FEDA
Fund For Export
Development In Africa

A subsidiary of
AFREXIMBANK

Investing in Impact.

Driving Integration.

Annual Report 2024

Performance Highlights

The Fund for Export Development in Africa (FEDA) reaffirmed its strong commitment to its mission of driving intra-African trade, enhancing value-added exports, and accelerating industrialisation across the continent, despite challenging global economic and trade conditions. During 2024, significant milestones were achieved, notably:

- Onboarding of five new member states.
- Deployment of US$410 million in direct equity strategy and strategic investment.
- Full deployment of US$100 million from the Africa Credit Opportunities Fund (ACOF).
- Operationalisation of the Africa Continental Free Trade Area (AfCFTA) Adjustment Credit Fund, with a sponsor commitment of US$100 million.
- A reported net income of US$40.3 million in 2024, a substantial increase from US$23.4 million in 2023.

Key macroeconomic indicators

Global output expanded by 3.2 percent in 2024, compared with 3.3 percent in 2023.

Africa's rate of real GDP growth decelerated at an estimated 3 percent in 2024, from 3.3 percent in 2023.

Total assets of the Afreximbank Group grew by 5.4 percent from US$33.47 billion at the end of 2023 to US$35.26 billion at the end of 2024.

US$35.2bn

Afreximbank Group shareholders' funds recorded solid growth of 17.4% to US$ 7.2 billion

US$7.2bn

FEDA financial investments grew by 92 percent to US$573.8 million at the end of 2024.

US$573.8m

11.5 percent on internal rate of return for FEDA in 2024

11.5%

FEDA Record levels of disbursements in 2024.

US$60m

FEDA shareholders' equity recorded solid growth of 97 percent to US$607 million at the end of 2024.

97%

FEDA record 72 percent year-on-year increase in net income in 2024, to US$ 40.3 million.

72%

About us

The Fund for Export Development in Africa (FEDA) is the development impact investment subsidiary of the African Export-Import Bank (Afreximbank). FEDA is tasked with executing the Bank's mandate for equity, quasi-equity, and private credit investments across the African continent.

FEDA was founded in recognition of the significant untapped potential within Africa's vast resource base and integrated markets, where intra-African trade remains low at just 13 percent. Focusing on value addition is critical for Africa's economic transformation and long-term prosperity. While the continent is rich in natural resources, it continues to export raw commodities at prices far below their potential value if processed and manufactured locally. By shifting from raw material exports to value-added and manufactured goods, Africa can significantly increase its trade earnings, create jobs, and foster sustainable development.

The limited share of global manufactured goods held by Africa underscores the importance of value addition. Africa's share of global manufacturing value added is only 2 percent. This reflects an underdevelopment of manufacturing capacity and an over-reliance on primary commodity exports. For example, Africa is a major producer of cotton, yet the continent exports most of its cotton in raw form, rather than as finished products such as textiles or garments.

In response to these challenges, Afreximbank has leveraged its expertise in launching and implementing diverse platforms and interventions to address Africa's development challenges and mitigate their impact on the population. FEDA was created to strategically close the US$110 billion gap in equity financing needed for sectors pivotal to the growth of intra-African trade, value-added export development, and industrialisation. This initiative complements Afreximbank's existing products and services, offering a comprehensive suite of financial solutions to its clients across the entire balance sheet, thus fostering sustainable economic transformation and industrialisation across the continent.

Vision

FEDA's vision is to serve as the leading impact fund catalysing Africa's structural transformation of trade and export development.

Mission

FEDA's mission is to provide equity capital aimed at delivering development impact across diverse sectors in Africa, which are critical to driving intra-African trade, value-added export development and industrialisation while ensuring a financial return for investors.

FEDA
Fund For Export Development In Africa

Partner for Africa's Export Transformation

About us

Objectives

FEDA's primary objective is to provide developmental equity capital into companies that are involved in intra-African trade and value-added export development and manufacturing in Africa.

FEDA aims to leverage and attract foreign direct investment flows into Africa's value-added export sectors, thereby promoting intra-regional investments. By increasing private equity investments in key sectors that drive intra-African trade and export development, FEDA will address constraints hindering the advancement, growth, and diversification of intra-African trade and exports.

Our Structure

FEDA is structured as an international organisation established by treaty. FEDA's Establishment Agreement and Charters, which provide for the creation of the three entities, or House Entities, grants the FEDA platform legal personality, as well as immunities and privileges in the FEDA member states.

FEDA's House Entities are (i) FEDA Capital, which is mandated to launch fund platforms by acting as the General Partner in GP/LP fund structure; (ii) FEDA HoldCo, which has a mandate to make direct investments into platform products (companies and/or funds); and (iii) FEDA Investment Management, which acts as the manager to FEDA HoldCo and FEDA Capital's fund platforms.

Our Business

FEDA has established five fund strategies designed to drive its mission of promoting intra-African trade, value-added export development, and industrialisation on the African continent. Afreximbank has committed about US$1 billion to support these fund strategies, while FEDA's target is to raise US$1.5 billion at final close, through collaboration with like-minded investors. FEDA's fund strategies are outlined below:

FEDA aims to grow into a US$1.5 billion investment platform by 2026. To achieve this vision, it actively seeks partnerships with like-minded investors, including supranational institutions, development finance institutions, and private sector investors, to collaboratively drive sustainable economic transformation across Africa.

SEGMENT	FEDA Direct Equity Fund I	Credit Fund	Strategic initiatives	Venture Fund	AfCFTA Adjustment Fund
STRATEGY	Direct investment in entities that meet FEDA's mandate	Joint Venture with a Credit Fund manager	Strategic projects from Afreximbank	Generalist, Creative, Innovation, Science Technology	Base Fund, General Fund,and Credit Fund
CURRENT CAPITAL	$270 Million	$125 Million	$450 Million	$25 Million	$100 Million
TARGET FINAL CLOSE	$500 Million	$300 Million	N/A	$50 Million	$1-10 Billion

Governance

The FEDA House Entities are governed by boards of directors comprising seasoned independent directors alongside senior executives from the Afreximbank Group. The President and Chairman of Afreximbank serves as the chairman of the FEDA boards, providing strategic oversight and guidance.

Board of Directors FEDA Holdco

Professor Benedict Okey Oramah
Chairman of the Board of Directors of FEDA

Mr. George Elombi
Board Member

Mrs. Kanayo Awani
Board Member

Mrs. Rosa Whitaker
Board Member

Mr. Amr Kamel
Board Member

Mr. Emeka Uzoigwe
Board Member

Mr. Elias Kagumya
Board Member

Board of Directors FEDA Capital

Professor Benedict Okey Oramah
Chairman of the Board of Directors of FEDA

Mr. Jean-Louis Ekra
Board Member

Mrs. Clare Akamanzi
Board Member

Dr. Sidi Ould Tah
Board Member

Mr. Denys Denya
Board Member

Mr. Viswanathan Shankar
Board Member

Mr. Mazi Ositadinma Okonkwo
Board Member

Board of Directors FEDA Investment Management

Professor Benedict Okey Oramah
Chairman of the Board of Directors of FEDA

Mr. Jean-Louis Ekra
Board Member

Mrs. Clare Akamanzi
Board Member

Dr. Sidi Ould Tah
Board Member

Mr. Denys Denya
Board Member

Mr. Viswanathan Shankar
Board Member

Mr. Mazi Ositadinma Okonkwo
Board Member

Management Team

FEDA is led by a management team with significant experience in the investment industry.

Ms. Marlene Ngoyi Mvidia
Chief Executive Officer

Mr. Emmanuel Assiak
Chief Investment Officer

Mr. Yann Rogombe
Director Investments

Chairman's Statement

Professor Benedict Oramah
Chairman of the Board of Directors of FEDA

As we reflect on 2024, I am proud of the significant progress the Fund for Export Development in Africa (FEDA) has made in advancing Africa's economic transformation. FEDA continues to play a crucial role in realising our shared vision of strengthening **intra-African trade, accelerating industrialisation, and fostering value-added exports** — key pillars for sustainable development on the continent.

Despite global economic uncertainties, FEDA has remained steadfast in its commitment to **bridging Africa's US$110 billion equity financing gap**, which continues to hinder economic growth. Through strategic investments, partnerships, and innovative financing mechanisms, we are unlocking opportunities in high-impact sectors, enabling businesses to scale and driving meaningful economic change.

Our progress in **expanding membership** is particularly encouraging. In 2024, five new member states joined FEDA — **Benin, Guinea-Bissau, Malawi, Nigeria, and The Gambia** — bringing the total to **19 signatory nations**. This growing membership base reinforces the trust and confidence in FEDA's mission, positioning the institution as a key driver of Africa's development agenda.

The success of our **investment strategy** is evident. Since its inception, FEDA has committed over more than US$625 million across diverse sectors, including industrial platforms, financial services, creative industries, and value-added exports. Notable achievements include:

- **Investment in Arise Integrated Industrial Platforms** strengthened Africa's industrial base through a strategic US$300 million equity stake to enhance value-added manufacturing.
- **Expansion of agency banking in The Gambia** supported Bloom Africa Holdings Limited, which grew its network from 60 to 123 outlets in 2024.
- **Cabinda Oil Refinery in Angola** achieved **65 percent construction completion**, with full commissioning expected in 2025.
- **Launch of the Africa Film Fund** was a landmark initiative for Africa's creative economy, backed by **US$150 million in commitments**.
- **Operationalisation of the AfCFTA Credit Fund** secured **US$100 million in sponsor commitment**, paving the way for trade facilitation and industrial financing.

