

DOLMA IMPACT FUND II
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

DOLMA IMPACT FUND II

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DOLMA IMPACT FUND II
CORPORATE INFORMATION

DIRECTORS:	Mrs. Marie Catherine Yow Mook Yuen	Date appointed 19 February 2021
	Mr. Sharwan Kumar Moholee	18 October 2021
	Mr. Ashwin Foogooa	19 February 2021
	Mr. Prem Babu Goyal	10 February 2025
ADMINISTRATOR & SECRETARY:	Tri-Pro Administrators Ltd Level 5, Maeva Tower Bank Street, Cybercity Ebène REPUBLIC OF MAURITIUS	
REGISTERED OFFICE:	c/o Tri-Pro Administrators Ltd Level 5 Maeva Tower Bank Street, Cybercity Ebène REPUBLIC OF MAURITIUS	
INVESTMENT MANAGER:	Dolma Fund Management c/o Tri-Pro Administrators Ltd Bank Street, Cybercity Ebène REPUBLIC OF MAURITIUS	
AUDITOR:	<i>(With effect from 10 October 2024)</i> PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829, Moka REPUBLIC OF MAURITIUS	<i>(Until 9 October 2024)</i> Ernst & Young 6th Floor, Icon Ebene Rue de L'Institut Ebène REPUBLIC OF MAURITIUS
BANKERS:	AfrAsia Bank Limited 3rd Floor, NexTeracom Tower III Ebène REPUBLIC OF MAURITIUS	
	The Mauritius Commercial Bank Ltd 9-15, Sir William Newton Street Port Louis REPUBLIC OF MAURITIUS	

DOLMA IMPACT FUND II
COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their commentary together with the audited financial statements of Dolma Impact Fund II (the “Company”), for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is to operate as a Closed-End Fund and provide an opportunity for investors to invest in vital economic and human development-related sectors in Nepal.

RESULTS AND DIVIDENDS

The results for the period are as shown in the statement of profit or loss and other comprehensive income on page 10.

Dividends amounting to **USD 9,980** have been declared during the year under review (2023: Nil).

DIRECTORS

The present membership of the Board is set out on page 2.

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (“IFRS Accounting Standards”) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

On 10 October 2024, following rotation of auditor, PricewaterhouseCoopers has been appointed as auditor of the Company and a resolution concerning its re-appointment will be proposed at the Annual Meeting of the Shareholders.

DOLMA IMPACT FUND II
CERTIFICATE FROM THE SECRETARY
under Section 166(d) of the Mauritius Companies Act 2001

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2021, for the year ended 31 December 2024.



for **Tri-Pro Administrators Ltd**
Corporate Secretary

Date: 28 March 2025



Independent Auditor's Report

To the Shareholders of
Dolma Impact Fund II
Report on the Audit of the Financial Statements of the Company
standing alone

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Dolma Impact Fund II (the "Company") standing alone as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Dolma Impact Fund II set out on pages 9 to 35 comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss for the year then ended;
- the statement of changes in net assets attributable to class A and class C shareholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

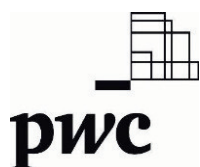
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

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 Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PwC Centre, Avenue de Telfair, Telfair 80829, Moka, Republic of Mauritius
Tel: +230 404 5000, Fax: +230 404 5088, www.pwc.com/mu
Business Registration Number : F07000530



Independent Auditor's Report

To the Shareholders of Dolma Impact Fund II (Continued) Report on the Audit of the Financial Statements of the Company standing alone (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate information, the commentary of the directors and the certificate from the secretary but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

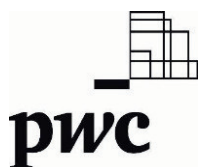
If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.



Independent Auditor's Report

To the Shareholders of
Dolma Impact Fund II (Continued)
Report on the Audit of the Financial Statements of the Company
standing alone (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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 level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control.

