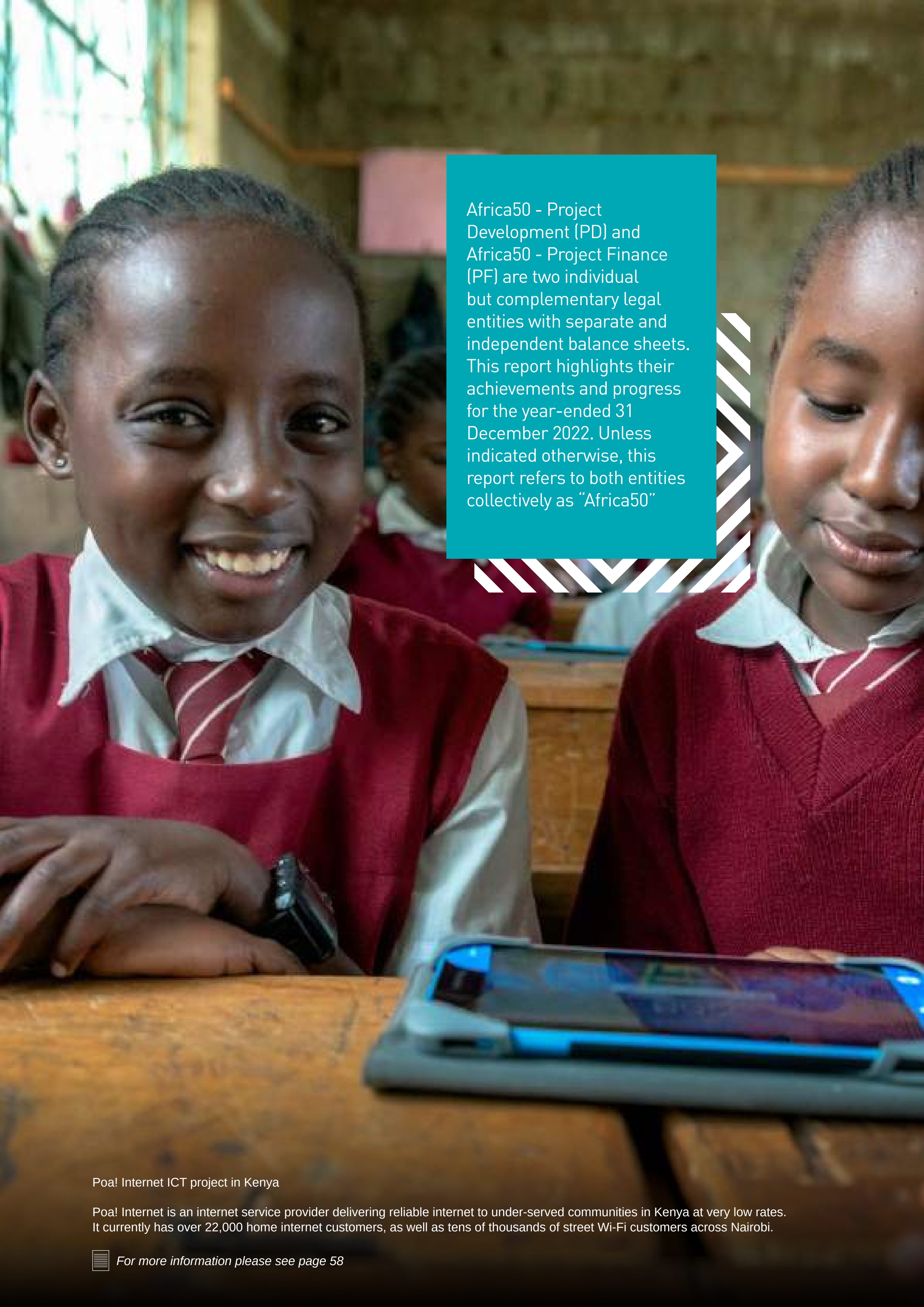
AFRICA50

Investing in Infrastructure for Africa's Growth

2022 ANNUAL REPORT

Bankable. Scalable. Replicable



Africa50 - Project Development (PD) and Africa50 - Project Finance (PF) are two individual but complementary legal entities with separate and independent balance sheets. This report highlights their achievements and progress for the year-ended 31 December 2022. Unless indicated otherwise, this report refers to both entities collectively as "Africa50"

Poa! Internet ICT project in Kenya

Poa! Internet is an internet service provider delivering reliable internet to under-served communities in Kenya at very low rates. It currently has over 22,000 home internet customers, as well as tens of thousands of street Wi-Fi customers across Nairobi.

For more information please see page 58

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Our approach to reporting

Dear shareholders and stakeholders,
Welcome to the 2022 edition of our annual report. The report provides an account of Africa50's progress and achievements in contributing to Africa's growth through project development and investment in infrastructure.

The primary theme for the report is "Road to Bankability" and is inspired by the question "If there are so many infrastructure investment opportunities in Africa, why are so few projects attracting capital?"

The central portion of the report addresses and asks the following questions:
1) What is required to make projects Bankable?
2) Can a Green Deal work in Africa's future?
3) How to expand the frontiers of infrastructure to drive African development

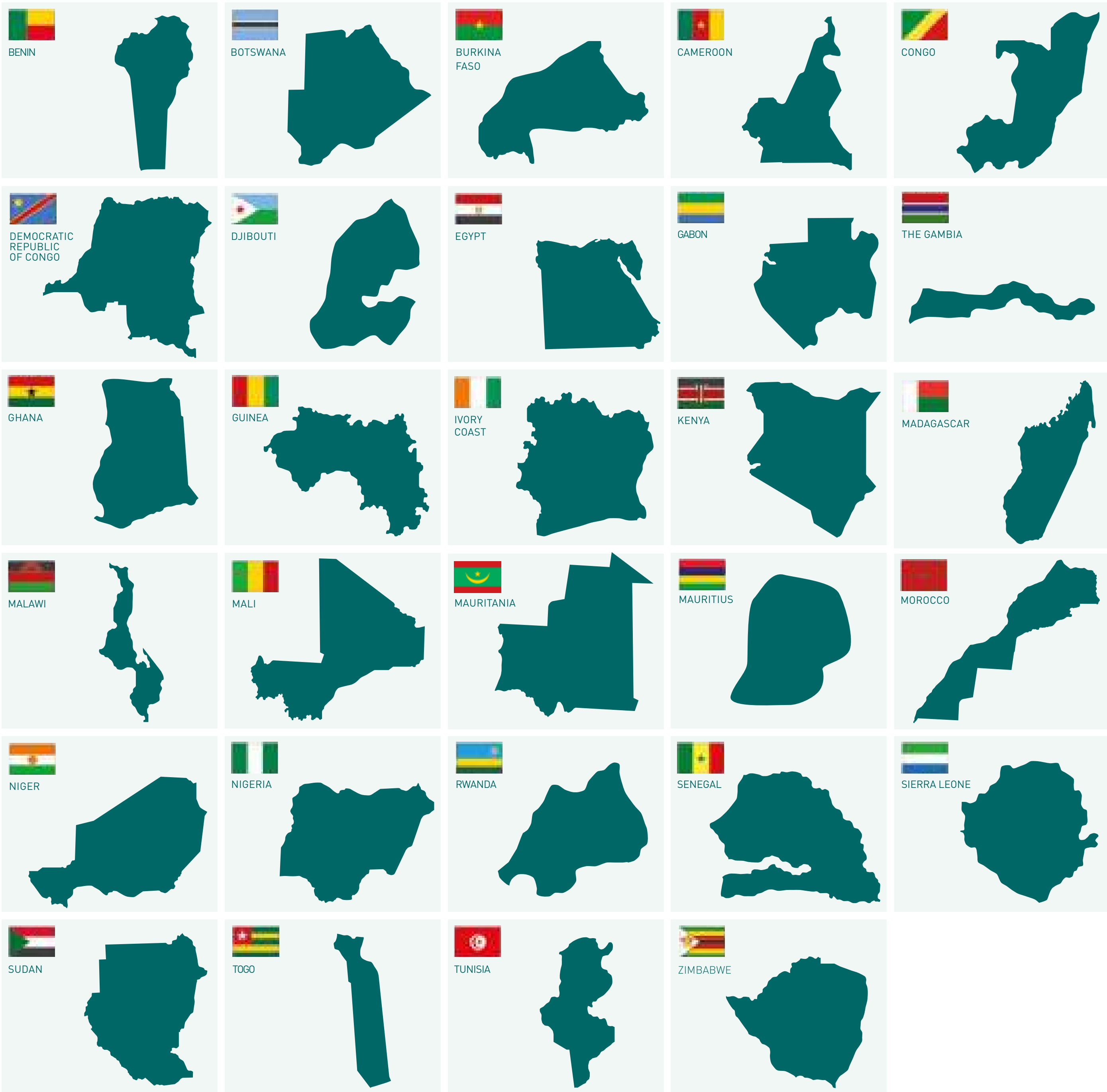
The report is written primarily for our stakeholders, to give them insights into Africa50's performance to date and future plans in the context of the strategic mandate given to Africa50 by our shareholders.

The report's contents are the results of consultation across the organization and with stakeholders. Our intention in this report is to describe both our financial and non-financial activities and performance during the year as well as provide forward looking information. Additional information is also provided in other publications such as the 2022 Africa50 Sustainability Report and on our website. We trust that you will find this report informative.

AFRICA50

Scan code to view the report online

Our shareholders



31 African Countries[1]	African Development Bank (AfDB)	The Central Bank of West African States, and the Bank Al-Maghrib

USD895 million of committed capital

[1] Republic of Cabo Verde and The United Republic of Tanzania have signed Shareholder Subscription Agreement, and are at an advanced stage of fulfilling shareholders requirements, once their onboarding is finalized, Africa50 will have 31 African countries as shareholders with committed capital of USD895 million

Our vision statement

By 2030 Africa50 is a **leading infrastructure investment platform** with all African countries as shareholders. It accelerates delivery of critical private projects and Public Private Partnerships and mobilizes significant capital globally. In doing so, it will positively impact the lives of millions of Africans

Africa50 is the partner of choice for governments and private investors and attracts distinguished and talented professionals who are passionate about making a difference on the continent

Our core sectors

Africa50, along with its partners, remains a key catalyst in unlocking investment opportunities in African infrastructure

with its access to proprietary deal flow from its shareholders and in-house expertise to develop projects to bankability, as a trusted partner for African governments and project developers to unlock opportunities in the continent's infrastructure space

POWER

TRANSPORT AND LOGISTICS

ICT

MIDSTREAM GAS

Initial core sectors pre-recalibrated strategy approved in 2021

HEALTHCARE INFRASTRUCTURE

EDUCATION

FINTECH

Additional core sectors post-recalibrated strategy approved in 2021

WATER AND SANITATION

Additional focus sectors via Africa50 Infrastructure Acceleration Fund (IAF)

AFRICA50 in numbers

USD895 million of committed capital by shareholders

31 African[4] Countries + African Development Bank + Two African Central Banks

19 projects in portfolio:
10 in operation
1 under construction[2]
8 in development[3]

USD360 million in cumulative commitments as at 2022

Total Assets **USD491.8 million**
2022 up **6.7%** YoY;
5.6% 3-year CAGR

More than **USD6.6 billion** total project value across portfolio

USD500 million to be raised by Africa50 Infrastructure Acceleration Fund from African and international institutions

More than **USD260 million** deployed in equity and quasi-equity by Africa50-PF

More than **USD4.1 billion** of capital catalyzed from private investors and DFIs

1,611 MW total installed capacity across our power plants

3,822 total supported jobs, of which 16% are women

7 target SDGs covered under investment portfolio

Committed Capital | Deployed Capital | Catalysed Capital | Sustainability

[2] Post reporting period - Senegambia bridge, Asset Recycling program
[3] Post reporting period - Boutilimit Road, in development
[4] Republic of Cabo Verde and The United Republic of Tanzania have signed Shareholder Subscription Agreement, and are at an advanced stage of fulfilling shareholders requirements, once their onboarding is finalized, Africa50 will have 31 African countries as shareholders with committed capital of USD895 million

The Chairman's foreword

Improving Infrastructure Bankability to Boost Private Sector Funding

In today's uncertain global macroeconomic climate, Africa continues to demonstrate impressive resilience. Despite numerous challenges, including a global pandemic, geopolitical tensions, and climate change, GDP growth reached 3.8% in 2022 – surpassing the global average rate of 3.4%, and is projected to increase to 4% in 2023 and 4.3% in 2024. Nevertheless, 15 million more Africans were driven into extreme poverty in 2022, mainly due to higher energy and food prices. To tackle these threats and build back better, Africa needs increased private sector investment, especially in agriculture, energy, transport, social infrastructure, and the digital economy.

Climate change continues to have a devastating impact on the continent, with losses of up to US$15 billion a year, and projections of US$50 billion by 2040. Yet Africa receives just 4.5% of global climate finance, with only 14% from the private sector, the lowest rate compared to other regions. The continent accounted for just 0.2% of the US$2.2 trillion green bond market through 2022. This leaves a climate financing gap ranging from US$ 235 to US$ 250 billion a year through 2030, if nothing changes.

A key mechanism for overcoming climate threats and reaching Africa's socio-economic goals is effective infrastructure project development. We must turn our needs into opportunities and our ideas into investment-ready, bankable projects. We must act fast and implement projects at speed and scale if we are to meet present and future challenges.

The successful launch, at COP27, of the Alliance for Green Infrastructure in Africa (AGIA), an initiative spearheaded by the African Development Bank Group, jointly with the African Union Commission and Africa50 is an important step towards delivering green, transformational and bankable projects. AGIA aims to raise US$500 million for project preparation and development critical to leverage a further US$10 billion for climate-resilient infrastructure from the private sector. In bringing together partners who have the expertise and the capital to finance projects, AGIA will address the bankability gap of green infrastructure projects as we transition the continent to net-zero. The issuance of a 19-year USD 335 million non-recourse green project bond for the 400MW Benban solar power plant (an Africa50 portfolio company) is a notable achievement. This demonstrates Africa50's ability to use

Dr. Akinwumi A. Adesina
Chairman, Africa50 Board of Directors and President of the African Development Bank

innovative instruments and tools to attract investment into green infrastructure, including from international capital markets. It is critical that Africa continues to tap into these new pools of global private capital and international capital markets.

Limited access to power continues to plague our continent. At present, 600 million people, or 43% of the total population, lack access to electricity. Reaching universal access to affordable electricity requires bringing connections to 90 million people a year, triple the rate of recent years. While there has been progress made in increasing generation capacity, much remains to be done. Africa needs to generate 575 terawatt-hours more in 2030 than in 2020 to meet the projected increase in electricity demand, an average rate of growth of 5% per year. Massive investment in Africa's grids will be critical to improve system reliability, expand access and facilitate the integration of variable renewables. Worsening financial difficulties experienced by many utilities are hampering investment in new transmission and distribution assets, resulting in a progressively obsolescent system. The private sector has a role to play here. But over the past decade, only 7.5% of private investment electricity infrastructure was targeted at Sub-Saharan Africa, of which 98.2% funded electricity generation projects and less than 0.3% funded transmission projects. This means that the electricity transmission sector in Sub-Saharan Africa comprised 0.021% of total electricity infrastructure deals with private participation in the last decade. This historical underinvestment in Africa's transmission and distribution infrastructure has led to estimated investment needs of US$40 billion a year until 2030.

Africa50's investment in transmission lines in Kenya, in association with PowerGrid of India is the first public-private transmission partnership in Africa. It is the kind of innovation we need to bring in increased private sector funding. This is critical, especially at a time when public sector debt levels are rising: although the median public debt in Africa is estimated to have declined from 68% in 2021 to 65% of GDP in 2022, it remains higher than the pre-pandemic level of 61% of GDP.

The recent connection of the 120MW Malicounda power plant in Senegal to the grid is another significant step in bridging Africa's energy access gap. Partnering with the African Development Bank Group as the lead arranger for debt financing, the Arab Bank for Economic Development

The Chairman's foreword (continued)

in Africa, the West African Development Bank, and the OPEC Fund for International Development, Africa50 together with Melec Power Generation were able to reach financial close, even with COVID-19-Induced supply chain disruptions. Through such partnerships we can go a long way in meeting the continent's needs and drive economic growth and resilience.

Africa50 continues to contribute to the African Continental Free Trade Area's mandate to promote the movement of goods, services and people across borders, with its recent investment in Scanning Systems. The role of one-stop joint border posts is essential to Africa's goal of integrating and promoting trade. Scanning Systems, a leading developer of one-stop joint border posts in West Africa, will help connect economies, alleviate supply-chain disruptions, and enhance regional trade for Africa's 1.3 billion people.

The COVID-19 pandemic revealed significant gaps in the continent's healthcare and educational systems. Consequently, the Board approved the expansion of Africa50's investment sectors to include social infrastructure. I am pleased to see that this sectoral expansion is progressing well, and I look forward to further investments to ensure Africans have increased access to world class services through the adoption of cutting-edge technology.

Africa50's success relies on developing and financing projects, and forging new partnerships, onboarding new shareholders and increasing its capital base. As such, I am pleased to note the signing of a shareholder subscription agreement by Cabo Verde during the Annual General Shareholders meeting in Marrakech, and the onboarding of the Republic of Botswana as a shareholder at the end of the year.

To further our growth, it is important that we foster new regional and international relationships. It is therefore gratifying that Africa50 is partnering with institutions such as the US EximBank and the African Sovereign Investors Forum to achieve its goals. The latter will help unlock the US$2 trillion of assets under management from African sovereign wealth funds and institutional investors into infrastructure. The role of patient African capital in investing in the real economy and more importantly into infrastructure must be prioritized. Another key initiative which was approved by the Board, is the Africa50 Infrastructure Acceleration Fund. This year has seen great progress in the implementation of the fund. It is poised to celebrate a significant capital raising milestone with multiple commitments from several African and non-African investors.

As Chairman, I am pleased to see the continued financial innovation that Africa50 promotes through an asset recycling program, with the support of the African Development Bank. This will be a game-changer, as countries seek to finance infrastructure projects without increasing debt levels. In recycling capital locked in existing infrastructure, we can free up public funds for further investments, and help contribute to economic recovery.

As we navigate the challenges ahead, Africa50 is well-positioned to develop bankable projects that investors seek, and to collaborate and partner on effective financing solutions with attractive risk-adjusted returns for shareholders.

I extend my gratitude to the shareholders, the Board of Directors, the CEO, senior management, and the staff of Africa50 for their unwavering commitment to Africa's future.

Dr. Akinwumi A. Adesina
Chairman, Africa50 Board of Directors and President of the African Development Bank

Our strategic pillars

Africa50 delivers value to stakeholders across the entire project lifecycle through three distinct and synergistic vehicles

DEVELOP

A Pipeline of Bankable Infrastructure Projects

Africa50 - Project Development
Develops a pipeline of investment ready projects, as a lead or minority sponsor, through its partnerships with governments and private sector players, and provides financing for greenfield and brownfield projects

ACCELERATE

Investment into African Infrastructure

Africa50 - Project Finance
Typically takes minority stakes in projects and invests equity and quasi-equity alongside strategic partners, with equity ticket sizes of below USD40 million, as well as in growth capital transactions

MOBILIZE

Public and Private Sector Funding

Africa50 Infrastructure Acceleration Fund
Is a private equity infrastructure fund that will take majority and minority stakes and invest equity and quasi-equity in operational businesses, with equity ticket sizes of over USD40 million

Message from the Chief Executive Officer

Full speed ahead to bankability

2022 held much promise as we began to overcome the COVID-19 pandemic and witnessed growth picking up across our continent. Despite new challenges, such as the war in Ukraine leading to spikes in energy and food prices, Africa demonstrated remarkable resilience, and I am proud to say that Africa50 has actively contributed to this recovery.

Our team, continued working together after months apart due to COVID, supported existing investments, finalized new transactions and reflected on ways to drive growth. Additionally, we pioneered new opportunities and continued our journey of delivering innovation and developing a pipeline of bankable projects. I wholeheartedly thank the Chairman of our Board Dr. Akinwumi Adesina, our Board of Directors, our shareholders, and staff for their unwavering support and dedication to delivering on our mandate of sustainable returns and impact. Through our joint effort, I am confident that we can significantly increase our contribution to our continent's economic growth and help ensure its future resilience.

As missions and physical events resumed, meeting face-to-face with our African leaders, from both shareholder and non-shareholder countries, was particularly insightful and uplifting. Their commitment to the well-being of their citizens and our continent's economic development is inspiring. We celebrated three countries joining Africa50, namely, the Republic of Botswana, the Republic of Cabo Verde, and the United Republic of Tanzania. This expanded our country shareholder base to 31, nearly two-thirds of African countries, with more expected to join in 2023 as they see the value and impact we deliver.

Our mandate as an organization is to develop projects, accelerate investment and mobilize African and global institutional capital into African infrastructure. 2022 was a year where, as an organization, we demonstrated that with the catalytic capital provided by our shareholders, combined with innovation, passion and strategic

Alain Ebobissé
Africa50, CEO

focus, we can deliver solid results and contribute to the narrative that infrastructure investing in Africa is profitable.

In 2022, as you shall see in the detailed results further on, Africa50- Project Finance turned a profit after only 6 years of operation. Net income increased by 99% compared to December 2021, driven by revenues from dividends and interest collected from investment, which significantly increased at US$15.9 million as at December 2022 compared to US$5.8 million as at December 2021, as a result of many of our early-stage investments now becoming fully operational and generating dividends, as well as from realized gains from exits. While the year was challenging, with increased inflation, foreign currency volatility in several of our markets and higher cost of capital, we were able to reach financial close on several projects and sign agreements to start implementing new projects. We also established new partnerships as African infrastructure and green climate investment opportunities took center stage at gatherings such as President Biden's US-Africa Leaders' Summit, World Bank- IMF and the African Development Bank Annual Meetings as well as COP27 in Sharm-El Sheikh, Egypt.

As an organization, we saw several of our projects which started off as concepts on paper come to fruition. The Malicounda power plant started generating 120MW of power into the Senegalese electricity grid in August of this year. The power plant was co-developed by Africa50, Melec PowerGen (MPG), and the national utility company Senelec. It has increased Senegal's generation capacity by 8% and has substantially reduced generation costs. The plant is designed to convert to the use of natural gas as soon it comes on stream from domestic fields, which are currently under development. This will help shift Senegal's energy mix to cleaner fuel.