Looking ahead, our focus remains on **scaling up investments, mobilising additional funding from like-minded investors, and driving impact-driven strategies** that will reinforce Africa's economic resilience. By 2026, FEDA is set to reach **US$1.5 billion in total committed capital,** expanding its footprint in priority sectors that will shape Africa's future.

As we move forward, I extend my sincere gratitude to **our investors, Board members, management, and staff** for their unwavering dedication. Together, we will continue to chart a course for sustainable growth, fostering a more prosperous and integrated Africa.

CEO's Statement

Marlene Ngoyi Mvidia
Chief Executive Officer

2024 marked a year of **strong performance and strategic growth** for FEDA, despite global economic headwinds. Our flexible investment approach allowed us to navigate challenges and capitalise on emerging opportunities, reinforcing our role as a **catalyst for intra-African trade, industrialisation, and economic development**.

Operating Environment

The global economy remained volatile, influenced by **geopolitical tensions, inflationary pressures, and supply chain disruptions**. However, **Africa demonstrated resilience**, with real GDP growth rising to **3.8 percent in 2024, up from 3.6 percent in 2023**.

The continued implementation of the African Continental Free Trade Area (AfCFTA) provided a strong foundation for regional economic integration, reinforcing FEDA's mandate to facilitate capital flows into sectors critical for trade expansion and industrialisation.

Investment and Financial Performance

In 2024, FEDA made significant strides in **expanding its investment footprint** and delivering tangible impact:

- **US$ 410 million deployed in Direct Equity strategy and Strategic investments**,reinforcing our commitment to high-growth businesses.
- **US$100 million disbursed through the Africa Credit Opportunities Fund**, strengthening access to private credit for African enterprises.
- **Obtained approval to invest in the African Trade and Distribution Company.** A strategic boost designed to improve small and medium enterprises, as well as trade finance, logistics, and distribution networks.
- **US$40.3 million net income, a 70.2 percent increase from 2023,** reflecting the strength of our financial strategy.

Our investment philosophy is centred on **impact-driven capital allocation**, targeting sectors that **enhance value addition, promote industrial transformation, and create jobs across Africa**.

Strategic Priorities for 2025 and Beyond

As we look ahead, FEDA's focus will be on **scaling capital mobilisation, expanding fund strategies, and enhancing our development impact**. Our key priorities include:

1. **Achieving US$1.5 billion in committed capital by 2026**, through a mix of institutional and private sector investment.
2. **Deepening partnerships** with **multilateral development institutions, sovereign funds, and private investors** to broaden our investment capacity.
3. **Enhancing investment in industrialisation, trade facilitation, and value-added manufacturing**, aligning with Africa's long-term growth agenda.
4. **Driving financial sustainability**, ensuring strong returns for investors while maintaining impact-driven capital deployment.

FEDA's success is built on the **collective commitment of our stakeholders**—our Board, investors, strategic partners, and dedicated team. As we advance, we remain **resolute in our mission to transform Africa's trade landscape**, fostering an ecosystem where businesses can thrive, industries can expand, and sustainable growth can be realised.

Executive Summary

Executive Summary

Despite a challenging global macroeconomic environment characterised by heightening geopolitical tensions, trade and tech wars, and policy uncertainty, the Fund for Export Development in Africa (FEDA) remains firmly committed to its objective of fostering the growth of intra-African trade, advancing value-added export development, and promoting industrialisation across the continent. In fulfilling its mandate, FEDA strategically utilises a range of financial instruments tailored to effectively intervene in sectors crucial for driving the structural transformation of trade on the African continent.

1.1. Operating Environment

In 2024, the global economy experienced moderate growth, with the International Monetary Fund (IMF) reporting output expansion of 3.3 percent, compared with 3.5 percent posted in 2023.

Inflation showed signs of easing, particularly in advanced economies, where central banks' measures to tighten monetary policy began to yield results. However, services sector inflation remained persistent, undermining efforts toward monetary policy normalisation.

Trade dynamics were influenced by geopolitical developments. Emerging markets faced challenges stemming from a strengthening U.S. dollar and the prospect of increased U.S. tariffs. Countries with significant dollar-denominated debt and those heavily reliant on U.S. trade, such as China, the Czech Republic, Hungary, Malaysia, and Mexico, were particularly vulnerable. Conversely, nations with robust domestic fundamentals and lower external debt, such as Argentina and India, demonstrated greater resilience.

At the World Economic Forum in Davos, discussions highlighted a shift towards nationalism and a departure from globalisation, influenced by the U.S. administration's policies. Despite these trends, leaders emphasised the continued importance of multilateralism, especially in addressing global challenges such as climate change and tax reform. Overall, the global economic environment in 2024 was characterised by steady growth amid evolving policy landscapes and ongoing geopolitical uncertainties.

Africa's economic environment demonstrated resilience amid global uncertainties. The continent's real GDP growth decline marginal at 3.2 percent, from 3.3 percent in 2023. In the context of growth falling below pre-COVID and historical average of about 5 percent between 2011 and 2019, the region's growth deceleration reflected several factors including worsening weather shocks; heightened trade policy uncertainty which contributed to general global slowdown; domestic supply bottlenecks most notably in the energy sector; high costs of living which limited consumption growth; escalating debt burdens and interest rates which contributed to narrowing fiscal space, and heightening political instability in parts of the region. While growth prospects look positive, high debt levels, inflationary pressures, and exchange rate volatility in several countries, remain downside risks. The continued to attract foreign direct investment, particularly in renewable energy, technology, and infrastructure, underscoring its long-term economic potential.

1.2. Operational Review

During 2024, FEDA added five new member states by securing agreements with Republic of Benin, Republic of The Gambia, Republic of Guinea-Bissau, Republic of Malawi, and The Federal Republic of Nigeria. As a result of these concerted efforts, FEDA has 20 member states as of the end of 2024.

During the year, the Direct Equity Fund focussed on providing equity and quasi-equity financing to businesses engaged in intra-Africa trade, industrialisation strategies as well as value-added export development on the continent. Through the Fund, FEDA made several investments in 2024, including an investment in Arise Integrated Industrial Platforms which now secures a significant equity stake in Arise, in Team Drogba, competing in the inaugural E1 Series – the world's first-ever all-electric boat racing championship, and in Bloom Africa Holdings Limited, a financial services company in West Africa. FEDA also made a follow-on investment in one of its portfolio companies, TND SA.

Furthermore, FEDA completed five transactions totalling US$100 million under the Africa Credit Opportunities Fund (ACOF) in 2024. Completed deals include: US$15 million financing for Watu Credit (Uganda), US$20 million financing for First Bank of Nigeria, US$20 million for Telecel Global Services (Mauritius), US$10 million financing for Usangu Logistics (Tanzania), US$10 million to Sotrafer (DRC), and US$25 million to Calvados (Nigeria). The fund has fully committed its US$129.5 million funds under management as of December 2024.

The AfCFTA Adjustment Fund Credit Fund was operationalised in Q3 2024, following a US$100 million commitment from Afreximbank. FEDA, being the fund manager, obtained an approval from the Credit Committee for a US$10 million investment. The Fund is expected to deploy capital into its first portfolio investment by Q1 2025.

1.3. Development Impact

FEDA has initiated the implementation of its development impact framework across its investment initiatives. As its portfolio expands and generates a broader array of impact data, adopting a structured monitoring and evaluation approach becomes essential. This will enable FEDA to assess its contributions to Africa's trade and development, enhance its operational and investment strategies, meet investor accountability standards, and foster more effective engagement with stakeholders.

Operating Environment


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Operating Environment

2.1. The Global Economic Environment

In 2024, the global economy grew modestly, with output expanding by 3.3 percent, from 3.5 percent recorded in 2023. The slowdown was evident in both advanced and developing economies, with a more pronounced deceleration in developed nations, particularly within the eurozone. Key contributing factors included the lingering effects of the COVID-19 pandemic, the ongoing Ukraine war and its associated disruptions in energy and food prices, and recent geopolitical tensions in Gaza, which impacted the smooth flow of goods through the Red Sea. Additionally, extreme weather events and the adoption of tighter monetary policies by many countries to combat inflation further contributed to the sluggish growth.

2.2. The African Economic Environment

The region's strong rebound after the COVID-19 pandemic downturn was followed by consecutive growth downturns during the 2022–2024 period. Real GDP decelerated at 3.2 percent in 2024, from 3.3 percent posted in 2023. Growth remained below the historical average of about 5 percent between 2011 and 2019. The deceleration in regional growth reflected several factors, including worsening weather shocks; heightened trade policy uncertainty; domestic supply bottlenecks, most notably in the energy sector; the high cost of living, which limited consumption growth; the escalating burden of debt and high interest rates, which narrowed the fiscal space; and heightened political instability in parts of the region.

Despite a steady uptick in economic activity in Angola and South Africa—which posted GDP growth of 2.4 percent and 1.1 percent in 2024, up from 1.0 percent and 0.7 percent respectively in 2023—the flat output expansion in Nigeria and the sharp deceleration of GDP growth in Egypt from 3.7 percent in 2023 to 2.8 percent in 2024 appeared to have offset the positive effects of growth in Angola and South Africa.