Obtain 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 internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Independent Auditor's Report

To the Shareholders of
Dolma Impact Fund II (Continued)
Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company or its subsidiary other than in our capacity as auditor of the Company ;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

DocuSigned by:

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PricewaterhouseCoopers

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Olivier Rey, licensed by FRC

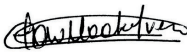
28 March 2025

DOLMA IMPACT FUND II
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		<u>USD</u>	<u>USD</u>
ASSETS			
Financial assets at fair value through profit or loss	4	33,476,655	16,718,705
Receivables and prepayments	5	580,803	90,871
Cash and cash equivalents		1,631,883	537,358
Total assets		35,689,341	17,346,934
LIABILITIES			
Payables and accruals	8	241,194	216,447
Total liabilities excluding net assets attributable to Class A and C shares		241,194	216,447
NET ASSETS		35,448,147	17,130,487
REPRESENTED BY			
Class B share	6	1	1
Net assets attributable to holders of Class A and Class C shares	7	35,448,146	17,130,486
		35,448,147	17,130,487

Approved and authorised for issue by the Board of Directors on **28 March 2025** and signed on its behalf by:


Sharon Kumer MOHOLEE
Director


Catherine YOW MOOK YUEN
Director

The notes on pages 13 to 35 form an integral part of these financial statements.

DOLMA IMPACT FUND II**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
REVENUE			
Dividend income		9,980	-
Net gain on financial assets at fair value through profit or loss	4	2,027,250	22,567
		<u>2,037,230</u>	<u>22,567</u>
EXPENSES			
Management fees	13	1,623,705	2,418,919
Legal and professional fees		42,475	78,151
Administration fees	12	62,868	60,750
Audit fees		30,820	5,145
Licence fees		6,780	6,113
Insurance expense		8,603	7,976
Bank charges		1,565	2,285
Other expenses		2,000	1,803
Foreign exchange loss		43	6
		<u>1,778,859</u>	<u>2,581,148</u>
Gain/(loss) before taxation		258,371	(2,558,581)
Taxation	9	-	-
Gain/(loss) for the year		258,371	(2,558,581)
Other comprehensive income		-	-
Change in net assets attributable to shareholders		258,371	(2,558,581)

The notes on pages 13 to 35 form an integral part of these financial statements.

DOLMA IMPACT FUND II**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CLASS A AND CLASS C SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>Notes</u>	<u>Class A shares USD</u>	<u>Class C shares USD</u>	<u>Total USD</u>
At 01 January 2023		2,278,373	100	2,278,473
<i>Capital transactions:</i>				
Contributions received from shareholders	7	17,410,594	-	17,410,594
<i>Operations:</i>				
Change in net assets attributable to shareholders		(2,558,581)	-	(2,558,581)
At 31 December 2023		17,130,386	100	17,130,486
<i>Capital transactions:</i>				
Contributions from shareholders	7	18,069,269	-	18,069,269
Dividend Distribution		(9,980)	-	(9,980)
<i>Operations:</i>				
Change in net assets attributable to shareholders		258,371	-	258,371
At 31 December 2024		35,448,046	100	35,448,146

The notes on pages 13 to 35 form an integral part of these financial statements

DOLMA IMPACT FUND II
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 USD	Year ended 31 December 2023 USD
Cash flows from operating activities			
Profit/(loss) before taxation		258,371	(2,558,581)
<i>Adjustments for:</i>			
Net gain on financial assets at fair value through profit or loss	4	(2,027,250)	(22,567)
Dividend income		(9,980)	-
Movement in receivables and prepayments		(489,932)	197,907
Movement in payables and accruals		24,747	201,134
Acquisition of investments	4	(14,730,700)	(14,851,990)
<i>Net cash used in operating activities</i>		<u>(16,974,744)</u>	<u>(17,034,097)</u>
Cash flows from financing activities			
Contributions received from shareholders	7	18,069,269	17,410,594
Dividend distribution		(9,980)	-
<i>Net cash from financing activities</i>		<u>18,059,289</u>	<u>17,410,594</u>
Cash flows from investing activities			
Dividend income received		9,980	-
<i>Net cash from investing activities</i>		<u>9,980</u>	<u>-</u>
Net movement in cash and cash equivalents		1,094,525	376,497
Cash and cash equivalents at beginning of the year		537,358	160,861
Cash and cash equivalents at end of the year		<u>1,631,883</u>	<u>537,358</u>
Cash and cash equivalents consist of:			
Cash at bank		<u>1,631,883</u>	<u>537,358</u>

The notes on pages 13 to 35 form an integral part of these financial statements.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. COMPANY PROFILE

Dolma Impact Fund II (the “Company”) was incorporated under the laws of Mauritius on 19 February 2021 as a private limited liability company with limited life. The Company is regulated and licensed by the Financial Services Commission (“FSC”) and holds a Global Business Licence as well as an authorisation from the FSC to act as a closed-ended fund. The Company is classified as a Professional Collective Investment Scheme in accordance with the Securities (Collective Investment Schemes and Closed-end Funds) Regulations, 2008 issued under the Securities Act, 2005 of Mauritius. The term of the Company is 10 years from 06 May 2021.

