

**InfraCo Africa  
Business  
Development  
Limited (formerly  
known as InfraCo  
Africa Limited)**

Company Registration No: 05196897

**Annual Report**

**For the year ended 31 December 2025**

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **COMPANY INFORMATION**

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<b>Directors</b>	Augustine Pasipamire Makoni Cecilie Sørhus Gilles Vaes
<b>Company secretary</b>	Vistra Company Secretaries Limited
<b>Registered number</b>	05196897
<b>Registered office</b>	6 Bevis Marks London England EC3A 7BA
<b>Independent auditors</b>	BDO LLP Chartered Accountants & Statutory Auditor 55 Baker Street London United Kingdom W1U 7EU

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED) CONTENTS**

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# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025**

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The Directors present their Report to the members together with the financial statements of InfraCo Africa Business Development Limited (the “Company”), formerly known as InfraCo Africa Limited, for the year ended 31 December 2025. During the year, the Company changed its name from InfraCo Africa Limited to InfraCo Africa Business Development Limited.

### **Principal activities**

The principal activity of the Company is that of investing in infrastructure project development in Sub Saharan Africa. The Company takes on significant transaction risks associated with early stages of the project cycle with the aim of selling its interests to private investors once the development process has been completed.

There have been no significant changes in the nature of these activities during the year.

The Company obtains funding from the governments through the PIDG Trust and the PIDG Group. The funding is mainly equity in nature. The governments expect a financial return from their investments over time.

### **Objectives**

The Company shares PIDG’s mission, which is to get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where most urgently needed.

The Company’s objectives are to:

- i. Stimulate greater private sector involvement in the financing, construction and operation of infrastructure and related projects; and
- ii. Identify, create and structure financeable private sector and public-private partnership investment opportunities, by undertaking development activities in relation to Projects that provide benefits to the poor, including girls and women in accordance with the terms of the PIDG Investment Policy.

### **Strategy**

The Company is included within the current PIDG 2023-30 Strategy (publicly available at: [www.pidg.org/about-us/strategy](http://www.pidg.org/about-us/strategy)) as part of the “PIDG Development Arm” or “InfraCos” alongside InfraCo Africa Investment Limited (England & Wales), InfraCo Asia Business Development Pte. Ltd. (Singapore), and InfraCo Asia Investment Pte. Ltd. (Singapore).

The InfraCos provides:

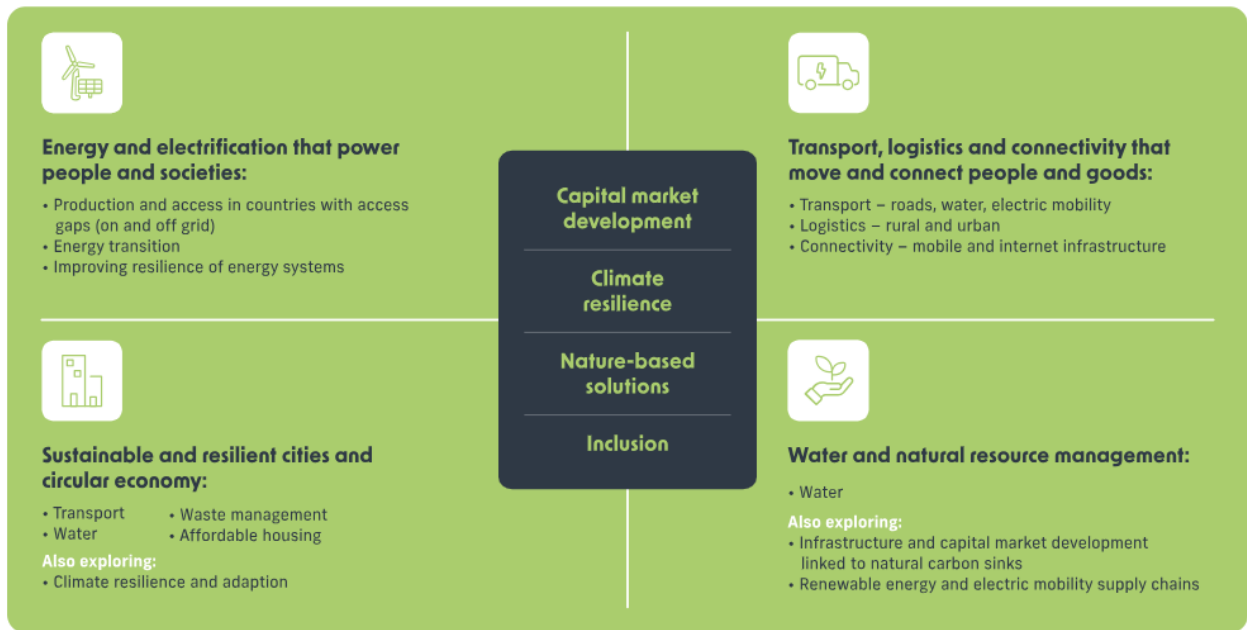
- i. Catalytic leadership capital to share the risks of early stage project development with competent sponsors.
- ii. Investment equity in projects and companies at early and later stages.
- iii. In-house asset management capability to ensure projects move smoothly through construction into operation.
- iv. A high ambition to scale up this work building on the track record of our InfraCos.

# INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

### Investment themes and broad sector framework

The Company adopts a strategic origination approach in line with the PIDG 2023-30 Strategy, focusing on scaling up impact through a deliberate investment focus on combinations of sectors, geographies and products as detailed in the graphic below.



### Key Shifts in strategy

The PIDG 2023-30 Strategy outlines key shifts to rise to the current challenges faced in the markets that the Group operates in, namely:

- i. Elevating climate action together with sustainable development as the main purpose of our infrastructure financing and capital market development efforts
- ii. Scaling our impact with new ambition and urgency – measured as new and improved access to infrastructure and improved climate resilience – working more systematically in partnership with the private sector and development finance institutions
- iii. A more deliberate and coordinated origination and product strategy. Specifically to the Group, this involves: (a) Scaling up project development and early stage work in partnership with others; and (b) Unlocking local currency domestic institutional capital for infrastructure investment, and accelerating the deployment and effectiveness of guarantees and local credit enhancement facilities.
- iv. A more strategic focus on project origination. Deliberately targeting impact at scale through growth in selected combinations of geographies/sectors/products.
- v. Growing the level of investment that we deliver while balancing financial sustainability with sustainable development impact at scale.
- vi. Nurturing a culture of radical collaboration – within the Group and with partners as a solution provider and a bridge between development and private finance.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025**

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### *Investment focus*

The Company shall continue to focus on supporting least-developed countries (LDCs) as listed by the United Nations, providing solutions that attract new sources of capital into early-stage project development, and providing a value proposition to other investors and private-sector partners based on our capacity to: raise health, safety, environment and social standards (HSES); implement a climate, nature and gender inclusion lens in infrastructure; and manage and demonstrate sustainable development impact.

### **Business review**

The Company continued to work with several projects in the year towards reaching financial close, commercial operation, or scaling of their operations. During the year, the Company achieved two financial close – a EUR 2.5m convertible loan in Project Supamoto in the cooking stove space, and USD 0.05m convertible loan in Project Sanivation in the solar power space.

The Company continued to support its investment in East Africa Marine Transport - a scheduled roll-on/roll-off freight transport service across Lake Victoria – which celebrated its inauguration in early 2025.

The Company also continued to maintain and develop its pipeline of projects through due diligence phases in order to reach new commitments in the year.

### **Financial results**

The results of the Company for the year, set out in the statement of comprehensive income, show a loss on ordinary activities after tax of USD 33,895,238 (2024: USD 21,473,889). Equity of the Company, set out in statement of financial position, were USD 107,327,207 (2024: USD 141,222,445).

The Company received income during the year ended 31 December 2025 from recharged costs and management fees to fellow PIDG companies through arms-length engagements totalling USD 219,787 and USD 2,697,385 respectively (2024: USD 556,332 and USD 4,419,416 respectively).

During the year ended 31 December 2025 the Company received grant income of USD nil (2024: USD 935,046) from the PIDG Trust, and the incurred corresponding grant expenditure/disbursements in relation to technical assistance funding for its projects.

The Company incurred fair value losses of USD 23,927,244 (2024: USD 7,370,418) during the year which was driven by fair value losses on investments and loans. The projects of these investments and loans are challenged by unrealised-to-date delays faced by the portfolio projects reaching financial close or commercial operations; and foreign exchange which were influenced by the fluctuations of the exchange rate between Euro and US Dollar.

Project development fees in the year amounted to USD 1,583,803 (2024: USD 2,424,316). Administrative costs in the year amounted to USD 16,718,470 (2024: USD 17,706,216).

### **Principal risks and uncertainties**

#### *Conduct and compliance risk*

The Company promotes a strong risk culture where employees at all levels are responsible for the management and escalation of risks. Employees are expected to exhibit behaviours that support a strong risk culture in line with the Code of Conduct. The Company's risk culture is shaped by a range of factors including its ownership structure, funding model, operating footprint, mission and business activities in jurisdictions with high levels of geo-political, economic, bribery, corruption, safety and security risks. The Company endeavours not to involve itself with transactions, activities, processes or relationships that are likely to attract negative publicity that cannot be credibly rebutted.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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The assessment of risks that may give rise to reputational impacts form a key component of our strategic business approval processes. The PIDG Investment Policy defines the sectors PIDG plans to operate in and sets out certain excluded sectors. Any deviation requires approval from the members of PIDG Trust. The Company makes investment decisions and faces a reputational risk from poor decisions. It seeks to minimise the incidence and/or impact of this risk through requiring careful due diligence and decision making by senior management, providing appropriate training and through operating robust internal processes.

The Company has adopted PIDG's Code of Conduct and Operating Policies and Procedures (OPPs), which set out the values and behaviours expected from employees within the Company and from other relevant stakeholders, such as project partners.

