financial Statements (Triodos Food Transition Europe Fund)

Off-balance liabilities, assets and arrangements

Triodos Food Transition Europe Fund has committed itself to investments of EUR 412,589 per 31 December 2023 (2022: nil).

As of November 17, 2022, Triodos Bank N.V. financing of EUR 10 million (2022: EUR 10 million) on market terms has been reduced to EUR -. The financing facility has not been renewed in 2023.

Related party transactions

The sub-fund has significant transactions with related parties. These are specified below.

Triodos Bank N.V.

The sub-fund holds a cash balance of EUR 63,045 (2022: EUR 7,184,324) at Triodos Bank N.V. (refer to Note 6).

As of November 17, 2022, Triodos Bank N.V. financing of EUR 10 million (2022: EUR 10 million) on market terms has been reduced to EUR -. The financing facility has not been renewed in 2023.

Triodos Investment Management B.V.

The sub-fund pays a management fee to the AIFM. During 2023 management fees of EUR 1,204,797 (2022: EUR 1,388,138) were paid to the AIFM (refer to Note 20). As at 31 December 2023, an amount of EUR 287,625 (2022: EUR 343,084) is payable to the AIFM.

Ongoing charges *

The ongoing charges (ratio) is calculated by dividing all relevant costs, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the net asset value is taken into account.

Ongoing charges	2023	2022
I-dis (EUR)	1.93%	2.67%
Q-cap (EUR)	2.13%	3.02%
Q-dis (EUR)	2.10%	2.90%

* The ongoing charges reflect the total normalised expenses charged to the result, divided by the average net asset value. For the calculation of the average net asset value, each computation and publication of the share prices is taken into account.

Turnover ratio

The turnover ratio is 14.0% (2022: 0.1%) in 2023. The turnover ratio is calculated as:

The total movement in investments of EUR 19,461,444 (purchases of EUR 12,764,687 ; sales of EUR 6,696,757) (2022: EUR 14,887,304; purchases of EUR 8,177,502; sales of EUR 6,709,802) minus the total movement in own shares of EUR 8,763,057 issue of own shares of EUR 3,861,593; redemption of own shares of EUR 4,901,464) (2022: EUR 14,841,042; issue of own shares of EUR 10,609,701; redemption of own shares of EUR 4,231,341) divided by the average net assets of EUR 76,491,754 (2022: EUR 69,555,492). The average net assets takes into account the amount presented in this annual report, which differs from the published share price as at 31 December 2023. Due to the specific nature of Triodos Food Transition Europe Fund, the turnover ratio cannot simply be compared with other investment funds.

Subsequent events

There are no subsequent events after balance sheet date.

Driebergen-Rijsenburg, 30 April 2024

Ad interim fund manager, Triodos Energy Transition Europe Fund
Sonja de Ruiter

Fund manager, Triodos Food Transition Europe Fund
Adam Kybird

The Management Board of Triodos Investment Management B.V.
Dick van Ommeren (Chair of the Management Board)
Kor Bosscher (Managing Director Finance, Risk & Operations)
Hadewych Kuiper (Managing Director Investments)

Other Information

Statutory rules governing the appropriation of profit and loss

The rules regarding the appropriation of profit in accordance with Article 24 of the Articles of Association reads as follows:

1. A distribution of profits pursuant to the provisions of this article is made after the adoption of the annual accounts which show that the distribution is allowed.
2. The adopted annual accounts show, for each sub-fund, the amount in income attained with the capital allocated to the sub-fund concerned. The income attained by a sub-fund is allocated to the types of shares in which a sub-fund is subdivided in proportion to the most recently determined total intrinsic value of all the shares of a type not issued to the Company.
The adopted annual accounts also show for each type of ordinary share the following costs (i) the costs and taxes in respect of the amounts paid up on each type of ordinary share (ii) the other costs relating to a type of ordinary shares (including the management costs) and (iii) the share of the contribution allocated to the type concerned to the general costs and charges of the Company calculated in accordance with paragraph 4 of article 20. The holders of shares of a type are entitled to the balance of the income to be allocated to the relevant type and the costs, taxes and charges to be deducted from it in proportion to the number of shares of the relevant type issued to parties other than the Company.
3. Following approval by the supervisory board, the management board will decide for each type of share what part of the balance referred to in paragraph 2 will be allocated to the Other Reserve maintained for the relevant type of share. After the allocation referred to in the preceding sentence a dividend, in so far as possible, will be paid on the priority shares, equal to four per cent (4%) of the nominal value of these shares. No further distribution of profit will be affected on the priority shares. The remaining amount will be paid to the holders of ordinary shares of the relevant type or otherwise made available to the holders of the relevant shares in the manner referred to in the Prospectus and in line with the distribution policy per type of share set out in that Prospectus. If the abovementioned balance of income and costs is negative, the amount will be deducted from the Other Reserve that is maintained for the relevant type of shares.

Statutory rules governing distributions

The rules regarding distributions in accordance with Article 25 of the Articles of Association reads as follows:

1. Profit distributions and other payments may only be made in so far as the Company's equity is larger than the paid-up and called up part of the share capital plus the reserves that are to be maintained by law or the articles of association. If and in so far as the Company must, in any year, form or increase statutory reserves that do not relate to a specific type of shares, these statutory reserves will be formed or increased by charging the required amount equally to the reserves of the types of which shares have been issued to parties other than the Company. If and in so far as a statutory reserve is released, the released amounts will be added equally to the reserves of the types for which the statutory reserve was formed or increased.
2. All distributions relating to a specific type will be affected in proportion to the quantity of the relevant type of shares held.
3. With due observance of paragraph 1, distributions chargeable to a reserve and a complete cancellation of a reserve may be affected at any time by virtue of a resolution of the General Meeting, but only on the proposal of the management board and with the prior approval of the supervisory board.
4. Profit distributions and other payments are made payable on a date to be determined by the management board.
5. Distributions that have not been taken up within five years and one day after having been made available will fall to the Company for the benefit of the relevant type of share.
6. With due observance of paragraph 4 of article 2:105 BW the management board may decide on interim profit distributions.
7. The management board may, subject to the prior approval of the supervisory board, decide that distributions are affected in full or in part other than in money, including in participation rights in investment institutions or UCITS (i) that are managed by the same administrator as the Company (ii) that are managed by a group company of the administrator of the Company or (iii) of which the management board is a group company of the administrator. The prior approval referred to in the preceding sentence is not required if shares are granted in line with the distribution policy per type of share as set out in the Prospectus.

Composition of the supervisory board

The Supervisory Board consists of five members. Of those five members, two are of the female gender, which means that the Fund complies with the balanced distribution as referred to in Article 2: 166 of the Civil Code. Despite the fact that this provision is no longer in force as of January 1, 2020, Triodos Impact Strategies II N.V. strives for diversity at the top in line with the legislative proposal Modernization of NV law and a more balanced male / female ratio.

Provisions concerning priority shares

Triodos Impact Strategies II N.V. has issued 10 priority shares to Stichting Triodos Holding. The members of the board of Stichting Triodos Holding are Carla van der Weerd and Jeroen Rijpkema. In the exercise of the rights that are connected to the priority shares, Stichting Triodos Holding represents the interests of the Fund and gives priority to the preservation of the identity of the Fund.

The following special rights are connected to the priority shares:

- the right to grant prior approval to resolutions of the meeting of shareholders to amend the Articles of Association or to dissolve the Fund;
- the right to nominate persons for the position of managing director of the Fund;
- the stipulation of the remuneration of the statutory director of the Fund (however, it is noted that fees for the management of each sub-fund are arranged for in the management agreement with the AIFM, the key elements of which are described in this Prospectus); and
- the right to receive an annual distribution that is equal to 4% of the nominal value of the priority shares.

Interests of members of the supervisory board and the manager in investments of the Fund

The members of the Supervisory Board of Triodos Impact Strategies II N.V., as well as the members of the board of Triodos Investment Management B.V. and Triodos Bank N.V., have or had no personal interest in an investment of Triodos Impact Strategies II N.V.'s sub-funds at any time during the reporting period.

Participation ownership

The members of the management board of Triodos Investment Management B.V. and the members the Supervisory Board of Triodos Impact Strategies II N.V. did not hold any Triodos Impact Strategies II N.V.'s sub-fund shares as at 31 December 2023.

Voting policy and voting behaviour

If a Triodos Impact Strategies II N.V.'s sub-fund can exercise its own voting rights, it will be guided by the "business principles" of Triodos Bank N.V. and the interests of its participants and other stakeholders. In 2023 Triodos Impact Strategies II N.V.'s sub-funds were a shareholder in 50 institutions and made use of its voting rights at the various general and extraordinary shareholders' meetings of these institutions.