2.3. Financing Conditions

In 2024, global financial conditions remained tight, primarily due to persistently high inflation in many countries, which led central banks to maintain elevated policy rates. Long-term bond yields remained relatively high and lending standards continued to tighten, resulting in reduced loan demand across advanced economies. Developing economies faced significantly higher external borrowing costs due to elevated spreads and long-term bond yields. The strength of the US dollar further contributed to these tight financing conditions.

Toward the end of 2024, central banks began signalling a potential shift in monetary policy. The United States posted negative real federal funds rates from the first quarter of 2024, despite having pursued one of the most aggressive hiking cycles in decades. Other advanced economies experienced similar trends, partly due to inflationary pressures. The target range for the Fed funds rate was raised by 50 basis points from April 2023, to reach 5.25 percent, and further raised to 5.50 percent. This marked a continuation of efforts by the Federal Reserve to contain inflation and stabilise the US economy, contributing to tighter financial conditions globally. In 2024, higher interest rates continued to impact borrowing costs, slowing economic activity but helping rein in inflation.

The European Central Bank also raised policy rates significantly, by 100 basis points. The associated deposit facility rate reached 4.0 percent, the highest increase in the bank's history. This was part of a strategy to address persistent inflation in the Eurozone. This aggressive policy was aimed at curbing inflation while managing the risks of economic slowdown across member countries within the bloc.

After initially maintaining policy rates, the Reserve Bank of Australia and the Bank of Canada, in the second quarter of 2024, both returned to hiking them, The Bank of England, Norges Bank, Sveriges Riksbank, and the Swiss National Bank also tightened policy rates by 25 basis points, bringing them down to 1.25 percent.

The Bank of Japan increased its policy rate from zero percent to 0.25 percent in July 2024, after a prolonged period of maintaining an accommodating monetary policy stance. It kept the policy rate at 0.25 percent in December 2024 with a view to achieving its price stability target of 2 percent. These actions suggested that the peak of the tightening cycle had been reached, with expectations of gradual policy rate reductions as inflation showed signs of moderating.

In developing economies, early and aggressive policy tightening since 2021 led to significant increases in real policy rates. As inflation declined during 2023 and into 2024, investors anticipated substantial rate cuts, and many developing economies appeared to have reached the peak of their hiking cycles. However, real interest rates remained at or near historical highs, reflecting the cautious approach of central banks in these regions.

Overall, while global financial conditions remained constrained in 2024, signs of easing monetary policies emerged as central banks responded to moderating inflation and evolving economic conditions.

2.4. African Trade Performance

Africa's merchandise trade gathered momentum, recovering by 6.5 percent to about US$1.41 trillion in 2024. That followed a contraction of about 6 percent to US$1.32 trillion in 2023, after an expansion of more than 20 percent in 2022. Increases in the prices of global commodities, oil prices in particular, significantly contributed to the recovery of the region's merchandise trade during the review period. The rebound of growth in trade was also supported by sustained demand for Africa's energy by the European Union, as persistent geopolitical tensions and trade protectionism continued to pressure the bloc to shun energy supplies from Russia. As a result, several European countries have diversified their energy sources, making Africa one of Europe's top energy suppliers. These developments have prompted a number of African countries, including Mozambique, Nigeria, and Senegal, to increase investment in liquid natural gas to increase production.

With oil having the lion's share of the region's export basket, accounting for more than 35 percent of total exports, elevated oil prices drove the strong expansion of the continent's trade during the review period. Accordingly, oil exporters saw their share of African exports increase by about 16.9 percent to US$259.21 billion in 2024, recovering from about an 18.2 percent contraction representing US$221.7 billion in 2023. The upturn in the share of oil exporters was driven by the impressive performance of the two largest oil-exporting countries on the continent—Angola Nigeria—with their exports rebounding by about 60.4 percent and 16.6 percent, respectively. Support also derived from smaller oil-exporting countries such as the Republic of Congo, whose exports grew by 3.81 percent, and Gabon, whose exports expanded by about 3.1 percent during the review period.

Overall, the challenging global environment in 2024 significantly impacted Africa's trade performance, underscoring the continent's vulnerability to external economic and geopolitical factors.

Operational Review


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Operating Environment

3.1. Current Membership

FEDA records its appreciation for the recent signing and ratification of the FEDA Establishment Agreement by several countries. This agreement grants FEDA the legal capacity to operate as an international organisation, with privileges and immunities comparable to those of other multilateral financial institutions. Furthermore, the expansion of FEDA's membership base broadens the geographical reach in which it can function, thereby enhancing its ability to provide greater support and interventions across a wider range of countries.

Following its legal establishment completed in September 2021, FEDA remains committed to expanding the number of member states that accede to its Establishment Agreement. During 2024, FEDA added five new member states by securing agreements with the Federal Republic of Nigeria, the Republic of Benin, the Republic of The Gambia, the Republic of Malawi, and the Republic of Guinea-Bissau. As a result of these concerted efforts, by the end of 2024, FEDA had 20 member states.

These accomplishments are the product of close collaboration and active engagement between Afreximbank, FEDA, and government officials from multiple countries. The signings further underscore the steadfast commitment of member states to FEDA's mission of transforming Africa's trade sector through its multi-investment impact fund platform. The accession of these countries to FEDA's Establishment Agreement represents a pivotal milestone toward future ratifications, paving the way for increased investment and development in member states.

Country	Date of signing
Nigeria	May 2024
Republic of Benin	May 2024
Malawi	November 2024
The Gambia	November 2024
Guinea-Bissau	November 2024

3.2. Direct Equity Fund

The Direct Equity Fund provides equity and quasi-equity financing to businesses engaged in intra-Africa trade, industrialisation strategies, and value-added export development on the continent. It is FEDA's flagship fund with the longest track record, with commitments of US$270 million.

FEDA's single largest investment in 2024 was its strategic investment in Arise Integrated Industrial Platforms, which now secures a significant equity stake in Arise. The investment builds on both the debt funding relationship of more than 12 years between Arise Integrated Industrial Platforms and Afreximbank, a period during which more than US$1 billion was provided to support Arise's investments across Africa, and FEDA's previous US$85 million investment in Arise. The funds are intended to accelerate Arise's fast expansion and operational efficiency across its 12-country portfolio, that comprises Benin, Cameroon, Chad, Côte d'Ivoire, the Democratic Republic of Congo, Gabon, Malawi, Nigeria, Rwanda, the Republic of Congo, Sierra Leone, and Togo.

Another groundbreaking transaction closed in 2024 was FEDA's investment in Team Drogba, competing in the inaugural E1 Series, the world's first-ever all-electric boat racing championship. The investment aligns with Afreximbank Creative Economy Strategy, which includes sports as a key vertical for advancing Africa's economic and cultural footprint. FEDA aims to inspire innovation and sustainability in Africa's sports industry, fostering economic growth and development across the continent.

Other landmark transactions closed during the year include an investment in Ghana's Plot Enterprises Limited to promote value-added exports in Africa's agri-business sector by intervening in the cocoa value chain, and an investment in Bloom Africa Holdings Limited, a financial services company in West Africa.

In addition, FEDA made a follow-on investment in one of its portfolio companies, TND SA, a Mauritania-based agri-business group, to drive the expansion of its business lines.

3.3. Venture Fund

The Venture Fund provides equity, quasi-equity, and venture debt financing to high-impact small and medium enterprises across Africa.

The Fund targets small and medium enterprises within three sub-segments: (i) generalist, (ii) creative industry, and (iii) innovation, science and technology. This strategy is designed to finance bankable deals, which will accelerate Intra-African trade and export development. FEDA has commitments of US$25 million and has made significant strides toward operationalisation in 2025, with the expectation of investments in 2026.

3.4. Credit Fund (Africa Credit Opportunities Fund)

The Africa Credit Opportunities Fund (ACOF, or Credit Fund) is fully operational, having achieved first close in April 2023 with an anchor investor commitment of US$125 million from FEDA HoldCo. As of December 2024, ACOF's funds under management have been fully committed to transactions approved by the ACOF Credit Committee. The focus of the Fund in 2025 is the full disbursement of the US$125 million to already committed transactions by Q1 2025, and to close on existing commitments received from external Limited Partners to achieve the target fund size of US$300 million.

3.5. African Continental Free Trade Area Adjustment Fund

The AfCFTA Adjustment Fund, a collaboration between the AfCFTA Secretariat and Afreximbank, provides capital to the public and private sectors to facilitate the implementation of the African Continental Free Trade Agreement. The AfCFTA Adjustment Fund consists of three sub-funds: a Base Fund that provides grant funding and technical assistance to AU member states to support their AfCFTA implementation efforts, a General Fund that provides concessional funding for the development of infrastructure projects on the continent, and a Credit Fund, which provides commercial funding to private sector players to increase their productive capacity in the expanded market created by the AfCFTA. The Credit Fund was operationalised in Q3 2024 following a US$100 million commitment from Afreximbank.

Operating Environment

3.6. Africa Film Fund

The Africa Film Fund is set to become fully operational in 2025 following the Board approvals in November 2024. FEDA HoldCo's total commitment to the Fund is US$150 million. FEDA is working toward finalising the operationalisation of the fund, which will lead to disbursements.

3.7. Fundraising

During the year, FEDA has had success and made significant progress on several fundraising initiatives.

FEDA secured significant funding commitments for the African Medical Centre of Excellence from external investors, including the Nigerian National Petroleum Company and the Bank of Industry.

In addition, FEDA's support for the ACOF team in their fundraising efforts yielded positive results as an institutional investor received board approvals to commit capital to ACOF. FEDA is now leveraging these to unlock additional commitments to the fund from other perspective investors.