These include policies on anti-corruption and integrity, conflicts of interest, share dealing and remuneration that are available at [www.pidg.org](http://www.pidg.org). The anti-corruption and integrity OPP sets our policies and procedures for our employees, stakeholders and project partners in relation to anti-money laundering, bribery and corruption, terrorist financing and fraud which are intended to act not only to set the appropriate standards but also to set mitigating controls to prevent any such incidents occurring.

Complaints and Whistleblowing concerns are recorded using specific processes designed to protect the anonymity of complainants and ensure confidentiality of any relevant reviews or investigations, in line with the Company's whistleblowing policy. In addition, the Company utilises media monitoring software which alerts it to any adverse publicity about the Company. Where necessary, the Company's communications team prepares appropriate responses.

#### *Investment risk*

Investments are made in line with the PIDG Investment Policy, available at [www.pidg.org](http://www.pidg.org).

The Company originates, develops, structures, invests and manages innovative and pioneering projects, expansions to existing projects and/or investments. It takes on early-stage infrastructure investment and development providing management and capital to address early-stage risks and developing bankable projects that can attract debt and equity participation at or before financial close.

PIDG Ltd sets the investment criteria for the PIDG Companies and oversee their investment decisions to ensure that they comply with these criteria, the Group Strategy and PIDG's objectives in general, and that each investment constitutes an efficient and prudent use of resources by the PIDG Company concerned.

Management recognises and balances trade-offs between its work at the frontier and its need to achieve financial sustainability. In doing so, we will ensure that we are risk-aware but not risk-averse. PIDG aims to support viable infrastructure projects that contribute to the elimination of poverty and deliver action on climate resilience and nature. In doing so, PIDG accepts risks that are consistent with its commitment to development impact.

The Company adopts PIDG's risk appetite, which is the amount of risk that PIDG is willing to accept to meet its strategic objectives. It balances the needs of all stakeholders by acting as both a governor of risk and a driver of current and future business strategy. It differs from risk capacity, which is the maximum amount of risk an organisation can assume while still remaining within the constraints implied by funding, leverage and other obligations to stakeholders.

The PIDG Risk Appetite Framework is used to sustain management's dialogue with the PIDG Board and set boundaries around strategy and opportunity seeking behaviour in the organisation. The framework stipulates portfolio-level limits across relevant risk categories, including, inter alia credit risk, concentration risk, liquidity and funding risk, foreign exchange risk and interest rate risk. It is supported by the PIDG Treasury Policy that includes the suite of policies that address, inter alia, bank limits, liquidity and funding risk and market risk (including FX risk and interest rate risk).

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **Principal risks and uncertainties (continued)**

##### *The Health, safety, environmental and social risk*

Effective management of health, safety, environment, and social (HSES) risks forms a key focus for the Company and PIDG. The PIDG Group has developed a HSES Management System, which requires compliance with the IFC's Environmental and Social Performance Standards and other appropriate best practice guidelines. This system allows all key HSES risks to be identified and managed by the Company to a level that can be considered 'as low as reasonably practicable'. Any incidents are also required to be reported to the PIDG Executive team within 24 hours of the Company becoming aware of it.

The PIDG HSES Committee reviews and advises on safe-guarding practices and sustainability, thereby ensuring relevant issues are discussed, understood, owned and promoted at Board level. This includes advising on areas as broad as human rights through to workplace safety initiatives and campaigns.

##### *Legal risk*

The Company faces a risk of loss arising from a failure to act, or to document its agreements, in a legally effective manner. This could arise from lack of awareness or misunderstanding of ambiguity in or reckless indifference to, the way law and regulation apply to the Company. It would primarily be caused by factors such as defective legal agreements or failing to take appropriate measures in law to protect assets.

The Company mitigates these risks by employing trained executives supported by appropriate internal policies and a suitably qualified legal team that seeks specialist external advice when necessary.

##### *Other operational risks*

Operational risk includes risks associated with people, processes, systems and external events, both within the Company and across our stakeholders. The Company is committed to ensuring that its people adopt the highest standard of ethical behaviour as this is critical to the way it undertakes our business.

The OPPs enshrine our principles and standards that guide PIDG's culture. These are underpinned by internal procedures and associated controls. Compliance with the OPPs is on a 'comply or explain' basis; any breaches of the OPPs by the Company are recorded and an annual OPP compliance exercise is undertaken. This is presented to both the Audit and Risk Committees with key findings also being submitted to the Board.

##### *Financial instrument - risk management*

The Company establishes fair value using valuation techniques in line with the Company valuation policy and International Private Equity and Venture Capital (IPEV) valuation guidelines. These include a Market Approach, for example the Price of Recent Investment (PORI) or comparable multiple, an Income Approach, for example Discounted Cash Flow (DCF) and a Cost Approach, including a multiple of costs at which a market participant would buy an asset or investment. Typically, a combination of techniques is applied in considering a range of fair values on a case-by-case basis.

Key financial risks relating to financial instruments are set out in further detail in note 13 of the financial statements.

##### *Liquidity risk*

Liquidity risk arise on timing differences between the receipt of funds from the PIDG Trust and the Company's financial obligations to its creditors. The Company's approach to managing this risk is to produce both short and long-term cash flow forecasts in order to ensure that it has access to sufficient liquidity at all times.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025**

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In addition, the Company has a loan facility agreement for USD 5 million from The Emerging Africa and Asia Infrastructure Fund (EAAIF) to provide sufficient cash reserves to meet liabilities when due, should delay in funds occur, unexpected costs arise, or unpredicted disbursement to projects be required.

### *Currency risk*

The Company's income from recharges is denominated in US Dollars or the local currency of operation or the currency that the costs are incurred in. Management fees are being recharged mainly from the service companies are mainly denominated in US Dollars whereas income from projects are largely denominated in the local currency of the investee or US Dollars.

Administrative expenditures are denominated in the local currency of the Company's offices in the UK or are US Dollars recharges from service companies. Project related expenditure is typically incurred in the local investee's local currency, Pound Sterling, Euros, or US Dollars

The Company's investments are predominantly denominated in US Dollars with some denominated in Euros, however the underlying investees typically operate in African economies and are therefore impacted by material macroeconomic changes that may result in foreign currency exposure to those investments.

The Company mitigates the currency risk through maintenance of cash levels in relevant currencies to meet its obligations and monitoring of project commitments in US Dollars and other currencies. Cash and obligations by currency are also monitored by PIDG's Asset and Liability Committee.

### *Credit risk*

Counterparties include the banks which hold our cash reserves. Credit risk arising from cash balances is managed by depositing cash and money market fund reserves with institutions that have a credit rating of at least investment grade. Limits are set and monitored by PIDG's Asset and Liability Committee.

### *Macroeconomic and geopolitical risk*

Macroeconomic policies and/or geopolitical instability pose inherent risk to the development of projects to which the Company is an investor, or co-developer. Political instability in the regions that the Group operates poses a risk of security of contractual rights or Company's assets. Changes in macroeconomic policies or environments can directly influence the expected future cashflows of the underlying investees, or the potential exit/maturity value of the investment, or the fair value of the investment in the Company's reporting currency at the reporting date. The Company mitigates the risks through due diligence of the jurisdictions that it chooses to operate in and collaboration with local governments.

The ongoing instability of geopolitics in the world continues to drive stresses in the macroeconomic environment that are adversely impacting our projects. The Directors will continue to work with senior management to closely monitor these emerging risks and assess the impact on operations, PIDG projects and its performance targets in the short and long-term.

## **Developments**

The Company and its associated companies, as controlled by the Private Infrastructure Development Group Trust at 31 December 2024, completed a reorganisation in 2025 approved by the Private Infrastructure Development Group Trust (the PIDG Trust). The Company's immediate shareholder is now InfraCo Project Holding Company Africa Ltd, which is 100% held under The Private Infrastructure Development Group Holding Company Limited Group (the PIDG HoldCo), which prepares consolidated accounts. The PIDG HoldCo's immediate and existing joint shareholders are JTC Trust and Fiduciary Services (UK) Limited, IQ EQ Trustees (Mauritius) Ltd and Minimax Ltd as trustees of the PIDG Trust, a trust established under the laws of Mauritius


**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Donations and expenditure**

There were no political or charitable donations made in the current or prior year.

This report was approved by the Board and signed on its behalf:

Signed by:  
  
2B60AE59B0164D1...  
Augustine Pasipamire Makoni  
Director  
31 March 2026

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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The Directors present their Report to the members together with the financial statements of InfraCo Africa Business Development Limited (the "Company"), formerly known as InfraCo Africa Limited, for the year ended 31 December 2025. During the year, the Company changed its name from InfraCo Africa Limited to InfraCo Africa Business Development Limited.

#### **Directors**

The Directors who served during the year were:

Augustine Pasipamire Makoni  
Cecilie Sørhus  
Gilles Vaes

#### **Principal activities**

The principal activity of the Company is that of investing in infrastructure project development in Sub-Saharan Africa. The Company takes on significant transaction risks associated with early stages of the project cycle with the aim of selling its interests to private investors once the development process has been completed.

There have been no significant changes in the nature of these activities during the year.

The Company obtains funding from the governments through the PIDG Trust and the PIDG Group. The funding is mainly equity in nature. The governments expect a financial return from their investments over time.

#### **Objectives**

The Company shares PIDG's mission, which is to get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where most urgently needed.

The Company's objectives are to:

- iii. Stimulate greater private sector involvement in the financing, construction and operation of infrastructure and related projects; and
- iv. Identify, create and structure financeable private sector and public-private partnership investment opportunities, by undertaking development activities in relation to Projects that provide benefits to the poor, including girls and women in accordance with the terms of the PIDG Investment Policy

#### **Results and dividends**

The results for the year are set out in the Statement of Comprehensive Income on page 15. No dividends were declared or paid by the Company during the year (2024: USD nil).