Independent auditor's report



To: the general meeting and the supervisory board of Triodos Impact Strategies II N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of Triodos Impact Strategies II N.V. ('the Fund') and of each of its sub-funds, give a true and fair view of the financial position of the Fund and of each of its sub-funds as at 31 December 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Triodos Impact Strategies II N.V. , Driebergen-Rijsenburg. The fund has the following sub-funds:

- Triodos Energy Transition Europe Fund ('TETEF')
- Triodos Food Transition Europe Fund ('TFTEF')

The Fund's financial statements comprises of:

- balance sheet as at 31 December 2023;
- profit and loss account for the year then ended;
- notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

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

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

Independence

We are independent of the Fund in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Triodos Impact Strategies II N.V. (the Fund) has two sub-funds:

- Triodos Energy Transition Europe Fund ('TETEF').
- Triodos Food Transition Europe Fund ('TFTEF').

Triodos Energy Transition Europe Fund and Triodos Food Transition Europe Fund (hereafter: the sub-funds) were launched in June 2006 and January 2014 respectively, as sub-funds of Triodos SICAV II (Luxembourg). On 2 December 2020, the sub-funds changed domicile to the Netherlands, where both sub-funds have been established as sub-funds of a newly incorporated Dutch legal entity, Triodos Impact Strategies II N.V. The sub-funds have an open-end fund structure. TETEF has euro-denominated share classes for retail and professional investors, one of which is listed on Euronext Fund Services. TFTEF has euro-denominated share classes for professional and certain qualified private investors. None of its share classes are listed on a stock exchange. Shares in TFTEF can be bought through a bank or distributor connected to Euronext Fund Services.

The objective of the Fund is to offer investors the opportunity to invest, via the sub-funds, in investment portfolios with a specific investment strategy. A separate investment policy applies to each sub-fund.

The Fund is managed by Triodos Investment Management B.V. The Management Board of Triodos Investment Management B.V. is also the management of the Fund, further referred to as 'the Alternative Investment Fund Manager' in this audit opinion. For each sub-fund, a separate administration is maintained by the CACEIS Bank, Netherlands Branch ('the administrator'). The Depositary of the sub-funds is BNP Paribas S.A. ('the Depositary'). In the paragraph 'The scope of our audit' we have outlined the organisational design of the sub-funds with a separate fund manager and Depositary and the consequences for our audit.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

In particular, we considered where the Alternative Investment Fund Manager made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also paid attention to climate-related risks.

In paragraph 'Judgements, estimates and uncertainties' of the financial statements, the Fund describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty.

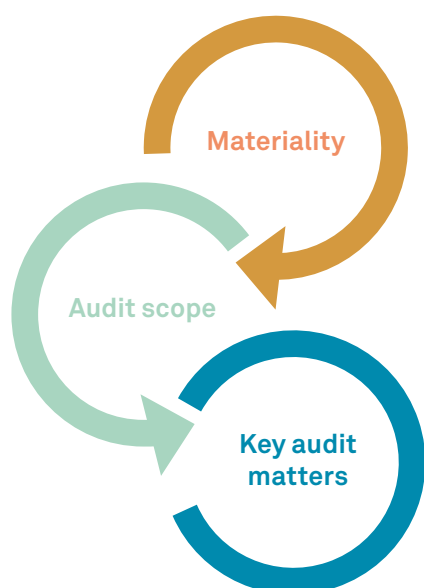
Given the nature of the Fund and the size of the accounts, our audit focused primarily on the existence and valuation of the investments and the accuracy and completeness of the direct and indirect income from these investments. We considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

As in all of our audits, we also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

The Alternative Investment Fund Manager assessed the possible effects of climate change on the Fund's financial position, refer to the sustainability and climate risk paragraph in the management report. We discussed the Alternative Investment Fund Manager's assessment and governance thereof with the Alternative Investment Fund Manager and the supervisory board and evaluated the potential impact on the financial position including underlying assumptions and estimates included in the financial statements. Given the nature of the Fund's activities, the impact of climate change is not considered a key audit matter.

We ensured that the audit team included the appropriate skills and competences, which are needed for the audit of an investment fund. We therefore included valuation experts in our team. Given the importance of the IT environment for the audit of the financial statements, we assessed the IT environment with the assistance of our IT experts. Based on our procedures performed we found that we could rely on the information technology general controls (ITGCs) as far as relevant for the purpose of our audit.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: €2,254,631.

Audit scope

- The Fund is managed by Triodos Investment Management B.V. The Alternative Investment Fund Manager is also the management of the Fund. The Depositary of the Fund is BNP Paribas S.A. The administrator of the Fund is CACEIS Bank, Netherlands Branch.
- For our audit we make use of the ISAE 3402 type II reports of the Alternative Investment Fund Manager and the administrator for the year ended 31 December 2023.

Key audit matters

- Existence and valuation of investments in debt instruments and equity instruments.
- Accuracy and completeness of direct and indirect results from investments in debt instruments and equity instruments.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section ‘Our responsibilities for the audit of the financial statements’.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall materiality	The Fund: €2,254,631 (2022: €2,4410,000). TETEF: €1,661,000 (2022: €1,839,000). TFTEF: €593,170 (2022: €601,100).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of the net assets. For our audit of the information in the financial statements of each individual sub-fund, we used a specific materiality level of 1% of the net assets of each Fund.
Rationale for benchmark applied	We used the Fund’s net assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements and the considerations to sell and buy equity instruments of the Fund. On this basis, we believe that the Fund’s net assets are an important indicator of the Fund.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €83,000 (2022: €91,950) for TETEF and €29,659 (2022: €30,000) for TFTEF as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our audit

Given our ultimate responsibility for the opinion, we are responsible for the direction, supervision and execution of the audit of the financial statements. In doing this, we take into account the involvement of the Alternative Investment Fund Manager, the administrator and the Depositary. In this respect, we have determined the nature and scope of the procedures to be performed to ensure that we perform sufficient audit procedures to be able to give an opinion on the financial statements as a whole.

We obtained an understanding of the control environment of the Alternative Investment Fund Manager and the administrator. Based on this knowledge, we have identified internal control measures that are relevant to our audit of the financial statements. Subsequently, we received from both the Alternative Investment Fund Manager and the administrator ISAE 3402 type II reports, certified by an independent external auditor, on the design and operating effectiveness of the internal control measures at the Alternative Investment Fund Manager and at the administrator for the year ended 31 December 2023.

The management is carried out by Triodos Investment Management B.V. and the administration is carried out by CACEIS. Partly based on the results of the ISAE 3402 type II report, we have established that there is sufficient segregation between the two functions. We have received a bridge letter from the management of the administrator that for the period 1 October 2023 to 31 December 2023, the design and existence of the control measures have remained the same as the report certified by the independent external auditor for the period 3 July 2022 to 30 September 2023. The ISAE report from the Alternative Investment Fund Manager has a coverage period of the whole of 2023.

We have assessed the expertise, independence and objectivity of the external auditor of the ISAE reports. We also read and analysed the ISAE reports. As part of this analysis, we assessed whether the internal control measures relevant to our audit of the Fund's financial statements are included in the reporting. Subsequently, we checked, based on our professional judgement whether the external auditor performed adequate procedures to be able to obtain sufficient and appropriate audit evidence on the design, existence and operating effectiveness of these internal control measures. Finally, we assessed the results and the reported exceptions and weighed them for the impact on our audit approach.

We have also evaluated the creditworthiness of the Depositary based on the credit rating. We have no findings based on procedures performed. We have established that the administrator and the Depositary are independent of the Fund and the Alternative Investment Fund Manager and that there is sufficient technical segregation of duties between the administrator and the Depositary.

As a result of the above procedures, we have obtained sufficient and appropriate audit evidence to provide an opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Fund and its environment and the components of the internal control system. This included the Alternative Investment Fund Manager's risk assessment process, the Alternative Investment Fund Manager's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section Fraud of the management report for the Alternative Investment Fund Manager's fraud risk assessment and section 'Report of the Supervisory Board' of the supervisory board report in which the supervisory board reflects on this fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment (the annual Systematic Integrity Risk Analysis ('SIRA')), as well as the code of conduct and whistleblower procedures among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the board of the Alternative Investment Fund Manager as well as legal affairs, compliance department, and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risk and performed the following specific procedures:

Identified fraud risk	Audit work and observations
<p>The risk of management override of control</p> <p>The Alternative Investment Fund Manager is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none"> • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Estimates. • Significant transactions, if any, outside the normal course of business for the entity. <p>We pay particular attention to tendencies due to possible interests of the Alternative Investment Fund Manager.</p>	<p>We evaluated the design and implementation of the internal control measures, i.e. authorisation of payments, that are intended to mitigate the risk of management override of control and to the extent relevant for our audit tested the effectiveness of these controls. Furthermore, we evaluated the design and implementation of the controls in the processes for generating and processing journal entries and making of estimates.</p> <p>We performed our audit procedures primarily substantive based.</p> <ul style="list-style-type: none"> • Our audit procedures include evaluating the design and implementation of controls designed to mitigate fraud risks (such as processing and reviewing journal entries), back testing prior year estimates, and unexpected journal entry procedures supported by data analysis. • We have selected journal entries based on risk criteria and performed specific audit procedures on these, also paying attention to significant transactions outside the normal business operations. • We assessed the estimates made by management in the valuation of loans and participations for management bias. We refer to the section 'Key audit matters' for the audit procedures performed. • We did not identify any significant transactions outside the normal course of business. <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.</p>
<p>The risk of fraud in revenue recognition</p> <p>As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue are subject to a risk of fraudulent financial reporting.</p> <p>Revenue is an important key financial indicator for the Alternative Investment Fund Manager. This is also an important benchmark for investors of the Fund. The Alternative Investment Fund Manager has incentives to present a (significant) revenue growth.</p>	<p>We evaluated the design and implementation of the internal control measures and assessed the effectiveness of relevant controls in the process related to revenue recognition.</p> <p>We have performed journal entry testing on revenue transactions, paying attention to unusual account combinations.</p> <p>We performed specific audit procedures on the accuracy and completeness of the direct and indirect results from investments as described in our key audit matter 'Accuracy and completeness of direct and indirect results from investments in debt instruments and equity instruments'.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the occurrence of the reported revenue.</p>