In 2025, FEDA is increasing its fundraising efforts, targeting to raise funds from the United States, the Middle East, and the global investment community. FEDA's US$1.5 billion assets under management target are expected to be achieved through a strategic blend of increased commitments from Afreximbank, serving as the anchor investor for new fund initiatives, alongside the engagement of external LPs for both existing and upcoming fund initiatives.

3.8. Afreximbank Strategic Initiatives

Afreximbank Strategic Initiatives are projects sponsored by Afreximbank that aim to develop soft and hard infrastructure critical to trade growth in Africa. These initiatives are underpinned by strategies and programs targeted at key sectors.

FEDA has made significant progress in the implementation of the Afreximbank Strategic Initiatives.

Afreximbank and FEDA are in the process of developing additional strategic initiatives to promote the development and growth of intra-African trade, value-added export development and industrialisation on the African continent.

Project	Description
AMCE African Medical Centre of Excellence	The African Medical Centre of Excellence (AMCE) stands out as an opportunity to improve the healthcare landscape across Africa. The initiative facilitates the establishment of a network of world-class quaternary-level healthcare facilities across the continent. The AMCE offers a full range of medical services (diagnostics, inpatient, and outpatient) in oncology, haematology, cardiology, and general healthcare services as well as other essential services including academic, residential, hospitality, and retail. As a December 2024, the construction of the first AMCE in Abuja was 70 percent complete, with commissioning on track for June 2025.
AQAC AFRICAN QUALITY ASSURANCE CENTRE	The African Quality Assurance Centre ("AQAC") a State-of-the-art, quality infrastructure facility with the capacity to offer testing, certification, inspection, and training services covering a wide range of products. The centres will be established across Africa to support implementation of the African Continental Free Trade Agreement. The first AQAC achieved accreditation in June 2024 and has therefore commenced the commercial testing and certification of food and agricultural products for both export and local consumption. The groundbreaking of three additional AQACs in Imo and Kaduna States in Nigeria, as well as in Benin were achieved in 2024. The projects are expected to be operationalised by 2026.
CANEX Creative Africa Nexus	To expand beyond debt solutions, Afreximbank launched CANEX Creations Inc., a new subsidiary of its equity investment arm, FEDA. Mandated to acquire, aggregate, and commercialise intellectual property, CANEX Creations Inc. makes strategic investments across the creative, life sciences, and technology sectors to unlock long-term value.

3.9. Other Activities

On 20 March 2024, Afreximbank officially unveiled the FEDA office in Kigali, Rwanda. The event was graced by Dr. Edouard Ngirente, the Prime Minister of Rwanda, accompanied by the President and Chairman of the Board of Directors of Afreximbank, Prof. Benedict Oramah, executive vice presidents of Afreximbank, members of the Board of Directors of FEDA, and Marlene Ngoyi, Chief Executive Officer of FEDA. In his address, the prime minister revealed that the establishment of the FEDA office in Rwanda attests to the strong partnership between the government of Rwanda and Afreximbank.

On 29 March 2024, FEDA participated in the 5th Annual Investment Conference curated by the CFA Society East Africa and Kigali International Financial Centre under the theme "Invest East: Navigating East Africa's Investment Landscape." The event featured insightful discussions on various topics, including benefits and strategies of gender-lens investing to drive financial and social change, and environmental, social, and governance investing. Other discussions delved into the start-up ecosystem, highlighting the role of venture capital in driving innovation.

Operating Environment

In April 2024, FEDA participated in the Africa Venture Capital Association in Johannesburg, South Africa. FEDA CEO, Marlene Ngoyi Mvidia, was a panellist on the AVCA–East Africa Regional Forum organised by the Kigali International Financial Centre. The event, themed "Embracing Change: Shaping the Next Era of Africa's Prosperity,", explored the evolving nature of the private capital ecosystem and what the next two decades of private capital in Africa could look like. The dialogues focused on fostering innovation and collaboration across the investment value chain and driving sustainable growth toward a new era of prosperity in Africa.

In May 2024, FEDA participated in the Africa CEO Forum 2024 which brought together more than 2,000 business leaders in more than 60 panel discussions, public-private workshops, and closed-door roundtables to explore a new future for Africa. The two-day event addressed critical topics under various themes, including leadership, digital future, integration, finance, infrastructure, and others. The FEDA CEO addressed one of the sessions, where she discussed FEDA's experience in investing in Rwanda.

In July 2024, FEDA and Afreximbank participated in the Formula E1 Series races in Monaco. President Benedict Oramah and the FEDA CEO held progressive meetings with the co-founders of the series, Mr. Alejandro Agag, Mr. Rodi Basso and E1 team owners Didier Drogba and Mr. Simon T. Tiemtore, Chairman Vista Bank/Lilium Capital, to explore partnerships to promote climate friendly sports in Global Africa.

In September 2024, FEDA participated in the Africa Forum Systems Forum in Kigali, Rwanda. The event convened diverse stakeholders, including world leaders, investors, and members of academia, farmers' organisations, and the private sector, to spotlight innovations, technologies, best practices, business models, policy delivery mechanisms, and investments to accelerate food systems transformation in Africa and beyond, with youth and women at the helm.

In October 2024, FEDA showcased its commitment to global economic discourse at the Future Investment Initiative (FII8) Conference in Riyadh, represented by CEO Marlène Ngoyi. Known as the "Davos of the Desert," the Future Investment Initiative is a premier forum attracting world leaders, top business executives, and innovators to discuss future investment landscapes.

FEDA's involvement underscores its dedication to contributing its unique perspective while learning from others, fostering partnerships to drive sustainable growth.

In November 2024, FEDA participated in an event themed "Beyond Traditional Finance: Exploring Alternative Investment Opportunities with KIFC." The event, curated by the Kigali International Financial Centre (KIFC), provided insightful information on KIFC for Rwanda's captains of industry, PSF Golden Circle members in particular, and how they can leverage the KIFC to expand their investment portfolio. FEDA delivered a presentation on "Alternative Sources of Financing".

Development Impact of FEDA's Operations and Activities

4

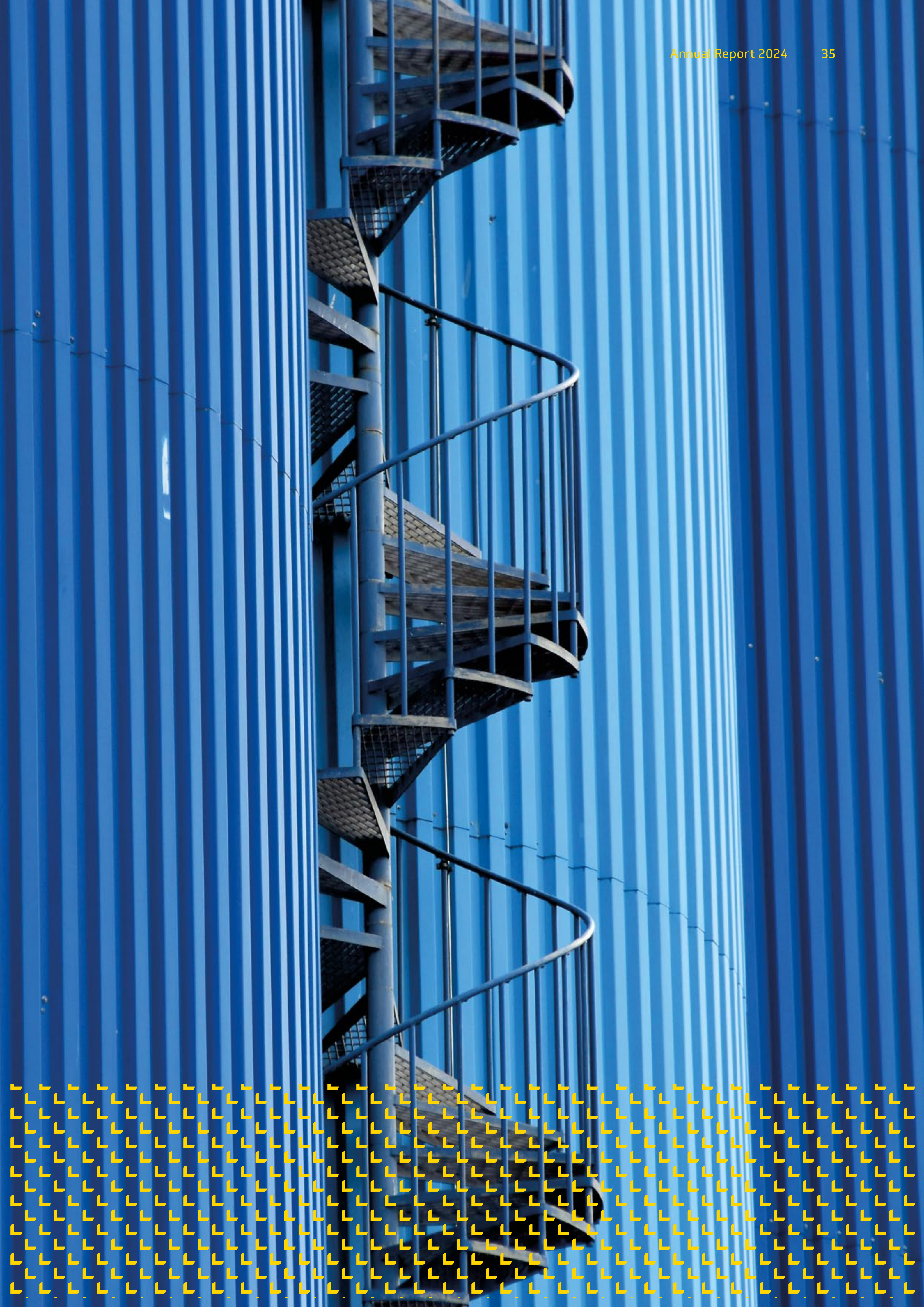
Development Impact of FEDA's Operations and Activities