#### **Going concern**

The Company meets its day to day working capital requirements predominantly through issuing share capital. In addition to this, income is received through the sale of development projects and development costs recovered. The Directors have considered the Company's cash flow requirements for the 12 months from the date of issue of the financial statements, and they consider that the Company will continue to have sufficient funds for the foreseeable future. The Directors have made supported assumptions regarding revenues receivable from current investments, future funding, and share capital to be issued, which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of funding.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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The above assessment is supported by the following:

- the Company has significant liquid cash available at year end and expects further cash from the governments who fund the PIDG Trust over the next 12-month period;
- the assessment acknowledges the agreement with the governments, who fund the PIDG Trust for the Company to always have contingent cash available to cover a specified period of future expected costs. This would cover any potential cash deficit that might arise in the next 12 months; and
- cashflow is controlled by management with considerable oversight and enforced controls in relation to cash disbursement procedures. If project spend is delayed, drawdowns of funds available to the Company, both in the form of cash and encashment of UK government promissory notes, will also decelerate. This suggests there is minimal liquidity risk as management are able to respond in a timely manner to market changes by adjusting the Company's inflow and outflow profile. The Company already has adequate funding to meet all of its contractual commitments over the next 12 months.

#### **Statement of disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that Director has taken all the steps that ought to have been taken, as a Director, in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Post balance sheet events**


On a macroeconomic level, the Company noted the unresolved global conflicts, especially the United States, Israel and Iran and continues to closely monitor global and regional events and actively consider the impact of these on the Company and its investments.

None of these factors have led to any post balance sheet events that would need to be disclosed or reflected in these results following the year ended 31 December 2025.

#### **Auditors**

The auditor for the year was BDO LLP.

This report was approved by the Board and signed on its behalf:

Signed by:  
  
2B60AE59B0164D1...  
Augustine Pasipamire Makoni  
Director  
31 March 2026

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the, Directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, <https://pidg.org/>. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of InfraCo Africa Business Development Limited ("the Company") for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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- Discussion with management and those charged with governance; and
  - Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;
- we considered the significant laws and regulations to be the applicable accounting framework and Companies Act 2006.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be valuation of investments and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Reviewing the financial reporting process for post year-end financial reporting journals; and
- Assessing significant estimates made by management for bias in relation to valuation of investments;

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

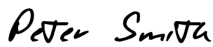
**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS  
INFRACO AFRICA LIMITED)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
31 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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	Note	2025 USD	2024 USD
Income	3	5,627,598	6,569,891
Fair value losses through profit or loss	7	(23,927,244)	(7,370,418)
Project development fees		(1,532,803)	(2,424,316)
Reversal of provisions	16	1,842,968	-
Administrative expenses		(16,718,470)	(17,706,216)
<b>Operating loss</b>	<b>4</b>	<b>(34,707,951)</b>	<b>(20,931,059)</b>
Net foreign exchange differences	5	812,713	(479,006)
<b>Loss on ordinary activities before taxation</b>		<b>(33,895,238)</b>	<b>(21,410,065)</b>
Tax on loss on ordinary activities	8	-	(63,824)
<b>Loss for the financial year</b>		<b><u>(33,895,238)</u></b>	<b><u>(21,473,889)</u></b>


The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 20 to 46 form part of these financial statements.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

	Note	2025 USD	2024 USD
<b>Assets</b>			
<i>Non-current assets</i>			
Property, plant and equipment	10	6,886	12,335
Investments at FVTPL	9	76,021,572	97,597,268
Other loan receivables	11	8,470,234	8,108,442
Total non-current assets		<b>84,498,692</b>	<b>105,718,045</b>
<i>Current assets</i>			
Investments held for sale	9	8,493,114	-
Trade and other receivables	11	7,908,769	5,675,111
Cash and cash equivalents	13	18,014,622	38,331,764
Total current assets		<b>34,416,505</b>	<b>44,006,875</b>
Total assets		<b>118,915,197</b>	<b>149,724,920</b>
<b>Equity and liabilities</b>			
<i>Capital and reserves</i>			
Share capital	15	351,204,978	341,700,067
Shares to be issued	15	-	9,504,911
Retained deficit		(243,877,771)	(209,982,533)
Total Shareholders' Funds - Equity		<b>107,327,207</b>	<b>141,222,445</b>
<i>Current liabilities</i>			
Trade and other payables	14	11,201,947	6,273,464
Provisions	16	386,043	2,229,011
Total current liabilities		<b>11,587,990</b>	<b>8,502,475</b>
Total equity and liabilities		<b>118,915,197</b>	<b>149,724,920</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Signed by:  
  
 2B60AE59B0164D1...

Augustine Pasipamire Makoni  
 Director  
 31 March 2026

The notes on pages 20 to 46 form part of these financial statements.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2025**

	Note	Share Capital USD	Retained Deficit USD	Shares to be issued USD	Attributable to owners of the parent USD
Balance at 1 January 2024		309,372,355	(188,508,644)	-	120,863,711
Loss for the year		-	(21,473,889)	-	(21,473,889)
Issue of shares	15	32,327,712	-	-	32,327,712
Shares to be issued	15	-	-	9,504,911	9,504,911
<b>Balance at 31 December 2024</b>		<b>341,700,067</b>	<b>(209,982,533)</b>	<b>9,504,911</b>	<b>141,222,445</b>
Balance at 1 January 2025		341,700,067	(209,982,533)	9,504,911	141,222,445
Loss for the year		-	(33,895,238)	-	(33,895,238)
Issue of shares	15	9,504,911	-	(9,504,911)	
<b>Balance at 31 December 2025</b>		<b>351,204,978</b>	<b>(243,877,771)</b>	<b>-</b>	<b>107,327,207</b>

The notes on pages 20 to 46 form part of these financial statements.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF CASH FLOWS  
AS AT 31 DECEMBER 2025**

	Note	2025 USD	2024 USD
<b>Cash flows from operating activities</b>			
Loss for the year		(33,895,238)	(21,473,889)
Add/(deduct):			
Depreciation	10	5,932	8,658
Other foreign exchange gains	5	(812,713)	60,705
Dividends reversed		-	903,210
Foreign exchange gain on financial assets	7	(1,790,451)	(1,596,204)
Change in fair value on investments	7	22,560,767	10,044,054
Change in fair value on other loan receivables	11	(361,793)	495,838
(Decrease)/increase in provisions	16	(1,842,968)	88,410
Loan interest receivable	7	(10,277,859)	(7,419,358)
Loan interest provision	7	13,796,580	5,846,088
Dividends received		-	(364,016)
Taxes payable	8	-	-
		<u>(12,617,743)</u>	<u>(13,406,504)</u>
<b>Movement in working capital</b>			
Decrease/(increase) in debtors		(2,233,659)	317,440
Increase in creditors		4,928,484	446,871
Changes in movement in working capital		<u>2,694,825</u>	<u>764,311</u>
<b>Net cash used in operating activities</b>		<u>(9,922,918)</u>	<u>(12,642,193)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	10	(482)	(2,767)
Payments for investments	9	(11,979,634)	(10,466,774)
Repayments of loans, development fees and interest	9	773,179	2,866,600
<b>Net cash used in investing activities</b>		<u>(11,206,937)</u>	<u>(7,602,941)</u>

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
STATEMENT OF CASH FLOWS  
AS AT 31 DECEMBER 2025**

	Note	2025 USD	2024 USD
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	15	-	32,327,712
Shares to be issued	15	-	9,504,911
		<hr/>	<hr/>
<b>Net cash generated by financing activities</b>		<b>-</b>	<b>41,832,623</b>
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(21,129,855)	21,587,489
Cash and cash equivalents at the beginning of the year		38,331,764	16,804,980
Exchange losses on cash and cash equivalents	5	812,713	(60,705)
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b>18,014,622</b>	<b>38,331,764</b>
		<hr/>	<hr/>

The notes on pages 20 to 46 form part of these financial statements.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **1. Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

InfraCo Africa Business Development Limited (formerly known as InfraCo Africa Limited) is a private company limited by shares and registered in England and Wales, registration number 05196897. The registered office is 6 Bevis Marks, 10th Floor, London, England, EC3A 7BA. The principal activity of the Company is that of investing in infrastructure project development in Sub-Saharan Africa.

The financial statements are presented in United States dollars (USD), which is the functional currency of the Company, in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates. In the prior reporting period, the financial statements were presented in pounds sterling (GBP). The change in presentation currency has been applied to better reflect the underlying economic environment in which the Company operates. In accordance with IAS 21, the financial statements have been translated from GBP to USD. Assets and liabilities have been translated at the closing rate at relevant reporting dates, and income and expenses have been translated at the exchange rates at the dates of the transactions (or appropriate average rates). Exchange differences arising on translation have been recognised in other comprehensive income and accumulated in equity. Comparative information has been restated accordingly.

The preparation of financial statements in compliance with adopted international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 2.

The financial statements have been prepared on a historical cost basis, except for financial instruments recognised at fair value through profit or loss.

##### *Basis of consolidation*

In accordance with IFRS 10 "Consolidated Financial Statements" as amended, the Board has determined that the Company meets the definition of an investment entity which is mandatorily exempted from consolidating subsidiaries unless this provides investment-related services and are not themselves investment entities. The services provided by the investment companies are undertaken to maximise the Group's investment returns and do not represent a separate substantial business activity or substantial source of income.

The Company has been deemed to meet the definition of an investment entity per IFRS 10, supported by the existence of the following operational characteristics:

- the Company has more than one investment (see Note 9);
- it has more than one investor;
- it has investors who are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests (see Note 9).

The Company obtains funding from three external members / donors, to whom it has committed that its business purpose is to create viable infrastructure opportunities in Sub-Saharan Africa which balance the interests of host governments and national and international private sector providers of finance by means of assuming the risks and responsibilities of early-stage development of infrastructure projects and later offering opportunities for private sector investment.