This year we celebrate the structuring of the US$345 million groundbreaking non-recourse green project bond for our 400MW solar power plants in Benban, Egypt. This refinancing saw new and additional investors coming into the debt structure of Benban.
In addition to power generation, we are in the process of developing the first of its kind transmission lines PPPs in the continent, together with Powergrid of India

Message from the Chief Executive Officer (continued)

(the world's 2nd largest transmission line asset owner and developer). We reached significant milestones with the Government of Kenya and we aim to achieve financial close in 2023. Our goal is to demonstrate that transmission lines can be financed using private sector capital as they generate the attractive returns that we have experienced in power generation. Our goal is to help attract significant capital into the transmission space in Africa. We strongly believe that it is our pioneering spirit and these types of innovations that will drive the growth of our investment activities, create opportunities and catalyze capital from a diverse source of investors.

In the transport and logistics sector, we have been actively seeking to contribute to the realization of the African Continental Free Trade Area (AfCFTA). Our investment in the West African based Scanning Systems, to develop, operate and maintain one stop border posts, will significantly enhance the movement of traffic as well as good and services across our borders. By digitizing the border posts, transparency and speed will be enhanced, with better collection of revenues for Governments and increased productivity and reduced costs for enterprises.

In the ICT space, our investments into Poa! Internet which provides last mile internet connectivity, and PAIX data centres which provides faster and cheaper data access, have enabled both companies to expand aggressively into other markets, illustrating that the opportunities on this continent are vast and the needs significant.

Our pipeline of bankable projects has grown substantially, and several transaction agreements have been signed for our asset recycling programme, which include the iconic Senegambia Bridge and three international airports in Zimbabwe. Through the asset recycling programme, we are able to assist our governments in investing in additional infrastructure through the release of immobilized capital in these assets and importantly we are able to crowd in new institutional and financing partners into already de-risked assets, while at the same time ensuring that we provide much needed capex, improve operations and drive efficiencies.

As we look to mobilize institutional capital into infrastructure, we are proud to announce that our private equity fund, the Africa50 Infrastructure Acceleration Fund (IAF), became fully operational in 2022 and has already built up a solid pipeline of potential investments. In addition to the US$50 million commitment that Africa50 - Project Finance is expected to make to the IAF, we have seen incredible interest and support from African and global institutional investors. The first close, which is anticipated for 2023 will comprise in the main, African institutional investors including sovereign wealth funds, pension funds and insurance companies. This significant achievement will be a first on the continent.

No institution can meet Africa's infrastructure needs alone, so we continue to seek partnerships with like-minded organizations such as the US EXIM Bank, US Trade and Development Agency (USTDA) and the new African Sovereign Investors Forum (ASIF) to crowd in capital into African infrastructure. In addition, we joined the African Development Bank and the African Union Commission, to launch at COP27 the Alliance for Green Infrastructure in Africa (AGIA), which brought together

Message from the Chief Executive Officer (continued)

regional and global partners to address the impact of climate change. The Alliance seeks to raise US$500 million in project preparation and development blended finance capital to develop a pipeline of transformative projects, with the goal to catalyze $10 billion for green and climate-resilient infrastructure.

Our success in developing a robust pipeline of projects and attracting new project sponsors and partners was enhanced not only by in-person missions, but also by our heightened visibility at leading Africa and globally focused investment events and forums. I was particularly pleased that I was joined in this effort by diverse members of the Africa50 team, which demonstrates the breadth and depth of our talent. Highlights included the African Union Summit in Addis-Ababa, African Development Bank Annual General Meetings, which bring together many of our shareholders, the Africa Investment Forum in Abidjan and the US-Africa Leaders Summit . Furthermore, we had a successful Annual General Shareholders meeting in Marrakech which we organized as part of the US-Africa Business forum, in partnership with the Corporate Council on Africa, and with Bloomberg as media partner. We curated several roundtable discussions during the event, including a session on, institutional investors which was presided over by our Chairman Dr Akinwumi Adesina and the President of the Republic of Botswana, Mokgweetsi Masisi and attended by several large American institutional investors. Our transmission line PPP roundtable attracted speakers and attendees from our partner Powergrid of India, the World Bank, the South African Power Pool (SAPP) and interested financiers and developers.

Our media outreach was equally broad, with extensive coverage provided by international and pan-African outlets such as Reuters, CNBC, Africa24, and Jeune Afrique, to articles in most local African media. Our total media mentions reached 14,000 across all platforms.

The features of this year's annual report on improving bankability, expanding the frontiers of infrastructure, and a Green Deal for Africa, highlight some of our priorities. Bringing projects to bankability is primordial for success and is at the core of Africa50's mission. Expanding the frontiers of infrastructure, whether into social sectors or sub-sectors like joint border posts, data centers, and climate friendly technologies, became apparent and necessary during the pandemic. Led by technology, these evolving sectors can pave the way for more equitable and resilient development.

As we build on the momentum of 2022 and early 2023, we will continue to strengthen our reputation as a leading investor and developer for infrastructure in Africa. I extend my deep-felt gratitude to our staff, board members, and shareholders for joining us on this transformative journey, enabling our continent to realize its immense potential.

Africa50's value proposition

We deliver tailored and significant value to our diverse stakeholder base including our country shareholders, infrastructure developers, project sponsors and business owners and the private sector in general as a result of the following key attributes

Experienced investment team with a demonstrable track record of deal-making in Africa and internationally

Close relationships with African country shareholders and the AfDB, both critically important to infrastructure development and the financing process in Africa

Access to competitive finance, including long-term debt from the AfDB and the broader Development Finance Institution (DFI) community and commercial banks

Access to proprietary deal flow generated from project development activities, and through ongoing dialogue with African country shareholders

Jurisdiction-specific potential risk mitigation through high-level public-sector engagement

Robust governance and **efficient decision-making** matched by speed of execution

Our achievements

We have demonstrated success within a short period of time across our portfolio and operations by developing, investing in and exiting profitable and impactful infrastructure projects

2017

- Our first strategy is launched
- Number of Country Shareholders: 25
- Committed capital: USD819 million
- Malicounda Project allocated by Senegal
- Number of staff: 7

- Closed first project
- Benban Solar: Egypt, 400 MW portfolio of six utility scale solar power plants

2018

- Rwanda and Mauritius join as 26th and 27th country Shareholders
- Committed capital: USD872 million
- Number of staff: 29
- Senior Leadership Team is fully recruited

- Portfolio expands with the signing of two additional projects:
- Nachtigal: Cameroon
- Room2Run: Pan-African

2019

- Zimbabwe becomes 28th Shareholder
- Committed capital: USD877 million
- Publish WSJ Op-Ed on gas as a transitional fuel
- Innovation Challenge for Last Mile Connectivity
- Number of staff: 51

- Successfully closed six more projects
- Benban Solar reaches COD

2020

- First Periodic Strategy Review completed, resulting in Recalibrated Strategy
- Initiated COVID-19 Relief Support Initiative (RSI), donating USD800,000 to support the procurement of personal protective equipment and first responder deployment across Africa
- Number of staff: 50
- Hold first virtual GSM
- Innovation Challenge completes

- Winner Poa! Internet considered for investment

2021

- IAF launched, to catalyze additional investment from private and institutional investors
- Thought leadership piece on asset recycling is launched
- Project Finance reaches profitability
- Approval of Recalibrated Strategy by the Board
- Number of staff: 54

- Investment in Poa! Internet completed
- First exit: Genser Energy, Ghana

2022

- USD335 million refinancing of Benban in first green bond for non-recourse infrastructure financing in Africa
- Cabo Verde signed Shareholder Subscription Agreement
- Botswana becomes a shareholder
- Committed capital: USD885 million
- Define 2026 Vision
- Number of staff: 58
- U.S Export-Import Bank, Africa50, Sign MOU to Mobilize USD300 million in project financing for African Infrastructure

- Pioneer development of Africa's first transmission line PPP project
- Investment in first data center - PAIX: Ghana/Kenya
- Investment in Central Térmica de Ressano Garcia (CTRG): Mozambique
- Investment in Holged education platform: Morocco and Tunisia*

2023*

- Inauguration of 120MW Malicounda power plant in Senegal
- Africa50 and Bayobab in partnership to develop pan-African terrestrial fibre
- Tanzania signed Shareholder Subscription Agreement
- Africa50 and BOAD, the West African Development Bank, partner to develop and co-finance green infrastructure in Africa
- The Republic of Gabon and Africa50 sign a framework agreement for the development and financing of transmission lines
- Concession Agreement for Volobe

- Committed capital: USD895 million

*Post reporting period

Our business model

Africa50's – Project Development

Positioned to develop a pipeline of bankable projects...

Invests project development capital

Develops projects, as lead or minority sponsor, which meet the following criteria:

- Sound technical and financial fundamentals
- Strong development impact
- Alignment with government priorities
- Preferably located in shareholder countries

Helps to accelerate the project development process

Exits investments at financial close to Africa50 PF or other investors

by...

Gaining access to a **proprietary** and **strategic pipeline** of projects for development

Ensuring alignment with country economic development goals and strategic priorities

Building trusted partner relationships with governments and private sector players to bring projects to bankability

Contributing human resources to drive or support the development activities

Crowding in the **private sector**

Ensuring projects are developed in accordance with sound ESG frameworks

Africa50's – Project Finance (Growth Capital)

Invests equity and quasi-equity alongside strategic partners

Finances projects by focusing on:

- Investing in infrastructure projects at or near financial close as well as in growth capital transactions
- Seeking attractive risk-adjusted returns while creating social and development impact
- Sourcing projects externally and through Africa50 – Project Development
- Catalyzing external capital from other commercial investors and institutions to mobilize long-term savings

Accelerates private investments into projects and infrastructure companies, seeking to deliver a double bottom line

Builds a portfolio of investments based on a diversified target portfolio

Accesses and executes on a structured origination (sourcing deals both from PD and 3rd party sponsors) and a robust underwriting process

and as a result...

Sources and underwrites commercially attractive investments that help close the infrastructure and development gap in Africa

Drives value creation and optimization through robust ESG and portfolio monitoring frameworks / maintaining active influence through investment holding periods

Generates liquidity through dividends and exits

Recycles capital from returns generated from portfolio investments

Raises additional capital from the public/private sector

Africa50 Infrastructure Acceleration Fund spurs infrastructure investments by mobilizing institutional and private investor capital

AFRICA50
INFRASTRUCTURE
ACCELERATION FUND

Africa50 Infrastructure Acceleration Fund is a private equity infrastructure fund launched in 2021, through which Africa50 is mobilizing large scale and long-term institutional capital from African and international investors. The fund will make equity and quasi-equity investments, and take majority and minority stakes in infrastructure projects across the continent. The Fund is also designed to benefit from synergies derived from leveraging Africa50's strong relationships and networks with African governments and other institutions (African and international), and the track record, capabilities and deal pipeline that are accessible through Africa50 – Project Development and Africa50 – Project Finance.

- Pan-African Infrastructure focus
- **12-year closed-ended fund** targeting **USD500 million of capital commitments**
- Managed by a **high-calibre team of entrepreneurial investment professionals** drawn from Africa50 and externally, with considerable global and Africa infrastructure investing experience
- **Leverage Africa50 competitive advantages** (e.g., project origination, government-related stakeholder management, minority investing)
- Internationally accepted **environmental, social and governance (ESG) practices** integrated into the Fund's investment decision-making and portfolio management processes
- The Fund may purchase assets from Africa50's investment portfolio at an independent valuation and on arm's length terms

Africa50's mandate is to deliver a double bottom line of impact and attractive risk adjusted returns to its shareholders. Impact is integral to our investment process, and each project is evaluated by how much impact it delivers and to whom it delivers the impact.

The Afica50 Impact series campaign, provides a view into the impact our projects deliver.

Impact series campaign

The **Africa50 Impact Series** is a video campaign spotlighting Africa50 projects and key infrastructure themes such as **Bankability, Risk Mitigation, Transmission lines, ICT and Regional Trade**.

Scan code to view the campaign

Contributing to Africa's Transition to Net-Zero, Alliance for Green Infrastructure in Africa (AGIA)

Despite producing only 4% of the planet's emissions, Africa is home to 30 out of 40 of the world's most climate-vulnerable[1]

Africa is the continent hardest-hit by the impacts of climate change – such as unpredictable rainfall patterns, extreme weather events and social disruption. The need is therefore urgent to ensure that the infrastructure being built today is sustainable and resilient. The investment needs resulting from Nationally Determined Contributions are estimated at $2.8 trillion by 2030, yet Africa's share in global green infrastructure is insignificant. It is critical that innovative, smart, and sustainable solutions are adopted and the requisite financing implemented to bridge the gap and address climate impacts

AGIA is therefore a bold and action led response that seeks to raise USD500 million of blended finance capital and leverage the track-record, capabilities and convening power of its members to prepare, develop and finance a transformative pipeline of green infrastructure projects in Africa. In addition, it will catalyze USD10 billion of private investments in green infrastructure, with the aim to accelerate Africa's just and equitable transition to Net-Zero. Africa50, The African Development Bank and the African Union Commission, have taken the lead in driving the GIA initiative to partner African countries in their transition to Net-Zero, with the support of multiple global institutions

Partners:

AGIA is uniquely positioned as a bridge between the Global South and North in accelerating climate action by delivering climate resilient infrastructure in Africa, critical for the economic development of the continent through scaling up project development in Africa

Solidarity between Global North and South

AGIA creates a win-win partnership between the Global North and South

- **Diverse partners working collaboratively** to develop and finance transformative green climate resilient infrastructure projects
- **Holistically address the project life cycle,** from project preparation and development through to long-term project financing

Global North → **AGIA** ← Global South

Commercial, result-driven approach to building a pipeline of transformative climate resilient green infrastructure for Africa

Why AGIA

- Infrastructure gap in Africa: USD280 billion[5] required annually for climate mitigation and adaptation
- Early-stage risk capital is a critical need in bridging the infrastructure gap in order to deliver bankable projects
- AGIA seeks to deliver attractive risk adjusted returns for both African and global institutional investors

AGIA pillars across the project lifecycle

Upstream Project Preparation

Raise up to **USD100 million** in upstream project preparation funds

Project Development

Raise up to **USD400 million** in project development funds to transform early-stage concepts into bankable green infrastructure projects

Investment and Financing

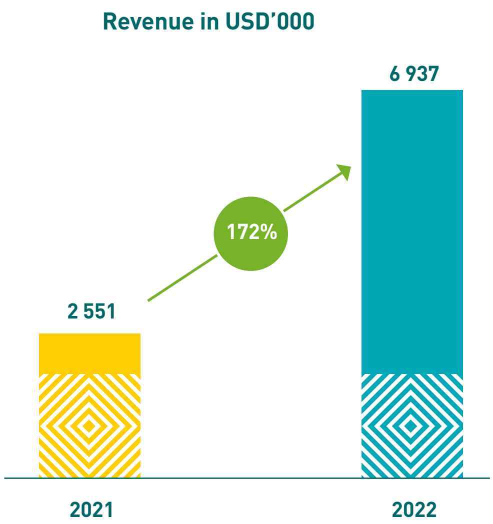
Leverage the ecosystem to mobilise up to **USD10 billion** in infrastructure financing for projects

[5] Report of the Independent High-level Expert Group on Climate Finance

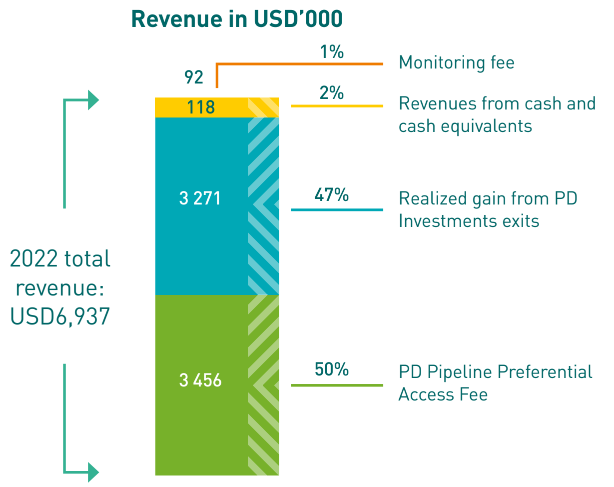
Financial highlights: Africa50-PD

1 January 2022 – 31 December 2022

Africa50 PD revenues increased by 172% compared to 2021*

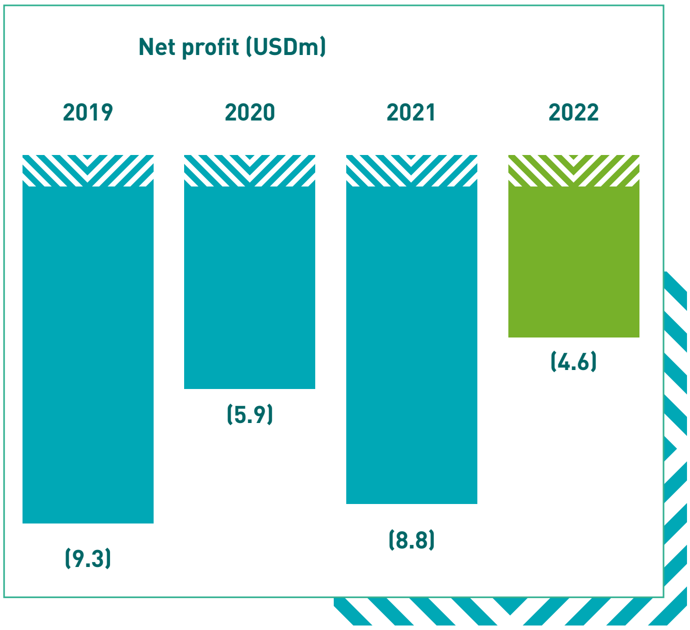


Revenue Analysis – detailed break down



Loss of USD4.6 million vs loss of USD8.8 million in 2021, a sharp decrease in PD losses compared to 2021

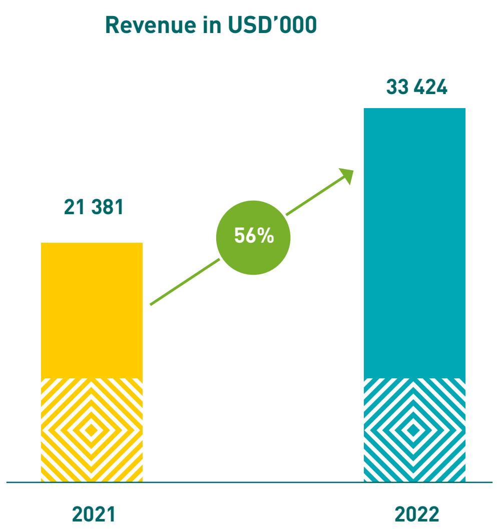
The loss is lower than in 2021 as PD generated additional revenues of approx. USD3.2 million from the exits to PF (KIC & Scanning Systems), which helped offset operational expenses. Revenue increased by 169% at USD6.9 million at year-end 2022



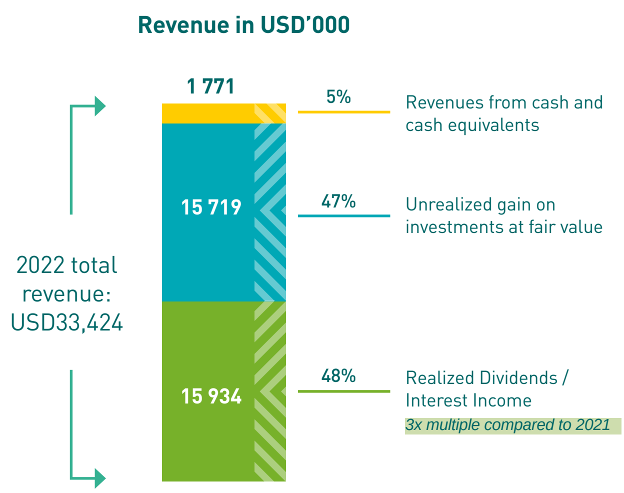
* The presentation of Africa50 PD revenues on this page differs from the presentation of Africa50 PD revenues in the notes to the financial statements

Financial highlights: Africa50-PF
1 January 2022 – 31 December 2022

Africa50 PF revenues increased by 56% compared to 2021*

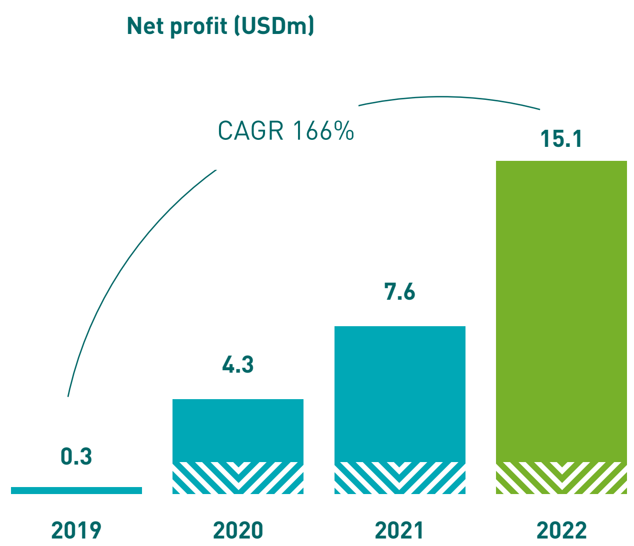


Revenue Analysis – detailed break down



Net profit of USD15.1 million vs USD7.6 million in 2021 (~2x year on year growth)

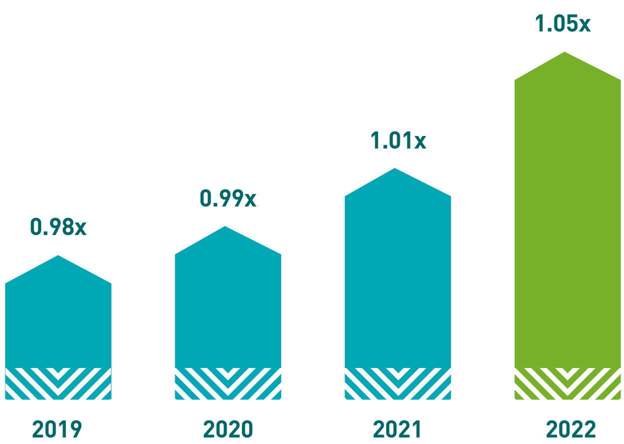
The profitability is 99% higher compared to 2021, thanks to the good performance of investments. The performance would have been much higher without the FX impact as the Euro lost 5.7% against the US dollar