The Company is managed by Dolma Fund Management (the “Investment Manager”), which was incorporated on 15 July 2014 under the laws of Mauritius as a private limited liability company. The Investment Manager is licensed by the FSC and holds a Global Business Licence as well as a CIS Manager license.

The Company’s registered office is at c/o Tri-Pro Administrators Ltd, Level 5, Maeva Tower, Bank Street, Cybercity, Ebène, Republic of Mauritius.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards and comply with the Mauritius Companies Act 2001. The measurement basis applied is the historical cost basis, as modified by the fair valuation of financial assets at fair value through profit or loss (“FVPL”).

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements are prepared in United States Dollars (“USD”), and all figures are rounded to the nearest dollar, except where otherwise stated.

Functional and presentation currency

The functional currency of the Company has been determined by reference to the primary economic environment in which the entity operates, the geographical location, the currency that mainly influences the determination of costs of acquisition of the investments, the currency in which funds from financing activities are generated, and the currency in which proceeds from operating activities are usually retained. The issuance of all shares is made in USD. The income and expenses of the Company are denominated and settled in USD. As such the management has determined that the functional currency of the Company is the USD. The results and financial position of the Company are expressed in USD, which is the presentation currency of the Company.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policy and disclosures

(i) Application of new and amended standards adopted by the Company

In the current year, the Company has assessed all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 January 2024.

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 1 Amendments to IAS 1, ‘Presentation of Financial Statements’ - Non-current liabilities with covenants (effective on or after 01 January 2024)

IAS 7 Amendments to Supplier Finance Arrangements (IAS 7 ‘Statement of Cash Flows’ and IFRS 7 Financial Instruments: Disclosure’) (effective on or after 01 January 2024)

There are no other new standards and amendments to standards and interpretations that are effective for annual period beginning on 1 January 2024 that would be relevant or have a material impact on the Company’s financial statements.

(ii) New and amended standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IFRS 7 & IFRS 9 Amendment to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” – Classification and Measurement of Financial Instruments (effective on 01 January 2026)

IFRS 18 Presentation and Disclosure in Financial Statements’(effective on 01 January 2027)

IFRS 21 Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’ –Lack of Exchangeability (Amendments to IAS 21) (effective on 01 January 2025)

The directors anticipate that these Standards and Interpretations will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICY (CONTINUED)

Revenue and expense recognition

Dividend income is recognised when the Company's right to receive payment is established.

Expenses are recognised on an accrual basis in the statement of profit or loss and other comprehensive income.

Classification of investment in associates

The Company exercises significant influence over the associates since it holds more than 20% of the shareholding and has at least 1 board seat in the associates and can therefore participate in the financial and operating policy decisions of the associates. The Company has designated its investment meeting the definition of "associates" under IAS 28, 'Investments in Associates' as 'financial assets at fair value through profit or loss' under IFRS 9. IAS 28 requires that the equity method should be applied in accounting for investments in associates, with the exception of qualifying investment entities that upon initial recognition are designated as at fair value through profit or loss. Accordingly, the Company does not follow equity method of accounting for its investment but accounts for it using fair value.

Financial instruments

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Company holds unquoted equity securities in the investee companies in line with its investment strategies. As a result, unquoted equity securities are valued together to derive the fair value of the investments.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Recognition, derecognition and measurement (continued)

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the ‘financial assets or financial liabilities at fair value through profit or loss’ category are presented in the statement of profit or loss and other comprehensive income within other net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise. Financial assets other than those classified as FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the assets are derecognised, as well as through amortisation process.

Financial assets measured at amortised cost

The Company includes cash and cash equivalents and receivables in this category.

Financial assets measured at fair value through profit or loss

The Company includes in this category equity and debt instrument that are held under a business model to manage them on a fair value basis for fair value gains and investment income.

Equity instruments: Included within equity instruments are investments in associates:

- Investment in associates: In accordance with the exemption in IAS 28 Investments in Associates and Joint Ventures, the Company does not account for its investments in associates using the equity method. Instead, the Company has elected to measure its investments in associates at FVPL.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category payables and accruals.

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at FVPL if it meets the definition of held for trading. The Company includes net assets attributable to holders of Class A and Class C in this category.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets that are subject to an insignificant risk of changes in their value and are used by the Company in the management of short-term commitments.