The Company is exposed to, and has rights to, the returns generated by the investment companies which are Special Purpose Vehicles (SPVs) incorporated for the sole purpose of managing and operating the Company's development projects. The Company further has the ability to affect the amount of its returns from these SPVs which represents elements of control as prescribed by IFRS 10. The fair value method is used to represent the SPVs' performance in reporting to the Board, and to evaluate the performance of the investments and to make investment decisions.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1. Accounting Policies (continued)**

**1.1 Basis of preparation of financial statements (continued)**

The Company invests in development projects with the intention of overseeing project lifecycle from development through into construction and then into operation. An off taker is identified at the very start of this lifecycle, before development begins, with clear milestones stipulated in development agreements. This provides the pathway to exit where the Company's aim is to sell after a specified period of time post Commercial Operation Date (COD). Projects will also be sold if other investments with a better risk/reward profile are identified. The Company will typically hold direct/equity investments for no longer than 10 years, as set out in the PIDG Group Risk Appetite Policy. Management considers this to demonstrate a clear exit strategy which is put in place from the start in identifying an off taker. Due to the length of projects and nature of changing risk environments, management have control processes in place to adapt and amend strategies as required.

As a result, under the terms of IFRS 10, the Company should not consolidate these SPVs, but must measure its investment in these companies at Fair Value Through Profit or Loss (FVTPL) in line with the Company valuation policy and International Private Equity and Venture Capital (IPEV) valuation guidelines. The Company has determined that the fair value of the SPVs is measured based on project stage, being Development, Construction or Operation. Necessary disclosures have been included at Note 13.

**Standards, amendments and interpretations**

*Adopted in the current year*

There are no new standards impacting the Company that have been adopted in the annual financial statements for the year ended 31 December 2025.

All new and amended standards and interpretations issued by the IASB that apply for the first time in the financial statements for the year ended 31 December 2025 are not expected to impact the Company. This is because they are either not relevant to the Company's activities or require accounting which is already consistent with the Company's current accounting policies. These are listed below.

**Other standards, amendments and interpretations adopted in the current financial year ended 31 December 2025**

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

	<b>Effective date</b>
	<b>Periods beginning on or after</b>
<i>Amendments to IAS 21: Lack of Exchangeability</i>	1 January 2025

**Standards, amendments and interpretations in issue but not yet effective**

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided against early adoption. The following are either not relevant to the Company's operations or are currently under assessment for their applicability to the Company's operations:

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

**1. Accounting Policies (continued)**

**1.1 Basis of preparation of financial statements (continued)**

	<b>Effective date</b>
	<b>Periods beginning on or after</b>
<i>Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

The Directors do not consider the above amendments to have had a significant impact on the financial statements of the Company.

**1.2 Going concern**

The Company meets its day to day working capital predominantly through issuing share capital to its shareholder, the PIDG Trust. The Trust is funded by its government members. In addition to this, income is received through the sale of development projects and development costs recovered. The Directors have considered the Company's cash flow requirements for the 12 months following the approval date of these accounts and on the basis of this the Directors consider that the Company will continue to have sufficient funds for the foreseeable future. The Directors have made supported assumptions regarding revenues receivable from its current investments, future funding and commitments, and share capital to be issued which the Directors feel is sufficient for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result were funding to be withdrawn.

The outcome of sensitivity analysis performed on these projections surrounding the funding assumptions and other inputs, combined with funds and promissory notes available as at the reporting date, are consistent with this assessment.

The above assessment is supported by the following:

- the Company has significant liquid cash available at year-end together with undrawn promissory notes as disclosed in Note 13;
- management's assessment includes the requirement of the Company's members to always have contingency cash to cover a specified period of future expected costs; and
- cashflow is controlled by management with considerable oversight and enforced controls in relation to cash disbursement procedures.

**1.3 Joint development agreements**

In accordance with its principal activity, the Company enters into joint development agreements, in which the Company takes on early-stage development costs and risks of project development. The Company is compensated for its costs by a number of means. Development fees and reimbursement of costs incurred are receivable should funds be available from the disposal of such ventures to third parties during or after the initial development phase, or by securing third party debt finance.

Revenues and amounts recoverable under joint development agreements are only recognised on a fair value basis. By their nature, the outcome of such projects and ventures is subject to a high degree of uncertainty, including the ultimate commercial viability and whether the early-stage development costs will be exceeded by the future proceeds of sale or other revenues.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1. Accounting Policies (continued)**

**1.3 Joint development agreements (continued)**

Where the Company receives revenue in the form of shares or options or other rights to equity, these are recognised as revenue in the profit and loss account based on their fair value. Factors may include that the shares or options are readily marketable and could be disposed of without restriction at the point of receipt.

Where development costs can be linked directly to the receipt of equity, the development costs are included in the fair value of the investment to the extent such costs are covered by the value of the equity. Otherwise, development costs are expensed in the period in which they are incurred.

**1.4 Revenue and other income**

Due to the nature of the Company being defined as an investment entity and reported under such requirements of IFRS 10, there is no expected revenue from trade within the normal course of business.

Other income from the sales of projects is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer, and it is probable that the Company will receive the agreed upon payments. Provided the amount of other income can be measured reliably and it is probable that the Company will receive any consideration, other income is recognised in the period in which it relates.

During the year, as part of the PIDG Group reorganisation, the Company transferred its interests in PIDG Management Services Kenya Ltd and PIDG Management Services Morocco S.A.R.L.A.U to Private Infrastructure Development Group Ltd. This resulted in the recognition of other income. The income recognised reflects the accounting impact of the transfer of these entities within the PIDG structure and is non-recurring in nature.

**1.5 Financial instruments**

Management determines the classification of its financial instruments at initial recognition. Financial assets/liabilities can be classified in the following categories:

- financial assets/liabilities at fair value through profit or loss (FVTPL); or
- financial assets/liabilities at amortised cost.

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value due to their short-term nature.

**Financial assets at fair value through profit or loss**

This category consists of investments in subsidiaries and associates, both equity and debt. Assets in this category are recognised at fair value. The Company establishes fair value using valuation techniques in line with the Group valuation policy and International Private Equity and Venture Capital (IPEV) valuation guidelines. These include a Market Approach, for example the Price of Recent Investment (PORI) or comparable multiple, an Income Approach, for example Discounted Cash Flow (DCF) and a Cost Approach, including a multiple of costs at which a market participant would buy an asset or investment. Typically, a combination of techniques is applied in considering a range of fair values on a case-by-case basis.

As required under IFRS 9 "Financial Instruments" the Company also recognises a loan receivable due from Chiansi Farming Company Ltd at FVTPL. The business model in which the asset is held was designed for the purpose of collection at a specified date in the future. Management have performed the Solely Payments of Principal and Interest 'SPPI' test and note the nature of this loan - accruing interest below a market rate and having profit linked elements - means the contractual cash flows do not solely reflect payments of principal and interest of the time value of money and credit risk. The loan therefore fails the requirements for amortised cost classification and is recognised at FVTPL, as disclosed in Note 9.

# **INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **1. Accounting Policies (continued)**

##### **Financial liabilities at fair value through profit or loss**

This category consists of provisions recognised at fair value. The Company establishes fair value using valuation techniques in line with the IFRS 9 “Financial Instruments” and IFRS 13 “Fair Value Measurement”.

##### **1.6 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

#### **2. Critical accounting estimates and judgements**

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements.

##### *Fair value measurement*

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value.

The Company’s project lifecycle is categorised as follows: Development, Construction and Operation. For all three stages a value based on an appropriate valuation methodology in accordance with the International Private Equity and Venture Capital Association (“IPEV”) valuation guidelines will be attributed to the project. Techniques include a Market Approach, for example the Price of Recent Investment (PORI) or comparable multiple, an Income Approach, for example discounted cash flow (DCF) and a Cost Approach, for example determining a multiple of costs at which a market participant would buy an asset or investment. Typically, a combination of techniques is applied in considering a range of fair values on a case-by-case basis.

During the Development phase there is usually no identifiable market price for the investments. The fair value is therefore driven by the prospects of the project and represents what a market participant would pay for the Group’s interest in a project at the reporting date. The Company’s valuation policy is to write off the costs incurred prior to the signing of an investment agreement. Projects prior to this are classified as business opportunities and fully expensed through profit and loss. At the signing of an investment agreement e.g. a Shareholders’ Agreement (SHA) or a Convertible Loan Agreement (CLA) a value based on an appropriate valuation methodology will be attributed to the investment.

For projects in Construction, the same methodology as for Development projects is applied as a market participant would still be driven by the prospects of the project and the project is usually not yet cash-generating. If appropriate, other valuation techniques will be considered such as PORI or DCF analysis.

For projects in Operation, this typically means substantially all development and construction has been completed and the project has begun to operate and generate income. Where possible, multiple approaches would be considered to triangulate the fair value with an Income Approach being used wherever possible.

For investments that have been partially sold or where there has been a recent offer to purchase, then these investments have been valued accordingly. Fair value is also reviewed against market value where transactions occur close to the reporting date.

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY  
KNOWN AS INFRACO AFRICA LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2025**

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**2. Critical accounting estimates and judgements (continued)**

In the absence of a recent investment or reliable cashflows the Board needs to assess the multiple of costs that would be recoverable from a market participant. This multiple of costs is driven by external costs incurred to date applying a risk adjustment and accounting for the time value of money. Unless specifically stipulated in the agreement (for example through CLA/SHA), the recoverability date is expected to be Financial Close (FC) for Development projects and Commercial Operation Date (COD) for projects in Construction. COD is

when the project becomes fully operational and when the Company typically expects to recover a portion of costs incurred to date. Where the Company does not expect to recover costs until exit, this is assumed to be two years post COD when exit strategies are executed. There are exceptions to this when it is agreed in advance costs disbursed won't be recovered until a later date. Recoverability dates and risk factors applied are presented in Note 13.

IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three measurements of the fair value hierarchy under IFRS 13 are as follows:

- 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 considered less than 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.