We incorporated an element of unpredictability in our audit. We reviewed all the Valuation Committee minutes to determine whether management of the Alternative Investment Fund Manager biased the valuation of the investments. We did not identify such actions. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The sub-funds have an open-end fund structure and invest predominantly in illiquid investments. As at 31 December 2023, there are no material debt positions. The sub-funds hold mainly illiquid investments, which means that there is a risk of liquidity problems in the event of a disruption in the financial markets, as explained in the liquidity risk section of the annual report, whereby the Alternative Investment Fund Manager may temporarily close redemptions or subscriptions by suspending or restricting the purchase and issue of shares of the sub-funds. In addition, the sub-funds have a credit facility for liquidity purposes. Inherent in the sub-fund's structure is that any investment losses are borne by the sub-fund's shareholders, so there is no solvency risk. The risk of discontinuity of the Fund is therefore estimated to be limited.

As disclosed in section 'Going Concern' in the management report, the Alternative Investment Fund Manager has made its assessment of the Fund's including the sub-funds' ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- Considering whether the Alternative Investment Fund Manager's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the management board regarding the Alternative Investment Fund Manager's most important assumptions underlying its going-concern assessment.
- Evaluating the financial position of the Fund and its sub-funds, compared to the previous year, the liquidity reports and all relevant information of which we are aware as a result of our audit.
- Performing inquiries of the Alternative Investment Fund Manager as to its knowledge of going-concern risks beyond the period of the management board's assessment.
- Evaluating the prospectus regarding the management's option, described under 'liquidity risk', to defer payment of redemption proceeds in the event of insufficient liquidity or in other exceptional circumstances.
- Assessing the Fund's liquidity forecast and sensitivity analysis.
- Performing inquiries of the manager as to its knowledge of going-concern risks beyond the period of the Alternative Investment Fund Manager's assessment.

Based on our procedures performed, we concluded that the Alternative Investment Fund Manager's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

Due to the nature of the Funds, key audit matters do not significantly change year over year. As compared to last year there have been no changes in key audit matters.

Key audit matter

Existence and valuation of investments in debt instruments and equity instruments.

The investments in debt and equity for the Fund have been included on the combined balance sheet for €182,368,170 (2022: €203,254,911) and are accounted for in accordance with the accounting policies as detailed in paragraph 'Accounting principles for the balance sheet'

The value estimation of equity and debt instruments is greatly dependent on estimates (for which a number of assumptions and techniques are being used) based on market information that is not observable. These estimates determine to a large extent the Fund's net asset value. Therefore, the valuation and existence of the investments in equity and debt instruments is a key audit matter.

The investments on Fund level consist mainly of equity instruments for €135,397,539 (2022: €166,998,018) and debt instruments for €46,970,631 (2022: €36,256,893).

The equity instruments consist of private equity investments and fund-of-fund investments.

Private equity investments are valued based on the application of an earnings multiple valuation methodology or on the basis of discounted cash flows

Fund-of-fund investments are valued at fair value for which cost price is assumed the best proxy for the period immediately after establishment of the investment fund for a maximum of three years, after three years the Fund net asset value is considered the best proxy for fair value.

The debt instruments consist of mezzanine loans and subordinated debt investments and both are valued on the basis of discounted cash flows.

How our audit addressed the matter

We obtained audit evidence with regards to the design, the existence and the operating effectiveness of the internal control measures from the Alternative Investment Fund Manager, by our review of the ISAE 3402 type 2 of Triodos Investment Management B.V. Kindly refer for more details on our audit procedures to paragraph 'The scope of the audit'. We concluded that, to the extent relevant to the purpose of our audit, we could rely on these control measures.

As part of our risk assessment and in order to determine the reliability of the estimates made by the Alternative Investment Fund Manager and as determined by the valuation committee, we performed backtesting of prior year audited estimates and compared the estimates with the prior year audited financial statements of underlying investments.

On the current year estimates, we performed substantive audit procedures.

For the equity instruments that are valued based on earnings multiples, we tested whether the multiple valuation techniques used, matched with the techniques generally accepted in the market by comparing them with market standards. We evaluated whether the multiples used are appropriate for the type of company and sector and verified the reliability with observable market data. Furthermore, we evaluated the earnings with all relevant underlying investee information. No material differences were noted.

For the equity instruments that are valued based on discounted cash flow models, we have evaluated whether the valuation models and used valuation techniques matched with the models generally accepted in the market by comparing them with market standards. We evaluated the reasonableness of the inputs used in the valuation models, which mainly consist of forward-looking information on expected cash flows from energy production and future energy prices, and compared them to historical performance and observable market data. Furthermore, we evaluated the contractual data inputs in the model with underlying source information. We evaluated the valuation model with support of our valuation experts. No material differences were noted.

For the fund-of-fund investments, we evaluated the valuation by obtaining relevant information on the subscription prices of these investments and evaluated the valuation based on the latest available financial reports, such as monthly NAV statements, from the underlying Alternative Investment Fund Manager. No material differences were noted.

Key audit matter

How our audit addressed the matter

For debt instruments we assessed whether the valuation model used was in line with generally accepted market models. We assessed the projected cash flows and input parameters based on a sample and tested the automated control that calculates the net present value. Furthermore, we evaluated whether there was an indication of impairment by assessing whether there were overdue amounts or covenant breaches. No material differences were noted.

We confirmed the existence of all equity- and debt instruments by sending and receiving confirmations from the counterparties and the Depository, independent of the Alternative Investment Fund Manager. No material differences were noted.

We also assessed whether the explanatory notes of the equity- and debt instruments, as included in the financial statements of the Fund and sub-funds, are adequate and satisfactory and give the correct information on the nature and the financial results. Moreover, we have also assessed whether the risk profiles of the investments are in compliance with the prospectus. No material differences were noted.

Based on the procedures as set out above we found the valuation of investments to be appropriate.

Accuracy and completeness of direct and indirect results from investments in debt instruments and equity instruments.

The direct and indirect results from investments is included in the profit and loss account and are based on the accounting principles of the financial statements are accounted for in accordance with the accounting policies as detailed in paragraph 'Accounting principles for the determination of the result'

The accuracy and completeness of the direct and indirect results from investments in debt and equity instruments are a key audit matter, as revenue recognition is an important element for the assessment of the performance of the Fund. The Dutch auditing standards assume an inherent risk in the accuracy and completeness of revenue recognition given the possible pressure the Alternative Investment Fund Manager may perceive to realise a sufficient return on the Fund's net assets.

We obtained audit evidence with regards to the design, the existence and the operating effectiveness of the internal control measures from the Alternative Investment Fund Manager, by our review of the ISAE 3402 type 2 of TIM. Kindly refer for more details on our audit procedures to paragraph 'The scope of the audit'. We concluded that, to the extent relevant to the purpose of our audit, we could rely on these control measures.

In conjunction with our procedures to obtain comfort from the control measures, we have also performed substantive audit procedures on the direct as well as the indirect income of investments.

For the evaluation of the accuracy and completeness of the direct investment income, we performed sample testing on the reported dividend income and interest income, which we reconciled to the dividend income and interest income as received on the bank account of the Fund as well as our recalculation. The completeness of the interest income was tested by establishing whether the reported interest income matched our expectations based on recalculation of the interest on the issued debt instruments. The completeness of the dividend income was determined by establishing that for the equity instruments in which the Fund holds shares, the amounts mentioned in the dividend resolutions of the investees are reported in the profit and loss account. No material differences were noted.

Key audit matter

The total income from debt instruments and equity instruments of the Fund in 2023 is - €14,087,024 (2022: €44,693,756) consist of the following amounts: the direct results of €15,785,622 (2022: €8,277,476) and the indirect result of investments split between realised value changes for equity instruments €12,516,525 (2022: €5,325,251) and debt instruments €590,695 (2022: €121,373) and unrealised value for equity instruments - €39,605,089 (2022: €31,727,667) and debt instruments - €2,922,862 (2022: - €1,050,390).

Direct results consist of interest income on debt instruments and dividend income on equity instruments. Indirect income consists of realised and unrealised result on the value of investments.

How our audit addressed the matter

We tested the unrealised value changes of the debt and equity instruments through our test work of the valuation of the investments as at 31 December 2023. For further explanation of the audit of the valuation of the investment, see the previous key audit matter 'Existence and valuation of investments'. Moreover, through a total reconciliation of the movements of the investments during the year, we determined that all indirect investment income was accurately and completely reported. No material differences were noted.