Stated capital

The Company classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Company has issued Class A, Class B and Class C shares. Class B shares are not redeemable and its holders are entitled to only paid up capital on winding up of the Company. The Class A and Class C shares are redeemable at the option of the board on or before the expiry of the term of the Company. On distribution, the investment proceeds shall be allocated amongst shareholders based on their respective capital contribution in an order of priority using a ‘Distribution Waterfall’ model. Based on the aforementioned, the shares are classified as liabilities and are measured at the present value of the redemption amounts.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Taxation

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities when there is the intention to settle the balances on a net basis.

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most material effect on the amounts recognised in the financial statements.

Going concern

The directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. They are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Judgements (continued)

Functional currency

Functional currency is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Company's investments are denominated in USD. The income and expenses are denominated in USD. Accordingly, management has determined that the functional currency of the Company is the USD.

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries, associates or joint ventures at FVPL under IFRS 9 rather than using the equity method. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis

The Company's Private Placement Memorandum ("PPM") details its objective of providing investment management services to investors which includes investing in equities for the purpose of returns in the form of investment income and capital appreciation.

The Company evaluates its performance on a fair value basis and it has a clearly documented exit strategy for all of its investments.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the Company's ownership interests are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Board has concluded that the Company meets the definition of an investment entity. These conclusions will be reassessed on a continuous basis, if any of these criteria or characteristics change.

The Company will engage an independent valuator for the valuation of its portfolio on annual basis, as required. The independent valuator shall be an accounting firm with international recognition who is capable to demonstrate that such firm is resourceful to undertake the assignment.

Fair value of unquoted investments

Valuation adjustments to reflect the fair value of underlying investments are made periodically. For investments without a public market, the review is made at least annually using appropriate valuation methodologies. The amount determined to be the fair value may incorporate management's own assumptions, including appropriate risk adjustments for non-performance and lack of marketability.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Judgements (continued)

Fair value of unquoted investments (continued)

All investments held by the Company will be reported at fair value using International Private Equity and Venture Capital Valuation Guidelines (as updated or amended from time to time).

At 31 December 2024, the directors and the Investment Manager of the Company have concluded that the investments have been fair valued based on the following valuation methodologies:

- Upaya City Cargo Private Limited: Valuation is based on Enterprise Value Revenue Multiple and price of recent transaction.
- Foodmandu Private Limited: Valuation is based on Enterprise Value Revenue Multiple.
- Worldlink Private Limited: Valuation is based on Enterprise Value Revenue Multiple and Enterprise Value to its Earnings Before Interest, Taxes, Depreciation and Amortization.
- Seti Khola Hydropower Private Limited: Valuation is based on price of recent transaction.
- Chirayu National Hospital: Valuation is based on Discounted Cash Flow.
- Dugar Spices & Foods Products Ltd: Valuation is based on price of recent transaction.
- National Path Lab & Research Centre Pvt Ltd: Valuation is based on price of recent transaction.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (“DCF”) model and transaction multiple approach. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility, and market risk. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

When the determination of the fair value is based on discounted cash flows, the key assumptions take into consideration the riskiness of the cashflows which is built into the discount rate and cash flow assumptions. When the determination of the fair value is based on multiples approach, the key assumptions take into consideration the degree of similarity of firm’s operating and financial characteristics of the benchmark transactions and the benchmark companies with that of the financial asset.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024		
	Cost	Fair valuation	Balance
	USD	USD	USD
Opening balance	16,325,450	393,255	16,718,705
Additions	14,730,700	-	14,730,700
Fair value gain	-	2,027,250	2,027,250
Closing balance	31,056,150	2,420,505	33,476,655

	2023		
	Cost	Fair valuation	Balance
	USD	USD	USD
Opening balance	1,473,460	370,688	1,844,148
Additions	14,851,990	-	14,851,990
Fair value gain	-	22,567	22,567
Closing balance	16,325,450	393,255	16,718,705

5. RECEIVABLES AND PREPAYMENTS

	2024	2023
	USD	USD
Contributions receivable from shareholders	3,895	84,144
Prepayments	576,807	6,626
Other receivable	101	101
	580,803	90,871

Prepayments comprise an amount of **USD 403,608** (2023: nil) receivable from Dolma Fund Management (Note 11).