All the Group's investments fall within Level 3, as they are not traded and contain unobservable inputs. If it were to occur, transfers of items between levels are recognised in the period they happen.

Each investment has unique risks associated with it which contribute to the risk assessment carried out as part of the fair value analysis. These risks include geographical, sector, technological, resource, counterparty and socio-political, amongst others. For this reason, the fair value is assessed on an investment-by-investment basis. Typically, investments in Development carry a higher risk and thus attracts a higher discount factor. Once a project becomes operational the risk reduces. Sensitivity analysis based on changes in market price are detailed in Note 13.

*Discounted Cash Flow (DCF) and key judgments*

Where required, management relies on estimated future cashflows of project companies and associated discount factors. This requires significant management judgment both in terms of assessing the expected income and costs going forwards, but also in terms of discount factor applied.

Discount factors are determined on a project specific basis assessing the considered level of risk at the time. This is updated at each reporting date.

When determining an appropriate discount rate for each investment, the following may be considered:

**INFRACO AFRICA BUSINESS DEVELOPMENT LIMITED (FORMERLY KNOWN AS INFRACO AFRICA LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**2. Critical accounting estimates and judgements (continued)**

- the investment’s internal rate of return (IRR) at the original investment date, if available. Any changes in the risk of the investment since that time should also be considered;
- data points sourced from InfraCo’s other investments, such as the IRR for comparable investments, acknowledging differences in risk between the comparable investments and the subject investment;
- information on discount rates for comparable instruments available in the public domain; and
- an estimate of the market-based discount rate based on a build-up approach, capital asset pricing model (CAPM) or weighted-average cost of capital (WACC), where relevant.

The discount rate may also include an additional risk premium (ARP), assessed on a case-by-case basis, to reflect risks related to the investments to the extent they are not already reflected in the CAPM. The methodology applied in the discount factor build-up also drives the risk assessment carried out for investments in Development.

Expected future cash flows also present an area of key judgment and estimates. Although considered at all stages of an investment’s lifecycle, the DCF valuation model is typically only used to value equity investments in Operation, when an investment first becomes cash-generating and those cashflows can be supported. When an investment is valued under this methodology, projected cashflows are calculated using the best

available relevant cashflow information and an appropriate model based on the operations and activity of that particular investment. This information is then updated at each reporting date and an assessment of discount factor applied is carried out to assess if any significant change in environment might trigger an amended discount factor. Asset managers have considerable expertise, oversight and influence in assessing both the future cashflows and the discount factor. This enhances the control environment around the assessment of these key judgment areas and the impact it has on the FV measurement of the Company’s investments. Where the DCF methodology is not deemed appropriate, this will be assessed and documented on a case-by-case basis and a more applicable method will be applied in line with the Company’s valuation policy and IPEV guidelines.

The following sets out the techniques typically used to measure each of the Company’s investments:

**Asset Class**

Investments in Development	- Market or cost approach
Investments in Construction	- Market or cost approach
Investments in Operation	- Income, market or cost approach
Other loan receivables (Chiansi Farming)	- Cost approach

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<b>3. Income</b>	<b>2025 USD</b>	<b>2024 USD</b>
Grant income	-	935,046
Recharged costs	219,898	556,332
Management fee income	2,697,385	4,419,416
Dividends receivable	-	(945,619)
Deposit interest receivable	1,140,442	1,507,744
Other income	<u>1,569,873</u>	<u>96,972</u>
<b>Total</b>	<b><u>5,627,598</u></b>	<b><u>6,569,891</u></b>

In 2024, management were advised that USD 945,619 of dividends issued by an investee in 2023 were reversed in 2024 in accordance with the investee's local legislation, and that amounts already received by the company (USD 364,016) were to be reclassified against outstanding shareholder loan amounts payable to the Company.

**3. Income (continued)**

No income generated in the year, excluding provisions, relates to non-UK income (2024: 14.09%). Other income predominantly consists of board, committee fee income and reorganisation entries following the transfer of PIDG Management Services Kenya Ltd and PIDG Management Services Morocco S.A.R.L.A.U to PIDG Ltd of USD 1,548,872.

Other income predominantly comprises board and committee fee income, together with amounts arising in connection with the Group reorganisation. During the year, as part of the PIDG Group reorganisation, the Company transferred its interests in PIDG Management Services Kenya Ltd and PIDG Management Services Morocco S.A.R.L.A.U to Private Infrastructure Development Group Ltd. This resulted in the recognition of other income of USD 1,548,872. The income recognised reflects the accounting impact of the transfer of these entities within the PIDG structure and is non-recurring in nature.

**4. Operating loss**

The operating loss is stated after charging/(crediting):

	<b>2025 USD</b>	<b>2024 USD</b>
Depreciation of property, plant & equipment	5,932	8,658
(Gain)/loss on foreign exchange	(781,256)	479,006
Fees payable to the auditor:		
- Audit of the financial statements	78,833	50,271
- Taxation services	6,657	1,787

The foreign exchange movements are predominantly reflective of the combined movement on the investments and loan receivable balance.

**5. Net foreign exchange differences**

	<b>2025 USD</b>	<b>2024 USD</b>
Exchange gains / (losses) arising on cash and cash equivalents	<u>812,713</u>	<u>(479,006)</u>

These are unrealised exchange differences arising on denoted deposit holdings and current accounts denominated in Great British Pounds (GBP), Euros (EUR), Kenyan Shilling (KES), and Moroccan Dirham (MAD). Foreign exchange rate risk and sensitivity is detailed in Note 13.

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**6. Employee benefit expenses**

During the year, the Company and its associated companies controlled by the Private Infrastructure Development Group Trust in 2024, has completed a reorganisation approved by the Private Infrastructure Development Group Trust. All employees' and their employment contract have been transferred to the Service Companies entities. Employee benefit expenses in the year, up to the completion of the reorganisation, including that of the Directors and key management personnel, were as follows:

	<b>2025 USD</b>	<b>2024 USD</b>
Employee benefit expenses comprise:		
Wages and salaries	1,303,659	3,899,924
Defined contribution pension cost	509,383	391,163
Social security contributions and similar taxes	<u>152,603</u>	<u>388,447</u>
	<b><u>1,965,645</u></b>	<b><u>4,679,534</u></b>

*Directors' remuneration*

There were three Directors of the Company throughout the current and prior years. During the year, there were no director (2024: nil) remunerated by the Company as detailed below, and to whom retirement benefits were accruing under defined contribution schemes. No defined benefit schemes were in place in the current or prior year.

	<b>2025 USD</b>	<b>2024 USD</b>
Wages and salaries	-	-
Defined contribution pension cost	-	-
Social security contributions and similar taxes	<u>-</u>	<u>-</u>
	<b><u>-</u></b>	<b><u>-</u></b>

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**7. Fair value losses through profit or loss**

	<b>2025 USD</b>	<b>2024 USD</b>
Investments	(22,560,767)	(10,044,054)
Interest receivable	10,277,859	7,419,358
Interest provision	(13,796,580)	(5,846,088)
Loans	361,793	(495,838)
Foreign exchange gains	<u>1,790,451</u>	<u>1,596,204</u>
Total fair value losses	<u><b>(23,927,244)</b></u>	<u><b>(7,370,418)</b></u>

The foreign exchange losses are reflective of the combined movement on the investments and loan receivable balance.

During the year, the Company represented to show movements in accrued interest on loan instruments and relevant accrued interest provision at fair value as part of fair value movement. The Company assesses the recoverability of debt instrument investments as at the reporting date for indications that interest accrued may not be realisable and makes an appropriate provision against such interest accrued. This assessment includes a review of the project's future cashflows and typically contributes to the fair value assessment of the underlying asset.

**8. Taxation**

	<b>2025 USD</b>	<b>2024 USD</b>
Foreign tax	-	63,824
Total tax charge	<u>-</u>	<u><b>63,824</b></u>
Factors affecting the tax charge for the year:		
Loss before tax	<u>(33,895,238)</u>	<u>(21,410,065)</u>
Tax at the standard UK rate of tax of 25.00% (2024: 25.00%)	(8,473,810)	(5,352,516)
Effect of:		
Non-deductible expenses	(227,034)	1,106,146
Income not taxable for tax purposes	-	(187,499)
Profits earned in territories with different statutory tax rates	-	62,024
Impact of foreign exchange rates	-	(145,636)
Deferred tax not recognised	8,700,844	4,453,657
	<u>-</u>	<u><b>63,824</b></u>

Based on the results of the Company for the year, there is no charge for UK corporation tax.

The Company has estimated losses of USD 203,451,127 (2024: USD 168,647,751) available to carry forward against future profits. A deferred tax asset has not been recognised as there is no certainty to its recoverability.