* The presentation of Africa50 PF revenues on this page differs from the presentation of Africa50 PF revenues in the notes to the financial statements

Financial highlights: Africa50-PF (continued)

NAV to Paid-in Capital

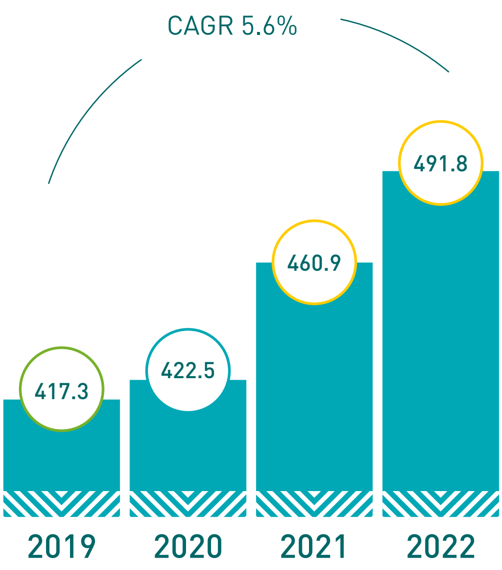


PF – Net Asset Value (NAV) to Paid-In-Capital

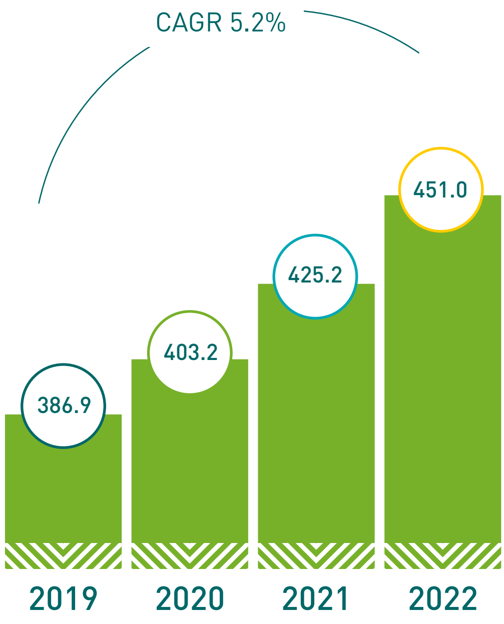
NAV to Paid-In-Capital ratio above 1x since 2021 due to shareholders' equity injections and portfolio performance with increase of dividends and interest income, as well as revaluations gains on existing assets

Financial highlights: Africa50-PD and Africa50-PF[6]

Total Assets (USD million - 2019-2022)



NAV (USD million - 2019-2022)



Total Assets
Total Assets: ▲ 6.7% YoY
USD491.8 million 2022
USD460.9 million 2021[7]

Net Asset Value
Net Asset Value: ▲ 6.1% YoY
USD451.0 million 2022
USD425.2 million 2021

[6] These numbers are management aggregations and not a consolidation of PD and PF
[7] PF - 2021 Total Asset figure reported in the 2022 Annual Report differs from the 2021 Total Asset figure reported in the 2021 Annual Report following an accounting restatement

Investment highlights

Africa50 - Project Development

Our project development business takes projects from concept to bankability, working with multiple stakeholders to assess and finance technical and feasibility studies, structure financial models and negotiate legal agreements.

Since inception, estimated total project value for projects developed by Africa50 Project Development is more than USD2 billion.

PD has developed 6 projects to financial close and has 5 portfolio projects under development and an additional 5 under pipeline. The portfolio projects include, Kenya Transmission PPP, East2West - Pan-African terrestrial fibre optic cable, Swift - toll road between Nouakchott and Boutilimit, Generic midstream gas project in East Africa, and Volobe - greenfield hydropower plant in Madagascar.

PD Developed Projects by Sector[8]

Power	4
ICT	1
Transportation	4
Education	1

Project highlightsfor the year include:

East2West	The execution of a Joint Development Agreement (JDA) with Bayobab (formerly MTN Global Connect) to develop, finance, construct and operate Project East2West, a terrestrial fibre optic cable crossing 10 countries to connect the Eastern shores to the Western shores of Africa.
Boutilimit	The execution of a Joint Development Agreement (JDA) with the Government of Mauritania to structure and develop the 137km Nouakchott-Boutilimit motorway under a PPP scheme.
Gbessia Airport	Africa50 along with the technical partner Aéroports de Paris reached an agreement with the government of the Republic of Guinea to sell their respective shares to the government via a Sale Purchase Agreement signed in November 2022.
Senegambia Bridge	The execution of a Memorandum of Understanding (MoU) with the Government of The Gambia to undertake an assessment of the Senegambia Bridge as a candidate for Africa50's Asset Recycling Programme.
Zimbabwe Airport Recycling	The execution of an MoU with the Government of Zimbabwe to undertake an assessment of the three (3) international airports; namely, Robert Gabriel Mugabe International Airport in Harare, Victoria Falls Airport and Joshua Mqabuko Nkomo Airport in Bulawayo, for consideration under Africa50's Asset Recycling Programme.
Kenya PPP Transmission	Africa50 and PowerGrid Corporation of India, its strategic partner, submitted a detailed technical, environmental & social, financial, commercial and legal feasibility study for two transmission lines in the form of Private Investment Proposal to the Government of Kenya in November 2022 in line with the PPP Act of 2021.

For more information please see page 50 to 67

[8] Boutilimit, East2West, Senegambia Bridge, and Zimbabwe Asset Recycling projects, were achieved post reporting period

Investment highlights (continued)

Africa50 - Project Finance

Working with operational businesses and projects, Africa50 Project Finance works closely with portfolio company management teams to add value through tailored value creation plans and deliver attractive risk adjusted returns.

Since inception, Africa50 - Project Finance (PF) has deployed more than USD260 million of equity and quasi-equity, investing in infrastructure projects at or near financial close as well as in growth capital transactions.

PF has acquired minority stakes in twelve investments and an additional 5 projects are in the pipeline, with one exit. The portfolio projects include, Malicounda 120 MW power plant, Nachtigal 420MW hydroelectric plant, Azura Edo 461MW thermal power generation plant, Tobene 115MW Combined-cycle HFO , Poa! Internet an ISP, Room2Run a credit risk transfer, Benban Solar a 400MW DC, PAIX co-location data centres, CTRG 175MW gas-fired power plant, Holged education platform*, Kigali Innovation City, and Scanning Systems One-Stop Joint Boarder Posts.[9]

PF Portfolio and Active Pipeline by Sector[10]

Power	6	Other sectors	1
Education	1	Transportation	1
ICT	6	Health	2

For more information please see page 50 to 67

Project highlights for the year include:

Scanning Systems	The completion of an equity investment in Scanning Systems S.A, a company specialized in the design, financing, and implementation of up to 3 One-Stop Joint Border Posts (JBPs) in West Africa.

[9] Benban Solar, Malicounda, Nachtigal, KIC and Scanning Systems were projects developed by PD from early stage and thereafter exited to PF
[10] Commitment document has been signed for portfolio projects
* Post reporting period

Our approach to sustainability

Our approach to sustainability

Our theory of change

Africa50 convenes strategic partnerships, capital and technical know-how to deliver critical infrastructure that meets essential needs and contributes to the sustainable growth of African economies for a stronger and more resilient African continent

1 What value do we bring as a partner?

Africa50 mobilise des partenariats stratégiques, des capitaux et un savoir-faire technique...

- Innovative deal structuring
- Private capital mobilization
- Leveraging of local knowledge and networks
- Partnerships with private and public stakeholders
- Development of a pipeline of bankable infrastructure projects

2 Where do we invest today?

...to deliver critical infrastructure...

- Power
- Midstream gas
- ICT
- Transport
- Education
- Health
- Fintech

3 What outcomes do we deliver?

...that meets essential needs...

Sector-specific outcomes

- Access to energy
- Digitization of the economy
- Mobility of people, goods, and services
- 'Social' infrastructure

... and contributes to the sustainable growth of African economies...

Direct outcomes

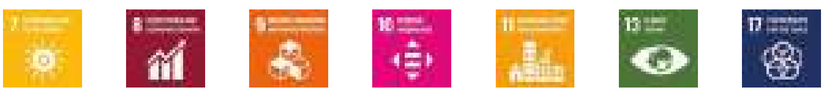
- Contribution to local economies
- Job creation
- Contribution to government revenue
- Reduction of GHG emissions

4 What outcomes do we deliver?

... for a stronger and more resilient African continent

- Improve livelihoods
- Promote regional integration
- Facilitate economic growth
- Contribute to climate action

While contributing to several Sustainable Development Goals



◆ Africa50 Theory of Change

Our approach to sustainability (continued)

Approach to ESG risk management

The concepts of ESG and impact are intimately connected: one cannot exist without the other. Development Impact focuses on the positive and intentional change that can materialize for external stakeholders and the environment and how projects and businesses can contribute to solving societal problems, whilst ESG focuses on mitigating risk.

Africa50's commitment to ESG is guided applicable internationally and nationally accepted principles, guidelines, and good practice standards. Africa50, the sponsors it partners with, the portfolio companies and lenders are expected to act in accordance with the following reference framework:

- Applicable national and local ESG laws and regulations; and
- International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability or (in certain cases) the African Development Bank Integrated Safeguards System.

In addition to complying with the relevant international and local standards, Africa50 commits to the following set of guiding principles:

- Support a precautionary approach to environmental challenges;
- Inspire the efficient use of energy and natural resources to reduce the impact on climate change and to contribute towards the sustainable use of depleting resources, including forests and water;
- Encourage the reduction of greenhouse gas emissions in its operations and in those of its portfolio companies;
- Avoid and, if not possible, minimize adverse impact on human health and the environment;
- Support and respect the protection of internationally proclaimed human rights;
- Support and respect fair labour and working conditions;
- Protect the health and safety of workers, surrounding communities and customers;
- Adopt high standards of professional conduct and excellence;
- Exhibit honesty, integrity, fairness and respect in all its dealings; and
- Enhance the good reputation of Africa50.

Our primary objective is to avoid any adverse ESG impact. We are deeply committed to this goal and consistently strive to achieve it. When communicating our ESG results, as summarized below, our intention is to be transparent.

ESG performance data

0
No major environmental, governance and social incidents

16
Lost time injuries

***4**
Offsite Fatalities

14
Africa50 board seats

15%
Women board representation across portfolio

*An offsite road traffic accident which resulted in 4 fatalities. The root case analysis of this accident has been carried out, and associated measures recommended. The families of the injured and deceased are being supported over the long term by the construction company in close coordination with Nachtigal (NHPC)

Africa50's Climate Change Guiding Principles (CCGP)

The Africa50 CCGP outlines our climate change engagement and approach to stakeholders, including how climate change factors are integrated and managed throughout our organization, our investment and decision-making processes and throughout the period that we hold investments

Our Commitments

As part of Africa50's Climate Change Guiding Principles, we will endeavor to:

- Align our operations to assist, through our investments, the countries in which companies or projects funded by Africa50 are based in meeting their NDCs
- Promote climate change mitigation, adaption and resilience strategies within our sphere of influence, including our portfolio companies and our Shareholder countries
- Continue to review our investments in light of the climate commitments made by the countries where our investments are implemented
- Promote climate friendly/conscious investments that address climate change mitigation, adaptation and resilience
- Measure, monitor and disclose the carbon footprint of our organization and take the relevant actions to reduce these in line with the global ambition of no more than a 1.5°C temperature increase by 2050. This will be done by continuing to promote a culture of sustainability through the ongoing implementation and improvement of existing actions and measures towards energy and water efficiency, waste management, and the overall reduction of our carbon footprint; and
- Measure, monitor and disclose the carbon footprint of our portfolio companies and accompany them to take the relevant actions to reduce these in line with the global ambition of no more than a 1.5°C temperature increase by 2050. This may include the promotion and use of resource efficiency technologies, and other practices to promote the reduction of their carbon footprint

Our Position on Fossil Fuels

Exclusions	Permissible
Coal and fossil fuels	**Gas**
• Coal-fired power plants, including dual-power plants (coal alongside another fuel source) • Refurbishment, retrofitting and rehabilitation of existing coal power facilities, including dual-power plants • Coal prospection, exploration, mining, processing and trading	In keeping with our investment policy, Africa50 will continue to invest in natural gas related infrastructure including: • Gas to power and hybrid generation plants; and, • Midstream and downstream gas infrastructure, including gas importation, processing, storage, distribution and transportation infrastructure. • As part our investment process, Africa50 will endeavor that all future investments in permissible fossil fuels meet at least one of the following criteria: ▪ are within the country's carbon budgets; ▪ are aligned to a 1.5°C world outcome by 2050; ▪ are substituting higher carbon intense fuel sources; ▪ are in countries that face challenges in terms of access to energy, (e.g., management of demand, intermittent generation, ancillary services, or the peak); or ▪ that there is not economically, cost competitive and technically viable renewable energy alternatives to ensure flexible non-intermittent power

Features

Kigali Innovation City (KIC) project rendition in Rwanda

Kigali Innovation City is a mixed-use master planned Technopark consisting of Grade A office, incubator, retail, hospitality and residential asset classes. Africa50 is the co-lead developer with the Rwanda Development Board (RDB)

For more information please see page 63

Making infrastructure projects bankable

For investors who are looking for impactful long-term assets which can deliver attractive risk-adjusted returns, infrastructure is the asset, and Africa is the region with the greatest infrastructure needs and thus opportunities. However, there is a dearth of "bankable" infrastructure projects for investment. While there has been progress made in recent years, Africa still lags far behind other continents in the implementation of infrastructure to boost its economic growth and development. The issue is that most African infrastructure projects still take too long to reach financial close, with 80% failing during the feasibility and business plan stage. The reasons cited include a lack of technical capabilities of developers and institutional capacity of governments, inadequate funding for upstream project development (including the funding of feasibility and other technical studies), delays in obtaining requisite licenses, and weak off taker balance sheets.

This market failure and the need to create a vehicle that focuses specifically on getting projects to bankability was identified by Africa50 shareholders. However, there are clear steps that stakeholders, including governments, private sector investors and project developers, working in partnership, can do to ensure projects do reach bankability. Governments increasingly realize that the opportunity and financial costs of delayed or failed projects is too high. It is in their interest to ensure projects reach financial close as soon as possible. Citizens get infrastructure that improves their quality of life, investors get decent returns, and governments can augment their current infrastructure funding by attracting additional private sector investment.

The project stages – reaching bankability

There are several stages infrastructure projects pass through.

The first is project definition or conceptualization – when a government or sponsor identifies a project and makes it a priority. This usually involves evaluating a country's enabling environment and conducting pre-feasibility studies to identify project outputs and potential partners, engaging stakeholders, and preparing action plans and term sheets.

[11] McKinsey, Solving Africa's Infrastructure Paradox (2020)
[12] Global Infrastructure Hub (GIH), Infrastructure Monitor (2021)

Making infrastructure projects bankable (continued)

The next phase is determining project feasibility - confirming that the project has a good chance of success. This involves conducting more in-depth technical, economic, and ESG studies, developing the financial models, and obtaining the requisite approvals and stakeholder engagement, including from potentially affected local communities.

If this yields favorable results, a project moves into the project structuring phase, which entails securing off-take agreements, setting legal parameters, and structuring the financing.

If all these pieces fall into place, this is usually the "sweet spot" at which bankability is established. However, it remains a subjective decision and depends on the risk appetite of the investors. They must balance their need for certainty with the on-the-ground reality of infrastructure projects, which are long-term and liable to be affected by unforeseeable developments beyond their control.

Once a project is considered bankable, the transaction or financial close phase begins. The project is fully financed and awarded, tendering and procurement procedures are set, technical designs are completed, contracts are drafted, and the final legal terms are negotiated and concluded. The project development cycle can be complex, expensive, and lengthy. In Africa, for the reasons enumerated earlier, costs are high, averaging 10-12% of total project outlays. This contrasts with 3-5% in more developed regions, placing significant pressure on the limited resources available through the various Project Preparation Facilities (PPFs) that provide early-stage finance and assistance to developers and governments.

The risk factor – allocating it fairly

To reach bankability and financial close, all stakeholders must play their part. Working together, government and project developers must create enough certainty to convince investors that they can recover their costs and earn an appropriate return. A crucial step to the success of a project is therefore the appropriate allocation of project risks. The private sector should normally cover most of the financial, technical, construction, and operational risks, while governments should handle the regulatory, foreign exchange, and political risks. It is when the risks are not allocated to the appropriate party that the successful execution of a project is jeopardized.

Whatever the risks, thorough due diligence is crucial for assessing and mitigating them, especially in the early stages. This can pose challenges in countries that have undeveloped regulatory and legal frameworks, inconsistent enforcement, or insufficient data. It is therefore critical that governments create the enabling environment that can assure investors that their rights will be protected for the duration of their investment.

Additional steps that can be taken by governments include the development of long-term strategic infrastructure master plans that are not governed by political cycles. Projects must fit into such plans to assure investors of long-term commitment. Importantly, when infrastructure sectors are not bankable on a standalone basis or may not be able to deliver the required commercial returns, governments must look to finance them, while commercially viable projects should be driven and financed by the private sector. In order to improve the bankability of projects, governments should also ensure that they can cover the risks linked to the commitments of their utilities and regulators and where required ensure the private sector can compete fairly through the removal of monopolistic practices and frameworks by both the public and private sectors. In all cases, projects will be considered more bankable if the initiating government has a track record demonstrating the political will to fast track them and to address the risks that are within their control.

Developers, for their part, should take a long-term view, setting reasonable timelines, and deploying more early-stage risk capital. Using established local partners and experienced consultants can raise their credibility and facilitate finding the right investors. And through market sounding exercises they can get feedback from potential lenders and shape the risk allocation matrix, further facilitating funding. International Financial Institutions can provide the appropriate risk guarantees and insurance, as well as concessional loans or blended finance for the most difficult projects, and work with governments on regulatory reform.

[13] GIH, Infrastructure Monitor (2021), PPIAF/ICA, Infrastructure Project Preparation Facility User's Guide (2006), USAID Project Preparation Facility Toolbox (2017)
[14] GIH, Infrastructure Monitor (2021)
[15] AfDB, African Economic Outlook, quoting NEPAD (2018)
[16] McKinsey, Solving Africa's Infrastructure Paradox (2020)

Making infrastructure projects bankable (continued)

Public Private Partnerships

PPPs are one of the favored vehicles for governments to attract and work with private sector investors, allowing them to leverage scarce resources to improve and deliver public services. Principally, PPPs can help address the following key infrastructure challenges, including but not limited to: a scarcity of public sector funds; a limited capacity to plan and select projects; ineffective implementation and delivery of projects; and inadequate operational and maintenance capacity during the life of the project.

However, PPPs can be complex instruments that cover periods of ten years or more, during which time the regulatory environment may change, so the rules for such contingencies must be spelled out early on. Therefore risks including political, regulatory, technology and financial should all be factored in during the duration of the project.

Surveys have identified the most important ingredient for successful PPPs as being an investment-friendly legal and regulatory framework, including transparency and fairness during the tendering and procurement process. This requires effective PPP regulations and, in many cases, setting up specialized and fully empowered PPP Units. The complexity of PPPs often surpasses the technical capabilities and capacities of governments, so support from specialized advisors including Development Finance Institutions, PPFs, and others should be sought to bolster existing capacities. A 2020 benchmarking study conducted by the World Bank identified the following as some key ingredients to ensure that the preparation of and implementation of PPPs successful:

- Involving the Ministry of Finance or central budgetary authority to assess and sign off on the long-term fiscal implications of a project;
- Tracking the fiscal impact of PPPs by including them in the budget, and accounting for and reporting on them;
- Assuring that selected projects are roundly assessed and prioritized together with all other public investment in accordance with national public investment plans and strategies;
- Justifying the project based on its socio-economic impact, affordability assessment, and risk assessment and allocation;
- Conducting a market sounding assessment to identify the solutions and technology available and opportunities for innovation;
- Conducting environmental and social impact assessments, including with affected communities;
- Standardizing PPP contracts and transaction documents by the procuring authority to facilitate a smooth procurement process and ensure consistency.

Progress on PPP frameworks and implementation on the continent varies by country. According to the African Legal Support Facility, 33 African countries have put in place a PPP policy and a specialized PPP unit, and six more have one or the other. However, the deal flow continues to be limited, possibility illustrating that there are still areas of improvement with regards to national infrastructure master planning or capacity within the PPP units.

[17] Baker and McKenzie, "Taking Center Stage: The Rise of M&A Compliance Due Diligence" (2019)
[18] World Bank, Benchmarking Infrastructure Development (2020)

Making infrastructure projects bankable (continued)

Initiatives to improve project development

Many special purpose facilities supporting the preparation of infrastructure projects have been set up by DFIs and others to increase the flow of bankable projects. The most established are the Project Preparation Facilities (PPFs), of which there are over 130 worldwide with 41% providing financial support for project preparation, including Africa50's Project Development company and at least 20 others focused on Africa. Through 2020, the latter had supported 58 projects with an average value of over $780 million. However, almost 80% supported project preparation only in the energy sector, although more than half are mandated to also work in the transport and water sectors.

Various other initiatives are being developed to improve and certify project preparation or to assist governments in the development process. They include the PIDA quality label supported by the OECD Development Center and the African Union, the SOURCE platform funded by multilateral development banks, the Millennium Impact for Infrastructure Accelerator (MIIA). There are also funding initiatives in the pipeline, such as the Alliance for Green Infrastructure in Africa (AGIA), which seeks to raise up to $500 million for project preparation and development to leverage up to $10 billion in investment opportunities. Africa50 is a founding partner of both the MIIA and the AGIA. Many of these initiatives are relatively new and will gain traction as more countries and organizations join. Working with governments, investors, and project developers, they can have a tangible impact on improving infrastructure development on the continent.