The Company's receivable is short term in nature and no expected credit loss has been applied given insignificant amount.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6. SHARE CAPITAL

	2024	
	No. of shares	USD
<i>Issued and fully paid:</i>		
Class B Share of no par value	<u>1</u>	<u>1</u>
	2023	
	No. of shares	USD
<i>Issued and fully paid:</i>		
Class B Share of no par value	<u>1</u>	<u>1</u>

Class B Share

The Class B Share is issued at a price of USD 1 and is not redeemable. The Class B Share is issued to the Investment Manager and confers:

- the right to receive notice of and to attend and to vote at any meeting of Shareholders of the Company except for separate meetings of Class A Shareholders and Class C Shareholders; and
- no right to receive any dividend or other distributions except in a winding-up, it shall have the right only to receive the amounts treated as having been paid up on the Class B Shares.

7. NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS C SHARES

	Class A shares		Class C shares	
	No. of shares	USD	No. of shares	USD
At 01 January 2023	4,568	2,278,373	100	100
Issue of shares	17,411	17,410,594		
Change in net assets attributable to shareholders	-	(2,558,581)	-	-
At 31 December 2023	<u>21,979</u>	<u>17,130,386</u>	<u>100</u>	<u>100</u>
Issue of shares	18,069	18,069,269	-	-
Dividend Distribution	-	(9,980)	-	-
Change in net assets attributable to shareholders	-	258,371	-	-
At 31 December 2024	<u>40,048</u>	<u>35,448,046</u>	<u>100</u>	<u>100</u>

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

7. NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS C SHARES (CONTINUED)

Class A Shares

The Class A Shares are issued at a price of USD 1,000 per share and are redeemable at the option of the Company. The Class A Shares confer to the holder no right to vote at a meeting of the Shareholders, other than the right to vote in the case of:

- (i) a variation of rights;
- (ii) the early termination of the Company;
- (iii) the removal and appointment of the Investment Manager;
- (iv) varying the limits for the operating reserves;
- (v) an amendment to its Constitution;
- (vi) the creation of a new class of shares;
- (vii) appointment, substitution and remuneration of the auditors;
- (viii) the right to vote on the extension of the Company's term;
- (ix) the right to vote on the removal and appointment of directors of the Company following the removal of the Investment Manager for cause;
- (x) the right to a share in the dividends or other distributions of the Company; and
- (xi) the rights on winding up.

The capital commitment of the Class A Shareholders at 31 December 2024 is **USD 71,967,500** (2023: USD 71,967,500). Pursuant to the Amended and Restated Shareholders Agreement dated 19 December 2022 amongst the Company and the Company's Class A, B and C shareholders, each Class A Shareholder agrees to make contributions to the capital of the Company in cash from time to time.

At 31 December 2024, the capital contributed by Class A Shareholders is **USD 40,047,814** (2023: 21,978,546) and unfunded capital commitment is **USD 31,919,686** (2023: 49,988,954).

Class C Shares

The Class C Shares are issued to the Investment Manager and are issued at a price of USD 1 per share being a nominal subscription for the purpose of facilitating the payment of carried interest distributions. Class C Shares confer to its holder the following rights:

- (a) no right to receive notice of any Meeting of Shareholders, and no right to one vote except in a case of variation of rights;
- (b) are redeemable at the option of the holder or of the Company;
- (c) the right to receive the carried interest distributions; and
- (d) rights on winding up.

8. PAYABLES AND ACCRUALS

	2024	2023
	USD	USD
Payable to related parties (Note 14)	14,384	14,337
Accruals	29,500	4,800
Advance subscription	197,310	197,310
	241,194	216,447

The payable to related party and advance subscription are interest free, unsecured and payable on demand.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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9. TAXATION

The Company is licensed by the Financial Services Commission as a Closed-End Fund and is subject to income tax in Mauritius at the standard corporate tax rate of 15%. However, under the exemption regime available to Global Business Companies, the Company is entitled to claim an 80% exemption on all income streams, except for interest income, subject to satisfying prescribed substance conditions. Interest income may qualify for a 95% exemption, provided that the Company satisfies the prescribed substance requirements.

The Company has accumulated tax losses of **USD 6,473,408** at 31 December 2024 (2023: 4,704,572).