For the realised value changes, we assessed the investments and divestments by sample testing, whereby the recognised investments and divestments are reconciled with underlying source documentation and changes in the bank account. The realised value changes have been recalculated. No material differences emerged from this.

Based on the procedures as set out above we found the accounting of the direct and indirect income to be appropriate.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the management report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

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

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The Alternative Investment Fund Manager is responsible for the preparation of the other information, including the management report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

At the date of incorporation of the fund on 21 November 2019 we were appointed as auditors of Triodos Impact Strategies II N.V. by the supervisory board for the financial years 2021-2023. This followed the passing of a resolution by the shareholders at the annual general meeting held on 11 June 2021. Our appointment now represents a total period of uninterrupted engagement of four years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Fund, for the period to which our statutory audit relates, are disclosed in note 22 to the financial statements of TETEF and TFTEF.

Responsibilities for the financial statements and the audit**Responsibilities of the Alternative Investment Fund Manager and the supervisory board for the financial statements**

The Alternative Investment Fund Manager is responsible for:

- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Alternative Investment Fund Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Alternative Investment Fund Manager is responsible for assessing the Fund's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Fund's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Fund's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 30 April 2024

PricewaterhouseCoopers Accountants N.V.

Original has been signed by drs. M.P.A. Corver RA

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Appendix to our auditor's report on the financial statements 2023 of Triodos Impact Strategies II N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

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

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sustainability annex

Triodos Energy Transition Europe Fund

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph of Regulation (EU) 2020/852

Product name: Triodos Energy Transition Europe Fund
Legal entity identifier: 549300DYDG9SKNMU7807

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 81.2%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics while it did not have as its objective a sustainable investment, it had a proportion of __ % of sustainable investments
<input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective: __ %	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The overall objective of Triodos Energy Transition Europe Fund is to offer investors an environmentally sound investment in companies that accelerate the energy transition with the prospect of an attractive financial return combined with the opportunity for the investors to make a pro-active, measurable, and lasting contribution to reduction of CO₂ emissions.

The sustainable investment objectives of the sub-fund are:

Increase proportion of zero emission energy

By investing projects and companies that enable, construct, and operate renewable projects (grid connected wind, solar and hydro), to replace fossil fuels. The following impact indicators are used to measure, monitor and report its sustainability performance.

- Tonnes of CO₂ emissions avoided
- Gigawatt hours (GWh) production
- Number of households equivalents
- Megawatt peak (MW) generating capacity under development, under construction, and in operation

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Enable a 24/7 reliable zero emission energy system

By investing in projects that manage the mismatch between the demand and delivery of sustainable energy (e.g., storage), the sub-fund contributes to a reliable zero-emission energy system. The following impact indicators are used to measure, monitor, and report sustainability performance of the sub-fund related to this impact goal.

- Number of production locations (measured through grid connections)
- Megawatt peak (MW) storage capacity under development, under construction, and in operation.

Support entrepreneurs to accelerate the energy transition

To advance innovators in the energy transition and build structural partnerships with investees to promote sustainable project development.

- % invested with partners of existing portfolio

During the reported period, the sub-fund invested in projects and portfolios in different stages (construction and development). There were no new investments in operational assets. Nevertheless, there were incremental disbursements to operational projects such as the UK-based windfarm Fenpower and the Belgian solar plant GFS Veurne. One project, Giga Buffalo, reached its Commercial Operation Date (COD) on 4 of January 2023. The Zuidbroek battery commenced from development to construction phase. The sub-fund also divested two operational solar assets in Spain. These divestments in combination with little investments in energy generating assets, resulted in a stagnation of growth in generating capacity owned by the sub-fund. The sub-fund mainly invested to increase future generating capacity and to enable a reliable energy system by increasing its storage capacity. Storage capacity fosters the reliability of the grid and is pivotal in managing mismatches between demand and supply.

Overall, we can conclude that the sustainable investment objectives of the sub-fund over 2023 are met with the investments in future capacity and several storage assets. More information on the sustainability indicators can be found in the next section.

How did the sustainability indicators perform?

The impact indicators CO₂ emissions avoided, and household equivalents are measured according to the PCAF (Partnership for Carbon Accounting Financials) methodology. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas emissions associated with their loans and investments. The core principle of the PCAF methodology is to attribute emissions proportionally to the fraction of capital structure financing provided by the project. The financed emissions from a single project are calculated by multiplying the attribution factor by the emissions of the respective project. More information regarding the PCAF methodology can be found on: www.carbonaccountingfinancials.com.

Triodos Energy Transition Europe Fund invests in various projects and companies that contributes to the impact indicators. Since the sub-fund is not the sole investor in a certain project/company only a portion is attributable to the sub-fund. Therefore, there is a distinction made in the next section between contribution and attribution.

The sustainability indicators over 2023 are based on a broken financial year (i.e. 30 September 2022 to 30 September 2023).

Indicator	2023****		2022*	
Increase zero-emission energy system	Contributed	Attributed	Contributed	Attributed
CO ₂ avoided (Tonnes)	170,529	38,094	176,643	40,103
Energy production (MWh)	465,113	99,667	473,693	94,151
Household equivalents (#)	142,285	28,793	147,896	28,502
Generating Capacity per phase (MW)				
Operational	398.4		349.2	
Construction	31.6		80.0**	
Development	149.8		51.0	
Enable a 24/7 reliable zero emission energy system	Contributed	Attributed	Contributed	Attributed
Production locations (#)	136		157	
Storage Capacity per phase (MW)				
Operational	44.0		37.0***	
Construction	10.6		0.0	
Development	6.0		17.6	
Enable a 24/7 reliable zero emission energy system				
Invested with partners (% of portfolio)	61%		66%	
Taxonomy alignment (% of portfolio)	78.1%		88.2%	

* Indirect investments (fund-of-fund) reported separately

** Includes 48MW for Zuidbroek whilst asset became operational in October 2022

*** Includes Giga Buffalo with commercial operation date 04-01-2023

**** Broken financial year (30-9-2022 to 30-9-2023). Indirect investments (fund-of-fund reported separately)

Tonnes of CO₂ emission avoided

The sub-fund contributed to the avoidance of 170,529 tonnes of CO₂ emissions through direct investments. (2022: 176,643 tonnes). This amounts to 38,094 tonnes attributable to the sub-fund (2022: 40,103 tonnes). Through one of the sub-funds' indirect fund-of-fund investments, the sub-fund contributed to the avoidance of another 397,571 tonnes of CO₂, of which 2,429 tonnes can be attributed. Compared to 2022 there is a decrease in tonnes of CO₂ avoided due to the divestment of two operational assets (i.e. Lucentum and Carpio) and downward revised emission factors.

The indicator 'tonnes of CO₂ avoided' is calculated by multiplying an assets' energy production with an emission factor. The emission factor varies between countries, as it is determined by the type of energy facility that is next in line to be economically outcompeted and supplanted by renewable energy sources. Consequently, these emission factors will be higher in countries where the proportion of zero-emission energy in the total energy mix is low.

Megawatt hours (MWh) production

The sub-fund contributed to 465,113 MWh of zero emission energy (2022: 473,693 MWh) of which 99,667 MWh is attributable to the sub-fund (2022: 94,151 MWh). Compared to 2022, the total contributed production decreased whilst attributed production increased implying that attribution factors have gone up i.e., the sub-fund owns a larger portion of the producing assets. Through the sub-fund indirect investment, it contributed to another 851,500 MWh production of which 3,607 MWh can be attributed. 1 Gigawatt hours (GWh) equals 1000 MWh.

Number of households equivalents

The energy production contributed to the sub-fund equals the annual energy demand of 142,285 (2022: 147,896) households based on the annual average electricity usage per

household per country as published by the World Energy Council (WEC). In total, the energy demand of 28,793 households is serviced by the portion of the production attributable to the sub-fund (in 2022: 28,502 households). Through the sub-funds indirect investment, it contributed to servicing demand of another 274,277 households of which 1,166 households demand was directly enabled by the sub-fund's investment.

MW under development, under construction, and in operation

Besides contributing to today's renewable energy capacity, the sub-fund aims to increase future generation capacity by investing in projects that need to be developed or that are under construction. These projects do not yet contribute to the actual production or emission avoidance. As these projects will play a significant role in the energy transition and ensure sufficient zero-emission energy generation capacity in the future, the sub-fund aims to invest in these early-stage projects too. In 2023 the sub-fund contributed to 398.4 MW in operation (2022: 349.2 MW), 31.6 MW under construction (2022: 80.0 MW), and 149.8 MW in development (2022: 51.0 MW). Besides the capacity reflected below, the sub-fund also invests in a Denmark based wind developer with a portfolio of development projects. It aims to develop a portfolio of 1,812MW over three countries and has 6MW operational capacity in Poland.