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**9. Investments at FVTPL**

The following table sets out the techniques used to measure each of the Company's investments:

<b>Asset Class</b>	<b>Valuation technique used</b>	<b>2025 USD</b>	<b>2024 USD</b>
Investments in Development	Market or cost approach	30,723,159	36,895,988
Investments in Construction	Market or cost approach	25,416,999	44,728,312
Investments in Operation	Income, market or cost approach	19,881,414	15,972,968
Investments held for sale	Income, market or cost approach	8,493,114	-
<b>Total Investments at FVTPL</b>		<b>84,514,686</b>	<b>97,597,268</b>
			<b>Company USD</b>
Fair value at 1 January 2024			97,121,011
<i>Movement in the year:</i>			
Additions			17,174,825
Repayments			(2,866,600)
Disposals			(6,708,051)
Interest accrued			7,419,358
Movement in interest provision			(5,846,088)
Foreign exchange movement			1,346,867
Fair value adjustment			(10,044,054)
<i>Total movement in the year</i>			<u>476,257</u>
<b>Fair value at 31 December 2024</b>			<b><u>97,597,268</u></b>
<i>Movement in the year:</i>			
Additions			11,979,634
Repayments			(773,179)
Disposals			-
Interest accrued			10,277,859
Movement in interest provision			(13,796,580)
Foreign exchange movement			1,790,451
Fair value adjustment			(22,560,767)
<i>Total movement in the year</i>			<u>(13,082,582)</u>
<b>Fair value at 31 December 2025</b>			<b><u>84,514,686</u></b>

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**9. Investments at FVTPL (continued)**

**Subsidiary and associated undertakings**

The following companies were subsidiary and associated undertakings of the Company during the year:

<b>Company Name</b>	<b>Country of Incorporation</b>	<b>About</b>	<b>Subsidiary/ Associate</b>	<b>Class of Shares</b>	<b>Holding as at 31.12.2025</b>
Kalangala Infrastructure Services Limited	Uganda	Owner and operator offering ferry services, power and water generation and distribution and a toll road on the island of Bugala in Uganda.	Associate	Ordinary and Preference Shares	34.21%
Chanyanya Infrastructure Company Limited	Republic of Zambia	Pilot farming project implemented in the village community of Chanyanya in Zambia.	Subsidiary	Ordinary Shares	80.00%
Chiansi Irrigation Infrastructure Company Limited	Republic of Zambia	The activities of the company comprise external development costs relating to the construction of capital equipment.	Subsidiary	Ordinary Shares	99.00%
Western Power Company Limited	Republic of Zambia	Hydro project in Zambia.	Subsidiary	Ordinary Shares	54.79%
JCM Matswani Solar Corp Limited	Malawi	Solar plant in the Salima region of Malawi.	Associate	Ordinary Shares	25.00%
Djermaya Holdings Limited	Chad	Solar project in Chad.	Associate	Ordinary Shares	100.00%
East Africa Marine Transport Company Limited	Uganda	Marine transport project in Kenya, Tanzania and Uganda.	Subsidiary	Ordinary and Preference Shares	87.50%
Golomoti JCM Solar Corporation Limited	Malawi	Solar plant in the Golomoti region of Malawi.	Associate	Ordinary Shares	25.00%
Off Grid Power (SL) Limited	Sierra Leone	Solar mini-grid project in Sierra Leone.	Subsidiary	Ordinary Shares	nil%
Liberia Inland Storage and Distribution Services Inc.	Liberia	Storage and distribution facility incorporated in and operating from Liberia.	Subsidiary	Ordinary Shares	70.40%
Bonergie Irrigation SASU	Senegal	Hydro irrigation constructing and operating pump systems in Senegal.	Associate	Ordinary Shares	49.00%
Kudura Power (EA) Limited	Kenya	Solar plant in Kenya.	Associate	Ordinary Shares	40.00%
Rift Valley Geothermal HoldCo Limited	Mauritius	The Holding Company of the Corbetti Geothermal SPV in Ethiopia.	Associate	Ordinary and Preference Shares	78.36%
Mobility for Africa	Zimbabwe	Mobility for Africa provides electric tricycles (Hambas) to rural communities in Zimbabwe, with a specific focus on working with female cooperatives and smallholder groups.	Associate	Ordinary and Preference Shares	40.00%
Equatorial Power BV	Multi-country	EQ involves the development of four new mini-grids and four APHs on Idjwi Island, DRC.	Subsidiary	Ordinary and preference shares	64.80%
Vungu Solar (Private) Limited	Zimbabwe	Solar plant in Zimbabwe.	Associate	Ordinary Shares	80.00%
Kong Solaire SAS	Côte d'Ivoire	Solar plant in Côte d'Ivoire.	Associate	Ordinary Shares	49.00%

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**9. Investments at FVTPL (continued)**

<b>Company Name</b>	<b>Country of Incorporation</b>	<b>About</b>	<b>Subsidiary/ Associate</b>	<b>Class of Shares</b>	<b>Holding as at 31.12.2025</b>
WindGen Power USA Inc.,	USA	Renewable energy platform with the aim of deploying 120 MW of renewable power and battery energy storage across Africa.	Associate	Series B-2 Preferred Stock	10.3%

During the year, the Company signed a sale and purchase agreement with a buyer on the Company's shares in Golomoti JCM Solar Corporation Limited. Pursuant to clause 3.4 and 3.6 of the agreement, regulatory approval from Electricity Supply Corporation of Malawi, Malawi Energy Regulatory Authority, Reserve Bank of Malawi, Ministry of Energy (Malawi) and Ministry of Finance (Malawi) must be obtained before the sale can happen. As at 31 December 2025, the Company and the buyer has not received all the regulatory approval to proceed with the agreement.

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**10. Property, plant and equipment**

	<b>Computer Equipment</b>
	<b>USD</b>
<b>Cost</b>	
At 1 January 2024	123,291
Additions	2,767
Disposals	-
At 31 December 2024	<b>126,058</b>
At 1 January 2025	126,058
Additions	482
Effects of exchange	1
Disposals	-
At 31 December 2025	<b>126,541</b>
<b>Depreciation</b>	
At 1 January 2024	105,065
Charge for the year	8,658
Disposals	-
At 31 December 2024	<b>113,723</b>
At 1 January 2025	113,723
Charge for the year	5,932
Disposals	-
At 31 December 2025	<b>119,655</b>
<b>Net Book Value</b>	
At 31 December 2024	<b>12,335</b>
At 31 December 2025	<b>6,886</b>

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**11. Trade and other receivables**

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
<b>CURRENT ASSETS</b>		
Trade receivables	3,721,474	919,988
Prepayments & accrued income	310,568	255,424
Other taxation	340,488	499,415
Other receivables	3,536,239	4,000,284
	<b>7,908,769</b>	<b>5,675,111</b>
	<b>2025</b>	<b>2024</b>
<b>NON - CURRENT ASSETS</b>	<b>USD</b>	<b>USD</b>
Fair value loan receivables brought forward	8,108,441	8,354,942
Fair value adjustment	361,793	(495,838)
Foreign exchange gain	-	249,337
	<b>8,470,234</b>	<b>8,108,441</b>

As at 31 December 2025 there were USD nil (2024: USD nil) other receivables past 3 months due. Included within trade receivables for the Company are amounts receivable from entities under the same immediate ownership and control as detailed in Note 21. As at 31 December 2025 these amounts totalled USD 3,721,474 (2024: USD 919,988).

Included within Other receivables is a deposit balance of USD 3,536,239 (2024: USD 3,466,751) held by Barclays Bank Plc as security against a hedging facility provided to the Company by the bank as at the year end. The Group had not entered into any financial instruments through the facility as at 31 December 2025.

Other loan receivables relate to loans disbursed to the Chiansi Farming Company project. As the Group holds no shares in this SPV and has no option to convert into equity, this receivable is deemed to fall outside the scope of an investment under IFRS 10 and has therefore been treated as a third-party loan.

In line with the requirements of IFRS 9, this financial asset is recognised at FVTPL. Fair value is determined through risk assessing the asset considering the date at which this is expected to be recovered and taking into account the time value of money.

The Company holds debt in the form of Income Notes in 80% subsidiary company Chanyanya Infrastructure Company Limited which accrues interest at 5%, as disclosed in Note 13. As at 31 December 2025, the fair value of this receivable is deemed to be USD nil (2024: USD nil) based on assessment of recoverability.

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**12. Trade and other payables**

	<b>2025 USD</b>	<b>2024 USD</b>
Trade payables	1,382,663	2,210,462
Grants not yet utilised (Note 14)	1,943,766	1,652,924
Amounts owed to subsidiary and associated undertakings	-	438,652
Other taxation and social security	-	239,630
Accruals	7,320,305	1,625,562
Sundry payables	555,213	106,234
	<b>11,201,947</b>	<b>6,273,464</b>

The carrying value of trade and other payables classified as financial liabilities approximates their fair value.

Included within trade payables for the Company are amounts payable to entities under the same ultimate ownership and control as detailed in Note 21.

**13. Financial instruments - Risk Management**

The Company is exposed through its operations to the following financial risks:

- Credit risk;
- Market risk;
- Interest rate risk;
- Foreign exchange risk; and
- Liquidity risk.

In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables, including loan receivables;
- Cash and cash equivalents;
- Investments in unquoted equity securities and loans; and
- Trade and other payables.

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**13. Financial instruments - Risk Management (continued)**

Company financial instruments by category:

	Financial assets at fair value through profit or loss		Other	
	2025 USD	2024 USD	2025 USD	2024 USD
<b>Financial assets</b>				
Cash and cash equivalents	-	-	18,014,622	38,331,764
Trade and other receivables	-	-	7,908,769	5,675,111
Other loans receivable	8,470,234	8,108,442	-	-
Investments in unquoted equity securities and loans	76,021,572	97,597,268	-	-
Investments held for sale	8,493,114			
<i>Total financial assets</i>	<b>92,984,920</b>	<b>105,705,710</b>	<b>25,923,391</b>	<b>44,006,875</b>

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	
	2025 USD	2024 USD	2025 USD	2024 USD
<b>Financial liabilities</b>				
Trade and other payables	-	-	11,201,947	6,273,464
<i>Total financial liabilities</i>	<b>-</b>	<b>-</b>	<b>11,201,947</b>	<b>6,273,464</b>

(i) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables. Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

(ii) Financial instruments measured at fair value

As detailed in Note 2 to the accounts, all the Company's investments fall within Level 3 of the fair value hierarchy, as they are not traded and their valuation contains unobservable inputs.

The Company considers that, typically for projects in Development and Construction, a risk-adjusted multiple of external costs disbursed is representative of fair value measurement. For assets in Operation, valuation techniques include discounted cash flow, comparison with similar instruments for which observable market prices exist and comparable multiples.

The Company's fair value methodology, as documented in the Company's valuation policy and supported by IPEV guidelines, is detailed in Note 2 to the accounts.

The fair value hierarchy of financial instruments measured at fair value by the Company is provided below.