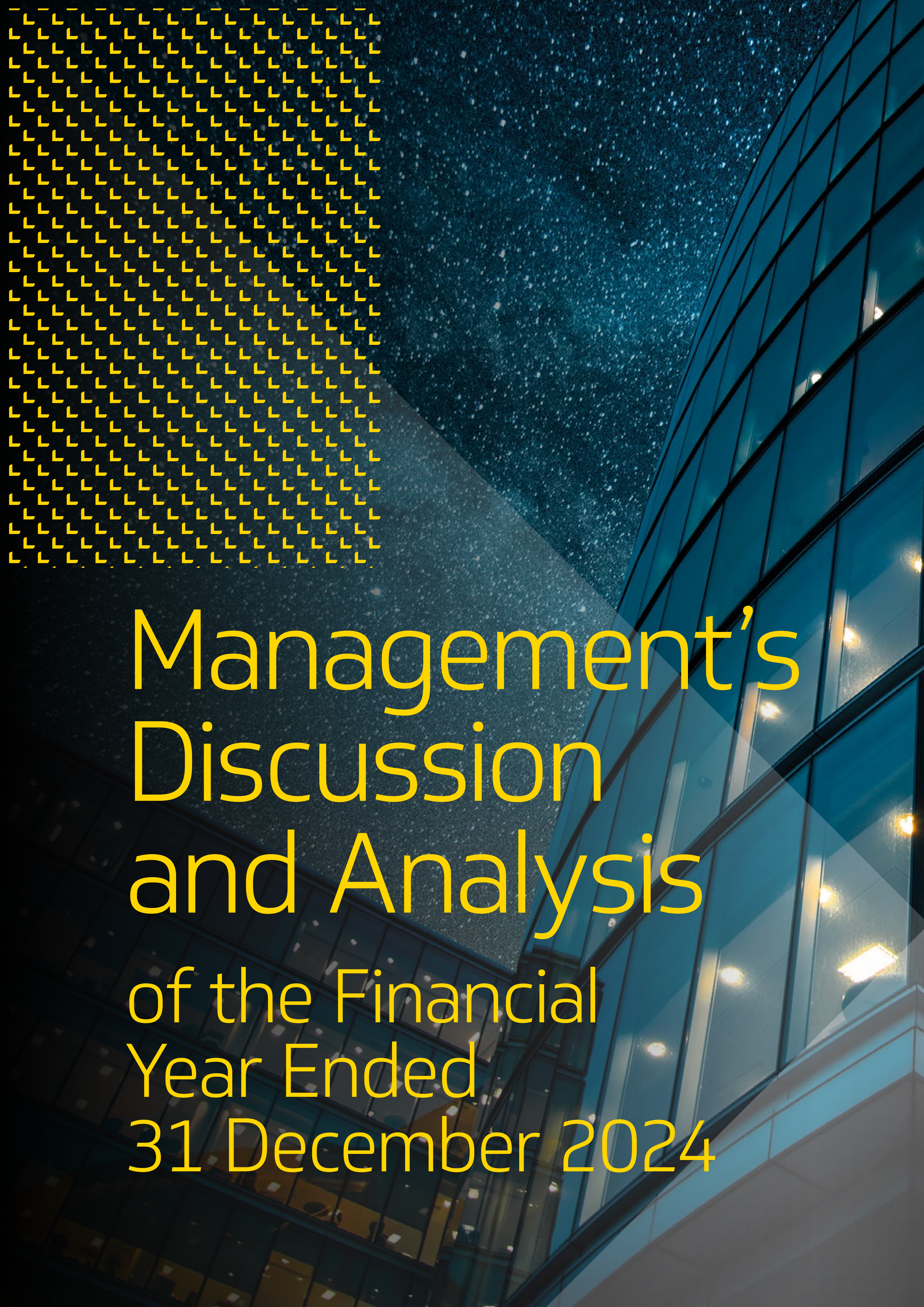
Africa's path to industrialisation and export diversification cannot be achieved without a dedicated fund capable of providing the long-term capital essential for such transformative projects. FEDA, Afreximbank's impact investment subsidiary, was established to provide equity, quasi-equity, and debt capital to address the multi-billion-dollar funding gap—particularly in equity—that is critical to the transformation of Africa's export sector. By offering equity financing to key players in the value chains of critical industries, FEDA significantly enhances the potential for success in advancing the Bank's trade development objectives.

As part of its commitment to boosting competitiveness in industrial goods production and facilitating exports, FEDA has invested US$300 million in Arise Integrated Industrial Platforms, securing a substantial equity stake in the company. This investment builds upon the long-standing debt relationship between Arise Integrated Industrial Platforms and Afreximbank, which spans more than 12 years and has provided more than US$1 billion to support Arise's ventures across Africa. Additionally, FEDA's previous convertible loan note investment in Arise further strengthens this partnership. In collaboration with its partner Gateway Partners, FEDA also has made significant strides in operationalising the Africa Credit Opportunities Fund, which made five strategic investments in 2024, focusing on value-added exports in sectors such as agriculture, telecommunications, logistics, transportation, and financial services.

FEDA remains dedicated to expanding its network of member states, and in 2024, successfully secured agreements with five new member states, including Republic of Benin, Republic of The Gambia, Republic of Guinea-Bissau, Republic of Malawi, and The Federal Republic of Nigeria. As of December 2024, FEDA had a total of 20 signatories to its Establishment Agreement.

To ensure the effectiveness and impact of its investments, FEDA has initiated the implementation of a development impact framework across its activities. As its portfolio grows, the need for a systematic monitoring and evaluation approach becomes critical. This framework will allow FEDA to assess its contributions to Africa's trade and development, guide informed operational and investment decisions, meet investor accountability requirements, and engage stakeholders effectively.





Management's Discussion and Analysis

of the Financial Year Ended 31 December 2024

5

Management's Discussion and Analysis of the Financial Year Ended 31 December 2024

5.1 Introduction

This chapter presents and discusses the financial statements of FEDA HoldCo (the Fund). The ensuing discussion presents the Fund's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, and Statement of Cash Flows for the year ended 31 December 2024.

The Fund recorded satisfactory financial results for 31 December 2024, as the reported performance was ahead of both 31 December 2023 performance and expectations. This was attained despite the challenging operating environment, which was characterised by increased geopolitical tensions, high inflation, elevated borrowing costs, and concerns over debt levels for some African countries. However, the entity's outlook remains positive due to its focus on high-impact investments, which will support the effective implementation of the African Continental Free Trade Agreement.

5.2 Financial Results

FEDA HoldCo's income grew by 59 percent, reaching US$45.2 million in 2024 compared with US$28.5 million in 2023. This increase was on account of fair value gains on portfolio investments held at fair value through profit or loss and fees earned.

During the year under review, FEDA HoldCo's operating expenses totalled US$4.9 million, which was slightly below 2023 operating expense of US$5.1 million. Operating expenses were largely comprised of professional fees, transactions costs, and investment and venture fund management fees.

The net income achieved in 2024 of US$40.3 million was ahead of expectations and represented a 72 percent increase over 2023.

The value of financial investments grew by 92 percent, reaching US$573.8 million by 31 December 2024 (2023: US$298.8 million). This included US$117.1 million (2023: US$68.3 million) invested in the credit portfolio during the year.

On 31 December 2024, shareholders' equity stood at US$607 million and represented a 97 percent growth over 2023. This increase was on account of fresh equity injections from the holding company and internally generated capital resulting from profits earned during the year.

5.3 Conclusions and Outlook

Despite a challenging global landscape, the Fund achieved satisfactory financial performance, surpassed expectations, and exceeded the previous year's performance. The Fund's robust financial position is attributed to strong shareholder support and solid financial performance. The Group is resolutely committed to providing adequate resources to sustain the Fund's active investments in high-impact projects.

Looking ahead, management will continue to invest in high impact projects that support both extra- and intra-Africa trade and, in the process, enhance and complement the AfCFTA agenda.

Financial Statements

for the Year Ended 31 December 2024

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Report of the Audit Committee to the Board of Directors and General Meeting of Feda Holdco

In compliance with the provisions of Article 10 of the Charter of FEDA Holdco concerning the establishment, membership, functions and powers of the Audit Committee of FEDA Holdco, the Audit Committee considered the audited Financial Statements of FEDA Holdco, herein referred to as the Fund, for the year ended 31 December 2024, at its meeting held on 24 March 2025.

In our opinion, the scope and planning of the audit for the year ended 31 December 2024 were adequate.

The net income achieved in 2024 of US$40.3 million was ahead of expectations and represented a 72% increase over 2023.

The value of financial investments grew by 92%, reaching US$573.8 million by 31 December 2024 (2023: US$298.8 million). This includes US$117.1 million (2023: US$68.3 million) invested in the credit portfolio during the year. Shareholders' equity stood at US$607 million and represented a 97% growth over 2023. This increase was on account of fresh equity injections from the holding company and internally generated capital resulting from profits earned during the year.