Project stage	Contributed generating capacity MWp	
	2023	2022
Operational	398.4	349.2
Construction	31.6	80.0
Development	149.8	51.0
Total	579.8	480.2

Number of production locations (measured through grid connections)

In 2023, the sub-fund invested in 136 different production locations when measured by number of grid-connections (2022: 157 production locations). For Einhundert Solar, one of the investments, the number of locations is not measured through grid connection but by the number of buildings on which their Photovoltaic (PV) and Combined Heat & Power (CHP) systems are installed. As at 30 November 2023, they provided 743 buildings with their systems (31 December 2022: 541 buildings). Einhundert Solar has been successfully exited in December 2023. The overall decrease in production locations is mainly due to the two divestments.

Through its indirect investment in one of the funds the sub-fund contributes to another 149 production locations measured by number of direct grid connections comprising both grid-connected and off-grid off-takers.

Storage capacity under development, under construction and in operation

Investing in storage projects facilitates matching supply and demand on the energy market. Electricity must be available on demand. Storing energy and dispatching it when demanded, increases the availability of zero-emission energy. In 2023 the sub-fund contributed to 44 MW operational storage capacity, 10.6 MW capacity under construction and 6 MW capacity in development. As per 31 December 2022 this amounted to 37 MW in operation, 0 MW under construction and 17.6 MW in development.

Based on these figures an increase can be observed in the sub-funds contribution to (future) storage capacity compared to the end of previous year (60.6 MW vs 54.6 MW). The 6 MW increase relates to the investment in Giga Zoo I, the holding company of two project that were last year already part of the portfolio Giga Rhino and Giga Buffalo and the newly added development project Giga Giraffe (6MW).

Project stage	Contributed generating capacity MWp	
	2023	2022
Operational	44.0	37.0
Construction	10.6	0
Development	6.0	17.6
Total	60.6	54.6

% Invested with partners of existing portfolio

To advance innovators in the energy transition and build structural partnerships with investees to promote sustainable project development the sub-fund invests in assets that are developed by the same party. If two or more assets are developed by the same party, this party is considered a partner. In 2023 61% of the portfolio has been invested with partners (31 December 2022: 66%). The decrease mainly relates to valuation changes and not to a lower amount of investments with partners.

Overall, the impact indicators are in line with the sub-fund's sustainable investment objectives. The performance of the impact indicators is a consequence of the investment strategy of Triodos Energy Transition Europe Fund and not a result of targeting specific indicator results. The data used to calculate the performance of the sustainability indicators is derived by the AIFM from investee companies directly and/or via data providers and have not been subject to an assurance by an auditor or a review by a third party.

...and compared to previous periods?

Compared to previous year, the impact indicators provide different output. Several factors can influence an increase or decrease in one of the indicators tracked. For 'CO₂ emissions avoided' these factors are the emission factor and the energy production. For the attributed emissions avoided, also the attribution factor influences movements in the data measured. Both contributed as well as attributed CO₂ emissions avoided have decreased as both contributed production as well as emission factors are down compared to last year.

Contributed production decreased compared to previous year from 176,643 to 170,529 MWh. The decrease is driven by the sale of two operational Spanish assets, shorter average sunlight hours in the UK, the underperformance of one wind asset and metering issues at one of the turbines in Ireland causing a gap in production data for September 2023. Nevertheless, attributed production increased as attribution factors are higher. Equity on the balance sheets of the investees increased because 2022 was a successful year with power prices reaching all-time highs. This resulted in higher attribution factors. The indicator '*# of households provided with clean energy*' is an equivalent of the production data i.e., in contributed terms a decrease can be observed while the attributed figure shows a slight increase. Both operational generation capacity and generation capacity in development increased. Operational capacity increased as the COD date of one of the operational assets was in November 2022, however, this asset was administered as 'under construction' previous year. Further, two operational Spanish assets were divested. This decrease in generating capacity was completely offset by the operational generating capacity added through German the rooftop portfolios. Generating capacity in development mostly increased through an investment in an Irish wind developer.

The amount of production locations decreased compared to previous year. This relates to an administrative error wherein different turbines with one grid-connection were separately counted last year. The divestment of the two Spanish assets also contributed to the decrease whilst the added projects are mostly in development and still awaiting a grid-connection. Storage capacity under construction increased as the Zuidbroek battery commenced from the development phase to the construction phase. Both the Iwell battery and the Giga Buffalo battery are in operational. The storage capacity in development relates to Giga Giraffe, a battery financed through the Giga Zoo holding company.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

Throughout 2023, the sub-fund's investments have been monitored on their negative impact to any sustainable investment objective.

To select only those investments that do not cause significant harm to any environmental or social sustainable investment objective, every (new) investment has been assessed on its compliance with the Triodos Bank Minimum Standards. If an investee is found to cause significant harm to any of those standards, it is not eligible for investment, or following investment, the AIFM engages with the investee to remediate the issue or assesses whether divestment is required. The Triodos Bank Minimum Standards, that are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, also sets minimum standards for employee relations, remuneration, taxes and other corporate governance topics that investees must meet in order to be eligible for investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

With the introduction of the SFDR Delegated Regulation as from 1 January 2023, principal adverse impact indicators (PAIs) have been introduced to establish standards for reporting on principal adverse impacts, and all applicable PAIs will be considered in the investment process as from 1 January 2023.

In 2023, all investments of the sub-fund were screened against the Triodos Bank Minimum Standards to avoid or reduce negative impact when investing (negative screening). Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The data for the negative screening is collected either directly from the investee, a third-party expert, or on information from public sources. In case information is not (yet) available or not feasible to obtain, the AIFM uses proxy indicators supplied by reputable institutions.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

All investments made in 2023 were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Prior to being selected for investment and for the entire duration of the investment, (potential) Investees are screened in line with the Triodos Bank Minimum Standards that sets out the products, processes, and activities that the AIFM excludes from investments. The Triodos Bank Minimum Standards cover the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Such due diligence screening takes place according to the Triodos Investment Management B.V. Due Diligence Policy and includes both desk research and, where applicable, on-site due diligence. An integral part of this process constitutes the assessment of governance, employee relations, customer treatment, tax arrangements and sustainability risks, as well as checks of policies and mechanisms to ensure alignment with the above-mentioned standards depending on the nature of the investment in question. Should a breach take place after investing, the AIFM engages with the investee to remediate the breach or assesses whether divestment is required.

The list includes the investments constituting **the greatest proportion of investments** of the financial during the reference period which is: 2023



How did this financial product consider principal adverse impacts on sustainability factors?

As of 1 January 2023, the investment process takes into account all relevant legally required indicators for adverse impact on sustainability factors.

A selection of PAI indicators considered to be most material for the sub-fund are the mandatory PAI indicators '7. Activities negatively affecting biodiversity sensitive areas', and '9. Hazardous waste ratio.' These two PAI indicators are monitored going forward and assessed on an annual basis at sub-fund level. The analysis as well as trends are discussed in the sub-fund's Impact Financial Risk Committee, which amongst others reviews and monitors financial risks (including sustainability risks). Based on the analysis and discussion, the AIFM may develop specific targets, actions and engagement topics to be set for the sub-fund.

In 2023, all investments of the sub-fund were screened against the Triodos Bank Minimum Standards to avoid or reduce negative impact when investing (negative screening). On a fund level, no exceptions are allowed, which means that 100% of the investment portfolio complies with the Triodos Bank Minimum Standards.



What were the top investments of this financial product?

NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities.

10 Largest investments	Sector – (NACE 5)	% Assets	Country
Silvius Sun nv	Alternative and renewable sources of energy: solar	5.08%	Belgium
Windpark Roggeplaat bv	Alternative and renewable sources of energy: wind - onshore	4.76%	Netherlands
Giga Zoo I bv	N.A. storage	4.39%	Netherlands
Windpark Neeltje Jans 2 bv	Alternative and renewable sources of energy: wind - onshore	3.81%	Netherlands
Zuidbroek Energie Holding bv	Alternative and renewable sources of energy: solar & N.A. storage	3.76%	Netherlands
Construction Equity Fund U.A.	Trusts, funds and similar financial entities	3.49%	Netherlands*
Einhundert Solar gmbh	Electrical installation	3.43%	Germany
Energiepark Duurkenakker Holding B.V.	Alternative and renewable sources of energy: solar	3.32%	Netherlands
Windspace A/S	Alternative and renewable sources of energy: wind - onshore	3.23%	Denmark*
GFS Veurne bvba	Alternative and renewable sources of energy: solar	2.57%	Belgium

* Country of registration

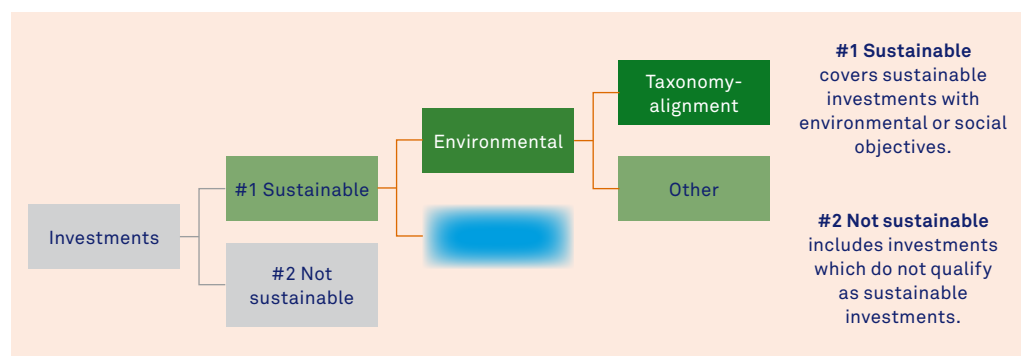
** Zuidbroek develops a battery next to its' solar park. the sub-fund participates in both.