The tax charge calculated on the Company's loss for the year / period differs from the theoretical amount that would arise using the basis tax rate of the Company as follows:

	<u>2024</u>	<u>2023</u>
	<u>USD</u>	<u>USD</u>
Gain/(loss) for the year	<u>258,371</u>	<u>(2,558,581)</u>
Tax at 15%	38,756	(383,787)
Income outside scope of tax/Non taxable	(304,088)	(3,385)
Non allowable expenses	7	1
Deferred tax not recognised	<u>265,325</u>	<u>387,171</u>
Tax charge	<u>-</u>	<u>-</u>
Availability of tax loss for use against taxable profit		
	<u>2024</u>	<u>2023</u>
	<u>USD</u>	<u>USD</u>
Available for set off up to the year 2026	(840,124)	(840,124)
Available for set off up to the year 2027	(1,283,306)	(1,283,306)
Available for set off up to the year 2028	(2,581,142)	(2,581,142)
Available for set off up to the year 2029	<u>(1,768,836)</u>	<u>-</u>
	<u>(6,473,408)</u>	<u>(4,704,572)</u>

Corporate Climate Responsibility ("CCR")

Following adoption of the Finance Bill on 24 July 2024, a Corporate Climate Responsibility ("CCR") levy, equivalent to 2% of the company's chargeable income, will be imposed on companies with a turnover of more than MUR 50 million (equivalent to USD 1.1 million). The Company did not have chargeable income for the year ended 31 December 2024 and consequently it is not liable to CCR.

Deferred tax asset

Deferred tax asset has not been recognised in respect of tax losses carried forward as the Directors consider that there is no certainty supported by convincing evidence that sufficient future taxable income will be available against which such unused tax losses would be realised. At 31 December 2024, the unrecognised deferred tax asset amounted to **USD 194,202** (2023: 141,137).

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. FINANCIAL RISK MANAGEMENT

This note presents information about the Company's financial instruments and exposure to risks associated to the financial instruments, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Concentration risk

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from other receivables and cash and cash equivalents.

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards. Credit risk is monitored in accordance with the Company's policies and procedures. Other receivables are insignificant. Bank balances are held with AfrAsia Bank Limited and The Mauritius Commercial Bank Limited. AfrAsia Bank Limited's credit rating is A- and The Mauritius Commercial Bank Limited's credit rating as per Fitch is BBB-.

The Company measures credit risk and expected credit loss ("ECL") using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any ECL. The Directors consider the probability of default to be close to zero for the amounts receivable as the counterparty has a strong capacity to meet their contractual obligations.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2023
	USD	USD
Receivables	3,996	84,245
Cash and cash equivalents	1,631,883	537,358
	1,635,879	621,603

Prepayments of **USD 576,807** (2023: USD 6,626) are excluded from financial assets.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

The amounts in the following table are contractual undiscounted cash flows. At present, the Company has no immediate plans to exit its investment positions. When the Directors are of the view that the disposal of certain investments is relatively certain; the associated net assets attributable to the holders of Class A and Class C shares, in so far as they may be distributed, will be disclosed in the appropriate liquidity category.

The following are the contractual maturities of the non-derivative financial liabilities:

	Contractual cash flows	Less than 6 months	More than 12 months	On demand
	USD	USD	USD	USD
<u>2024</u>				
Payable to related parties	14,384	2,930	-	11,454
Accruals	29,500	29,500	-	-
Advance Subscription	197,311	-	-	197,311
Net assets attributable to holders of Class A and Class C shares	35,448,146	-	35,448,146	-
	35,689,341	32,430	35,448,146	208,765
<u>2023</u>				
Payable to related parties	14,337	2,884	-	11,453
Accruals	4,800	4,800	-	-
Advance Subscription	197,311	-	-	197,311
Net assets attributable to holders of Class A and Class C shares	17,130,486	-	17,130,486	-
	17,346,934	7,684	17,130,486	208,764

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Since the Company has made investments in listed and unlisted securities, it is exposed to price risk.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

Price risk (continued)

The Company's price risk has been calculated based on a 10 % change in valuation of investments. The change in net assets attributable to shareholder for the year would increase/decrease by **USD 3,467,724** (2023: USD 1,671,870) as a result of gains/losses on financial assets classified as at fair value through profit or loss.

Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing; as a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Foreign exchange risk

The Company has made investments in Nepal and therefore, it is exposed to the risk that the exchange rate of the USD relative to the Nepalese rupee ("NPR") may change in a manner which will have a material effect on the reported values of the Company's assets and liabilities which are denominated in USD.

The currency profile of the assets and liabilities for the Company is set out below:

	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Nepalese Rupee	30,082,195	-	15,918,705	-
United States Dollar	5,030,339	35,689,340	1,421,603	17,149,623
	35,112,534	35,689,340	17,340,308	17,149,623

Prepayments of **USD 576,807** (2023: USD 6,626) are excluded from financial assets.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to currency risks at the end of the reporting period following an appreciation or depreciation of USD/NPR by **3%** (2023: 10%).