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**13. Financial instruments - Risk Management (continued)**

	Level 1 USD	Level 2 USD	Level 3 USD
31 December 2025			
<b>Financial assets</b>			
Investments in Development and Construction	-	-	56,140,158
Investments in Operation	-	-	19,881,414
Loan receivables	-	-	8,470,234
Investments held for sale	-	-	8,493,114
	-	-	<b>92,984,920</b>
31 December 2024			
<b>Financial assets</b>			
Investments in Development and Construction	-	-	81,624,300
Investments in Operation	-	-	15,972,968
Loan receivables	-	-	8,108,442
	-	-	<b>105,705,710</b>

The following table shows the closing fair values of the asset portfolio held by the Group and categorised by sector:

	2025 USD	2024 USD
Agriculture	8,470,234	9,514,137
Geothermal Energy	-	5,104,221
Hydropower	17,411,499	20,305,792
Logistics	5,201,000	10,015,007
Mini-Grid	3,128,241	1,390,351
Solar Power	28,300,220	22,627,131
Transport	20,655,536	29,849,071
Wind Power	6,900,000	6,900,000
Waste Treatment	49,765	-
Cooking Stove	2,868,425	-
	<b>92,984,920</b>	<b>105,705,710</b>

Although multiple valuation techniques are considered in arriving at a fair value range on an investment-by-investment basis, the following three methodologies have relied on as at 31 December 2025: Multiple of Costs, Price of Recent Investment (PORI) and Discounted Cash Flow (DCF).

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**13. Financial instruments - Risk Management (continued)**

*Multiple of Costs method*

A summary of assets valued under this methodology as at 31 December 2025 is provided in the table below:

	<b>2025 USD</b>	<b>2024 USD</b>
Agriculture	8,470,234	9,514,144
Geothermal Energy	-	5,104,221
Hydropower	17,411,499	20,305,791
Logistics	5,201,000	10,015,007
Mini-Grid	3,128,241	1,390,351
Solar Power	9,694,117	17,532,414
Transport	1,453,797	14,205,528
Wind Power	6,900,000	-
Waste Treatment	49,765	-
Cooking Stove	2,868,425	-
	<b>55,177,078</b>	<b>78,067,456</b>

In line with the Company valuation policy, fair value on a Multiple of Costs basis is arrived at through risk assessing the investment portfolio on a case-by-case basis and accounting for the time value of money. This involves determining reasonable recovery dates and risk factors which is inherently subjective, and it yields ranges of possible outputs and estimates of fair value. Professional judgement is therefore required to select the most appropriate point in the range. Discount rates applied to the investments valued using this approach range between 9.45% and 17.21% (2024: 8.75% and 19.02%). Recoverability dates applied to the investments valued using this approach range up to 58 months.

Due to the high level of professional judgement involved, the Company performed a sensitivity analysis to assess the impact fluctuations in these factors may have on the fair value of the investment portfolio. The results of this analysis are set out in the tables below.

<i>Risk factor applied</i>	<b>Variance - 5% USD</b>	<b>Variance + 5% USD</b>
Agriculture	1,375,820	(1,179,267)
Hydropower	2,911,205	(2,568,983)
Logistics	950,427	(856,237)
Mini-grid	272,907	(249,215)
Solar power	152,780	(143,631)
Transport	469,616	(449,168)
Waste Treatment	2,552	(2,427)
Cooking Stove	321,739	(289,253)
	<b>6,457,046</b>	<b>(5,738,181)</b>

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**13. Financial instruments - Risk Management (continued)**

<i>Recovery date applied</i>	<b>Variance - 6 months</b>	<b>Variance + 6 months</b>
Agriculture	976,812	(875,811)
Hydropower	339,916	(333,125)
Logistics	317,328	(306,100)
Mini-grid	4,940	(4,940)
Solar power	858,596	(806,984)
Transport	189,348	(184,802)
Waste Treatment	-	-
Cooking Stove	2,361	(2,361)
	<b>2,689,301</b>	<b>(2,514,123)</b>

For the year ended 31 December 2025, the fair value arrived at for certain investments valued under this methodology was deemed to be equivalent to cost. In all these cases, the fair value is considered against other methods including DCF, PORI and Market Multiples to arrive at a range of appropriate fair values where cost is within this range. Where the Company has invested both debt and equity, and the debt attracts a coupon, any interest accrued has been capitalised and contributes to the value of the asset.

*A summary of investments fair valued at PORI:*

	<b>Fair value 2025 USD</b>	<b>Fair value 2024 USD</b>
Wind power	-	6,900,000
Solar power	8,493,114	5,063,250
Transport	-	-
	<b>8,493,114</b>	<b>11,963,250</b>

As at 31 December 2025, the fair value of investments valued using PORI was USD 8,493,114 (2024: USD 11,963,250). These are investments where there has been a recent transaction either involving the Company or a third party that has been relied on for the purpose of arriving at fair value.

Fair value considers the value at which a market participant would buy the Company's interest in a project at reporting date. From a risk perspective, this methodology applies a reduced level of professional judgment and estimate where a recent transaction is being relied on, however in all cases, this valuation will be considered against other methods to ensure it represents fair value. Movements between transaction date and valuation date are assessed to ensure there have been no material events that might impact the fair value being equal to PORI.

*A summary of investments fair valued applying DCF:*

	<b>Fair value 2025 USD</b>	<b>Fair value 2024 USD</b>
Transport	19,201,739	15,643,541
Solar Power	10,112,989	-
	<b>29,314,728</b>	<b>15,643,541</b>

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**13. Financial instruments - Risk Management (continued)**

As at 31 December 2025, the fair value of investments valued using DCF methodology was USD 15,643,309 (2024: USD 15,643,541) and comprised three investments (2024: three). Where the DCF method has been relied on in reaching fair value, significant level of judgment is required in calculating a risk adjusted Weighted Average Cost of Capital (WACC).

	<b>Actual WACC %</b>	<b>Variance - 5% USD</b>	<b>Variance + 5% USD</b>	<b>Actual growth rate %</b>	<b>Variance - 1.5% USD</b>	<b>Variance +1.5% USD</b>
Transport	15.90%	9,472,000	(4,469,000)	2.50%	(187,000)	235,000
Solar	12.15%	7,656,143	(3,177,921)	0.00%	(36,468)	46,740

*Loan receivables*

As detailed in Note 11, the Company also recognises a long-term loan receivable due from Chiansi Farming Company Limited as fair value through profit and loss under IFRS 9. As at 31 December 2025, the fair value of this receivable was USD 8,470,234 (2024: USD 8,108,442).

The discount rate of 21.84% (2024: 15.36%) has been determined through analysis of country and company risk profile, including operational sector and company performance.

The effect of a 5% increase in discount factor in the valuation of the asset would result in a decrease of USD 1,375,820 (2024: USD 1,464,139) in the fair value. A 5% decrease in the discount factor would, on the same basis, increase the asset value by USD 1,179,267 (2024: USD 1,792,799).

The repayment dates are stipulated in the agreement between parties. These repayment dates have been applied when determining the multiple of costs disbursed in arriving at the fair value of this loan. The Company has carried out a sensitivity analysis to assess the impact a 6-month accelerated or delayed repayment would have on the fair value of this asset. If repayment occurred 6 months earlier than anticipated, this would lead to an increase in fair value of USD 976,812 (2024: USD 646,924) where a delay of 6 months would result in a decrease to the fair value of USD 875,811 (2024: USD 599,123).

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. With regards to credit risk arising from the sale of investments, management conducts an internal "know your customer" check on all potential purchasers prior to entering into sales agreements.

Holding cash and cash equivalents and deposits with banks and financial institutions also exposes the Company to considerable credit risk. For banks and financial institutions, the risk is mitigated as the Company transacts with institutions with high credit ratings. Where possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by major rating agencies of "A" or above. Major rating agencies include Fitch, Moody's and S&P.

*Cash in bank and short-term deposits*

Company cash is held with the following institutions:

	<b>Rating</b>	<b>2025 USD</b>	<b>2024 USD</b>
Barclays Bank plc	A+	5,210,667	14,143,309
Fidelity Institutional Liquidity Fund plc	AAA-mf	11,123,190	27,650,149
UBS (IRL) Fund plc	AAA-mf	5,217,004	5,057
		<b>21,550,861</b>	<b>41,798,515</b>

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**13. Financial instruments - Risk Management (continued)**

Included in the table above, and within the amounts held with Barclays Bank plc, is a balance of USD 3,536,239 (2024: USD 3,466,751) which is held as security in relation to the Company's hedging facility provided by the bank and included within Other receivables, as detailed in Note 11. The total balance in the table above, is there greater than the cash and cash equivalents disclosed in the Statement of Financial Position by this amount.

Management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to Credit Risk as at 31 December 2025 was:

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
Investments at FVTPL	49,882,438	54,742,394
Other loan receivables	8,470,234	8,108,442
Trade and other receivables	7,908,769	5,675,111
Cash and cash equivalents	18,014,622	38,331,764
	<hr/>	<hr/>
Total	<b>84,276,063</b>	<b>106,857,711</b>

**Market risk**

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

*Interest rate risk*

The Company is not susceptible to interest rate risk from issuing debt as it is not in receipt of any loans. However, the Company holds debt paid out to projects and these loans attract a rate of interest that is reflective of the market rate in which the project is operating. All interest rates applied to issued debt instruments have fixed interest rates which minimises interest rate risk driven by changing market conditions and the impact of LIBOR migration.

*Foreign exchange risk*

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than their functional currency. Where possible, the Company will settle the liabilities in the foreign currency.

The Company also holds foreign denominated currency, Euro (EUR) and Great British Pound (GBP) in its bank accounts. As at 31 December 2025, the Company held EUR 2,963,989 and GBP 651,581 (2024: EUR 8,043,449 and GBP 1,909,991).