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

What was the asset allocation?



The sub-fund invests at least 75% of its net assets in sustainable investments. The remaining (maximum 25%) will be cash or cash equivalents held as ancillary liquidity purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments.

As per 31 December 2023, 81.2% of the net assets of the sub-fund were invested in sustainable investments (31 December 2022: 88.9%). Considering investments only, 100% of the investments of the sub-fund are sustainable investments as per 31 December 2023.

In which economic sectors were the investments made?

Several new and incremental disbursements were done over the year 2023.

The investments have been done across sectors related to:

- Alternative and renewable sources of energy: wind – onshore
- Alternative and renewable sources of energy: solar
- Data processing, hosting and related activities
- Engineering activities and related technical consultancy
- Trusts, funds and similar financial entities

All the underlying assets are deemed sustainable with an environmental objective. The assets in the sector '*Engineering activities and related technical consultancy*' all relate to battery storage projects. The investment in '*Data processing, hosting and related activities*' relates to a fund investment in a fund that focusses on data and software solutions supporting management, measurement, and monitoring in the sustainable energy sector. The investment in '*Trusts, funds and similar financial entities*' relates to the sub-funds investment in a climate fund which' underlying assets consist of solar and wind projects.

Please find below a breakdown of the NACE 5 sectors in which the sub-fund invested over 2023.

Sector	% of NAV
Alternative and renewable sources of energy: wind – onshore	34.6%
Alternative and renewable sources of energy: solar	22.5%
N.A. storage**	11.0%
Trusts, funds and similar financial entities	6.5%
Electrical Installation	6.6%

** Storage does not have a NACE code yet.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The investments of the sub-fund contribute to climate change mitigation by investing in proven technologies in the following clean energy segments:

- Wind power
- Hydropower (small and medium run-of-the-river)
- Solar PV
- Electrification
- Other more innovative technologies, including but not limited to, energy storage and energy efficiency

The taxonomy-alignment assessment forms integral part of the investment process. As per 31 December 2023, 78.1% of the investments were taxonomy aligned (31 December 2022: 88.2%). The Delegated Regulation also requires disclosure of taxonomy-aligned investments including any investment in sovereign bonds. The sub-fund did not have any sovereign exposures in the reporting period.

Please note that the percentage of taxonomy aligned investments is given as percentage of the net asset value and therefore includes the sub-fund's cash and cash equivalents. As the sub-fund's cash and cash equivalents (and derivatives) are per definition not taxonomy aligned and fluctuate over time, a conservative minimum has been implemented in the prospectus to avoid breaches.

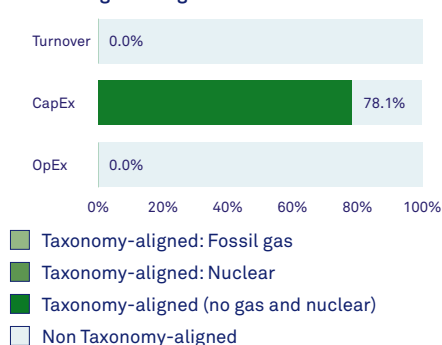
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹

- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy

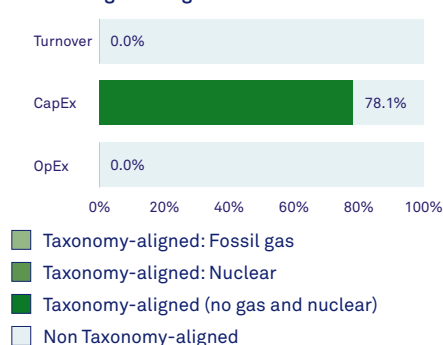
☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



1. Taxonomy-alignment of investments excluding sovereign bonds*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What was the share of investments made in transitional and enabling activities?

In 2023 Triodos Energy Transition Europe Fund invested EUR 33.5 million or 20.2% of its assets in enabling activities (31 December 2022: 20.5 million or 11%). Most assets in this category are battery storage projects.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

The percentage investments aligned with the EU Taxonomy decreased compared to previous year but is still above the minimum limit of 75%. The decrease, mainly relates to the increased cash position which is the result of divestments and repayments. Another contributor is the revaluation of certain assets and the investment in the SET IV fund, which is currently not taxonomy aligned. It is expected that this will change in the near future.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 3.0% as at 31 December 2023 (31 December 2022: 11.8%). The sub-fund does not target on the percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

All investments are contributing primarily to an environmental objective. Thus, 0% of the sustainable investments of the sub-fund contribute to a social objective.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Although the sub-fund does not plan to have other investments than sustainable investments, it can hold cash and liquid assets as ancillary liquidity as well as currency derivatives. These assets did not affect the delivery of the sustainable investment objectives of the sub-fund on a continuous basis. Firstly, they were used – in limited proportion – to support the proper liquidity and risk management of the sub-fund. The sub-fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the sub-fund. Secondly, the AIFM regularly assessed whether the counterparties for these assets complied with the four pillars of the UN Global Compact, using data from a third-party provider. UN Global Compact is a principle-based framework that calls on companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the AIFM assessed its counterparties' policies and sustainability performance. All investments of the sub-fund attain the sustainable investment objective of the sub-fund except for cash, cash equivalents, and currency derivatives supporting a proper liquidity and risk management of the sub-fund. The sub-fund retained sufficient buffers in the form of cash or cash equivalents to allow for redemption requests, given

the relatively illiquid nature of the investments in the sub-fund. Counterparties for cash, cash equivalents and hedging counterparties were assessed on a regular basis. A so-called Norms Based Research report developed by ISS ESG, a reputable third-party data provider, was used to assess whether its counterparties comply with the four pillars of the UN Global Compact. UN Global Compact is a principle-based framework that calls on companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the Corporate Rating report developed by ISS ESG is used to assess the policies and sustainability performance of the counterparties.



What actions have been taken to attain the sustainable investment objective during the reference period?

The sub-fund only invests in investees that contribute to the sub-fund's sustainable investment objectives. The AIFM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of the AIFM: besides the provision of financing to its investees, this includes the use of social and environmental action plans and engagement on the progress made by investees.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

Sustainability annex

Triodos Food Transition Europe Fund

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph of Regulation (EU) 2020/852

Product name: Triodos Food Transition Europe Fund

Legal entity identifier: 549300HAKWMESS3R3U42

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 81.7%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics while it did not have as its objective a sustainable investment, it had a proportion of ___ % of sustainable investments
<input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> It made sustainable investments with a social objective: 0%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent was the sustainable investment objective of this financial product met?

Triodos Food Transition Europe Fund mainly invests in the much-needed transition towards ecologically and socially resilient food and agriculture systems. The sub-fund uses an impact framework to formulate its impact objectives in a transparent and concrete way in all stages of the investment process, from deal sourcing and due diligence to execution and portfolio management. The framework illustrates the process from identifying objectives to assessing impact results based on indicators.

The sub-fund has both environmental and social objectives. In particular, the sustainable investment objectives of the sub-fund are:

Restoring balance in our ecosystems

- Turnover in organic food products (EUR)
- Tonnes of resource waste avoided

Promoting a healthier society

- Organic meals served

Supporting a more inclusive and prosperous food value chain

- Number of farmers supported

In 2023, the sub-fund made new investments in JetDrinks (The Netherlands) and KoRo (Germany). JetDrinks is an importer, distributor, producer, specialized wholesaler, and

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

brand owner of environmentally and health-conscious drinks and food products. KoRo is a Berlin-based bulk food and snacking brand focused on transparency and fair prices. During the year, the sub-fund divested from its investments in Beendhi and HARI&CO. Finally, the sub-fund also made follow-on investments in existing portfolio companies Farmy, StadtSalat and Natimpact. The latter investment was to support Natimpact in its acquisition of Base Organic Food, which specializes in the sourcing and creation of a production chain for 100% organic dried fruits, seeds, and cereal. Through these investments, the sub-fund has advanced the availability of sustainably produced food across Europe, underscoring our steadfast dedication to fostering positive environmental and societal impacts in the long term.

Overall, the sub-fund realised the positive sustainable investment outcomes in line with its objectives for 2023. Therefore, it can be concluded that the sustainable investment objectives of the sub-fund over 2023 are met. More information on the sustainability indicators can be found in the next section.

How did the sustainability indicators perform?

It must be noted that the companies are active in different parts of the value chain, from a product developer with a business-to-business approach to a retailer with a business-to-consumer approach. Due to this diversity, reporting on impact at an aggregated fund level is challenging and therefore limited to a small range of indicators reflecting the entire fund portfolio.