In summary, concerned stakeholders, from governments, DFIs, and developers, to private sector investors, are increasingly working together to improve the preparation of infrastructure projects in Africa to make them more attractive for private sector capital. Regulations are being improved, risks are being spread more equitably, PPP Units are being put in place, and PPFs and DFIs are providing growing levels of support. The stakes are high: with better prepared projects, Africa can attract the financing it needs to overcome its infrastructure gap and dramatically improve the lives of its people. It is a task that is as difficult as it is important, but the building blocks are in place.

Africa50 Project Development – solving the bankability riddle

Led by the Africa50 Project Development company, Africa50 has some comparative advantages to improve the bankability of infrastructure projects. Our focus is on increasing the speed of implementation of the models and instruments used in the development process.

Being owned and run by Africans for the benefit of Africans we are in a privileged position to make a difference. Our success in project development is based on engaging directly with our 30 African government shareholders to create jurisdiction-specific risk mitigation and overcome the regulatory and administrative hurdles that delay projects. Through our dialog with them and the networks of our experienced team we can also identify the projects that are most promising.

Once we have selected a project, we function like a one-stop shop throughout the project lifecycle, including during the crucial early development phase. Being a small entity with a private sector approach, we can respond rapidly to changing public and private sponsor needs. We typically enter into joint development agreements (JDAs), which allow costs and project development activities to be shared between the partners and govern how the investments are remunerated and construction equity subscription rights are allocated.

[19] Infrastructure Consortium for Africa PPF Network (2017)
[20] GIH
[21] The PIDA Quality Label is a quality recognition by the AUDA-NEPAD Service Delivery Mechanism awarded for excellent preparation of PIDA projects at an early stage.
[22] Sustainable Infrastructure Foundation, SOURCE is online infrastructure project preparation and management software designed for both traditional procurement and PPPs, providing best practices and private sector requirements, and facilitating early identification, evaluation, and allocation of project risks and impacts, and monitoring KPIs during implementation.
[23] The MIIA, for which the MCC and Africa50 signed an MoU in 2020, will provide resources to prepare bankable projects with certified social and environmental impact and the framework to match them with investors.

Project East2West

Africa50 and Bayobab in partnership to revolutionise Africa's internet capacity by developing pan-African terrestrial fibre

On 15 May 2023, Bayobab and Africa50 signed a partnership to develop Project East2West, a terrestrial fibre optic cable network connecting the eastern shores of Africa to those on the continent's west

The partnership will invest up to USD320 million connecting ten African countries over the years 2023, 2024, and is expected to be completed in 2025

Project East2West will:

1. Help bridge Africa's connectivity gap by improving broadband access for landlocked African countries
2. Offer substantial improvements for data traffic in Africa
3. Boost consumption of local content throughout the region and promote regional economic development

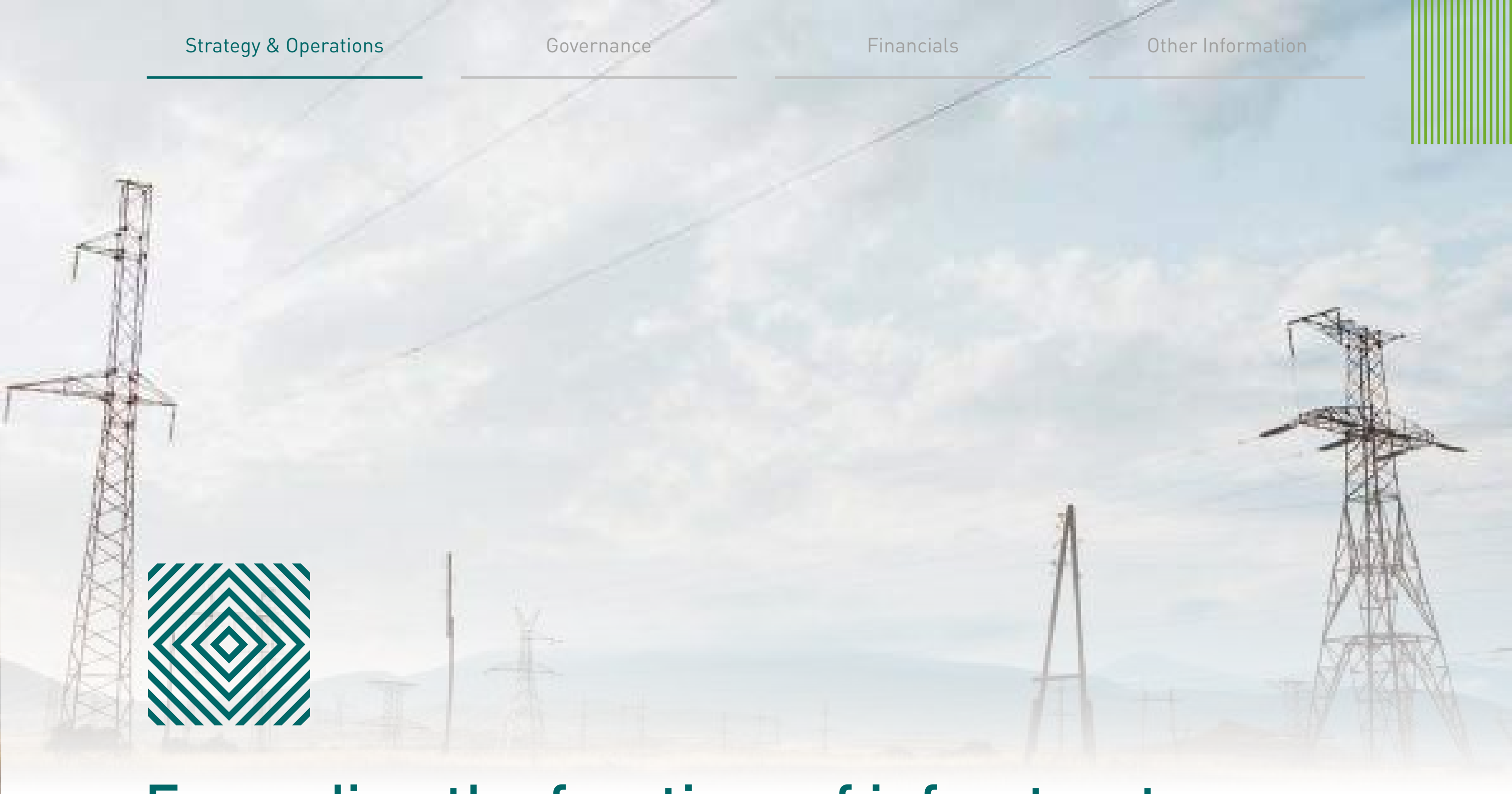
Bayobab is wholly owned by MTN Group. This investment is within MTN's previously announced Ambition 2025 plans and will contribute to Bayobab reaching the Group's target of having 135,000km of proprietary fibre over the coming three years

The partnership is more than cables and connections; it is about building bridges of connectivity that span nations and bring people closer together. For landlocked African countries, Project East2West will improve latency by almost two-thirds and increase capacity to support high quality broadband access. In this way, it will level the playing field and ensure that everyone has a fair chance to succeed in the digital world

The partnership will offer substantial improvements in data traffic for internet service providers, mobile network operators and hyperscalers operating in these countries. It will also bridge the bottlenecks in global internet traffic landing in and going out of Africa. It is expected to cut latency by up to 65% on the east-to-west route

As a co-developer, Africa50 is fostering the harmonization of regional data and security regulations, boosting consumption of local content throughout the region and promoting inter-regional exchanges and regional economic development

Project East2West is a transformative project that will revolutionize Africa's internet capacity expansion by fast tracking the growth and development of 4G and 5G, it will have a significant impact on Africa's quest to make the internet accessible to its growing population. Partnering with a large Pan-African company like Bayobab and MTN is significant in rolling out such an impactful cross-border project. This partnership aligns with Africa50s' mission to scale-up and accelerate the delivery of infrastructure to stimulate sustainable and inclusive growth on the continent



Expanding the frontiers of infrastructure to drive African development

When most people think of infrastructure they see power plants, transmission lines, dams, roads, and bridges. While these types of infrastructure are essential for economic development, the frontiers of infrastructure have expanded in recent years. Information and Communications Technology (ICT) has led the way, powering what has become known as the digital economy. The COVID pandemic shifted digitalization into high gear in almost all sectors of human activity, demonstrating that technology is essential, not just for economic growth, but for economic resilience.

Unlocking new sectors through technology

For Africa, ICT and the technologies and sectors it has inspired, represents a tremendous opportunity to speed up economic development and assure that it is more equitable. However, to fully profit, the digital divide between rich and poor, urban and rural, and men and women must be bridged. The foundations are there. Many countries have thriving ICT ecosystems and are already using digital health care, education, banking, and commerce, and providing government services online. In 2021, mobile technologies and services in sub-Saharan Africa already generated around 8% of GDP, supported more than 3.2 million jobs, and paid $16 billion in taxes. Success is dictated by access to the internet. Studies indicate that a 10% increase in mobile broadband penetration in low-income economies yields a 2% increase in GDP.

High-tech-enabled services can often leapfrog existing infrastructure constraints. For example, small scale, off-grid solar power systems can provide electricity in difficult to access areas, drones can substitute for road transport for last mile delivery, and mobile finance can, and in many cases does, replace bricks and mortar banking. The hope is that other sectors can follow the dramatic growth of mobile telecommunications. In 2005 Africa had a mobile penetration rate of only 5%. This grew to 25% in 2010, 46% in 2021, and should reach 50% by 2025.

[24] ITU (2018)
[25] GSMA, The mobile economy – sub-Saharan Africa
[26] GSMA, The mobile economy – sub-Saharan Africa (2022)

Expanding the frontiers of infrastructure to drive African development (continued)

The technological imperative

Countries that encourage innovation and invest in education, science, and R&D generally grow faster than those that do not, so it is critical that governments provide the enabling environment for technological innovation and growth. Connectivity remains an obstacle in many countries. Although 40% of the adult population in Africa is now connected to mobile internet services, this is less than the global average of 70%, and connections can be unreliable or slow. Another 44% live in areas covered by mobile broadband but do not use it, sometimes for a lack of relevant local content or limited language skills. And those that have access, pay about 4.4% of monthly gross income, far above other regions and the UN's recommended level of 2% or less. The gender gap for mobile internet also remains high, with women 30% less likely to own a smartphone - an increase from 22% in 2017 - usually because they lack the literacy, digital skills, or funding. Bridging this gap should be a priority since internet use lowers gender inequality through improved access to information, employment, and financial services.

Transforming challenges to opportunities

As in other sectors, Africa's shortcomings can create opportunities. Limited legacy infrastructure means that new technologies or business models can thrive and fill the gaps. A promising development is the growth of technology ecosystems in several countries. By some estimates there are about 200 African innovation hubs, 3,500 new tech-related ventures, and $1 billion in venture capital going to start-up entrepreneurs.

The new technologies and online services promise to have a huge impact, since they can help tackle some of the toughest development challenges, such as weak education and health systems, inadequate transport and energy, and low agricultural and manufacturing productivity. Technology provides many of the solutions. For example, smart grids can improve electricity distribution, artificial intelligence can analyze traffic patterns, and big data can pinpoint the needs for water and sanitation. Meanwhile, digitizing government functions can increase efficiency, tax collection, and transparency, among other things. ICT also drives productivity and generates internet-based service sectors, providing employment and tax revenues. And digitalization is reducing the cost of serving consumers across industries, allowing products and services that were only accessible to the privileged few to reach more customers.

[27] GSMA, The mobile economy – sub-Saharan Africa (2022)
[28] ITU, Measuring digital development Facts and figures (2021)
[29] GSMA, The mobile economy – sub-Saharan Africa (2022)
[30] WEF website
[31] AfDB

Expanding the frontiers of infrastructure to drive African development (continued)

Niche markets are attracting investors

Investment opportunities abound, with much of the capital going into African technology coming not from DFIs as in other sectors, but from private sector investors looking for attractive returns. Many see socio-economic gaps as commercial tech opportunities. For example, to address the needs of Africa's large informal economy, they are investing in small business enterprise software and banking, e-commerce logistics, online automobile and real-estate listings, employment sites, and credit rating services. And Africa's innovators are no longer just copying technology, but adapting it to fit local circumstances and generating innovations that are being used elsewhere, such as mobile banking.

And the latest high-tech innovations, such as Artificial Intelligence, the Internet of Things, 3D printing, and robotics can allow Africa to leapfrog bricks and mortar infrastructure. For example, conversational apps enabled by AI, eye-tracking software or voice technology allow the unskilled or illiterate to use digital devices without a screen or a keyboard. 3D Printing can manufacture customized parts that are difficult to get and overcome skills-based hurdles in manufacturing, and robots such as drones can make deliveries in remote areas.

Transforming agriculture and manufacturing

ICT-based innovations can also increase agricultural productivity and fuel the 4th industrial revolution. More than 60% of the population of sub-Saharan Africa is smallholder farmers, and about 23% of sub-Saharan Africa's GDP comes from agriculture. But most farms use antiquated methods, in part because teaching millions of farmers about modern agricultural techniques is cumbersome and expensive. Simple technologies such as broadcasting advice, crop prices, or weather predictions to mobile phones can make a big difference, improving farmers' yields and incomes as well as cutting prices for consumers.

Manufacturing remains a major untapped opportunity in Africa, which was largely left out of the shift of labor-intensive production from Europe and America to developing countries. In fact, from 1990-2014 Africa's share of the developing world's manufacturing shrank from about 9% to 4%. In fact, in most countries it never took off, and even today contributes just 5% of the continent's jobs, compared with 15% to 18% in other regions. Given the right policies and innovations, output could double in ten years, boosting GDP, improving the balance of payments, and creating 6 to 14 million jobs. Through ICT enabled applications, from business software, to AI, to 3D printing, robotics and more, African firms now have access to the productivity tools at reasonable cost that only large firms in developed markets could afford before.

Overcoming the barriers, delivering on connectivity

While telecoms and related technologies have attracted more private sector funding than other infrastructure sectors, there are still some barriers holding back investment, principally in the enabling environment. Some can be eliminated through government action, such as reducing sector specific taxes and import duties, simplifying approvals, issuing technology neutral licenses, and providing affordable spectrum.

Others require large scale investments in infrastructure. This includes data centers that can host local content and services securely and cheaply, and broadband backbone. To make the continent more resilient and to successfully implement the African Continental Free Trade Area we must ensure connectivity between countries and the rest of the world, as well as last-mile connections to end users. As for other infrastructure sectors, governments must work with developers and DFIs to make such large-scale projects bankable to attract the necessary funding.

[32] McKinsey
[33] GSMA

Expanding the frontiers of infrastructure to drive African development (continued)

Contributing to the African Continental Free Trade Area through the development and digitization of joint border posts – Scanning Systems: A Case Study

Scanning Systems, an Africa50 investee company specializes in innovative infrastructure projects in the transportation sector, building one-stop joint border posts (JBPs) in Africa. Through pioneering technology, it digitalizes border crossing formalities across the West African region, enhancing efficiencies and transparency as well as reducing revenue leakages for Governments. Scanning Systems has become the preferred partner of the West African Economic and Monetary Union (WAEMU) for the implementation of one-stop JBPs among its Members States. The company has been successfully operating the Cinkansé JBP between Burkina Faso and Togo for over 10 years and has recently concluded the development of the and Laléraba (Burkina Faso/Côte D'Ivoire border), with the Zégoua (Côte D'Ivoire/Mali border) under construction.

Cinkansé, the first one stop JBP in the WAEMU region, is located along the Lomé (Togo)-Ouagadougou (Burkina Faso) corridor, which extends 954 km with 677 km within Togolese territory and 277 km in Burkinabé territory. The JBP was developed under a 20-year build-operate-transfer (BOT) concession from UEMOA and it followed a single country model, with the facility located on the Burkina Faso side of the border. Scanning Systems as the concessionaire was responsible for (a) the construction of the facilities including warehouses and parking areas; (b) providing the necessary equipment for border clearance procedures (c) the installation of a digitized document management system; and (d) the development of a cargo tracking system.

A March 2018 study prepared for UEMOA and AfDB showed significant reductions in border crossing time from 2 days in 2011 to 3 hours and 45 minutes in January 2018, and transit traffic flows at the border have substantially improved. The processing time of transit documents by Burkinabé and Togolese customs authorities also was reduced from 10 hours in 2011 to 2 hours and 26 minutes in 2018. In addition, the average journey time for heavy goods vehicles along the corridor was reduced from 6 days in 2011 to 2.42 days in 2018. Further, the volume of transit traffic vehicles at Cinkansé increased to 900 per day in 2018.[2]

Scanning Systems is therefore playing a leading role in West Africa in addressing the African Continental Free Trade Area's aim to facilitate intra-regional trade and investment, increasing business competitiveness by removing trade barriers and connecting them to 1.3 billion people.

Frontier infrastructure sectors are driving Africa50's diversification and shareholder value

Africa50 is investing in many of the building blocks of the digital economy, including data centers (PAIX), last mile connectivity (Poa! Internet), internet backbone (Project East2West), tech hubs (Kigali Innovation City), and digitalized border posts. While our investments in power generation and conventional transport infrastructure will continue, our project pipeline also includes, e-mobility and urban transport, energy transmission lines, off-grid solar plants, e-health and e-education (see page 63).

These infrastructure sub-sectors can go a long way in addressing some of Africa's development challenges, from rapid population growth and urbanization, to isolated rural communities and fragmented markets. With fewer legacy systems in place, we see these challenges as opportunities. With our expertise in project development and a wide network of developers we can attract the required capital and expertise.

A Green Deal for Africa's future

In 2022, the International Renewable Energy Agency (IRENA) floated the idea of an "African Green Deal" to promote investment in the energy transition and accelerate renewable energy development on the continent. While countries would continue to focus on their strengths, it would foster cross-border cooperation, common strategies, and knowledge sharing, and recognize that for an Africa-nuanced just energy transition public intervention is essential through appropriate policy reforms and programmatic frameworks. Africa50 supports this and similar initiatives that harness private and public sector funding to ensure that Africa's developmental and climate needs are considered during the transition. Africa50 as an institution is contributing through its investments and its initiatives that mobilize capital. It is at the core of this year's Annual Report theme of "Building Infrastructure for Future Generations".

Setting the stage: Recognizing past wrongs and present rights

The agreement reached at in 2015 at COP21 in Paris called for "common but differentiated responsibilities" for mitigating climate change, recognizing that countries with higher greenhouse gas (GHG) emissions should do more. As the US, the EU, and China accounted for about 70% of GHG emissions between 1850 and 2020, while Africa's share was below 3% and mostly from land use, such differentiated responsibilities make sense. In fact, in 2020 Africa's CO2-equivalent footprint per capita of 0.95 tonnes was less than half the required average of 2.0 tonnes to keep global warming below 2 degrees. America's, on the other hand, was 14 tonnes.

Seven years later, at COP27 in Sharm el-Sheikh, Egypt, delegates went further, calling for compensation for "loss and damage" for the most vulnerable developing countries hit hardest by climate disasters. Many are in Africa where, despite low emissions, the effects of climate change are disproportionately higher, and the rate of temperature increase and irregular rainfall exceeds the global average. Extreme weather patterns have already provoked unprecedented flooding across many regions of the continent, with mass displacements of people and severe impact on livelihoods that depend on healthy ecosystems and rainfed agriculture. In 2020 alone, African countries suffered economic losses of USD38 billion from desertification and displacements due to climate disasters. And, unfortunately, most lack the technological capacity and finance to adapt to climate change, which could cost at least $50 billion annually by 2050 and reduce GDP growth per capita by 5-15%, depending on the region.

[34] https://www.irena.org/Digital-content/Digital-Story/2022/Feb/African_Green_Deal/detail
[35] AfDB, African Economic Outlook (2022)
[36] Intergovernmental Panel on Climate Change
[37] WMO, 2021
[38] AfDB, African Economic Outlook (2021)

A Green Deal for Africa's future (continued)

The fossil fuel dilemma

Meanwhile, population growth and urbanization necessitate huge investments in energy which, along with ICT, transport, and social infrastructure, is a key enabler of economic growth, poverty reduction, and gender inclusion. About 600 million Africans still do not have access to reliable electricity, and less than 20% have access to clean cooking fuel. Moreover, due to population growth, these numbers have increased since 2010, despite substantial progress in some countries. Africa's power consumption per capita at about 370 kilowatt-hours a year remains the lowest in the world, far below the 6,500 kWh in Europe and 11,000 kWh in the United States. This shortfall reinforces socio-economic inequalities and limits access to health care, education, and technology. If we cannot turn this around, Africa will not be able to industrialize and leverage its vast human and natural resources.

At present, Africa's path to industrialization and export-led growth relies mostly on polluting fossil fuels such as coal and oil. Given the lifespan of existing power plants, they will likely remain a major part of the energy mix until 2050 and beyond, unless energy policies change. The transition to cleaner energy will take time and money, as it has elsewhere. In North America and Europe, for example, it took from 1985 to 2020 to reduce the use of coal by 60% and 54% respectively.

Natural gas, a less polluting fossil fuel, has often been the substitute and should be used even more, especially in Africa. In 2021, Africa generated 39% of its electricity from gas and, given substantial supplies and pressing development needs, it must remain part of most countries' energy mix as a transition fuel to renewables. Coal is already down to 29% of the mix, from 54% in 1985. Other fossil fuels account for 8%, while hydropower accounts for 17% and other renewables for 4%.

Fossil fuels remain important not just for power production but for generating export revenue, representing around 40% of all African exports, with several countries highly dependent on them. While further investments in fossil fuels are inevitable, they must be handled carefully since they deepen countries' commodity dependence and vulnerability to price volatility. Moreover, with fossil fuel prices projected to fall in the medium term, they risk having stranded assets.

Renewables to power Africa's economic transformation

Renewable energy, whether subsumed in a continent-wide Green Deal or not, can spearhead structural economic transformation, reducing commodity dependence, diversifying economies, and promoting industrial development along new value chains. Modelling by IRENA reveals that under a COP scenario of holding global warming to 1.5 degrees, Africa could see 7.5% higher GDP by 2030, and 6.4% through 2050. Investing in renewable energy also creates up to three times as many jobs as investing in fossil fuels per million dollars spent. This could mean up to 26 million more jobs by 2050 than under a business-as-usual approach. Renewables jobs alone would top 8.1 million, and all energy transition-related fields would employ close to 17 million people.