	Appreciation/(depreciation) of USD/NPR	Increase/(decrease) on Net assets attributable to holders of Class A and Class C shares
2024	-3%	1,063,444
	+3%	(1,063,444)
2023	-10%	1,713,049
	+10%	(1,713,049)

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NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities with financial instruments, either internally within the Company or externally from the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Company's objective is to manage operational risk so as to limit financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Company's Board of directors and the Investment Manager. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- documentation of controls and procedures;
- requirements for:
 - appropriate segregation of duties between various functions, roles and responsibilities;
 - reconciliation and monitoring of transactions; and
 - periodic assessment of operational risk faced;
- the adequacy of controls and procedures to address the risks identified;
- compliance with regulatory and other legal requirements;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

Concentration risk

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Investment size limit: The total investment by the Company in any one Portfolio Company may not exceed 15% of the aggregate Capital Commitments. Investments in Startups shall not exceed 15% of the total commitment. The Company is within this range and is in compliance with its Private Placement Memorandum.

Country	2024 USD	Portfolio %	2023 USD	Portfolio %
Nepal	33,476,655	100	16,718,705	100

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management

The Company's objectives of managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security affected by a sound capital position, and to make adjustments to the capital structure in light of changes in economic conditions.

The board of directors monitors capital on the basis of the value of the net asset attributable to shareholders.

Fair Value Estimation

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Financial instruments measured at fair value

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
<u>2024</u>				
Financial assets at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>33,476,655</u>	<u>33,476,655</u>
<u>2023</u>				
Financial assets at fair value through	<u>-</u>	<u>-</u>	<u>16,718,705</u>	<u>16,718,705</u>

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value Estimation (continued)

During the year under review, there has been no transfer in the classification of the Company's investment fair value hierarchy.

Significant unobservable inputs used in measuring fair value

The below mentioned relate to the investment made by the Company:

2024

Investments	Type	Fair value as at 31 December 2024 USD	Valuation techniques	Significant unobservable inputs	Reasonable possible shift	Impact on the Company's net assets (USD)
Upaya City Cargo Private Limited	Unquoted investments	4,028,620	EV Revenue multiple and price of recent transaction (50:50)	EV Revenue multiple	+/- 10%	+/- 402,862
Foodmandu Pvt Ltd	Unquoted investments	1,987,920	EV Revenue multiple	EV Revenue multiple	+/- 10%	+/-198,792
Wordlink Ltd	Unquoted investments	8,071,453	EV Revenue & EV EBITDA multiple	EV Revenue & EV EBITDA multiple	+/- 10%	+/-807,145
Seti Khola Hydropower Pvt Ltd	Unquoted investments	7,226,303	Price of recent transaction	NA		
Chiraya Hospital	Unquoted investments	2,569,359	Discounted Cash Flow	Discount rate	+/- 10%	+/-256,935
Dugar Spices & Foods Products Ltd	Unquoted investments	5,628,500	Price of recent transaction	NA		
National Path Lab & Research Centre Pvt Ltd	Unquoted investments	3,964,500	Price of recent transaction	NA		

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value Estimation (continued)

Significant unobservable inputs used in measuring fair value (continued)

2023

<u>Investments</u>	<u>Type</u>	<u>Fair value as at 31 December 2023 USD</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Reasonable possible shift</u>	<u>Sensitivity to changes in significant unobservable inputs</u>
Upaya City Cargo Private Limited	Unquoted investments	2,666,715	EV Revenue multiple	EV Revenue multiple	+/- 10%	+/-266,672
Foodmandu Pvt Ltd	Unquoted investments	1,957,000	Price of recent transaction	NA		
Wordlink Ltd	Unquoted investments	6,885,000	Price of recent transaction	NA		
Seti Khola Hydropower Pvt Ltd	Unquoted investments	3,308,000	Price of recent transaction	NA		
Chirayu National Hospital	Unquoted investments	1,901,990	Price of recent transaction	NA		

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair Value Estimation (continued)

Classification of financial instruments

The tables below set out the classifications of the carrying amounts of the Company's financial assets and financial liabilities into categories of financial instruments:

	Mandatorily at financial assets at fair value through profit or loss USD	Financial assets at amortised cost USD	Other financial liabilities USD	Total USD
<u>2024</u>				
Financial assets at fair value through profit or loss	33,476,655	-	-	33,476,655
Cash and cash equivalents	-	1,631,883	-	1,631,883
Receivables	-	3,996	-	3,996
	<u>33,476,655</u>	<u>1,635,879</u>	<u>-</u>	<u>35,112,534</u>
Net assets attributable to holders of Class A and Class C shares	-	-	35,448,146	35,448,146
Payables and accruals	-	-	241,194	241,194
	<u>-</u>	<u>-</u>	<u>35,689,340</u>	<u>35,689,340</u>
<u>2023</u>				
Financial assets at fair value through profit or loss	16,718,705	-	-	16,718,705
Cash and cash equivalents	-	537,358	-	537,358
Receivables	-	84,245	-	84,245
	<u>16,718,705</u>	<u>621,603</u>	<u>-</u>	<u>17,340,308</u>
Net assets attributable to holders of Class A and Class C shares	-	-	17,130,486	17,130,486
Payables and accruals	-	-	216,448	216,448
	<u>-</u>	<u>-</u>	<u>17,346,934</u>	<u>17,346,934</u>

Prepayments of **USD 576,807** (2023: USD 6,626) are excluded from financial assets at fair value through profit or loss.

Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and, for the financial assets and high credit quality of counterparties.

DOLMA IMPACT FUND II
NOTES TO THE FINANCIAL STATEMENTS
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11. RELATED PARTY DISCLOSURES

For the year ended 31 December 2024, the Company transacted with related parties. Transactions with related parties are at arm's length. The nature, volume of transaction and the related balance with the parties are as follows:

The amounts receivable from/(payable) to related parties are unsecured, interest free and receivable/(payable) on demand. Amount due from Administrator relates to prepaid expenses.

Name of related parties	Nature of relationship	Nature of transactions	Volume of transaction	Volume of transaction	Receivable/(payable) balance	
			2024	2023	2024	2023
			USD		USD	USD
Dolma Fund Management	Investment Manager	Management fees	1,623,705	2,418,919	399,713	(280,315)
Dolma Fund Management	Investment Manager	Expenses paid on behalf of Company	-	-	(11,453)	(11,453)
Dolma Fund Management	Investment Manager	Capital Contribution	180,775	172,323	3,895	-
Tri-Pro Administrators Ltd	Administrator	Administration fees	62,868	60,750	-	(1,448)
Mr Ashwin Foogooa	Director	Professional fees	4,118	4,118	(2,930)	(2,884)

12. ADMINISTRATION AGREEMENT

Tri-Pro Administrators Ltd has been appointed to provide administrative services to the Company in Mauritius and is paid in such a manner as set out in its fee scale in the Administration Agreement dated 19 February 2021, which may be varied from time to time as agreed between the parties.

Administration fees for the year under review amount to **USD 62,868** (2023: USD 60,750).

13. INVESTMENT MANAGEMENT AGREEMENT

The Company entered into an Investment Management Agreement on 06 May 2021 and pays the Investment Manager an annual management fee (the "Management Fee") equal to 2.25% per annum on the aggregate Capital Commitments until the Step-Down Date. After the Step-Down Date, the Management Fee will be equal to 2.25% per annum on the Capital Contributions made by the Class A Shareholders to fund the acquisition of Portfolio Investments, including proposed Portfolio Investments which are subject to a legally binding commitment to invest, less (i) an amount equal to the aggregate Acquisition Cost of Portfolio Investments that have been realised, written off or Permanently Written Down as of the end of the most recent financial quarter, and (ii) any amounts attributable to such Class A Shareholders which have been committed pursuant to a legally binding commitment to invest in respect of Portfolio Investments subject to a milestone-based funding requirement and which have failed to achieve the pre-defined milestone dates within 12 months of the applicable milestone date.

Investment management fees for the year under review amount to **USD 1,623,705** (2023: USD 2,418,919).

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13. INVESTMENT MANAGEMENT AGREEMENT (CONTINUED)

The Step-Down Date is the earlier of (a) the end of the Commitment Period, and (b) the Successor Fund Date. The Commitment Period started on 06 May 2021, the Initial Closing Date and shall end on the earliest to occur of (a) the fifth anniversary of the Initial Closing Date, provided that this period may be extended by one calendar year by the Company with the prior consent of the Advisory Committee, (b) the date of delivery to the Investment Manager of a written notice approved by 75% in Interest to terminate the Commitment Period (c) the date of any early termination of the Commitment Period pursuant to the Amended and Restated Shareholders Agreement dated 19 December 2022 (Key Person Event; Suspension).

The Management Fees are payable quarterly in advance, beginning on the Initial Closing Date until the Company terminates, provided that no Management Fee shall be payable after termination of the Company.

14. EVENTS AFTER REPORTING DATE

There have been no material events after the reporting date, which would require disclosure or adjustment to these financial statements.