Restoring balance in our ecosystems

Metric	2023	2022*
Turnover in organic food products (EUR)	164,984,352	166,735,193
Tonnes of resource waste avoided	1,707	1,304

Promoting a healthier society

Metric	2023	2022*
Organic meals served	7,737,408	9,453,580

Promoting economic and social opportunities

Metric	2023	2022*
Number of farmers supported	2,704	2,513

All figures in the table above reflect contributed data.

* Adjusted baseline to correct for investments that are no longer in portfolio at the end of 2023.

Overall, the impact indicators are in line with the sub-fund's sustainable investment objectives. The performance of the impact indicators is a consequence of the investment strategy of Triodos Food Transition Europe Fund and not a result of targeting specific indicator results. The data used to calculate the performance of the sustainability indicators is derived by the AIFM from investee companies directly and/or via data providers and have not been subject to an assurance by an auditor or a review by a third party.

...and compared to previous periods?

During the reporting period organic food turnover reduced slightly, which reflects the challenging market circumstances that affected the turnover of a few specific investments in the portfolio more strongly than others. Similarly, the portfolio's number of organic meals served, also declined because the economic climate particularly affected the share of the portfolio focused on healthy, organic meals and meal boxes. Nevertheless, the number of famers supported did increase across the portfolio despite the market context, which portrays our ongoing commitment to a fair value chain of sustainably produced food.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Finally, the tonnes of resource waste avoided increased significantly due to improved sales of one specific investee, which increased the number of single use items prevented from entering post-consumer waste stream.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

Throughout 2023, the sub-fund's investments have been monitored on their negative impact to any sustainable investment objective.

To select only those investments that do not cause significant harm to any environmental or social sustainable investment objective, every (new) investment has been assessed on its compliance with the Triodos Bank Minimum Standards. If an Investee is found to cause significant harm to any of those standards, it is not eligible for investment, or following investment, the AIFM engages with the investee to remediate the issue or assesses whether divestment is required. The Triodos Bank Minimum Standards, that are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, also sets minimum standards for employee relations, remuneration, taxes and other corporate governance topics that investees must meet in order to be eligible for investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

With the introduction of the SFDR Delegated Regulation as from 1 January 2023, principal adverse impact indicators (PAIs) have been introduced to establish standards for reporting on principal adverse impacts, and all applicable PAIs will be considered in the investment process as from 1 January 2023.

In 2023, all investments of the sub-fund were screened against the Triodos Bank Minimum Standards to avoid or reduce negative impact when investing (negative screening). Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The data for the negative screening is collected either directly from the investee, a third-party expert, or on information from public sources. In case information is not (yet) available or not feasible to obtain, the AIFM uses proxy indicators supplied by reputable institutions.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

All investments made in 2023 were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Prior to being selected for investment and for the entire duration of the investment, (potential) Investees are screened in line with the Triodos Bank Minimum Standards that sets out the products, processes and activities that the AIFM excludes from investments. The Triodos Bank Minimum Standards cover the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Such due diligence screening takes place according to the Triodos Investment Management B.V. Due Diligence Policy and includes both desk research and, where applicable, on-site due diligence. An integral part of this process constitutes the assessment of governance, employee relations, customer treatment, tax arrangements and sustainability risks, as well as checks of policies and mechanisms to ensure alignment with the above-mentioned standards depending on the nature of the investment in question. Should a breach take place after investing, the AIFM engages with the investee to remediate the breach or assesses whether divestment is required.

The list includes the investments constituting **the greatest proportion of investments** of the financial during the reference period which is: 2023



How did this financial product consider principal adverse impacts on sustainability factors?

As of 1 January 2023, the investment process takes into account all relevant legally required indicators for adverse impact on sustainability factors.

A selection of PAI indicators considered to be most material for the sub-fund are the mandatory PAI indicators '7. Activities negatively affecting biodiversity sensitive areas', and '9. Hazardous waste ratio.' These two PAI indicators are monitored going forward and assessed on an annual basis at sub-fund level. The analysis as well as trends are discussed in the sub-fund's Impact Financial Risk Committee, which amongst others reviews and monitors financial risks (including sustainability risks). Based on the analysis and discussion, the AIFM may develop specific targets, actions and engagement topics to be set for the sub-fund.

In 2023, all investments of the sub-fund were screened against the Triodos Bank Minimum Standards to avoid or reduce negative impact when investing (negative screening). On a fund level, no exceptions are allowed, which means that 100% of the investment portfolio complies with the Triodos Bank Minimum Standards.



What were the top investments of this financial product?

NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities.

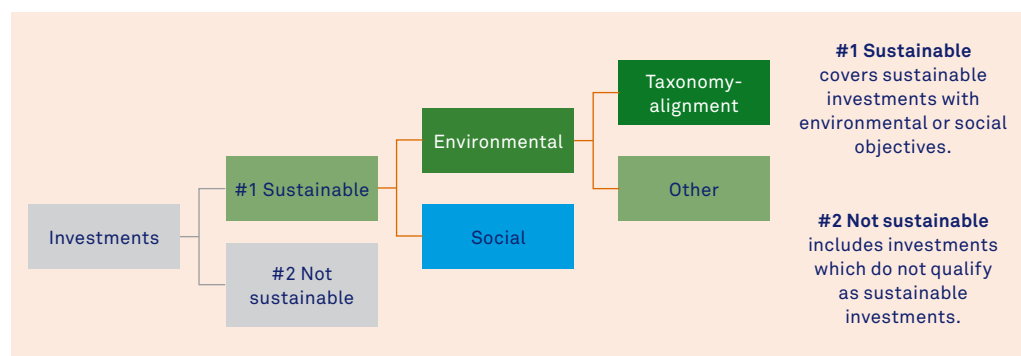
10 Largest investments	Sector – (NACE 5)	% Assets	Country
Aarstiderne A/S	G47.21.00 - Retail sale of fruit and vegetables in specialised stores	17.0%	Denmark
Groupe Natimpact SAS	C10.82.00 - Manufacture of cocoa, chocolate and sugar confectionery K64.20.00 - Activities of holding companies	13.4%	France
KoRo Handels GmbH	G47.21.00 - Retail sale of fruit and vegetables in specialised stores	11.1%	Germany
CrowdFarming SL	G46.31.00 - Wholesale of fruit and vegetables	9.0%	Spain
StadtSalat gmbh	C10.85.00 - Manufacture of prepared meals and dishes	8.3%	Germany
TIPA Corp	N82.92.00 - Packaging activities	7.6%	Israel
SAS Groupe MiiMOSA	K64.99.00 - Other financial service activities, except insurance and pension funding n.e.c.	5.7%	France
JetDrinks BV	G46.34.00 - Wholesale of beverages	3.0%	The Netherlands
Humble Group AB	G46.36.00 - Wholesale of sugar and chocolate and sugar confectionery	2.0%	Sweden
Naturfrisk Group Holding A/S	C11.07.00 - Manufacture of soft drinks; production of mineral waters and other bottled waters	1.9%	Denmark

Asset allocation describes the share of investments in specific assets.



What was the proportion of sustainability-related investments?

What was the asset allocation?



The sub-fund invests at least 75% of its net assets in sustainable investments. The remaining (maximum 25%) will be cash or cash equivalents held as ancillary liquidity purposes. Due to the neutral nature of these investments, they will not qualify as sustainable investments.

As per 31 December 2023, 81.7% of the net assets of the sub-fund were invested in sustainable investments (31 December 2022: 68.0%). Considering investments only, 100% of the investments of the sub-fund are sustainable investments as per 31 December 2023.

In which economic sectors were the investments made?

Several new disbursements were done over the year 2023. The investments have been done across sectors related to:

- Retail sale of fruit and vegetables in specialised stores
- Activities of holding companies
- Wholesale of beverages
- Manufacture of prepared meals and dishes

All the underlying assets are deemed sustainable with an environmental objective.

Please find below a breakdown of the NACE 5 sectors in which the sub-fund invested over 2023.

Sector	% of NAV
Retail sale of fruit and vegetables in specialised stores	10.1%
Manufacture of cocoa, chocolate and sugar confectionery	3.4%
Wholesale of beverages	3.0%
Other retail sale of food in specialised stores	0.9%
Manufacture of prepared meals and dishes	0.3%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Since not all environmental objectives are yet specified in the Taxonomy Regulation it is not possible to ascertain a percentage of investments that are taxonomy aligned, therefore, in accordance with current regulatory discussions 0% taxonomy alignment is presumed until further specification of the objectives becomes available.

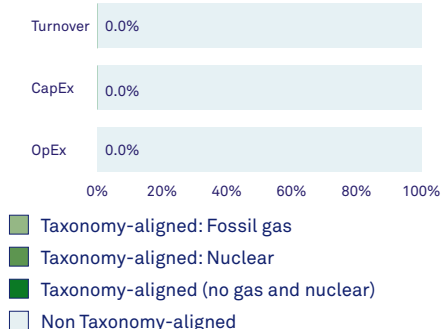
Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?¹

- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy

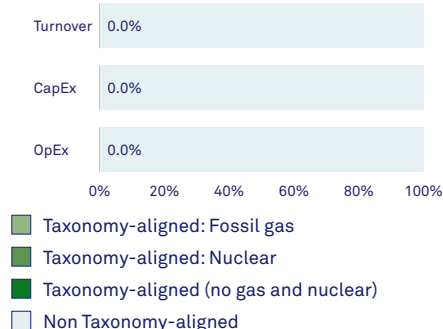
☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*



1. Taxonomy-alignment of investments excluding sovereign bonds*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What was the share of investments made in transitional and enabling activities?