After due consideration, the Committee accepted the Report of the Auditors to the effect that, the financial statements present fairly, in all material respects, the statement of financial position as at 31 December 2024, and the statement of financial performance, statement of changes in equity, and statement of cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Fund's Charter.

The Committee, therefore, recommended that the audited Financial Statements for the Financial Year ended 31 December 2024 and the Auditors' Report thereon be approved by the Board and presented for consideration to Shareholders at the third General Meeting.

The Committee accepted the provision made in the Financial Statements for the remuneration of the Auditors for the year ending 31 December 2025 and recommends that the Board accepts same. Furthermore, the Audit Committee recommends to the Shareholders the reappointment of Deloitte Ghana as the Fund's external auditors for the Financial Year 2025 at an Audit fee level of US$ 30,000.

EVP George Elombi
Chairman

Financial Statements for the Year Ended 31 December 2024

Deloitte.

Audit Committee

Members of the Committee: EVP George Elombi, EVP Kanayo Awani, Mr. Elias Kagumya

Financial Statements for the Year Ended 31 December 2024

Independent auditor's report to shareholders of FEDA HoldCo

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors which was obtained prior to the date of this auditor's report. The other information 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 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 that we obtained prior to the date of this auditor's report, 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 of financial statements that give a true and fair view in accordance with IFRS Accounting Standard as issued by the International Accounting Standards Board 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.

Auditor's Responsibilities for the Audit of 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.

Deloitte.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 Company's 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 management's 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 audit committee and 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.

We also provide the audit and risk committee 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 safeguards.

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel Martey (ICAG/P/1476).**

Deloitte 2

For and on behalf of Deloitte & Touche (ICAG/F/2025/129)

Chartered Accountants

The Deloitte Place, Plot No.71

Off George Walker Bush Highway

North Dzorwulu

P.O.Box GP 453

Accra, Ghana

31st March **2025**

Financial Statements for the Year Ended 31 December 2024

FEDA HOLDCO

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 USD	2023 USD
Non-current assets			
Financial assets at fair value through profit or loss	5	**573,756,205**	298,842,573
		573,756,205	298,842,573
Current assets			
Cash and cash equivalents	6	**15,223,862**	9,333,002
Prepayments and other receivables	7	**19,690,220**	108,943
		34,914,082	9,441,945
Total assets		**608,670,287**	308,284,518
EQUITY AND LIABILITIES EQUITY			
Share capital	8(b)	**84,470,000**	84,470,000
Advance capital	8(c)	**461,731,764**	203,050,818
Retained earnings/(losses)		**60,831,234**	20,530,661
Total equity		**607,032,998**	308,051,479
LIABILITIES			
Current liabilities			
Other payables	9	**1,637,289**	233,039
Total liabilities		**1,637,289**	233,039
Total equity and liabilities		**608,670,287**	308,284,518

Marlene Ngoyi Mvidia
Chief Executive Officer

FEDA HOLDCO

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 2024

	Note	2024 USD	2023 USD
Revenue			
Net gain on financial assets measured at FVTPL	5(d)	**24,478,325**	28,528,006
Other Income		**20,756,515**	–
Total income		**45,234,840**	28,528,006
Expenses			
Management fees	10	**4,500,000**	4,500,000
Consulting fees		**211,558**	410,707
Legal fees		**(52,789)**	132,518
Fund raising		**187,500**	137,500
Directors' fees and expenses	11(c)	**68,502**	30,710
Professional services fees		**19,000**	25,250
Bank charges		**484**	–
Other expenses		**–**	30,000
Foreign exchange differences		**12**	(138,691)
Total expenses		**4,934,267**	5,127,994
Profit for the year		**40,300,573**	23,400,012
Total comprehensive income for the year		**40,300,573**	23,400,012

Financial Statements for the Year Ended 31 December 2024

FEDA HOLDCO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 2024

	Share capital USD	Advance capital USD	Retained earnings USD	Total USD
Balance as at 1 January 2023	**84,470,000**	**203,050,818**	**20,530,661**	**308,051,479**
Profit for the year	**–**	**–**	**40,300,573**	**40,300,573**
Transactions with equity owners:				
Advance capital during the year	**–**	**258,680,946**	**–**	**258,680,946**
Balance as at 31 December 2024	**84,470,000**	**461,731,764**	**60,831,234**	**607,032,998**
Balance as at 1 January 2023	84,470,000	93,910,221	(2,869,351)	175,510,870
Profit for the year	–	–	23,400,012	23,400,012
Transactions with equity owners:				
Advance capital during the year	–	109,140,597	–	109,140,597
Balance as at 31 December 2023	84,470,000	203,050,818	20,530,661	308,051,479

FEDA HOLDCO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 2024

	Note	2024 USD	2023 USD
CASHFLOW FROM OPERATING ACTIVITIES			
Profit for the year		**40,300,573**	23,400,012
Adjustments:			
Unrealised gain on financial assets measured at FVTPL	5(d)	**(24,478,325)**	(28,528,006)
Foreign exchange differences		**12**	138,691
		15,822,260	(4,989,303)
Changes in:			
Trade and other payables		**1,404,250**	(62,466)
Prepayments and other receivables		**(19,581,278)**	(108,943)
Net cash used in operating activities		**(2,354,768)**	(5,160,712)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL	5(b)	**(255,717,196)**	(121,022,558)
Reclassification of SPVS' receivables to investment	5(b)	**(556,666)**	–
Proceeds from financial assets at FVTPL	5(b)	**5,838,555**	4,470,866
Net cash used in investing activities		**(250,435,306)**	(116,551,692)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from advance capital	8(c)	**258,680,946**	109,140,597
Net cash generated from financing activities		**258,680,946**	109,140,597
Net decrease in cash and cash equivalents		**5,890,872**	(12,571,807)
Cash and cash equivalents at 1 January		**9,333,002**	22,043,500
Effects of exchange rate changes on cash and cash equivalents		**(12)**	(138,691)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	6	**15,223,862**	9,333,002

Financial Statements for the Year Ended 31 December 2024

1. Reporting entity

FEDA HoldCo ("the Company" or "the Fund"), headquartered in Kigali, Rwanda, is a supranational institution, established on 1 September 2021. The Fund started operations on 14 December 2021. The principal activity of the Fund is to promote and facilitate intra-African trade, value added exports of good and services and trade related infrastructure through investment in platform products.

2. Material accounting policies

The financial statements of the Fund have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Where necessary, comparative figures have been amended to conform with the change in presentation in the current year. The financial statements have been prepared on the historical cost basis except for financial assets and liabilities that are stated at their fair value. The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies.

Investment Entity and Consolidation

IFRS 10 "Consolidated financial statements" contains special accounting requirements for investment entities. Where an entity meets the definition of an "investment entity, it does not consolidate its subsidiaries.

The Fund meets the definition of an Investment Entity, according to IFRS 10, because the following conditions exist:

- The purpose of the Fund's business, which is communicated directly to investors, in addition to its development impact focus, is investing for capital appreciation and investment income; and
- The Fund's investments are measured and evaluated on a fair value basis;
- The Fund is not planning to hold its investments indefinitely;

Subsidiaries and consolidation: The Fund does not have any subsidiaries other than those determined to be Controlled Subsidiary Investments. Controlled Subsidiary Investments are measured at fair value through profit or loss and are not consolidated. The fair value of Controlled Subsidiary Investments is determined on a basis, consistent with all other investments measured at fair value through profit or loss, and as described in the fair value estimation note 3(c).

(a) Basis of preparation – continued

A Controlled Subsidiary Investment situation is one wherein the Fund has the power to govern the financial and operating policies of an investment company. Though generally accompanied by a shareholding of more than 50% of the voting rights, a Controlled Subsidiary Investment situation can also arise where an entity has the power to govern the financial and operating policies of its Subsidiary, without necessarily holding more than 50% of the voting rights.

The Controlled Subsidiary Investment (Company) is a subsidiary that has been established for the purpose of holding underlying investments on behalf of the Fund. The Company will have no operations other than providing a vehicle for the acquisition, holding and onward sale of certain portfolio investment companies. The Company will be reflected in the Fund's financial statements at its fair value, with the key fair value driver thereof being the investment in the underlying portfolio company investments that the Company holds on behalf of the Fund.

Also, where the Fund is deemed to have control over an underlying operating portfolio company, either directly or indirectly, irrespective of whether the control is via voting rights or through its (the Fund's) ability to direct the relevant activities in return for access to a significant portion of the variable gains and losses derived from those relevant activities, The Fund will not consolidate the underlying portfolio company. Instead, The Fund will reflect its investment at fair value through profit or loss

The Fund primarily invests into portfolio companies by purchasing, directly or indirectly, the unlisted securities (equity and debt) of these private companies. Cash dividends, at the discretion of the Board of Directors of the respective portfolio companies, can be paid based on the portfolio company's operating results. The cash dividends would be paid to the Fund either directly or through the relevant Company.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

New and amended IFRS Accounting Standards that are effective for the current year

The amendments contain specific transition provisions for the first annual reporting period in which the entity applies the amendments. Under the transitional provisions an entity is not required to disclose:

• comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments

• the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

In the current year, the entity has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The entity has adopted the amendments to IAS 1, published in January 2020.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The entity has adopted the amendments to IAS 1, published in November 2022. The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

Financial Statements for the Year Ended 31 December 2024

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the entity has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective [and [in some cases] have not yet been adopted by the [relevant body]

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate)

An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations – and adjust that rate, as necessary, to meet the objective as set out above. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented. In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability. The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments. The directors of the Company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation

(b) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using United States dollar ('USD"), the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in USD which is the Fund's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction while those measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. All other foreign exchange gains and losses are presented in profit or loss.