However, while the proportion of renewable energy has rapidly increased in the past decades, apart from hydropower, it represents only a small share of Africa's energy mix. Investments in renewable energy from 2000 to 2020 amounted to just USD60 billion, 2% of the global total. Conventional power still attracts more funding and remains less capital intensive than renewable energy. Moreover, given the variety of geography, levels of development, and resources in Africa, the transition to renewables must differ by country, as recognized by the COPs, with thermal generation still playing a role in many markets.

Much remains to be done on the policy and technical level to make a Green Deal a reality, but the scene is set. Africa's estimated renewable energy potential is 1,000 times larger than its projected demand for electricity in 2040. Several countries already rank high in attractiveness for renewable investments, especially wind and solar, with Morocco 12th in the world, Egypt 19th, and South Africa 34th. And the technology can be world class. Morocco's Noor Ouarzazate concentrated solar power plant and the Benban solar park in Egypt are among the largest of their kind in the world, and Kenya ranks eighth in installed geothermal capacity.

[39] IRENA (2021)
[40] Ember (UK energy think tank)
[41] Carbon Tracker (2022)
[42] IRENA, Africa Renewable Energy Market (2022)

A Green Deal for Africa's future (continued)

Solar power can also unlock the extraordinary potential of green hydrogen. Several countries have developed green hydrogen strategies for hard to electrify sectors, with demonstrated potential for production at globally competitive costs. Tapping solar energy in the regions with the greatest potential (Egypt, Northwest Africa, and Southern Africa) could produce up to 50 million tons of green hydrogen a year – equivalent to about 1,665 TWh. This would help decarbonize Africa's heavy industries, strengthen its global competitiveness, save about 500 Mt of emissions, and produce huge volumes of clean water. With solar energy averaging between 3 to 6 cents per kilowatt-hour and trending down, it is already less expensive in most markets than fossil fuels at 5 to 17 cents , favoring its expanded use for green hydrogen.

Meanwhile, other African countries can profit from the strategic and rare earth minerals essential for building the green economy, especially if they can move from raw material exports to value-added production. Tanzania and South Africa have the 9th and 11th largest known rare earth deposits worldwide, and the Democratic Republic of Congo has among the world's largest deposits of strategic minerals. With such resources, the right policies, and adequate funding, Africa should be able to meet not only its own energy needs but leapfrog traditional energy sources to become a supplier and leader of the evolving global green economy.

Powering Africa's Green Deal through cooperation and partnerships

An African Green Deal requires a mix of favorable policies, strong institutions, and cooperation. It should capitalize on existing institutions and initiatives at local, regional, and international levels, while avoiding duplication and holding partners to their promises of technical or financial support.

As far back as 2015, African leaders recognized that the continent must take the lead in designing its future, adopting the African Union's Agenda 2063. This is a blueprint for transforming the continent into a global powerhouse by linking energy and industrialization, among other things. Other initiatives have built on this in the green energy space or added nuances. The AU's Africa Renewable Energy Initiative (AREI) of 2015 seeks to harness the continent's renewable resources, and its Africa Power Vision is pursuing 80% residential and 90% industrial electrification rates by 2040, while the African Development Bank's New Deal on Energy aims for universal access to energy by 2025. More recently at COP27, Africa50 together with the African Union Commission, the African Development Bank, and other prominent partners launched the Alliance for Green Infrastructure in Africa (AGIA). This Alliance aims to raise USD500 million in blended finance capital for project preparation and project development to leverage investments of up to USD10 billion in green infrastructure.

Other initiatives focus on specific regions, with clean energy being incorporated into regional development strategies. For example, the Africa Clean Energy Corridor (ACEC) targets development and trading of renewable energy in the East Africa and Southern African Power Pools, and the African Development Bank's Desert to Power initiative hopes to provide solar power to 250 million people and make the Sahel the world's largest solar production hub, with up to 10,000 MW capacity. Such regional efforts also feed into the AU's African Single Electricity Market (AfSEM) initiative launched in 2021 and should accelerate through implementation of the African Continental Free Trade Area.

Beyond internal cooperation, Africa must also continue multilateral approaches, speaking with one voice on international platforms and working with developed countries on financing and technology transfer. Using its ample resources and drawing on the experiences of countries around the world will help the continent implement a Green Deal for the benefit of future generations.

[43] IRENA, Africa Renewable Energy Market (2022)
[44] EY, Renewables Attractiveness Index (2021)
[45] Think GeoEnergy website
[46] IRENA, Africa Renewable Energy Market (2022)
[47] EIB, AU, ISA, Africa's extraordinary green hydrogen potential (2022). Ton of hydrogen = 33 MWh (GenH2).
[48] National Renewable Energy Laboratory (2022)
[49] Mining.com
[50] The other partners are: the AU Development Agency, EIB, EBRD, AFD, Rockefeller Foundation, USTDA, Global Center on Adaptation, Private Infrastructure Development Group, and African Sovereign Investors Forum.

Africa50's structured strategic journey

Consolidation and driving for growth (2021 – 2023)

Africa50 commenced its second phase of its growth journey, by implementing its first periodic strategic review covering the years 2021 - 2023 - Consolidation and driving for growth. 2022 demonstrated the solid foundation that had been set in the previous years and both the financial and project results illustrated this. The final year is underway with the organization ensuring that year on year growth is indeed delivered

Focus on growth - drive and upscale Africa50's growth by extracting synergies across the Africa50 investment platform

Capital raising - priority focus on private capital raising increasing class A and B capital base, including the launch of the first sponsored fund and other sponsored investment vehicles

Broadening the core sector focus - include other economically viable and impactful sectors, such as healthcare, education, and fintech

Project Development Financial sustainability - ensure long-term financial sustainability via initiatives such as AGIA

Investment instruments / horizons - consider faster capital rotation / shorter investment horizons while being mindful of the risk of exiting investments at sub-optimal levels

Flexibility on deal sizes - maintain current ticket sizes but consider smaller or larger ticket sizes on a case-by-case basis where advantageous

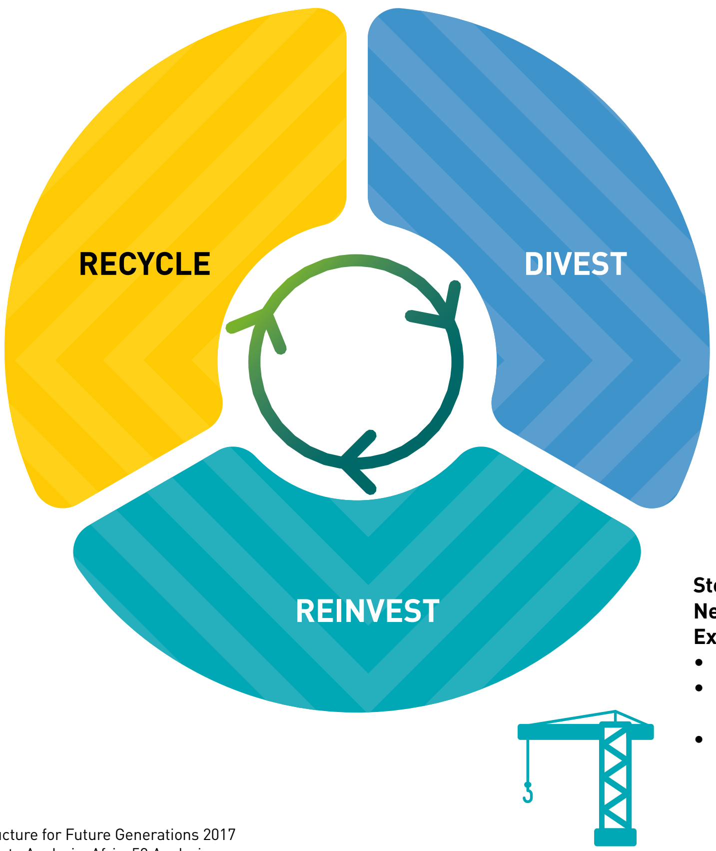
Asset Recycling - innovating for growth

Innovation is central to Africa50's mandate in developing, accelerating and mobilising of capital to deliver infrastructure. In an environment where many African governments are facing heightened fiscal constraints, higher cost of capital and increasing demands on the fiscus, it is important that alternative avenues for implementing national infrastructure programmes are sought.

Africa50, through its Asset Recycling Programme, is working with its Shareholders and interested governments to help unlock capital to deliver on infrastructure implementation.

Asset Recycling is a financing solution that enables African Governments to unlock capital tied up in operating and de-risked commercial assets, establishing a long-term repeatable cycle of infrastructure asset development and investment. To date, Africa50 has signed two Memoranda of Understanding with the Governments of Zimbabwe (for three (3) international airports) and The Gambia for the Senegambia bridge.

Step 3 – Recycle New/ Existing Infrastructure
- Prepare for next round of asset divestments
- Identify recyclable assets to include in the next round
- Initiate the divestment process



Step 1 – Unlock Capital
- Engagement with asset owners
- Asset selection
- Select the concessionaire
- Contract negotiation & execution
- Asset valuation & monetization
- Disbursement of funds

Step 2 – Develop and Build New Infrastructure / Improve Existing Ones
- Project preparation
- Project development & technical expertise
- Deploy divestment proceeds into new (greenfield) infrastructure assets and refurbishment of existing (brownfield) infrastructure

Source(s): WEF Recycling our Infrastructure for Future Generations 2017 Report; Infrastructure Journal Asset Data Analysis; Africa50 Analysis

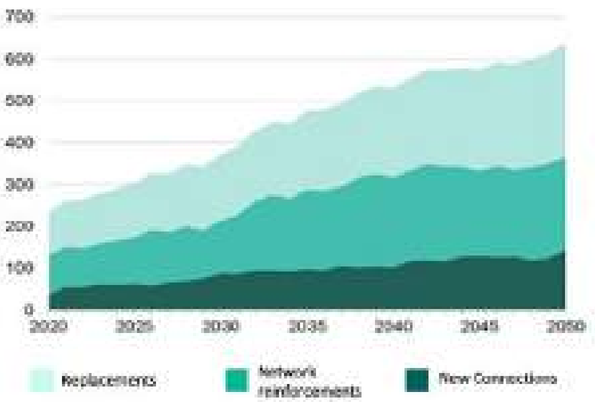
Catalyzing private investment models in transmission

Current and future investment needs are significant

Africa's transmission investment needs are estimated at over USD45 billion in the immediate term, averaging USD6 billion per year, and belie the same global trends.

Needs are driven by having to "catch up" given historical underinvestment, the need to expand energy access and the integration of renewables, and grid reliability requirements from increased digitization.

Global Annual Electric Grid Investment (USD billion)



Africa Transmission Investment Needs (USD million) (2018 – 2025)

	Total	Average/year
Eastern Africa	14,400	1,800
Southern Africa	6,710	839
Western Africa	15,490	1,936
Central Africa	6,290	786
Northern Africa	3,460	433
Total	**46,350**	**5,794**

Source: AfDB Estimating Investment Needs for Power Sector In Africa 2019

Catalyzing private investment models in transmission (continued)

The case for private investment in transmission

Private investment in power transmission can be used to:

- Reduce the reliance on government budgets for financing transmission lines
- Leverage global private sector expertise in implementing transmission lines
- Accelerate the actualization of national transmission masterplans and transition to smart grids
- Support broader sector reforms by bringing transparency via unbundled tariffs
- Support the growth of the generation sector especially as transmission development typically takes longer than generation development

Africa50 in partnership with PowerGrid have two Independent Private Transmission (IPT) projects under development in East Africa with many more of our country shareholders interested.

Africa50 will leverage its best-in-class development expertise and partnerships and engagement with key government partners to deliver IPT projects in several jurisdictions.

Overview of private investment models for transmission

Indefinite Privatization
- Revenues set by regulator with competition only at the initial transaction
- Performance based on entire grid performance
- Limited examples of successful privatizations in developing countries

Whole-of-Grid concession
- Revenues set by regulator with competition only at the initial transaction
- Performance based on entire grid performance; success has varied in practice
- Examples include Cameroon, Mali & Senegal

Full Network Coverage

Independent Power Transmission (IPT)
- Revenues set by developer/winning bid with competition for each new package of lines
- Tariff construct based on availability of lines
- Similar to Independent Power Producer (IPP) model which has been widely successful in developing markets

Merchant Investment
- Revenues set by developer based on power flows
- Performance based on price differential on transmission line ends
- Limited examples of successful implementation in developing countries

Coverage of one or a package of lines

IPT models could help bridge the transmission financing gap in Africa

Portfolio investment review

Our investment portfolio

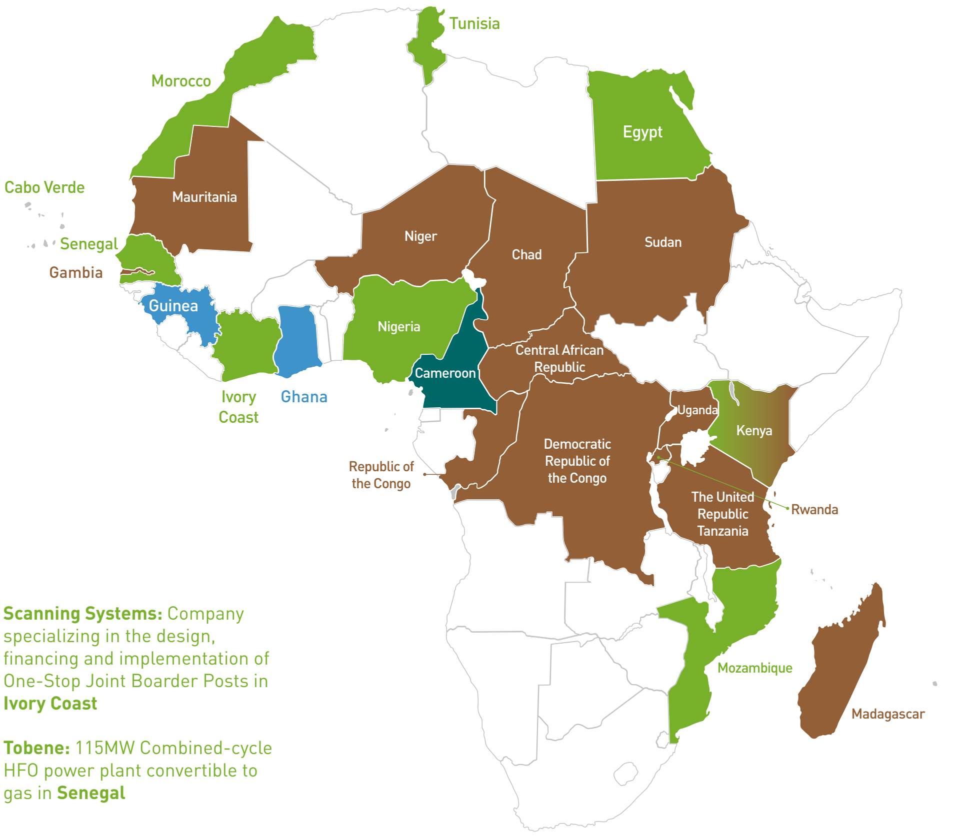
Geographically and sectorally diversified

In operation

Under construction

In development

Exited



In operation

01 **Azura Power Platform:** 461MW thermal power generation plant in **Nigeria**

02 **Benban:** 400MW DC from 6 greenfield solar power plants in **Egypt**

03 **Central Térmica de Ressano Garcia (CTRG):**175MW gas-fired power plant in **Mozambique**

04 **Holged:** K-12 (kindergarten, primary and secondary) education platform that caters to several market segments in **Morocco / Tunisia**[53]

05 **Malicounda:** 120MW thermal power plant conversion from HFO to gas in **Senegal**

06 **PAIX:** A regional platform of modern co- location data centers in **Kenya** and **Ghana**

07 **Poa! Internet:** Internet service provider targeting widespread deployment of affordable, unlimited high speed broadband connection in **Kenya**

08 **Room2Run:** Credit risk transfer of a Pan- African portfolio of AfDB infrastructure and other private sector loans

09 **Scanning Systems:** Company specializing in the design, financing and implementation of One-Stop Joint Boarder Posts in **Ivory Coast**

10 **Tobene:** 115MW Combined-cycle HFO power plant convertible to gas in **Senegal**

Under construction

11 **Nachtigal:** 420MW hydroelectric plant in **Cameroon**

In development

12 **Boutilimit Road:** Highway project in **Mauritania**[53]

13 **East2West:** mix of greenfield and brownfield terrestrial fibre optic cables across several African countries

14 **Kigali Innovation City:** ICT Technopark in **Rwanda**[53]

15 **Senegambia Bridge:** A 930 km long road connecting Gambia to **Senegal**[53]

16 **Generic midstream gas project, East Africa**

17 **Two transmission line PPPs** in **Kenya**, totaling approximately 230 kilometers[53]

18 **Two Congo Bridge:** bridge linking the two capital cities of **Brazzaville and Kinshasa**

19 **Volobe:** 120MW greenfield hydroelectric plant in **Madagascar**

Exited

20 **Gbessia**: Airport concession in **Guinea**[51]

21 **Genser:** Captive thermal power plants with natural gas pipeline network in **Ghana**[52]

10 assets in operation, 1 under construction, 8 in development and 2 exits

5 of the operational assets Benban Solar, Malicounda, Nachtigal, KIC and Scanning Systems were developed by Africa50 from early-stage through to financial close, construction, and eventually to operation

[51] Exited Gbessia in November 2022
[52] Exited Genser Energy in January 2021
[53] Post reporting period

AZURA POWER PLATFORM

Nigeria

POWER

Project Summary

Date of Final IC Approval	22 August 2019
Status	Operational
Sector of activity	Power
Type of investment	Equity
Performance vs. Investment plan	On track
Deal partners	Azura Power, Actis, Amaya Capital, Aldwych and Nigeria Edo State Government

Description

- Common equity investment in a 461 MW open-cycle gas turbine power plant that sells power under a 20-year PPA to the Nigerian Bulk Energy Trader 'NBET'. Azura Power Platform was the first large privately-financed IPP since the reform of Nigeria's power sector
- Fifteen international and local lenders provided project debt to the project, led by Standard Chartered Bank, Rand Merchant Bank, IFC, FMO and First City Monument Bank

Development Impact

Azura Power Platform provides:

- Relief to a region that has suffered from widespread and regular power outages caused by insufficient generation capacity, forcing millions of people to rely on costly and polluting diesel generators for their power supply
- Power to an estimated 14 million people
- A cleaner fuel alternative to diesel and draws from the country's reserves of natural gas, a clean-burning transition fuel

ESG

- No environmental incidents and no exceedances on average daily and monthly NOx (Nitrogen Oxide), noise and effluent recorded in 2022.
- The health and safety program continues to be successfully implemented, with positive results, including zero Lost Time Injuries[54] in 2022.
- Community development Initiatives continue to be implemented, including: zero interest micro-credit loans, primary health center development project, basic education support for host communities, etc

[54] Lost Time Injury refers to incidents that result in a disability or an employee missing work due to an injury

BENBAN SOLAR PLANT

Egypt

POWER

Project Summary

Date of Final IC Approval	17 October 2017
Status	Operational
Sector of Activity	Power
Type of investment	Equity and Shareholders Loan
Performance vs. Investment plan	On track
Deal partners	Scatec Solar, Norfund

Description

- Investment in six solar PV power plants, with an aggregate 400 MW, located in Benban, Egypt. The projects are part of Egypt's 2,000 MW feed-in-tariff program
- In April 2022 was announced the refinancing of the senior debt, through the issuance of a 19-year USD334.5 million non-recourse green project bond
- This landmark innovative climate finance transaction is the first green project bond ever issued for non-recourse infrastructure financing in Africa

Development Impact

- The plants have increased Egypt's generation capacity, helping to address growing user demand. They contribute to reducing dependency on imported oil and gas, improving energy security
- The production of 870 GWh per year of clean energy is expected to avoid 350,000 tons of CO2 emissions, enabling Egypt to meet its climate commitments
- The projects have created about 1,000 construction jobs and a quarter of the 250 permanent operational jobs

ESG

- Environment, Health and Safety are well managed onsite with zero fatalies, no LTIs[55] and no major health and safety accidents recorded during the reporting period. No retrenchments took place either

[55] Lost Time Injury refers to incidents that result in a disability or an employee missing work due to an injury

CENTRAL TÉRMICA DE RESSANO GARCIA (CTRG)

Mozambique

POWER

Project Summary

Date of Final IC Approval	14 December 2020
Status	Operational
Sector of activity	Power
Type of investment	Shareholder Loan
Performance vs. Investment plan	On track
Deal partners	Electricidade De Mozambique, Azura Power, Actis, and Amaya Capital, and the State utility in Mozambique

Description

- CTRG is a 175MW gas fired power plant based in Mozambique and part of the Azura Power Limited (APL), a baseload power platform
- The acquisition of CTRG, Azura Power Limited closed in April 2022
- The plant achieved Commercial Operation Date in 2015

Development Impact

- The project has improved access to electricity for Mozambicans: 175 MW of gas fired generation capacity that serves as a critical asset, providing ~15% of nationally supplied power
- It supports Mozambique's gas to power strategy with significant onshore and offshore gas reserves
- Significant local job creation with 500+ temporary job opportunities created during the construction phase and 85+ current employees

ESG

- The health and safety program continues to be implemented, with a good Environment, Health, and Safety (EHS) reporting culture in place. Only one Lost Time Injury (LTI)[1] recorded in 2022
- Integration and synchronization of ESG systems and policies with other entities within the platform ongoing
- Two board meetings held in 2022 and no governance issues were recorded
- Stakeholder engagement plan finalized, and community development initiatives including education projects, job creation and irrigation projects continue to be implemented

[57] Lost Time Injury refers to incidents that result in a disability or an employee missing work due to an injury

HOLGED

Morocco | Tunisia | EDUCATION

Project Summary

Date of Final IC Approval	15 July 2022
Status	Operational
Sector of activity	Education
Type of investment	Equity
Performance vs. Investment plan	Not applicable
Deal partners	Benyahia Family and SPE Capital

Description

- Leading K-12 education service provider with campuses across Morocco and Tunisia
- Investment was made in early 2023 to fund expansion of capacity in existing markets and launch presence in new markets across Africa
- Holged operates a network of 16 schools under a diversified market positioning (high-end international schools with Al Jabr and ISC brands, mass-market schools with Jouri, Moroccan bilingual curricula with Al Yassamine and OCP schools), it has more than 16,000 students in its campuses as of 2022