As of 31 December 2023, the sub-fund invested 0% of its investments in enabling activities and 0% in transitional activities.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

The percentage investments aligned with the EU Taxonomy remains 0% since not all environmental objectives are yet specified in the Taxonomy Regulation.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The sub-fund does not target on the percentage of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

Triodos Food Transition Europe Fund primarily aims to make investments that are contributing to an environmental objective and has to a lesser extent a social objective. As per 31 December 2023, 0% of the sustainable investments of the sub-fund contribute to a social objective.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Although the sub-fund does not plan to have other investments than sustainable investments, it can hold cash, cash equivalents, and liquid assets as ancillary liquidity as well as currency derivatives. These assets did not affect the delivery of the sustainable investment objectives of the sub-fund on a continuous basis. Firstly, they were used – in limited proportion – to support the proper liquidity and risk management of the sub-fund. The sub-fund aims to retain sufficient buffers in the form of cash or cash equivalents to allow for redemption requests whilst remaining invested in relatively illiquid investments that contribute to the sustainable investment objectives of the sub-fund. Secondly, the AIFM regularly assessed whether the counterparties for these assets complied with the four pillars of the UN Global Compact, using data from a third-party provider. UN Global Compact is a principle-based framework that calls on companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the AIFM assessed its counterparties’ policies and sustainability performance. All investments of the sub-fund attain the sustainable investment objective of the sub-fund with the exception of cash, cash equivalents, and currency derivatives supporting a proper liquidity and risk management of the sub-fund. The sub-fund retained sufficient buffers in the form of cash and cash equivalents to allow for redemption requests, given the relatively illiquid nature of the investments in the sub-fund. Counterparties for cash and cash equivalents and hedging counterparties were assessed on a regular basis. A so-called Norms Based Research report developed by ISS ESG, a reputable third-party data provider, was used to assess whether its counterparties comply with the four pillars of the UN Global Compact. UN Global Compact is a principle-based framework that calls on companies everywhere to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals. Furthermore, the Corporate Rating report developed by ISS ESG is used to assess the policies and sustainability performance of the counterparties.



What actions have been taken to attain the sustainable investment objective during the reference period?

The sub-fund only invests in investees that contribute to the sub-fund's sustainable investment objectives. The AIFM is an active and involved investor and integrates active stewardship in every aspect of the investment management process to promote sustainable long-term value creation for all its stakeholders and to accelerate sustainable transitions. This includes all efforts of the AIFM: besides the provision of financing to its investees, this includes the use of social and environmental action plans and engagement on the progress made by investees.



How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives.

Annex A: Notes to key figures that cannot be directly derived from the financial statements

The key figures set out in this annual report include figures and percentages that cannot be directly derived from the financial statements. The method of calculating these figures and percentages is explained below.

Illiquid investment ratio at year-end

This ratio is calculated by expressing receivables that are not liquid in the short term in a ratio of the Fund's assets.

Personal details

Reference date: 30 April 2024

Supervisory Board

I. Bussemaker

Ineke Bussemaker is Chair of the Supervisory Board of Triodos Impact Strategies II N.V.. She is also Chair of the Supervisory Board of Triodos Groenfonds and of Triodos Fair Share Fund. Ineke Bussemaker has over thirty years of experience in the banking sector. She worked at five different banks in five countries, alternating between commercial positions, product management, innovation and general management. From 2015-2019 she was CEO and member of the Board of NMB Bank in Tanzania. In February 2020, Ineke Bussemaker was appointed Dean of the Faculty of Business and Economics at Amsterdam University of Applied Sciences.

She has also been a board member of Women's World Banking since 2016. She is also a member of the Supervisory Board of Invest International BV and MasterCard Europe SA. According to the retirement schedule, her first term of office will expire in 2025. Ineke Bussemaker is a Dutch national.

E.F. van Galen

Elfriede van Galen is a founder and partner of TheRockGroup, where she works with a wide range of organisations and industries to embed sustainability in their business strategy, operations and value chains. In addition, Ms. Van Galen is a member of the Supervisory Boards of GVB, Schiphol and Meerlanden, among others. She is also a non-executive board member of SEKEM in Egypt and board member of Stichting Bergplaats. Moreover, she is a member of the Supervisory Boards of Triodos Fair Share Fund and Triodos Groenfonds. According to the retirement schedule, her second term of office will expire in 2027. Elfriede is a Dutch national.

G.H.W. Groener

Gerard Groener has worked at various companies in different positions. He is self-employed since 1 September 2021. Previously, he worked as managing director at Inka Centres, which develops and manages shopping centres worldwide and is a subsidiary of IKEA Group. He also worked at Corio N.V., which merged with Klépierre in 2015. From 2008 to 2015, he was CEO and Chair of the Management Board of Corio NV. Gerard Groener is member of the Supervisory Boards of Triodos Fair Share Fund and Triodos Groenfonds and is board member of various voluntary organisations. According to the retirement schedule, his second term of office will expire in 2026. He is a Dutch national.

Ernst de Klerk

Ernst de Klerk is a partner at AF Advisors, a consultancy firm in the asset management sector, where he is responsible for the regulatory advisory practice and focuses, among other things, on the sustainability regulation. Previously, he was Director of Product Development at Robeco and worked at the AFM. Ernst de Klerk is a fellow at the Institute for Financial Law at Radboud University in Nijmegen, where he obtained his PhD in 2020 on investment fund regulation. In addition, he is a speaker at various seminars on sustainability regulations and regularly publishes on topics such as sustainability regulations and financial law. Ernst de Klerk is also member of the Supervisory Boards of Triodos Fair Share Fund and Triodos Groenfonds. According to the retirement schedule, his first term of office will expire in 2027. Ernst de Klerk is a Dutch national.

Gerard Roelofs

Gerard Roelofs is co-founder of Impact Orange Partners, which focuses on advice and monitoring of impact and sustainability for institutional investors and family offices. Prior to this, he held board positions at Van Landschot Kempen (Kempen Capital Management), NN Investment Partners and Willis Towers Watson, among others. Gerard Roelofs holds various positions, such as member of the Supervisory Board of Sustainable Capital Group and Lestrade, and board member of the Netherlands Investment Management Forum. He is also a member of the investment committees of Pensionfund 'Hoogovens' and Kaya Capital Family Office. Gerard Roelofs is also member of the Supervisory Boards of Triodos Fair Share Fund and Triodos Groenfonds. According to the retirement schedule, his first term of office will expire in 2027. Gerard Roelofs is a Dutch national.

Fund managers

Sonja de Ruiter

Sonja de Ruiter is ad interim fund manager of Triodos Energy Transition Europe Fund as from 1 February 2024. Sonja joined Triodos Investment Management B.V. in May 2019 and leads the investment team since 2020. Previously, she worked at ING in the energy sector in field of corporate and project finance. Sonja holds a master's degree in international economics from the University of Groningen. She is a Dutch national.

Adam Kybird

Adam Kybird is the fund manager of Triodos Food Transition Europe Fund per 1 February 2023. Adam joined Triodos Investment Management B.V. in 2020 as Senior Investment Manager coming from the Young Foundation where he led venture investments in education. Prior

to that he worked at Bridges Fund Management, KPMG Strategy Group and at the Clinton Foundation- HIV/AIDS Initiative in Liberia and Indonesia. Adam holds a degree in Philosophy, Politics and Economics from the university of Oxford and a Corporate Finance qualification from the London Business School. He is a British national.

Management Board

Triodos Renewable Energy Fund and Triodos Food Transition Europe Fund are managed by Triodos Investment Management B.V. The Management Board of Triodos Investment Management B.V. consists of:

D.J. van Ommeren

Dick van Ommeren is a Managing Director of Triodos Investment Management B.V. since 1 February 2016 and Chair since 1 November 2021. In addition, Dick van Ommeren is a member of the Board of Stichting Hivos-Triodos Fonds, a member of the Board of Directors of Triodos SICAV I, a member of the Board of Directors of Triodos SICAV II. Dick van Ommeren is a Dutch national.

H. Kuiper

Hadewych Kuiper is a Managing Director of Triodos Investment Management B.V. since 1 February 2022. Within the Management Board, Hadewych is responsible for Triodos Investment Management B.V.'s investment activities. In addition, Hadewych is a member of the Board of Directors of Stichting Netherlands Advisory Board on impact investing (NAB). Hadewych Kuiper is a Dutch national.

K. Bosscher

Kor Bosscher is Managing Director Finance, Risk & Operations of Triodos Investment Management B.V. since 1 March 2018. In addition, Kor is member of the Supervisory Board of Woningcorporatie De Sleutels. Kor Bosscher is a Dutch national.

Triodos Impact Strategies II N.V.
Annual Report 2023

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please contact Triodos Investment Management B.V.
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www.triodos-im.com.