(c) Financial assets and liabilities

(i) Recognition and derecognition

Acquisition and divestment from investments will be recognised on the transaction date, that is, the date on which the Fund closes a purchase or a sale of an investment. Financial assets and financial liabilities at fair value through profit or loss (FVTPL) will be initially recognised at fair value. Post the initial recognition, all financial assets at fair value through profit or loss will be measured at fair value. Gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category will be presented in the statement of comprehensive income within 'Net gain or loss arising on financial assets measured at FVTPL' in the period in which they arise.

Related transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets will be derecognised when the rights to receive cash flows from the investments have expired or have been transferred. This will occur when the Fund has transferred, in substance, all risks and rewards of ownership of an asset to a buyer.

(ii) Classification and measurement

The Fund classifies its investment portfolio as financial assets reported at fair value through profit or loss. The Fund has not taken the option to irrevocably designate any equity instrument as fair value through other comprehensive income. Consequently, all investments shall be measured at fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost include cash and cash equivalents.

Financial assets – Business model assessment

The Fund makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

The Fund financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Fund has determined that it has the following business model:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flows.
- Held-for-trading business model: This includes investments in equity instruments and debt instruments.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through Profit or Loss

These assets are subsequently measured at fair value through profit or loss as it eliminates or significantly reduces a measurement or recognition inconsistency, sometimes known as an 'accounting mismatch', that otherwise would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Loan to shareholder and other receivables

Loan to shareholders and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Financial liabilities - Classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The Fund recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held).

The Fund considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(e) Non-financial assets

At each reporting date, the Fund reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGU). The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time

Financial Statements for the Year Ended 31 December 2024

value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the amount of the other assets in the CGU on a pro rata basis. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Taxation

According to Article XII of the Agreement for the Establishment of FEDA, which is signed and ratified by African member countries, the Fund's property, assets, income, operations and transactions are exempt from all taxation and custom duties.

(g) Share capital and advance capital

The Fund has only one class of shares. The shares are classified as equity. As at the reporting date, Afreximbank is the only shareholder of the Fund.

(h) Provisions and contingent liabilities

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

Contingent liabilities arise where there is a possible obligation as a result of a past event that may or may not require an outflow of resources embodying economic benefits, but where the obligation cannot be measured reliably. Contingent liabilities shall not be recognised on the statement of financial position. It shall be disclosed unless the possibility of an outflow is remote.

(i) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(j) Borrowings

Borrowings will be recognised initially at fair value but will be subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value will be recognised in the Statement of Comprehensive Income over the period of the borrowing, using the effective interest method.

(k) Prepayments and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and without a significant financing component. They are initially measured at the transaction price and subsequently stated at amortised cost. Prepayments are expected to be realised within 12 months of the reporting date.

(l) Other payables

Payables and accrued expenses are recognised initially at fair value and are subsequently stated at amortised cost.

(m) Net gain arising on financial assets measured at FVTPL

The Fund's realised gain from financial instruments at FVTPL represents interest received in cash during the year. The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period (adjusted for purchases in the current reporting period) and its carrying amount at the reporting date less any unrealised gains (losses) which have been realised in the current period.

(n) Interest income and interest from financial assets

Interest will be recognised on a time-proportion basis, using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

(o) Dividend income

Dividend income is recognised in the statement of comprehensive income when the right to receive a payment is established.

3. Financial risk management

(a) Financial risk factors

The Fund's activities may expose it to a variety of financial risks. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. A description of the significant risk factors is given below together with the risk management policies applicable.

(i) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial assets and liabilities. The Fund's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Fund monitors its market risk exposure.

(ii) Interest rate risk

The Fund's income and operating cash flows are substantially independent of changes in market interest rates. The Fund has no significant exposure to interest rate risk as its receivables bear fixed interest rates.

(iii) Currency risk

Most of the Fund's assets and liabilities are denominated in USD. The Fund transacts in securities denominated in currencies other than its functional currency, mainly EUR. Consequently, the Fund is exposed to risks that the exchange rate of the USD relative to the EUR may change in a manner which may have an adverse effect on the reported value of the portion of Fund's financial assets and liabilities denominated in EUR.

The currency profile of the Fund's financial assets and liabilities is summarised as follows:

	2024		2023	
Denominated in EUR	**Financial assets USD**	**Financial liabilities USD**	**Financial assets USD**	**Financial liabilities USD**
Cash and cash equivalents	**637,274**	**–**	221,248	–
Financial assets at FVTPL	**31,325,922**	**–**	23,419,465	–
	31,963,196	**–**	23,640,713	–

Sensitivity analysis

At December 31, 2023 and 2022, if the EUR had weakened by 10% against the USD with all other variables held constant, the following would be the effect on results for the year:

	2024	2023
	USD	**Financial liabilities USD**
Effect on profit	**3,132,592**	2,341,947

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(iv) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing 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 and without incurring unacceptable losses or risking damage to the Fund's reputation. This is achieved by monitoring rolling forecasts of the Fund's liquidity reserve on the basis of expected cash flows. The Fund also manages liquidity risk by maintaining sufficient cash reserves. All financial liabilities are payable within one year.

(v) Credit risk

The Fund's exposure to credit risk is the risk that a counterparty will be unable to pay the amount in full when due. The credit risk exposure arises mainly from cash and cash equivalents, loan and interest receivable and other receivables. The Fund manages its exposure to credit risk, which is limited to the carrying amount of its cash and cash equivalents, by banking with a reputable financial institution.

(b) Financial instruments by category

(i) The Fund's financial instruments (financial assets and liabilities) are measured at fair value through profit or loss except for cash and cash equivalents, loan and interest receivable, other receivables and payables.

(ii) Due to their short-term nature, the carrying value of cash and cash equivalents, loan and interest receivable, other receivables and payables approximate their fair value.

(iii) Valuation models

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective and require varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in fair value estimates.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable 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 not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which 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 but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(iv) Valuation framework

The Fund has an established control framework with respect to the measurement of fair values.

The Fund engaged an independent consultant to assist management to determine the fair values of the unlisted equities at each reporting date. Management provides the independent consultant with audited financial statements, approved future projected cash flows and other non-financial strategic information and they perform the following:

- determine return on equity using the earnings and equity;
- normalise return on equity for forecast periods;
- calculate the predicted price/book value based on a regression model, by considering other publicly tradable businesses within the region's PBV ratios.; and
- apply the regressed price to book ratio to the firm's equity to determine the price.

(c) Fair value estimation

Financial instruments measured at fair value

(i) The fair value hierarchy of financial instrument measured at fair value is provided below:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
As at 31 December 2024				
Financial assets				
Financial assets at FVTPL	–	–	**573,756,205**	**573,756,205**
Total	–	–	**573,756,205**	**573,756,205**
As at 31 December 2023				
Financial assets				
Financial assets at FVTPL	–	–	298,842,573	298,842,573
Total	–	–	298,842,573	298,842,573

(ii) The following table shows a reconciliation for fair value measurements in Level 3 of the fair value hierarchy.

	Financial Instrument USD	Total USD
Balance at 1 January 2024	**24,478,325**	**24,478,325**
Total gains or losses recognised in profit or loss	**255,717,196**	**255,717,196**
Purchases	**(5,838,555)**	**(5,838,555)**
Sales	**556,666**	**556,666**
Reclassification	**573,756,205**	**573,756,205**
Balance at 31 December 2024	**298,842,573**	**298,842,573**
Balance at 1 January 2023	153,762,875	153,762,875
Total gains or losses recognised in profit or loss	28,528,006	28,528,006
Purchases	121,022,558	121,022,558
Sales	(4,470,866)	(4,470,866)
Balance at 31 December 2023	298,842,573	298,842,573

There were no transfers in between fair value hierarchy levels.

(iii) The valuation techniques and significant unobservable inputs used in determining the fair value measurements of level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value are set out in the table below.

Financial instrument	Valuation technique	Significant unobservable inputs	Range of estimates of discount factors	significant unobservable inputs and fair value measurement
Instrument	EV/EBITDA multiple approach	Risk adjusted discount factors	– Comparable size discount factor 20% – 50%	The estimated fair value would increase/(decrease) if:
Equity investments		– Comparable size discount – Country risk	– Country risk discount factor 20% – 50%	– The comparable size discount factor was lower/(higher) – The country risk discount factor was lower/(higher)

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(iv) The effect of unobservable inputs on fair value measurement

The significant unobservable valuation input used in obtaining the value of unquoted securities was the Enterprise Value/Earnings Before Interest Tax Depreciation and Amortisation (EV/EBITDA Multiple) of similar companies. The table below shows the impact on the fair value of the unquoted securities that the EV/EBITDA of similar companies increase or decrease by 5%. The positive and negative effects are approximately the same.