Development Impact

- Bridging the supply gap for quality education thereby freeing up government resources for other social sectors
- Providing access to quality education to meet the needs of different social segments, helping to improve social mobility
- Improving educational outcomes which will ultimately unlock youth potential and drive economic growth
- A part of Holged's strategy is fostering social mobility through the Jouri brand, through which Holged provides access to quality education to the mass market at relatively affordable tuition

ESG

- 70% of Holged's staff and majority of the management team are women
- Holged also has a strong commitment to social actions demonstrated through donations of computers to local communities and offering free French courses at orphanages as examples
- As part of the overall due diligence process an ESG DD was completed with an associated ESAP. Key actions included the development of an ESMS, and the recruitment of dedicated resources to manage and monitor the implementation of the ESAP

MALICOUNDA

Senegal

POWER

Project Summary

Date of Final IC Approval	23 July 2019
Status	Operational
Sector of activity	Power
Type of investment	Equity and Shareholder Loan
Performance vs. Investment plan	On track
Deal partners	Tobene and Senelec

Description

- Malicounda is a 120 MW combined-cycle HFO power plant convertible to gas, located 85 Kilometers from Dakar, designed to produce at least 956 GWh of power a year
- The plant achieved Commercial Operation (COD) on 11 August 2022
- It will initially run-on fuel oil but is expected to be converted to natural gas when it becomes available (most likely from local fields)
- The electricity generated is sold under a 20-year power purchase agreement and fed into the network through an existing distribution substation
- Total project costs are approximately €154 million

Development Impact

The plant is:

- Increasing the country generation capacity by 12% at a competitive tariff
- Generating power to over 65,000 additional households and thus expanding access to power in the country
- Allowing high plant thermal efficiency thanks to the combined cycle design
- Developed in accordance with international environmental and social standards, with the potential to enable the transition to renewables, in Senegal
- As of December 2022, 85 workers (including management, staff and other) were recorded as being engaged on the project

ESG

- Good health and safety performance trend with no fatal accidents recorded

PAIX

Pan African

ICT

Project Summary

Date of Final IC Approval	29 September 2021
Status	Operational
Sector of activity	ICT
Type of investment	Equity
Performance vs. Investment plan	On track
Deal partners	PAIX

Description

- Investment into a regional platform of modern co-location data centers
- The company operates data centers in Ghana and Kenya
- Developments in Senegal, Cote d'Ivoire, and Rwanda are underway
- The company is led by an experienced management team

Development Impact

- Allows for the establishment of a local cloud computing sector, where cloud service providers can now host on high-quality local storage infrastructure
- Enhances data security by virtue of meeting Tier 3 requirements, clearing the path for customers to obtain certifications required to continue growing
- Allows for harmonization of regional data and security regulations, boosting consumption of local content throughout the region
- Expected to improve energy sustainability and increase efficiency, allowing companies to dedicate fewer resources to data storage which can then be reinvested elsewhere

ESG

- Ongoing recruitment of an EHS officer to support and coordinate the management of ESG aspects
- As per the ESAP, developed as part of the ESDD process conducted during the transaction phase, Africa50 is working with PAIX management team to develop its ESMS and initiate its implementation

POA! INTERNET

Kenya

ICT

Project Summary

Date of Final IC Approval	09 September 2021
Status	Operational
Sector of activity	ICT
Type of investment	Convertible Preferred Stock
Performance vs. Investment plan	On track
Deal partners	Novastar Ventures, Seedstars Africa Ventures & Taru Capital

Description

- Investment in an internet service provider which targets widespread deployment of affordable, unlimited high speed broadband connection to under served communities
- The company is looking to expand its services in Kenya and across Africa
- It currently has over 22,000 home internet customers, as well as tens of thousands of street Wi-Fi customers across Nairobi

Development Impact

The project is expected to:

- Expand broadband access to low- and medium-income households. The company's solution is 90% cheaper than alternative providers and allows for expanded use cases such as accessing the internet for work and education purposes
- Improve connectivity at schools without access, which constitute about 75% of the schools in Kenya
- Impact baseline report completed by Dalberg to serve as a baseline for impact plan and framework
- To help implement this plan, an Impact Director was recruited and started in Q4 2022

ESG

- As part of the implementation of the ESG action plan, an ESG Manager has been recruited and started in Q3 2022
- No major Environmental, Health and Safety issues recorded in 2022
- Africa50 donated USD50 000 under its Corporate Social Responsibility funding initiative to provide connectivity to 10 additional schools
- Ibis Consulting has provided a gap analysis report as a first step towards updating the ESMS

ROOM2RUN

Pan African

Project Summary

Date of Final IC Approval	13 October 2018
Status	Operational
Sector of activity	Infrastructure and Financial Services
Type of investment	Credit Risk Transfer
Performance vs. Investment plan	On track
Deal partners	African Development Bank (AfDB), Newmarket Capital

Description

- Investment under a Risk Protection Agreement, between AfDB (the Lender) and institutional investors (Africa50 and Newmarket Capital, formerly known as Mariner Investment)
- USD30 million investment by Africa50 alongside other investors to provide Significant Risk Transfer on a USD1 billion pan-African portfolio of senior infrastructure and other loans held by AfDB
- Africa50 and Newmarket Capital are in the junior tranche (2%-17.25%) of the portfolio

Development Impact

- AfDB redeployed its freed-up capital into infrastructure project finance assets, which will provide significant capital to both traditional and renewable energy projects
- Room2Run provides a template for attracting private capital from institutional investors into developing economies in a commercially viable way, which should help increase investment in infrastructure and productive sectors of those economies
- Additional renewable energy projects from the freed up capital, are expected to lower greenhouse gas emissions across Africa while increasing energy access

ESG

- Not applicable as Africa50 does not monitor underlying assets in loan portfolio

SCANNING SYSTEMS

Pan African

TRANSPORT

Project Summary

Date of Final IC Approval	29 July 2021
Status	Operational
Sector of activity	Transport/Logistics
Type of investment	Equity
Performance vs. Investment plan	On track
Deal partners	Tassec Investment Holdings Africa

Description

- Scanning Systems SA is a company specialized in the design, financing, and implementation of one-stop Joint Border Posts (JBPs) in Africa
- The purpose of a one-stop Joint Border Posts is to facilitate and simplify interstate exchanges
- Over the past years, Scanning Systems SA has become the preferred partner of the West African Economic and Monetary Union (WAEMU) for the implementation and operation of JBPs among member states under concession agreements
- The development of JBPs will contribute to the development of intra-Africa trade by improving logistics, a key success factor for the African Continental Free Trade Agreement (AfCFTA)

Development Impact

- The investment will lead to job creation and the development of local economic activities at the borders (e.g. hotels, restaurants, development of housing and real estate, banks, and insurance, etc.)
- On the JBP that is operational, 120 direct jobs have been created and around 230 indirect jobs (linked to banks, restaurants, operational staff, security etc)
- Support the growth of local sponsors with the expertise and ability to deliver on the design, construction and operation of JBPs
- Improved revenue collection, provision of qualified jobs, capacity building and reduction of illicit flow of goods and services

ESG

- Africa50 will support the platform as it grows with the implementation of new JBPs to develop high standard ESG corporate culture and management systems with adequate resources

TOBENE

Senegal

POWER

Project Summary

Date of Final IC Approval	10 December 2018
Status	Operational
Sector of activity	Power
Type of investment	Common Equity and Preferred Equity
Performance vs. Investment plan	On track
Deal partners	Tobene, Azura Power, Actis and Amaya Capital

Description

- Africa50 first invested common and preferred equity in Azura Power Limited 'APL' to fund Tobene, a 115 MW Heavy Fuel Oil 'HFO' (convertible to gas) power plant with a 20-year PPA with Senelec through an investment in a power plant platform
- IFC, FMO, Emerging Africa Infrastructure Fund (EAIF) and the West African Development Bank provided project debt funding

Development Impact

- Tobene, which accounts for ~10% of Senegal's electricity supply, has substantially contributed to closing the electricity supply gap since 2016
- Africa50's commitment to convert Tobene Power from Heavy Fuel Oil to gas will substantially reduce the asset's CO2 footprint and will support Senegal's transition to a more environmentally sustainable future while also driving down the marginal cost of power
- Tobene also supports local employment, tax revenues, and purchase of local goods and services - all of which contribute to labour output

ESG

- No fatalities, serious accidents or environmental incidents during 2022
- One LTI[2] recorded in 2022. Additional safety improvements continue to be successfully implemented
- Recent community initiatives: a stadium for 250 people, targeting the youth has been built and a soap making project for disenfranchised women in the region has been financed by the project company

[56] Lost Time Injury refers to incidents that result in a disability or an employee missing work due to an injury

NACHTIGAL

Cameroon

POWER

Project Summary

Date of Final IC Approval	4 December 2018
Status	Under construction
Sector of activity	Power
Type of investment	Equity and Shareholder Loan
Performance vs. Investment plan	On track
Deal partners	Electricité de France (EDF), International Finance Corporation (IFC), STOA Infra&Energy (Fund), Government of Cameroon

Description

- A 420 MW hydropower plant under construction on the Sanaga River, 65 kilometres from Yaoundé, with a 50-kilometer transmission line to Nyom
- It is expected to be completed by September 2024 and it will be operated under a 35-year concession
- The project reached financial close in December 2018
- Several Development Finance Institutions (DFIs) including but not limited to, the AfDB, Agence Française de développement (AFD), Caisse des Dépôts et Consignations (CDC) Group, Deutsche Investitions- und Entwicklungsgesellschaft (DEG), European Investment Bank (EIB), International Finance Corporation (IFC) as well as local banks such as Standard Chartered Bank of Cameroon constitute the lenders on this project
- Total project costs are expected to be approximately €1.2 billion

Development Impact

The plant is expected to:

- Increase Cameroon's generation capacity by more than 25%, improving access to electricity for consumers
- Improve long-term financial sustainability of the sector, making electricity more accessible for the poor, and potentially saving consumers about USD100 million over seven-years
- Help raise the share of renewables in Cameroon's energy mix to 75% by 2024 and avoid the emission of one million tons of CO_2 annually
- Nachtigal currently employs 2,599 people during construction phase of which 94% are locally sourced

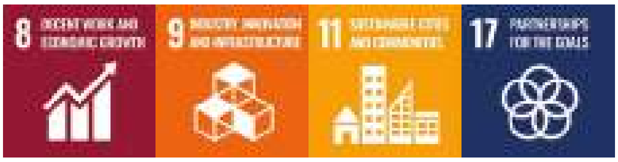
ESG

- On August 2, 2022, a transport bus, on its way to the project site with 30 people working for the construction company Compagnie de Construction du barrage de Nachtigal (CCN) on board, had an accident resulting in the death of 4 people (3 CCN employees and 1 CCN subcontractor). Three other people were seriously injured and were treated at hospitals in Obala and Yaoundé. The families of the injured and deceased are being supported over the long term by CCN, in close coordination with NHPC. The root case analysis of this accident has been carried out, and associated measures recommended. The police investigation confirmed that the driver of the bus was not responsible of the accident. The company continues to monitor and support in the compensation procedures via the bus insurer and CNPS. Medical and psychological support will continue to be available

KIGALI INNOVATION CITY (KIC)

Rwanda

ICT



Project Summary

Date of Final IC Approval	22 December 2022
Status	In development
Sector of Activity	ICT
Type of Investment	Equity
Performance vs. Investment Plan	On track
Deal partners	Rwanda Development Board (RDB)

Description

- Flagship project of the Government of Rwanda co-developed with the Rwanda Development Board (RDB). The project is a mixed-use master planned Technopark consisting of Grade A office, incubator, retail, hospitality and residential asset classes
- Africa50 as co-lead developer will support the sourcing of a strategic sponsor, invest equity, arrange the project financing, engage with sub-developers and source tenants for the first building
- Total project costs are estimated at USD300 million

Development Impact

- Expected to generate USD150 million in Information and Communications Technology (ICT) exports annually and attract over USD300 million in foreign direct investments
- Efficiently manage water use through the development of a wastewater treatment plant
- Incorporate international and local green and sustainable design guidelines
- Include adequate green spaces which help prevent atmospheric damage and excessive heating
- Over 2,600 students are expected to graduate annually from its universities over 30 years, adding to Rwanda's and Africa's pool of tech-savvy entrepreneurs
- The project is projected to create over 50,000 jobs upon its completion

ESG

- KIC will incorporate international and local green and sustainable design guidelines

KENYA TRANSMISSION PPP

Kenya

POWER

Project Summary

Date of Final IC Approval	18 November 2021
Status	In development
Sector of activity	Power
Type of investment	Equity
Performance vs. Investment plan	On track
Deal partners	POWERGRID Corporation of India

Description

- Development, under the Privately Initiated Investment Proposal regime (PIIP), of two transmission lines under a Public-Private Partnership (PPP) structure, totaling approximately 240 kilometers and associated substations
- Power Grid Corporation of India Limited (POWERGRID) selected as technical and minority equity partner
- Total project costs expected to be approximately USD300 million

Development Impact

- The eventual operation of the Lessos – Loosuk and Kisumu – Musaga lines will improve power system reliability and promote electricity access in the Western region of Kenya
- Pioneers private sector participation in transmission line projects in Kenya and Africa
- Creation of direct and indirect job opportunities during the construction of the transmission lines
- Technical skills will be transferred to locals and KETRACO during the project's construction and operation phases from the EPC contractor and POWERGRID

ESG

- As part of the overall Environmental and Social Impact Assessment process, it has been found that the Lessos-Loosuk transmission line traverses the territory of the Pokot and Samburu ethnic groups who are listed as Indigenous People (IP). An IP assessment has been completed for the two identified ethnic groups and has confirmed that indeed the Pokot and Samburu are identified as Indigenous People for the purpose of the Performance Standard 7 of International Finance Corporation (IFC) and therefore in need of special attention and mitigation measures to the adverse impacts that might be associated with project development, including risk of impoverishment and loss of identity, culture, and natural resource-based livelihoods. This will be included as part of the Environmental and social impact assessment (ESIA), through informed consultation and participation with IPs throughout the project process

GBESSIA AIRPORT

Guinea

TRANSPORT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

Project Summary

Date of Final IC Approval	6 December 2019
Status	Exited
Sector of activity	Transport
Type of investment	Equity and Shareholder Loan
Performance vs. Investment plan	Exited in 2022
Deal partners	Government of Guinea, Aéroport de Paris

Description

- Expansion and modernization of the Gbessia International Airport in Conakry
- Equity was held by the Government of Guinea, Africa50, and Aéroport de Paris
- Total project costs are currently estimated at €150 million

Development Impact

- Concession includes full training plan and knowledge transfer to build capacity of airport employees
- Expected to yield additional tax revenues and dividends to the Government of Guinea
- Projected to create 150 jobs during construction and 30 jobs during operations

ESG

- Development of an Environmental and Social Management System (ESMS)
- Compliance with the latest International Civil Aviation Organization standards and the International Finance Corporation (IFC) Performance Standards, Health and Safety Guidelines

Update since last reporting period

- Exited in 2022

TWO-CONGO BRIDGE

Democratic Republic of Congo

Republic of Congo

TRANSPORT

Project Summary

Date of Final IC Approval	In process
Status	In development
Sector of activity	Transportation
Type of investment	Equity
Performance vs. Investment plan	On track
Deal partners	African Development Bank (AfDB), Economic Community of Central African States (ECCAS), Democratic Republic of Congo, and The Republic of Congo

Description

- Development of a project to structure, construct, and operate a 1.5km road and rail bridge to connect Brazzaville and Kinshasa
- Africa50 is the lead developer, with the mandate to conduct the development, identify a strategic sponsor, and bring the project to financial close
- Africa50 is working closely with the African Development Bank (AfDB), the Economic Community of Central African States (ECCAS) and the two countries to move project development forward
- An Intergovernmental Framework Agreement was signed and ratified by the two countries in Q2 2022

Development Impact

- Should provide improved and secure transport connections between Brazzaville and Kinshasa
- Intended to connect a larger regional network of road projects extending to Cameroon and Gabon
- By 2035, it is expected to support an increase of traffic across the Congo River to 3 million passengers per year (from the current 750K) and 3 million tons of goods per year (from the current 340K)
- Should create an estimated 450 construction jobs and 80-100 permanent jobs during operations
- Contribution to Africa Continental free trade areas by connecting two cities with populations of 1 million in Brazzaville and circa 20 million in Kinshasa
- Promotion of trade, commerce, and access to new markets

ESG

- As part of the development of the project, it is planned to update the initial Environmental and Social Impact Assessment (ESIA) prepared by EGIS in 2016
- Potential adverse impacts identified as part of this initial ESIA included mainly land acquisition and resettlement, water pollution, impact on biodiversity and aquatic fauna

VOLOBE

Madagascar

POWER

Project Summary

Date of Final IC Approval	20 September 2019
Status	In development
Sector of activity	Power
Type of investment	Equity and Shareholder Loan
Performance vs. Investment plan	On track
Deal partners	Jovena, SN Power, and Colas

Description

- Development of a project to design, build, operate, and transfer a 120 MW greenfield hydropower plant on the Ivondro River, 40 km from Toamasina
- The project also includes the development of a transmission line, refurbishment of the access road, and infrastructure for the neighboring villages
- Project costs are estimated at €500 million
- Concession agreement and power purchase agreement signed

Development Impact

When operational the Project should:

- Provide reliable and affordable electricity access to over two million Malagasy and contribute to the country's transition towards renewable energy
- Increase the country's electricity generation capacity by approximately 20%
- Deliver savings for the state-owned utility of approximately €100 million per year through the substitution of expensive thermal power
- Create up to 1,000 direct jobs during construction
- Help facilitate the integration of intermittent renewable power into the country's network
- Enable the strategic Antananarivo- Toamasina transmission line project

ESG

- As part of the environmental license process, public consultations were held onsite and in Tamatave in Q2 2022. Following these consultations, the Environmental and Social Management Plan (ESMP) was agreed and the environmental license was issued

Enterprise risk management

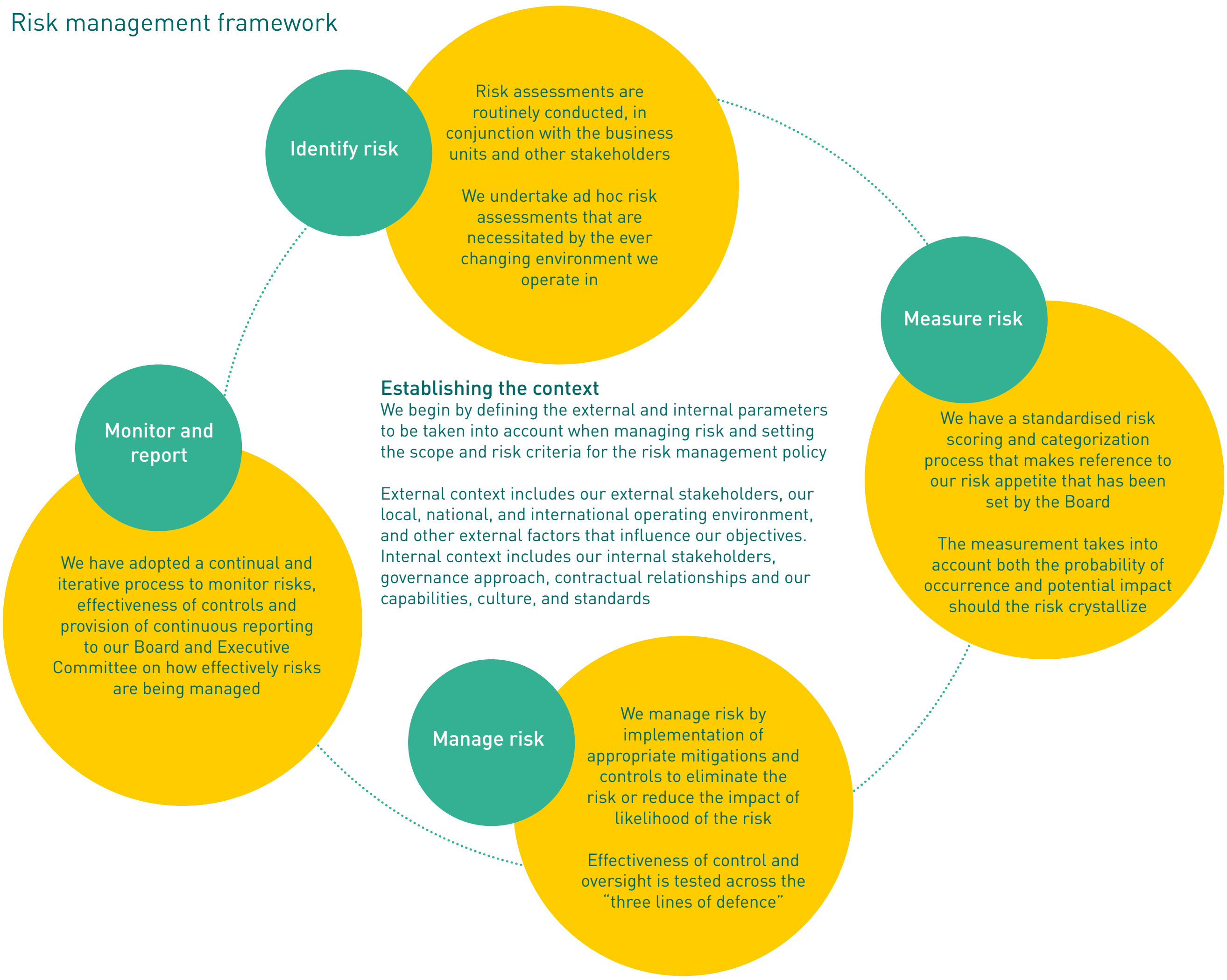
Enterprise risk management

Africa50 is dedicated to having a risk concious culture with robust risk management practices integrated into the day-to-day management of the business. Africa50 has in place a comprehensive risk management framework enabling it to manage enterprise risks in a sound manner. The Risk Appetite Statement and Enterprise Risk Management Policy are at the core of the framework and are based on the internationally established standards contained in the COSO Enterprise Risk Management Framework.