Taking the closing rate as the baseline, and keeping all other variables held constant, the below table sets out the impact a 20% (2024: 20%) fluctuation in the United States Dollars against the foreign currencies the Company holds at reporting date would have on the net assets and, in turn, profitability:

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**13. Financial instruments - Risk Management (continued)**

	20% increase in USD		20% decrease in USD	
	2025	2024	2025	2024
EUR	870,420	2,081,243	(580,280)	(1,387,495)
GBP	219,362	597,869	(146,242)	(398,580)

**Liquidity risk**

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet expected requirements for a period of at least 180 days.

As at 31 December 2025, the Company has undrawn promissory notes of GBP 57.8 million (2024: GBP 32.1 million) issued in its favour by the UK government which, if needed, can be drawn down on demand.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	USD	USD	USD	USD	USD
<b>At 31 December 2025</b>					
Trade and other payables	11,201,947	-	-	-	-
Total	<u>11,201,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2024</b>					
Trade and other payables	6,273,464	-	-	-	-
Total	<u>6,273,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Capital Disclosures**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and safeguard the interest of shareholders.

The Company manages the capital structure and makes adjustments where necessary in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust its returns to shareholders or new share issues. The Company monitors its capital and assets requirements for activities on a monthly basis and manages its financing and capital accordingly. The capital relates to equity which is wholly contained on the face of the Statement of Financial Position.

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**14. Reconciliation of movement in grants during the year**

	<b>2025 USD</b>	<b>2024 USD</b>
<b>Grants not yet utilised</b>		
Opening balance	1,652,924	2,334,909
Received during the year	1,024,012	1,208,323
Utilised during the year	(821,227)	-
Administration fees waived	-	(132,724)
Released to profit and loss account	-	(1,614,620)
Foreign exchange translation	88,057	(46,102)
Grants refunded	-	(96,862)
	<b>1,943,766</b>	<b>1,652,924</b>
Closing balance	<b>1,943,766</b>	<b>1,652,924</b>

Total grant income released to the profit and loss account in the year was USD nil (2024: USD 1,614,620). Service Level Agreement (SLA) income received from the Company's parent, the PIDG Trust.

**15. Share capital**

	<b>2025 USD</b>	<b>2024 USD</b>
Opening allotted and fully paid share capital 272,903,759 ordinary shares of £1 each	341,700,067	309,372,355
Additions – fully paid share capital 7,591,236 ordinary shares of £1 each	9,504,911	32,327,712
Closing allotted and fully paid share capital 280,494,995 ordinary shares of £1 each	<b>351,204,978</b>	<b>341,700,067</b>
Additions – shares to be issued	-	9,504,911

On 27 December 2024, the Company had received additional Owner funding of GBP 7,591,236 (USD 9,504,911) from State Secretariat for Economic Affairs (SECO). The issue of shares in relation to this funding was completed in 2025.

**16. Provisions**

	<b>2025 USD</b>	<b>2024 USD</b>
<b>Balance at 1 January 2025</b>	2,229,011	2,302,262
Additional provision in the year	-	121,196
Reversal of provision in the year	(1,842,968)	(35,851)
Utilisation of provision	-	-
Unwinding of discount	-	(29,166)
Exchange difference	-	(129,430)
<b>Balance at 31 December 2025</b>	<b>386,043</b>	<b>2,229,011</b>

Provisions recognised relates to estimated future legal fees to be incurred in future periods in relation to commercial disputes in the ordinary course of business.

As at 31 December 2025 there are certainty regarding the outcomes of the commercial disputes and management deemed the provisions of these disputes not required due to court ruling conclusions.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
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**17. Other financial commitments**

As at 31 December 2025, the total remaining commitment across the Company's project portfolio is USD 43.5m (2024: USD 25.3). The Company has existing cash of USD 18.0m (2024: USD 38.3m) and undrawn promissory notes issued by the UK government of GBP 57.8m (2024: GBP 32.1m) to meet these commitments. Funding provided under project agreements will be subject to a number of conditions surrounding both partner compliance and the meeting of funding obligations by other parties.

**18. Related party transactions**

The Board considers the following to be related party transactions:

- transactions and balances between the Company, the Trust and other PIDG companies;
- transactions and balances between the Company and affiliated equity investee companies; and
- transactions and balances with entities controlled by the Company's key management personnel.

During the year, the Company received income in the year from related parties to a total of USD 2,917,283 (2024: USD 5,910,794). This was in the form of grant income (USD nil; 2024: USD 935,046), management fees (USD 2,697,385; 2024: USD 3,922,251) and in return for services (USD 219,898; 2023: USD 556,332) as shown in the following table:

	<b>2025 USD</b>	<b>2024 USD</b>
The Private Infrastructure Development Group Limited (PIDG Ltd)	219,898	556,332
PIDG Trust	-	935,046
GuarantCo Management Company Limited	-	115,014
InfraCo Africa Investment Limited	2,697,385	3,922,251
PIDG Management Services Singapore Pte. Ltd. (formerly known as InfraCo Asia Development Pte. Ltd.)	-	189,744
InfraCo Asia Investment Pte. Ltd. (formerly known as InfraCo Asia Investments Pte. Ltd.)	-	192,407
	<b>2,917,283</b>	<b>5,910,794</b>

The income received during the year from the PIDG Trust is in the form of grant income from its Technical Assistance Fund (TA) and amounted to USD nil (2024: USD 935,046). The TA is a grant facility managed and funded by the PIDG Trust.

During the year, the Company incurred expenses of USD 11,745,721 due to related parties (2024: USD 6,199,512). This is in relation to service companies recharges on operating expenditure:

	<b>2025 USD</b>	<b>2024 USD</b>
PIDG Ltd	7,191,734	5,775,484
PIDG Management Services Kenya Ltd	2,515,804	-
PIDG Management Services Morocco S.A.R.L.A.U	1,907,657	-
GuarantCo Management Company Limited	-	184,470
InfraCo Africa Investment Limited	-	43,732
PIDG Management Services Singapore Pte. Ltd. (formerly known as InfraCo Asia Development Pte. Ltd.)	130,526	195,826
	<b>11,745,721</b>	<b>6,199,512</b>

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**18. Related party transactions (continued)**

The following balances were owed by/ (owed to) related parties at 31 December and were included in the Company's Statement of Financial Position:

	<b>2025</b>	<b>2024</b>
	<b>USD</b>	<b>USD</b>
PIDG Ltd	(4,445,025)	(444,397)
PIDG Trust	-	(198,430)
GuarantCo Management Company Limited	-	54,869
InfraCo Africa Investment Limited	427,025	854,620
PIDG Management Services Singapore Pte. Ltd. (formerly known as InfraCo Asia Development Pte. Ltd.)	(130,526)	-
PIDG Management Services Kenya Ltd	62,068	-
PIDG Management Services Morocco S.A.R.L.A.U	(552,311)	-

The balance due from the PIDG Trust in prior year was made up of TA grants not yet utilised. These funds will be utilised on projects as agreed in the terms of those grants, within time periods specified in grant documents.

**Loan facility arrangements**

In 2024, the Company entered a USD 5.0m loan facility arrangement on commercial terms with the Emerging Africa & Asia Infrastructure Fund (EAAIF) – a Mauritian entity wholly owned by the PIDG Trust. The facility has not been utilised to date.

During the year, there were no other related party transactions with equity investee companies, other than as disclosed in Note 9 on additions to investments.

**19. Contingent liability and charges**

During the year ended 31 December 2022, a charge was registered by Barclays Bank PLC over a USD 3.35m deposit held in a blocked account and is generating interest. This charge was created as collateral in respect of hedging facilities provided to the Company by the bank. As at 31 December 2025, the balance held in this account amounted to USD 3,536,239 (2024: USD 3,466,751) and is recognised on the Statement of Finance Position within Other receivables as detailed in Note 11.

A charge is being held over the Company's shares in Kalangala Infrastructure Services Limited. This charge was created to secure the senior debt funding for Kalangala Infrastructure Services Limited.

A charge is being held over one of the Company's accounts in favour of Barclays Bank PLC. This charge relates to a stand-by letter of credit issued by Barclays Bank PLC pursuant to an Engineering Procurement Construction (EPC) contract entered into by East Africa Marine Transport Company Limited. The stand-by letter of credit is for the benefit of the EPC contractor, to guarantee payments under the Vessel Design, Build and Delivery Contract.

A charge has been granted over the Company's rights to be repaid any shareholder loans (or other shareholder support) that it may provide to Djermaya CDEN Energy S.A.S. (being the project company for the Djermaya solar project in which the Company indirectly holds shares) following Financial Close of the project. The charge has been granted to secure the senior debt funding for the Djermaya project company (with BNY Mellon Corporate Trustees Services Ltd acting as offshore security agent for the senior lenders). The original charge was satisfied, and a new charge registered, in the year ended 31 December 2024 as the Company became the sole shareholder in the project's holding company.

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**20. Events after the reporting date**

On a macroeconomic level, the Company noted the unresolved global conflicts, especially the United States, Israel and Iran and continues to closely monitor global and regional events and actively consider the impact of these on the Company and its investments.

None of these factors have led to any post balance sheet events that would need to be disclosed or reflected in these results following the year ended 31 December 2025.

**21. Ultimate parent undertaking and controlling party**

The Company and its associated companies, as controlled by the Private Infrastructure Development Group Trust at 31 December 2024, completed a reorganisation in 2025 approved by the Private Infrastructure Development Group Trust (the PIDG Trust). The Company's immediate shareholder is now InfraCo Project Holding Company Africa Limited, which is 100% held under The Private Infrastructure Development Group Holding Company Limited Group (the PIDG HoldCo), which prepares consolidated accounts. The PIDG HoldCo's immediate and existing joint shareholders are JTC Trust and Fiduciary Services (UK) Limited, IQ EQ Trustees (Mauritius) Ltd and Minimax Ltd as trustees of the PIDG Trust, a trust established under the laws of Mauritius.