Lendable MSME Fintech Credit Fund II.

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental, social and governance (ESG) assessment performed, potential risks identified, and related mitigation measures to be implemented.

Transaction description

This transaction consists of an added commitment of up to USD 40M credit-insured senior debt from FinDev Canada to Lendable MSME Fintech Credit Fund II (LMFCF II or the Fund), following a previous USD 15M bilateral senior loan agreement and a USD 7M subscription to LMFCF II. LMFCF II is a 7-year debt fund with a current size of USD 255M. This transaction contributes to inclusive economic growth and development in emerging markets, including in Least Developed Countries (LDCs). The Fund provides tailored debt financing and capacity building to borrowers (primarily fintechs), enabling them to expand their reach to enterprises and individuals underserved by traditional banking services. The Fund promotes innovation in the financial sector for increased access to capital by fintechs, while advancing gender equality through its 2X commitment.

Transaction details

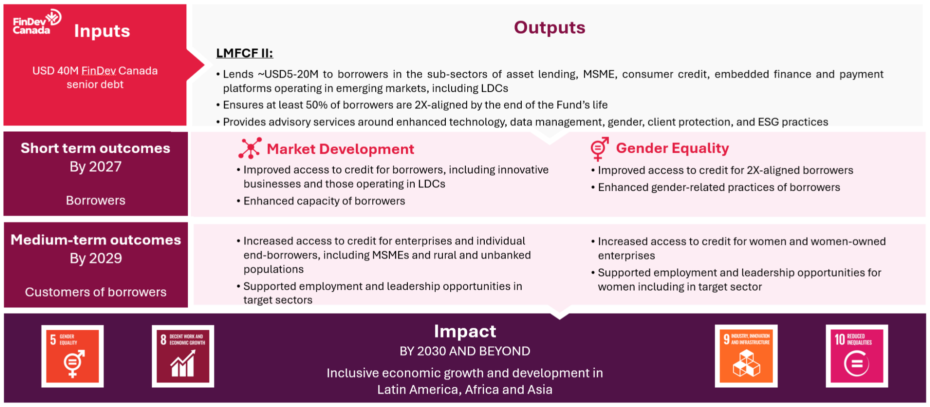
COUNTERPARTY	Lendable MSME Fintech Credit Fund II SCSp, SICAV-RAIF Dynolabs Asset Management Limited ("Investment Advisor")
DOMICILE OF INCORPORATION	Lendable - United Kingdom.
COUNTRY(IES) OF OPERATIONS	Latin America, Africa and the Asia-Pacific region
TERM OF FINANCING	7 years
SECTOR	Financial Industry
E&S CATEGORY	FI-3
FINANCING PRODUCT	Debt
FINDEV CANADA TRANSACTION AMOUNT	USD 40M
DATE OF TRANSACTION DISCLOSURE	27/02/2026
DATE OF TRANSACTION SIGNING	27/05/2026

DATE OF TRANSACTION SUMMARY PUBLICATION	13/08/2026
2X ALIGNMENT	Yes, under the Employment and Portfolio criteria

Summary of anticipated development impacts

The development impact value proposition of the transaction is to contribute to inclusive economic growth and development in emerging markets, including in LDCs. LMFCF II provides tailored debt financing and capacity building to financial technology (fintech) companies, enabling them to expand their reach to enterprises and individuals underserved by traditional banking services. The Fund promotes innovation in the financial sector for increased access to capital by fintechs, while advancing gender equality in financial technology through its 2X commitment.

The impact theory of change summarizes how LMFCF II will contribute to FinDev Canada's development impact goals and the Sustainable Development Goals (SDGs).



MARKET DEVELOPMENT

- **Improve access to finance:** LMFCF II will provide tailored debt and advisory services to borrowers, enabling them to expand financial access for MSMEs, rural communities, and unbanked populations, including in LDCs. Fintech solutions, which are more adaptable than traditional banking, are in high demand across emerging markets and have the potential to close the MSME financing gap. LMFCF II is expected to contribute to financial inclusion and local economic development.

GENDER EQUALITY

- **Increase access to finance for 2X-aligned borrowers:** LMFCF II aims to ensure that at least 50% of its portfolio companies meet 2X Criteria by the end of its life. LMFCF II is expected to invest in companies that advance decent work and leadership opportunities for women. The transaction is also 2X aligned under the Employment criterion, with women representing over 40% of staff.

- **Enhance gender related practices of borrowers:** LMFCF II will integrate gender assessments into its due diligence process. This will involve defining gender action plans and/or providing gender TA support.

Summary of Environmental and Social assessment and related risk mitigation measures

The E&S risks associated with this transaction stem from the individual fintech companies financed through LMFCF II. Most of the proposed portfolio involves business activities with minimal environmental impact, but carries potential social risks related to client protection for vulnerable borrowers. These risks are diverse in nature and require ongoing assessment through a structured E&S risk management framework. LMFCF II is an existing FinDev Canada client, and the E&S risk profile for this follow-on transaction remains unchanged.

The E&S risks of this transaction are considered limited and continue to be mitigated by the Fund's Environmental and Social Management System (ESMS), aligned with IFC Performance Standard 1, and corporate Human Resources Policies aligned with IFC Performance Standard 2. Additional mitigants include the Investment Advisor's commitment to align its due diligence processes with the CERISE+SPTF Client Protection Pathway (CPP) and to require borrowers to achieve CPP certification. Data privacy safeguards are also addressed through compliance with UK General Data Protection Regulations and the Investment Advisor's Information Security Policy.

As part of due diligence, FinDev Canada confirmed that the information and systems reviewed under the first LMFCF II transaction continued to be effectively implemented. Opportunities for enhancements previously identified are being advanced through the improvements of the Investment Advisor's E&S and client protection assessment procedures.

This review was completed in accordance with FinDev Canada's Environmental and Social Policy. An illustrative list of key documents reviewed is outlined below:

•Lendable Fintech Credit Fund Environmental and Social Management System (ESMS) (2021)

•Lendable Responsible Investment Policy (2023)

•Lendable Employee Handbook (2023)

The following IFC Performance Standards were applied in FinDev Canada's assessment, in addition to host country requirements and the IFC Interpretation Note on Financial Intermediaries:

•IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts.

•IFC Performance Standard 2: Labour and Working Conditions.