Risk Appetite Statement - The statement considers the nature and extent of the principal risks the organisation is willing to take in pursuit of its strategic objectives and sets out the tolerance levels for the risk types under the risk dimensions in the organisation's risk profile. The statement is implemented through Africa50's policies, limit framework and risk monitoring processes thereby embedding it into Africa50's business processses in a holistic way.

Enterprise Risk Management Policy – The Enterprise Risk Management Policy is approved by the Board and key enterprise risks are monitored and reviewed regularly by the Enterprise Risk and Finance sub-committee of the Board. The Policy emphasizes the prominence of enterprise risk management in strategic planning and business performance across the organisation so that Management is able to take informed risk-based decisions in conducting Africa50's business activities. The Enterprise Risk Management Policy sets out the requirements for the identification, measurement, management, monitoring, reporting and communication of risks, and assigns responsibilities for these processes and the oversight of risk-taking activities.

Risk management framework



Enterprise risk management (continued)

Internal Controls Framework - Africa50 has implemented an Internal Controls Framework (based on internationally established standards contained in the COSO Internal Controls Framework). Internal controls are used to help Africa50 achieve its goals and objectives by protecting the organization from reputational risk, strategic and operational risk, fraud risk, compliance risk, and financial statements error risk. Through identifying risks that will prevent Africa50's goals and objectives being achieved, the organization is able to identify what effective controls are needed to be in place. The Internal Controls Framework was approved end 2020 with implementation beginning in 2021. Internal controls are required to be monitored and assessed on an ongoing basis to ensure their effectiveness and major enhancements were made to the Framework during the course of 2022 with additional ones planned for end 2023.

Additionally, under the Internal Controls Framework, three lines of defense were also established:

- **First Line of Defense -** Under the first line of defense, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.
- **Second Line of Defense -** The second line of defense consists of functions which are independent of the First Line of Defense and provide oversight over business processes and risks. The Second Line of Defense monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk-related information up and down the organization.
- **Third Line of Defense -** Internal Audit, for which Africa 50 has contracted an external service provider, forms Africa50's third line of defense. Internal Audit provides independent assurance to Africa50's Board and Management and applies a risk-based approach to its work. This assurance covers how effectively Africa50 assesses and manages its risks and includes assurance on the effectiveness of the first and second lines of defense. It encompasses all elements of Africa50's risk management framework (from risk identification, risk assessment and response, to communication of risk-related information) and all categories of organizational objectives: strategic, ethical, operational, reporting and compliance. The Internal Auditor established a tri-annual audit plan that was approved by Africa50's Audit Committee, and started implementing the first internal audit assignments in Q4 2022.

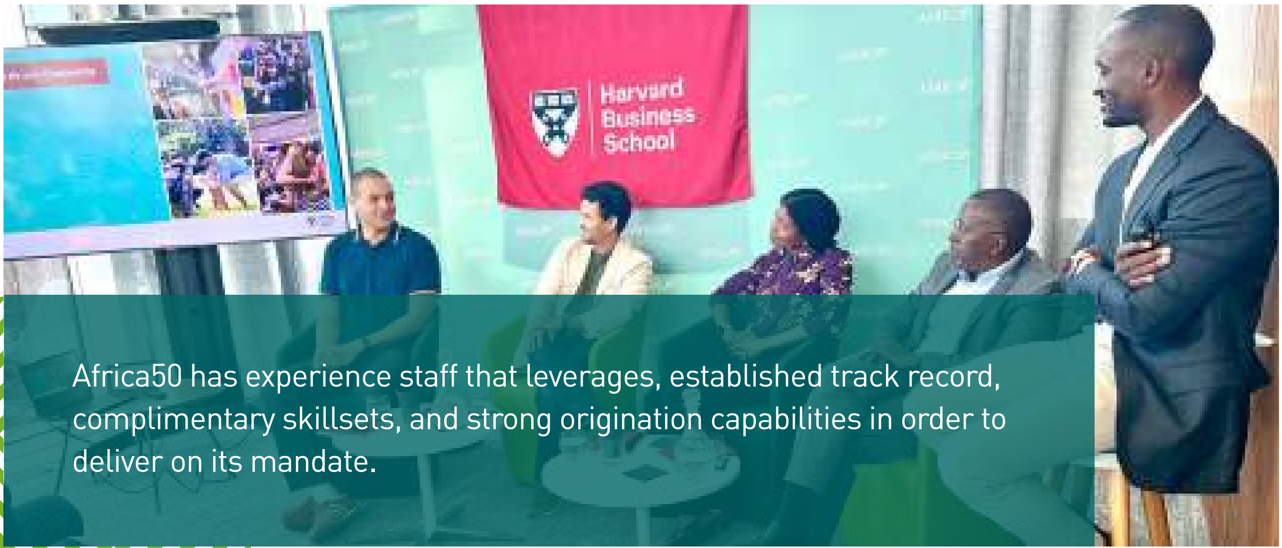
Company Policies - Africa50 has developed a robust policy framework that sets out the governance requirements for the organization's business activities and the expected behaviours to promote and spread a culture of risk awareness and to protect and secure the integrity of Africa50's business operations. Policies established and approved by Africa50's Board in 2022 include the Whistleblowing Policy, the Gift and Hospitality Policy, and the Anti-Bribery and Corruption Policy.

Our people

Our people

As an African organization, we are proud to employ mostly young African professionals that understand the local context in which Africa50 operates. At the same time, we embrace and cherish diversity, both in terms of origin, age, and gender of our employees. Having a diverse team allows us to tap into a wider range of talents and ideas, leading to increased innovation and creativity. It also enables us to better understand and connect with the diverse communities we serve, and to tailor our approach to meet their specific needs.

Experienced and proven track record



Africa50 has experience staff that leverages, established track record, complimentary skillsets, and strong origination capabilities in order to deliver on its mandate.

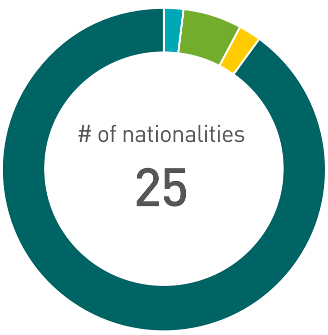
Gender

We are committed to promoting gender equality across all levels of our organization

	Male	Female
Across the organization	46%	54%
At board and management level	67%	33%

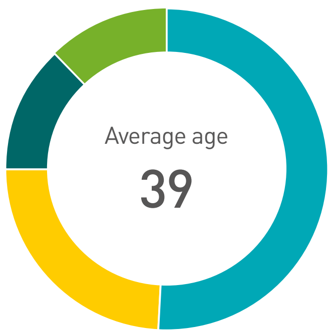
Origin

Diverse and talented team from across Africa and other markets



- 92% Africa
- 4% America
- 3% Europe
- 1% Australia

Age



- 51% 31-40
- 24% 41-50
- 13% 51-60
- 12% 20-30

Guiding the institution

Governance and leadership

Board of Directors

Independent and global expertise bringing diverse perspectives

Africa50's Board consists of twelve Directors, half of whom are independent.

Directors are required to have relevant knowledge, skills, experience, and independence of mind to fulfill their responsibilities on the Board, along with a record of integrity and good repute. Directors have deep expertise in finance, infrastructure investment and environmental, social, and governance matters.

Akinwumi Adesina
Chairman of the Board and President, African Development Bank

> The Board is collectively responsible for ensuring leadership through effective oversight and review. It sets the strategic direction with the goal of delivering sustainable stakeholder value over the longer term.

Albert Mugo
Director

GENCC SBSESC

Amadou Kane
Director

AC ERFC

Assaad Jabre
Director

AC GENCC

KEY

AC Audit Committee

ERFC Enterprise Risk and Finance Committee

GENCC Governance, Ethics, Nominations, and Compensation Committee

SBSESC Strategy, Budget, Sustainability, Environmental, and Social Committee

Committee Chair

Board of Directors (continued)

Charles O. Boamah
Director

GENCC

Félicité Célestine Omporo-Enouany
Director

AC SBSESC

Imoni Akpofure
Director

ERFC SBSESC

Boukaré Zouanga
Director

AC ERFC

Akef Abdel Latif El Maghraby
Director

ERFC SBSESC

Monhla Wilma Hlahla
Director

GENCC

Nouaman Al Aissami
Director

AC ERFC

Sophie L'Helias
Director

GENCC SBSESC

Senior leadership team

> We continuously assess our governance operating model to ensure that robust internal governing bodies and proper systems and processes are in place to support our leadership team to drive change, set strategic direction and formulate high-level goals and policies.

Alain Ebobisse
Chief Executive Officer

Tshepidi Moremong
Chief Operating Officer

Papa Demba Diallo
Managing Director, Head of Project Development[59]

Raza Hasnani
Managing Director, Head of Infrastructure Investments

Eric Ouedraogo
Chief Financial Officer

Zurina Saban
General Counsel and Corporate Secretary

[59] Papa Demba Diallo Joined Africa50 in June 2023

Our financials

AFRICA50 – PROJECT FINANCE

INDEX TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

CONTENTS	PAGE

Corporate information

DIRECTORS	Date appointed	*Date term expires
Dr. Akinwumi A. ADESINA (the Chair)	21 July 2016	Day after 2024 GSM
Ms. Imoni AKPOFURE	19 July 2018	Day after 2024 GSM
Mr. Nouaman AL AISSAMI	29 July 2015	Day after 2024 GSM
Mr. Charles BOAMAH	29 July 2015	Day after 2024 GSM
Ms. Sophie L'HELIAS	19 July 2018	Day after 2024 GSM
Ms. Monhla Wilma HLAHLA	19 July 2018	Day after 2024 GSM
Mr. Assaad JABRE	19 July 2018	Day after 2024 GSM
Mr. Amadou KANE	29 July 2015	Day after 2024 GSM
Mr. Albert MUGO	19 July 2018	Day after 2024 GSM
Ms. Félicité Célestine OMPORO ENOUANY	29 July 2015	Day after 2024 GSM
Mr. Abdel Latif El Maghraby	5 October 2021	Day after 2024 GSM
Mr. Zouanga BOUKARE	5 October 2021	Day after 2023 GSM

*Each Director continues to serve until his/her successor has been appointed.

CEO
Mr. Alain EBOBISSE

CORPORATE SECRETARY
Ms. Zurina SABAN

REGISTERED OFFICE
Tour Ivoire 3 – 8eme étage
Marina de Casablanca
Boulevard des Almohades
Casablanca, Maroc

AUDITOR
KPMG S.A.
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex, France

BANKERS

BMCE BANK
140 Avenue Hassan II
20070 Casablanca, Maroc

AFREXIMBANK
72B El-Maahad El-Eshteraky Street
Roxy, Heliopolis, Cairo 11341, Egypt

ATTIJARIWAFA BANK
Centre d'Affaires 2001
2 Boulevard Moulay Youssef
Casablanca

CITIBANK
Zénith Millénium immeuble 1,
Sidi Mâarouf – B.P 40
Casablanca 20190 – Maroc

TRADE DEVELOPMENT BANK
197 Lenana Place, 1st floor and 5th floor
Lenana Road
PO Box 48596 – 00100 Nairobi, Kenya

Directors and management report
For the year ended 31 December 2022

The Management presents their report and the audited financial statements of Africa50 – Project Finance (the "Company" or "Africa50-PF" or "PF") for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

Africa50-PF is an international organization and a special status financial company that promotes infrastructure development within Africa and makes infrastructure investments.

RESULTS AND DIVIDENDS

The results for the year are shown on pages 84 to 87.

The Company did not pay any dividend for the year under review (2021: USD Nil).

DIRECTORS

The directors in office during the year were as stated on pages 74 and 75.

MANAGEMENT RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Nothing has come to the attention of the management to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

AUDITORS

The auditors, KPMG S.A. were appointed at the General Shareholders Meeting on 19 July 2022 for a period of 3 years starting in the financial year 2022 and ending after the 2024 financial statements are complete.

APPROVAL OF FINANCIAL STATEMENTS BY DIRECTORS.

The annual financial statements were approved by the board of directors on 1 June 2023.

KPMG

Siège social :
KPMG S.A.
Tour Eqho
2 avenue Gambetta
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
Code APE 6920Z
775 726 417 R.C.S. Nanterre
TVA Union Européenne
FR 77 775 726 417

Téléphone : +33 (0)1 55 68 86 66
Télécopie : +33 (0)1 55 68 86 60
Site internet : www.kpmg.fr

AFRICA50 – PROJECT FINANCE

Registered office :
Tour Ivoire 3
Marina de Casablanca
Boulevard des Almohades
20000 Casablanca - Morocco

INDEPENDENT AUDITORS' REPORT AFRICA50 - PROJECT FINANCE
Year ended December 31st, 2022

Opinion

In execution of the mission entrusted to us by your shareholder's meeting, we have audited the accompanying financial statements of Africa 50 – Project Finance ("the Entity") which comprise the balance sheet as at December 31, 2022 and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information as set out in notes. These accounts were approved by the Board of Directors on June 1st, 2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements based on International Standards on Auditing, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Siège social :
KPMG S.A.
Tour Eqho
2 avenue Gambetta
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
Code APE 6920Z
775 726 417 R.C.S. Nanterre
TVA Union Européenne
FR 77 775 726 417

Other Information

Management is responsible for the other information. The other information comprises the information included in the Africa 50 – Project Finance Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view, in accordance with IFRS, and for such internal control as management determines 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, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Year ended December 31st, 2022

Africa 50 - Project Finance
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June 29, 2023

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Paris La Défense, June 29th, 2023

KPMG S.A.

Valéry Foussé
Partner

Year ended December 31st, 2022

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Notes	31 December 2022 USD	31 December 2021 USD
Income			
Interest/Dividend income	17	9 608 960	5 532 566
Accrued Interests on Loans	17	3 567 441	-
Depreciation on loans	17	(92 662)	(104 233)
Unrealized gain/(loss) on foreign currency		(3 486 716)	(4 755 814)
Unrealized gain/(loss) on financial assets at fair value	7	20 565 635	19 045 366
Other income	18 / 22	1 266 643	1 042 538
Total income		**31 429 301**	**20 760 423**
Expense			
Expenses on projects	21	672 090	1 043 005
Fundraising expenses	22 / 18	3 093 083	933 308
Salaries and benefits	23	6 575 343	6 609 020
PD Pipeline Preferential Access fee	24	3 456 000	2 352 000
Other expenses	23	4 241 722	2 806 879
Total expenses		**18 038 238**	**13 744 213**
Operating profit		13 391 063	7 016 211
Finance cost	20	(94 618)	(28)
Finance income	19	1 770 714	538 946
Financial profit		**1 676 096**	**538 919**
Profit for the year		**15 067 159**	**7 555 129**
Other comprehensive income		-	-
Total comprehensive income for the year		**15 067 159**	**7 555 129**

The accompanying notes 1 to 29 form part of these financial statements.

Statement of financial position
As at 31 December 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	7	202 328 904	117 000 880
Loans and receivables	8	61 528 836	78 646 103
Depreciation on loans	8	(227 763)	(227 419)
Other receivables (non current)	11	14 109 487	10 905 068
Property, plant and equipment	9	1 196 326	989 748
Leases	10	1 270 580	1 459 770
Total non-current assets		**280 206 369**	**208 774 151**
Current assets			
Other receivables	11	12 863 815	3 083 928
Loans and receivables	8	12 519 575	7 803 840
Cash and cash equivalents	12	170 647 034	222 637 285
Total current assets		**196 030 424**	**233 525 053**
TOTAL ASSETS		**476 236 794**	**442 299 204**
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Paid-up capital	13 & 15	417 208 089	403 419 794
Total comprehensive income for the year		15 067 159	7 555 129
Reserves and retained earnings		5 396 902	(2 158 228)
Total capital and reserves		**437 672 150**	**408 816 695**
LIABILITIES			
Non-current liabilities			
Account payables	14	4 180 498	1 217 171
Total non-current liabilities		**4 180 498**	**1 217 171**
Current liabilities			
Account payables	14	4 798 313	5 067 611
Other payables	15	29 585 833	27 197 727
Total current liabilities		**34 384 146**	**32 265 338**
TOTAL EQUITY AND LIABILITIES		**476 236 794**	**442 299 204**

The accompanying notes 1 to 29 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Paid-up capital USD	Reserves and retained earnings USD	Total equity USD
As at 1 January 2021	**382 486 855**	**(2 158 229)**	**380 328 627**
Total comprehensive income for the year		7 555 129	7 555 129
Net increase in paid-up capital	20 932 940		20 932 940
Balance at 31 December 2021	**403 419 795**	**5 396 900**	**408 816 695**
Total comprehensive income for the year		15 067 159	15 067 159
Net increase in paid-up capital	13 788 297		13 788 297
Balance at 31 December 2022	**417 208 091**	**20 464 059**	**437 672 150**

The accompanying notes 1 to 29 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2022

	Notes	2022 USD	2021 USD
Cash transfer (from PD to PF)		**3 121 744**	
Movement in working capital			
Decrease / increase in debtors		(26 017 294)	(15 650 958)
Decrease / increase in creditors		323 547	303 792
Changes in movement in working capital		(25 693 747)	(15 347 166)
Cash generated from / (used in) operations	**25**	**(22 572 004)**	**(15 347 166)**
Cash flow from investing activities			
Equity investments		(63 093 169)	(6 960 065)
Loans and other investment funding		11 783 400	14 033 616
Others (projects exits, dividends, development fees ...)		6 515 630	19 040 000
Net cash used in/from investing activities	**25**	**(44 794 140)**	**26 113 550**
Cash flow from financing activities			
Cash flow from time deposits		1 587 445	569 010
Capital subscription		13 788 446	38 684 450
Net cash generated from financing activities	**25**	**15 375 891**	**39 253 460**
Net change in cash and cash equivalents		(51 990 252)	50 019 844
Cash and cash equivalents at start of year		222 637 285	172 617 441
Cash and cash equivalents at end of year	**11**	**170 647 034**	**222 637 285**

Notes to the financial statements
For the year ended 31 December 2022

1. PURPOSES, OPERATIONS AND ORGANIZATION

Africa 50 – Project Finance is an international organization and special status financial company, with its headquarters in Casablanca (Morocco), with authorized share capital of 3,000,000,000 USD and subscribed common stock of 785,792,000 USD.

Africa50-PF's organizational purposes include:

a) To promote infrastructure development within Africa, with funding derived from diverse sources, including equity subscriptions, borrowings and grants from African and non-African sources;
b) To make infrastructure investments, including:
   i) In association with multilateral, bilateral, public or private investors or financiers, to assist in financing the construction, rehabilitation, improvement, expansion, or acquisition of financially and economically viable infrastructure-related, infrastructure-mobilizing and infrastructure-enabling companies, assets, ventures, and projects by making investments in debt, equity, quasi-equity, guarantees or a combination thereof, with or without guarantee of repayment by the government or the State in which the investment is made;
   ii) To carry on business as a financier, alone or in cooperation with any other financial institution, through the provision of loans, guarantees, equity, quasi-equity, guarantees, or combinations thereof, or other forms of financial assistance; and
   iii) To provide resources to finance the cost of developing infrastructure-related, infrastructure-mobilizing and infrastructure-enabling companies, assets, ventures, and projects in Africa to a stage where multilateral, public or private investors can invest in such projects;
c) To provide financial advisory services, in connection with potential investments;
d) To enter into any agreement or arrangement with any government, municipal or local authority or any other entity which is conducive to Africa50-PF realizing any activity relating to its organizational purposes; to obtain from any such authority or entity any rights, privileges and exemptions that Africa50-PF deems desirable; and to carry out, exercise and comply with any such arrangements, rights, privileges and exemptions;
e) To provide technical assistance and advisory services for the study, preparation and implementation of Infrastructure-related, Infrastructure-mobilizing and Infrastructure-enabling companies, assets, ventures, and projects involving Infrastructure physically located in Africa or substantially benefitting Africa;
f) To apply earnings to defray the costs of pursuing organizational purposes, to fund reserves and to distribute dividends;
g) To borrow or raise money, to issue securities, bonds, notes, mortgages and other instruments and to provide guarantees;
h) To hold investments of every kind and description (including investments in securities, shares, and notes);
i) To pay distributions on Africa50-PF shares;
j) To retain and apply earnings to the organizational purposes of Africa50-PF;
k) To obtain any administrative or legislative act or effect any modification of these Articles that assists Africa50-PF in carrying out its organizational purposes and to oppose any proposals or proceedings that may directly or indirectly prejudice Africa50-PF's interests; and
l) To carry on any business related directly or indirectly to any of the aforementioned operations, for the purpose of facilitating, promoting and developing Africa50-PF's activity.

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. BASIS OF PREPARATION

These financial statements are the only financial statements presented by the Company and are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements are prepared in accordance with IFRS standards in effect in 2021 and new standards described below.

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

The financial statements are prepared on a going concern basis and presented to the nearest US dollar (USD) unless otherwise stated.

The presentation of the cash flow statement has been subject to a change presented in note 5.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FOR THE FIRST TIME IN 2022

New standards or interpretations	Date of application
AIP (2018 – 2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
AIP (2018 – 2020 cycle): Illustrative Examples accompanying IFRS 16 Lease incentives	1 January 2022
Amendment to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended Use	1 January 2022

The new requirements did not have any material impact on the financial statements.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

New standards or interpretations	Date of application
Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020)	1 January 2023
Amendments to IAS 1 (Presentation of Financial Statements) Non-current liabilities with covenants	1 January 2024
IFRS 16 – Leases Amendments to IFRS16 Leases: Lease Liability in a Sale-Leaseback	1 January 2024

The company does not expect any material impact on it financial statements when these forthcoming requirements will be mandatory.

5. SIGNIFICANT ACCOUNTING POLICIES

Presentation of the cash flow statement using the direct method:
This year, the cash flow statement is presented using the direct method and 2021 data has been restated accordingly. Under IAS7, companies are encouraged to present their cash flow from operating activities using the direct method. Africa50-PF has opted for the direct method in order to facilitate the establishment of the cash flow statement by reducing the risk of errors and to be able to provide more precise and relevant explanations to describe the flows related to operational activities.

The accounting policies set out below have been applied consistently for the year presented in these financial statements.

a) Functional and Presentation Currencies

Africa50-PF conducts its operations in the currencies of its member countries together with Euros and USD. The USD is also the currency in which the financial statements are presented.

b) Foreign currency translation

Income and expenses are translated to USD at the rates prevailing on the date of the transaction. Monetary assets and liabilities are translated into USD at rates prevailing at the balance sheet date.