	2024		2023	
	Fair value USD	Effect of 5% change in EV/EBITDA USD	Fair value USD	Effect of 5% change in EV/EBITDA USD
Unlisted private equity investments	**573,756,205**	**28,687,810**	298,842,573	14,942,129

Financial instruments not measured at fair value

Due to their short-term nature, the carrying value of cash and cash equivalents, loan and interest receivable, other receivables and payables approximate their fair value. Financial instruments not measured at fair value include:

31 December 2024	**Fair value USD**	**Carrying value USD**
Financial assets	**15,223,862**	**15,223,862**
Cash and cash equivalents	**15,223,862**	**15,223,862**
Financial liabilities	**1,637,289**	**1,637,289**
Other payables	**1,637,289**	**1,637,289**
31 December 2023		
Financial assets	9,333,002	9,333,002
Cash and cash equivalents	9,333,002	9,333,002
Financial liabilities	233,039	233,039
Other payables	233,039	233,039

d. Capital risk management

The Fund's objectives when managing capital are:

(i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) to provide an adequate return to shareholders.

The Fund sets the amount of capital in proportion to its funding needs. As at 31 December 2024 and 2023, the Fund was wholly financed by equity.

4. Critical accounting and judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Fair value of securities not quoted in an active market
The fair value of securities not quoted in an active market may be determined by the Fund using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(ii) Valuation assumptions
The Fund holds investments as disclosed under Note 5. These investments are fair valued based on the net assets of the investee entities. The valuation of the underlying investments of the investee entities are based on judgement and estimates which are determined by the Fund's Investment manager. The fair value of the underlying investments is determined by applying the market comparison technique using comparable trading multiples for revenue and EBITDA. The valuation model is based on market multiples derived from quoted prices of companies comparable to the portfolio company and the expected revenue and EBITDA of the portfolio company. The estimate is adjusted for the effect of the non-marketability of the equity securities and for the net debt of the investee. For underlying loan investments of the investee entities, the fair value is determined by the loan principal plus accrued interest.

(iii) Limitation of sensitivity analysis
Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Fund's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Fund's view of possible near-term market changes that cannot be predicted with any certainty.

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5. Financial assets at fair value through profit or loss (FVTPL)

a. Details of movement in financial assets measured at FVTPL is as follows:

	2024 USD	2023 USD
As at January 1	**298,842,573**	153,762,875
Additions	**255,717,196**	121,022,558
Reclassification	**556,666**	-
Receipt	**(5,838,555)**	(4,470,866)
Unrealised gains during the year	**24,478,325**	28,528,006
At December 31	**573,756,205**	298,842,573

b. Further analysis of the value of the Fund's investment is as follows:

	2024						2023
	Fair value USD	Additions USD	Reclassification USD	Receipt USD	Unrealised gain USD	Fair value as at 31/12/2024 USD	Fair value USD
Libreville Africa Holdings Limited	**146,177,817**	**209,231,150**	**204,299**	**(4,821,755)**	**16,030,025**	**366,821,535**	146,177,817
FEDA TMT Africa Limited	**63,841,661**	**–**	**199,649**	**–**	**213,930**	**64,255,240**	63,841,661
FEDA Energy Investment Holdings Ltd	**20,570,601**	**–**	**152,718**	**(726,212)**	**4,025,551**	**24,022,658**	20,570,601
Africa Credit Opportunities Fund	**68,252,494**	**44,949,796**	**–**	**(290,588)**	**4,208,820**	**117,120,522**	68,252,494
AfCFTA Adjustment Credit Fund	**–**	**1,536,250**	**–**	**–**	**–**	**1,536,250**	–
	298,842,573	**255,717,196**	**556,666**	**(5,838,555)**	**24,478,325**	**573,756,205**	**298,842,573**

c. Below is a list of underlying investments owned by FEDA Holdco:

List of underlying investment	Direct Investment in	Ownership	Ownership %	2024 USD	2023 USD
LNG logistics distribution network	Libreville Africa Holdings Limited	Indirect	32.50	–	1,700,000
FMCG – dairy and poultry producer.	Libreville Africa Holdings Limited	Indirect	N/A	**31,325,922**	23,419,465
Industrial Parks.	Libreville Africa Holdings Limited	Indirect	N/A	**299,797,529**	94,000,312
Energy	Libreville Africa Holdings Limited	Indirect	N/A	**29,142,269**	27,058,040
Financial Services	Libreville Africa Holdings Limited	Indirect	N/A	**2,555,815**	27,058,040
Sports	Libreville Africa Holdings Limited	Indirect	33.33	**4,000,000**	27,058,040
Telecommunications	FEDA TMT	Indirect	2.67	**64,255,240**	63,841,661
Oil and gas	FEDA Energy Investment Holdings Limited	Indirect	N/A	**24,022,658**	20,570,601
Africa Credit Opportunities Fund	ACOF Credit Fund	Direct	96.53	**117,120,522**	68,252,494
AfCFTA Adjustment Fund	AfCFTA Adjustment Fund Credit Fund	Direct	50.00	**1,536,250**	–
				573,756,205	298,842,573

During the year, the Fund entered into a partnership agreement with Africa Credit Opportunities Fund L.P (ACOF), a limited partnership established to focus on debt capital required for strengthening African trade and providing debt capital for development impact in trade, industrialisation and export development. The Fund disbursed funds based on capital call draw down notices received during the year.

(i) The Fund entered into a partnership agreement with Africa Credit Opportunities Fund LP (ACOF), a limited partnership established to focus on debt capital required for strengthening African trade and providing debt capital for development impact in trade, industrialisation and export development. The Fund disbursed funds based on capital call draw down notices received during the year.

(ii) During the year, the Fund committed US$100 million for investment in the Africa Continental Free Trade Area (AfCFTA) Adjustment Fund. As per the framework agreement dated 29 December 2023, an interim arrangement was made between AfCFTA Adjustment Fund Corporation, FEDA HoldCo and FIM, whereby, FIM provides management services to AfCFTA, and FEDA HoldCo pays management fees of 1.5% of its US$100 million capital commitment annually. This forms part of FEDA HoldCo's initial capital commitment of US$100 million.

(d) Net gain on financial assets measured at FVTPL is as follows:

	2024 USD	2023 USD
Unrealised gain	**24,478,325**	28,528,006
	24,478,325	28,528,006

6. Cash and cash equivalents

	2024 USD	2023 USD
Cash at bank	**15,223,862**	9,333,002
	15,223,862	9,333,002

7. Prepayments and other receivables

	2024 USD	2023 USD
Intercompany – Afreximbank	**10,521,165**	–
Intercompany – Libreville Africa Holdings Limited	**9,169,055**	42,425
Intercompany – FEDA TMT – LTJL	**–**	43,303
Intercompany – FEDA Energy Investment Holding	**–**	10,715
Other Prepayments	**–**	12,500
	19,690,220	108,943

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8. Share Capital

a. Authorised capital

The authorised share capital of FEDA Holdco is US$2,000,000,000.

b. Issued and fully paid capital

	2024 USD	2023 USD
8,447 ordinary shares (2022: 8,447 ordinary shares) of USD10,000 each	**84,470,000**	84,470,000

c. Advance capital

	2024 USD	2023 USD
As at 1 January	**203,050,818**	93,910,221
Additions during the year	**258,680,946**	109,140,597
As at 31 December	**461,731,764**	203,050,818

9. Other Payables

	2024 USD	2023 USD
Due to FEDA investment management	**1,543,320**	7,070
Due to FEDA Capital	**6,000**	–
	87,969	225,969
	1,637,289	233,039

10. Management Fees

Under the terms of the Investment Advisory Agreement, the Fund is required to pay an annual management fee of 2% on its committed capital of US$225 million. This is payable quarterly and in advance.

	2024 USD	2023 USD
Management fees	**4,500,000**	4,500,000

11. Related party transactions

Related party transactions basically represent financing arrangements between the Fund and its related parties. It also includes payments made by related parties on behalf of the Fund and payments made by the Fund on behalf of related parties in the ordinary course of business. The resulting balances as at year end are as follows:

(a) The following related party transactions occurred during the year:

With enterprises that have a number of directors in common	2024 USD	2023 USD
- Amount payable – FEDA Investment Management	**1,543,320**	7,070

With investee companies	2024 USD	2023 USD
- Amount receivable – Afreximbank	**10,521,165**	–
- Amount receivable – Libreville Africa Holdings Limited	**9,169,056**	42,425
- Amount receivable – FEDA TMT	**–**	43,303
- Amount receivable – FEDA Energy Investment Holdings Limited	**–**	10,715

(i) Outstanding balances at the year end are unsecure, interest free and settlement occurs in cash.

(ii) No guarantees have been provided or received for any outstanding balances.

(iii) The transactions with the related parties have been made on normal commercial terms and in the ordinary course of business.

(b) Management fees

FEDA Investment Management, the manager of the Fund's investment portfolio is a wholly owned subsidiary of Afreximbank. Under the terms of the Investment Advisory Agreement, the manager is entitled to an annual management fee of 2% on the Fund's committed capital of US$225 million. This is payable quarterly and in advance.

	2024 USD	2023 USD
Management fees	**4,500,000**	4,500,000

(c) Key management personnel compensation

	2024 USD	2023 USD
Directors' fees and expenses	**68,502**	30,710

Directors' fees and expenses have been fully settled during the period. The Directors did not hold any shares in the Fund during the reporting period or at the reporting date.

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12. Other income

During the year, FEDA Holdco earned an income of US$20,756,515 as service fee from Arise IIP. Arise IIP is a company focused on designing, financing, constructing and managing integrated industrial zone to foster the growth of industrial ecosystems and transform Africa from a raw material supplier into a global manufacturing powerhouse.

13. Post balance sheet events

There were no events after the end of the reporting period, which could have a material effect on the state of affairs of the Company as at 31 December 2024 and the results for the year then ended which have not been adequately provided for and/or disclosed.

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