The rates used for translating currencies into USD at 31 December 2022 are reported in Note 26. Non-monetary assets and liabilities are translated into USD at historical rates. Translation differences are included in the determination of net income.

c) Exemption from preparing consolidated financial statements

The Company holds investments for the sole purpose of capital appreciation, investment income (such as dividends, interest or rental income), or both. All the equity investments are measured at fair value (see note 7). According to IFRS 10.27, the Company meets the definition of an investment entity and does not have to consolidate its equity investments. Instead, the equity investments of the Company are subject to the normal rules of IFRS 9 as detailed hereinafter.

d) Financial assets and liabilities

d) 1. Financial assets

The Company's financial assets include financial assets designated at fair value through profit or loss, loans and receivables, cash and cash equivalents and other receivables.

i) Classification

The Company classifies its financial assets and financial liabilities in accordance with IFRS 9.
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows as detailed hereinafter.

Notes to the financial statements (continued)

For the year ended 31 December 2022

ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus transactions costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e, the date that the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company may classify its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. When the asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it [IAS1 §82 (aa)]. This amount should be presented separately as "gains and losses" from the derecognition of financial instruments at amortised cost.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

As of and for the year ended December 31, 2022, all the Company debt instruments are measured at amortized costs and presented as "Loans & receivables" in the balance sheet.

The Company has also granted loans to entities that carries projects. These loans are also measured at amortized cost and assessed for impairment at each reporting date.

Equity instruments

The Company measures all of it equity investments at fair value and recognizes the changes of fair value as "Unrealised gain/(loss) on financial assets at fair value through profit or loss" in the statement of profit or loss.

Realized Gains/Losses are recognized as the difference between the fair value as of 1st January of the current year and that as of the of 31 December of the current year in the statement of profit or loss.

d) 2. Financial liabilities

i) classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as payables, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

ii) Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and account payables.

Financial liabilities, other than those classified as at fair value through profit or loss and derivatives, are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

d) 3. Subsequent measurement

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

d) 4. Fair value measurement

The Company measures its equity investments at fair value at each reporting date. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Given that the Company invested in non-listed companies, the fair value is determined by using valuation techniques such as discounted cash flows, deemed to be appropriate in the circumstances.

d) 5. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the financial statements (continued)

For the year ended 31 December 2022

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data. Included in this category are instruments valued using: quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques for which significant input is not based on observable market data and the unobservable inputs have a significant effect on the instrument's valuation. Instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments are included in this category.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d) 6. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

d) 7. De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligation is discharged, cancelled or expired.

d) 8. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is permitted under IFRS, e.g. gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

e) Expenses

All expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

f) Cash and cash equivalents

Cash comprises of deposits with banks, cash at bank and petty cash. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g) Leases

Africa50-PF leases its office space. Until the 2018 financial year, those leases were classified as operating leases. Since 1 January 2019, these leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Company

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

i) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
ii) variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
iii) amounts expected to be payable by the Company under residual value guarantees;
iv) the exercise price of a purchase option, if the Company is reasonably certain to exercise that option; and
v) payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Notes to the financial statements (continued)
For the year ended 31 December 2022

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Company's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The interest rate used since 1 January 2019 is 5%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
i) the amount of the initial measurement of lease liability;
ii) any lease payments made at or before the commencement date, less any lease incentives received;
iii) any initial direct costs; and
iv) restoration costs.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis.

h) Segment and geographical information
Africa50-PF invests in infrastructure in Africa or that substantially benefits Africa. The head office of the company is based in Casablanca. As of 31 December 2022, the portfolio comprises nine investments across Africa, four in West Africa, one in Central Africa, two in East Africa, one in North Africa, and one is Pan African.

i) Contingent liabilities
Contingent liabilities are potential liabilities where there is even greater uncertainty, which could include a dependency on events not within Africa50-PF's control, but where there is a possible obligation. Contingent liabilities are only disclosed and not included within the statement of financial position.

j) Commitments
Commitments represent amounts Africa50-PF has contractually committed to pay to third parties but do not yet represent a charge or asset. This gives an indication of committed future cash flows. Commitments at the year-end do not impact Africa50-PF 's financial results for the year.

k) Provisions
Provisions are recognized when Africa50-PF has a present obligation of uncertain timing or amount as a result of past events and it is probable that Africa50-PF will be required to settle that obligation and a reliable estimate of that obligation can be made. The provisions are measured at the best estimate of the amount to settle the obligation at the balance sheet date and are discounted to present value if the effect is material. Changes in provisions are recognized in the statement of comprehensive income.

l) Property plant and equipment

The depreciation methods and periods used by the Company are disclosed in note 9.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

6. USE OF ESTIMATES AND JUDGEMENTS

Estimates and assumptions

Valuation of financial instruments

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

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

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Unquoted equity investments	**2022 USD**	**2021 USD**
At 1 January	117 000 880	109 788 988
Additions	64 762 389	7 221 489
Disposals (at cost)	-	(16 000 000)
Disposals (Fair Value change)	-	(3 054 963)
Fair value movement	20 565 635	19 045 366
At 31 December	**202 328 904**	**117 000 880**

All the equity investments of the Company are level 3 in the fair value hierarchy.
There is no change in the valuation technique compared to the 2021 Financials.

	2022 USD	**2021 USD**
Net gain/(loss) on financial assets at fair value	20 565 635	19 045 366
	20 565 635	19 045 366

i) Investment holdings

Name	Country of Incorporation	Main business	Year end 2022	Direct holding 2022 %	Indirect holding 2022 %	Effective holding & voting power 2022 %	Direct holding 2021 %	Indirect holding 2021 %	Effective holding & voting power 2021 %
Infra Holdco 1 (Egypt BV)	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Egypt Solar B.V. Netherlands		Solar Power Project Co.	31-Dec	-	25	25	-	25	25
Nachtigal Hydro Power Company	Cameroon	Hydro Power Project Co.	31-Dec	15	-	15	15	-	15
Power Holdco 1 (APL)	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Azura Power Limited (APL)	Mauritius	Investment platform Power plants	31-Dec	-	21	21	-	21	21
Malicounda Power SAS	Senegal	Thermal Power plant	31-Dec	30	-	30	30	-	30
Power Holdco 3 (APHL)	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Azura Power Holding Limited (APHL)	Mauritius	Investment platform Power plants	31-Dec	-	15	15	-	15	15
Tech Holdco 1 (POA)	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
POA International Ltd	Mauritius	Investment platform Internet access	31-Dec	-	18	18	-	18	18
Tech Holdco 2 (PAIX)	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
PAIX Holding B.V	Netherlands	Investment platform Data Centers	31-Dec	-	45	45	-	-	-
Africa50 Infrastructure Partners	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Africa50 Infrastructure Acceleration Fund I GP	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Africa50 Infrastructure Acceleration Fund I LP	Mauritius	Special Purpose Vehicle	31-Dec	100	-	100	100	-	100
Kigali Innovation City	Mauritius Rwanda	ICT - Smart Cities	31-Dec	50	-	50	-	-	-
Tassec Investment Holding Africa	Ivory Cost	Transport/Logistics	31-Dec	25	-	25	-	-	-

ii) Change in fair value

Portfolio of investments:

Opening USD	Additions Cost USD	Closing USD	Opening USD	Movement in fair value USD	Closing USD	Fair Value 2022 USD	2021 USD
92 157 069	**64 762 389**	**156 919 458**	**24 843 811**	**20 565 635**	**45 409 446**	**202 328 904**	**117 000 880**

The valuation technique used in the determination of portfolio fair value is the Discounted Cash Flow. A change in the discount rate implies a higher or lower Fair Value.

A 1% movement in the discount rate will affect the Net Income as follows:

	Increase / (decrease)	Increase / (decrease) of Net Income 2022 USD
Discount Rate	+1%	(18 562 877)
Discount Rate	-1%	21 660 924

The increase/decrease of Net Income is calculated with the hypothesis that all other assumptions than the discount rate are constant.

8. LOANS AND RECEIVABLES AT AMORTIZED COST

	2022 USD	2021 USD
Non-current		
Infra Holdco 1	6 805 153	16 094 401
Nachtigal	39 562 173	41 938 414
Room to Run	5 239 840	7 494 182
Malicounda Power SAS	9 921 670	13 119 106
	61 528 836	**78 646 103**
Current		
Infra Holdco 1	7 200 000	3 772 000
Room to Run	2 100 000	4 031 840
Malicounda Power SAS	3 219 575	
	12 519 575	**7 803 840**
Total	**74 048 411**	**86 449 943**

Notes to the financial statements (continued)
For the year ended 31 December 2022

8. LOANS AND RECEIVABLES AT AMORTIZED COST (CONTINUED)

Maturity of loans and receivables	Provision IFRS 9 2022 USD	On demand 2022 USD	Within 1 year 2022 USD	Between 1 to 5 years 2022 USD	After 5 years 2022 USD	Total 2022 USD
Infra Holdco 1			7 200 000	6 805 153		14 005 153
Nachtigal	(174 833)	-		13 856 313	25 705 860	39 387 340
Room to Run	-	-	2 100 000	5 239 840		7 339 840
Malicounda Power SAS	(52 930)		3 219 575	7 256 332	2 665 338	13 088 315
Total	**(227 763)**	**-**	**12 519 575**	**33 157 638**	**28 371 199**	**73 820 648**

	Provision IFRS 9 2021 USD	On demand 2021 USD	Within 1 year 2021 USD	Between 1 to 5 years 2021 USD	After 5 years 2021 USD	Total 2021 USD
Infra Holdco 1			3 772 000	16 094 401		19 866 401
Nachtigal	(176 971)	-	-	14 626 588	27 311 826	41 761 443
Room to Run	-	-	4 031 840	7 494 182		11 526 022
Malicounda Power SAS	(50 448)		-	7 280 968	5 838 138	13 068 658
Total	**(227 419)**	**-**	**7 803 840**	**45 496 139**	**33 149 964**	**86 222 524**

Loans and receivables represent loans and debt investments of the Company.

i) Shareholder loan to Egypt Solar B.V. (through Infra HoldCo 1)

This loan is classified as debt instrument and is accounted at amortized cost.

Project status as of 31 December 2022

The six power plants are continuing to operate normally. The senior debt was refinanced in April 2022 with the issuance of a 19-year USD 334.5 million non-recourse Green Project Bond which was distributed to development finance institutions (including the EBRD, DFC, FMO) and to private international institutional investors.

Shareholder loan to Egypt Solar B.V. (through Infra HoldCo 1)

The shareholder loan was classified as "Performing loan" (bucket 1).
Africa50-PF applies a definition of default which is consistent with the definition used for internal credit risk management purposes under IFRS 9. It considers qualitative factors (for example, financial covenants), where appropriate.

Regarding shareholder loans, Africa50-PF considers that the 90-day past due delay on interest (rebuttable presumption for a default) is not an objective indicator of default, as these instruments are structured so that interest is either paid or capitalized.

The Africa50-PF investment division assesses any potential credit risk through a set of quantitative and qualitative indicators, such as significant construction cost overruns or delays, operational underperformance, increase in financing costs or taxation, which are likely to prevent the shareholder loan from being repaid in full, along with capitalized interest, by the end of the project (as determined by the concession agreement or similar agreements). None of the indicators listed represent potential default risks for the project so far.

Provision

Based on Moody's research on the default of infrastructure projects, the provision was calculated based on a probability of default and a recovery rate, corresponding to the historical average for "greenfield" projects in emerging markets exclusive, of EEA or OECD members.

This resulted in a provision amounting to 65,736 USD of the shareholder loan principal and accrued interests. This provision was recorded in the Infra Holdco 1 accounts, an investment vehicle 100% owned by Africa50-PF.

ii) Shareholder loan to Nachtigal Hydro Power Company (NHPC)

This loan is classified as a debt instrument and is accounted at amortized cost. IFRS 9 provisioning guidance applies for this operation.

Project status as of 31 December 2022

Africa50-PF considered the Project "on track" and classified the shareholder loan as a "performing loan" (Bucket 1).

- The project reached financial close on 24 December 2018, and construction started at the end of January 2019, with the first drawdown on the senior debt. The thirteenth senior debt drawdown occurred in December 2022.
- Africa50 - PF fully disbursed its shareholder loan in the amount of approximately EUR 37 million in December 2018. Africa50 - PF has one board member. Five Board and Committee meetings were held in 2022. No governance issues were recorded.
- COD is expected to occur in September 2024.

Shareholder loan to NHPC

Africa50 applies a definition of default that is consistent with the IFRS 9 definition used for internal credit risk management purposes. It considers qualitative factors (for example, financial covenants), where appropriate.

Regarding infrastructure projects, Africa50 considers that the 90 day past due delay on interest are not an objective indicator of default. Africa50-PF investment division assesses any potential credit risk through a set of quantitative and qualitative indicators such as: construction delays (the delay observed so far is less than one year and does not trigger a credit risk), project cost overruns (no cost overrun identified so far), change in taxation or regulation (no change in regulation so far), significant delays in payments from offtakers (not applicable during construction phase).

There is still no payment of the shareholder loan; and no new information arised as compared to the end of 2021 to make us change the risk profile of the loan.

Provision

Based on Moody's research on the default of infrastructure projects, the provision was calculated based on a probability of default and a recovery rate corresponding to the historical average for "greenfield" projects in emerging markets exclusive of EEA or OECD members.

This resulted in a provision amounting to 174,833 USD of the shareholder loan principal and accrued interests.

iii) Room to Run

As at 31 December 2022, the Africa50-PF investment in Room to Run consists of a risk protection guarantee and is accounted for as a commitment. IFRS 9 provisioning guidance applies for this operation.

Notes to the financial statements (continued)
For the year ended 31 December 2022

Investment status at end of December 2022
The Room2Run investment closed in October 2018. The loans in the underlying reference portfolio have been performing well since close, and investment performance is in line with projections. The principal lender continues to pay the protection fee amount and interest on the collateral as scheduled. Quarterly reporting on the reference portfolio as of December 2022 showed that not only were the loans performing well, but there were no material changes in the credit ratings of the loans in the reference portfolio, compared to ratings at the initial transaction close in November 2018. No default or potential default has been identified, and there are no credit losses in the underlying reference portfolio.

Guarantee granted to Room2Run Principal Lender
Based on the fact that the loans guaranteed are performing well with no potential defaults identified, the transaction is classified as Bucket 1. Africa50-PF assesses any potential increase in credit risk through a set of indicators such as: a significant change in the rating of a specific loan in the reference portfolio; whether a loan is put in Bucket 2 by the principal lender; significant delays in the principal lender's payment of protection fees or interest on cash collateral; or a downgrade of a principal lender's long-term credit rating below AA/Aa2/AA by S&P, Moody's, and Fitch, respectively. The principal lender is rated AAA/Aaa/AAA currently.

None of the increased credit risk indicators above were applicable as of December 31st, 2022.

Provision
No provision was identified for the Room2Run investment when considering the following indicators: the probability of default of each loan in the reference portfolio, which is based on its credit rating, the structure of the transaction in which the principal lender retains part of the losses on the portfolio prior to any protection payment and the fact that a credit loss will be realized approximately three years after the occurrence of a default, and no default has occurred to date.

No payments related to credit losses are expected from Africa50-PF on this transaction in 2022.

iv) Shareholder Loan to Malicounda Power SAS
This loan is classified as a debt instrument and is accounted at amortized cost. IFRS 9 provisioning guidance applies for this operation.

Project status as of 31 December 2022
Africa50-PF considered the Project as "on track" and classified the shareholder loan as "Performing loan" (Bucket 1). Construction is completed and commercial operations achieved on 11 August 2022. The plant is performing well. Financial close occurred in January 2023.

Shareholder loan to Malicounda Power SAS
Africa50-PF applies a definition of default that is consistent with the IFRS 9 definition used for internal credit risk management purposes. It considers qualitative factors (for example, financial covenants), where appropriate.

Regarding infrastructure projects, Africa50-PF considers that the 90-day past due delay on interest are not an objective indicator of default. Africa50-PF investment division assesses any potential credit risk through a set of quantitative and qualitative indicators such as: construction delays, project cost overruns, change in taxation or regulation, significant delays in payments from offtakers. None of the indicators listed represent potential default risks for the project so far.

Provision

Based on Moody's research on the default of infrastructure projects, the provision was calculated based on a probability of default and a recovery rate corresponding to the historical average for "greenfield" projects in emerging markets exclusive of EEA or OECD members.

This resulted in a provision amounting to 52,930 USD of the shareholder loan principal and accrued interests.

9. PROPERTY, PLANT AND EQUIPMENT

	2022 USD	2021 USD
Property, plant and equipment	1 196 326	989 748
	1 196 326	**989 748**

(in USD)	IT equipment	Technical equipment	New office furniture	New office others	Total
At 1 January 2021					
Cost	507 259	8 759	1 601 936	433 031	2 550 986
Accumulated depreciation & impairment	(360 321)	(8 429)	(588 813)	(242 085)	(1 199 648)
Net book amount	**146 938**	**330**	**1 013 123**	**190 946**	**1 351 337**
Year ended 31 December 2021				-	
Opening net book amount	146 938	330	1 013 123	190 946	1 351 337
Additions	35 745	551	(2 706)	7 516	41 106
Disposals	-	-	-	-	-
Depreciation charge	(87 504)	(376)	(256 734)	(58 081)	(402 695)
Impairment Loss					
Closing Net book amount As at December 31, 2021	**95 180**	**505**	**753 683**	**140 380**	**989 748**
At 31 December 2021				-	
Cost	543 004	9 310	1 599 230	440 547	2 592 092
Accumulated depreciation & impairment	(447 825)	(8 805)	(845 547)	(300 167)	(1 602 344)
Carrying amount As at December 31, 2021	**95 180**	**505**	**753 683**	**140 380**	**989 748**
Year ended 31 December 2021				-	
Opening net book amount	95 180	505	753 683	140 380	989 748
Additions	175 650		352 158		527 808
Disposals	-	-	-	-	-
Depreciation charge	(67 915)	(184)	(204 584)	(48 546)	(321 229)
Impairment Loss	-	-	-	-	-
Closing Net book amount As at December 31, 2022	**202 915**	**321**	**901 257**	**91 834**	**1 196 327**
At 31 December 2022				-	
Cost	718 654	9 310	1 951 388	440 547	3 119 900
Accumulated depreciation & impairment	(515 740)	(8 989)	(1 050 131)	(348 713)	(1 923 573)
Carrying amount As at December 31, 2022	**202 915**	**321**	**901 257**	**91 834**	**1 196 326**

Notes to the financial statements (continued)
For the year ended 31 December 2022

Property, plant and equipment are depreciated using the straight-line method over their useful lives, estimated as follows:

IT equipment:	3 years
Technical equipment:	3 years
Office layout / furniture:	End of the lease period (November 2025).

10. LEASES

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	31-Dec-22 USD	31-Dec-21 USD
Head office	1 011 692	1 379 581
Others	258 888	80 190
	1 270 580	**1 459 770**

Lease liabilities	31-Dec-22 USD	31-Dec-21 USD
Current	492 483	442 945
Non-current	984 166	1 217 171
	1 476 650	**1 660 116**

Lease liabilities In USD	31-Dec-22	31-Dec-21
Maturity analysis - contractual undiscounted cash flows		
Less than one year	492 483	442 945
One to five years	984 166	1 217 171
More than five years	0	0
Total undiscounted lease liabilities at 31 December	1 476 650	1 660 116
Lease liabilities included in the statement of financial position	1 476 650	1 660 116
Current	492 483	442 945
Non-current	984 166	1 217 171

The statement of profit or loss shows the following amounts relating to leases:

Expenses relating to leases	31-Dec-22 USD	31-Dec-21 USD
Depreciation charge of right-of-use assets	455 475	455 368
Interest expense (included in finance cost)	75 490	95 877
	530 964	**551 245**

The total cash outflow for leases in 2022 was 502,523 USD

11. OTHER RECEIVABLES

Current	2022 USD	2021 USD
Interest accrued from Room to Run	460 340	1 134 448
Africa50 Infrastructure Partners I (Fund Manager)*	565 878	1 007 608
Africa50 Infrastructure Acceleration Fund I GP*	33 228	15 605
Africa50 Infrastructure Acceleration Fund I LP*	193 466	19 325
Other receivables	10 587 165	286 768
VAT receivables	854 298	462 602
Employee Loans	90 000	80 000
Deposit and guarantees	79 440	77 572
	12 863 815	**3 083 928**

*Relation with Africa50 Infrastructure Partners I and Africa50 Infrastructure Acceleration Fund ("IAF"): the IAF is a new investment fund sponsored by Africa50-PF. Pending the closing of the IAF fund expected to happen in 2023, Africa50-PF is processing payments on behalf of the various entities and current accounts are maintained with these entities.

Non current	2022 USD	2021 USD
Accrued interest from Nachtigal	7 690 044	5 891 639
Accrued interest from Malicounda	1 164 282	515 385
Accrued interest from Infra Holdco 1	5 255 160	4 498 044
	14 109 487	**10 905 068**

12. CASH AND CASH EQUIVALENTS

Cash	39 609 179	42 771 536
Cash equivalents	130 714 855	179 812 179
Accrued interest on cash equivalents	323 000	53 570
	170 647 034	**222 637 285**

Cash equivalents are made of term deposits with short duration, none of which exceeding one year.

Notes to the financial statements (continued)
For the year ended 31 December 2022

13. PAID-IN CAPITAL

The authorized share capital according to Africa50-PF statutes is 3,000,000,000 USD. The subscribed capital is 785,792,000 USD and the called capital is 594,969,000 USD, while the paid-in capital is 417,208,090 USD.

	Class*	# of shares as at 31 Dec 2021	# of shares issued in 2022	# of shares as at 31 Dec 2022	Paid-up capital as at 31 Dec 2022
					USD
1. African Development Bank	B*	100 000	-	100 000	75 000 000
2. Benin	A*	4 176	-	4 176	1 909 108
3. Cameroon	A	45 000	-	45 000	24 241 725
4. Congo Brazzaville	A	167 997	-	167 997	41 999 250
5. Ivory Coast	A	26 999	-	26 999	6 749 750
6. Djibouti	A	2 700	-	2 700	675 000
7. Egypt	A	90 000	-	90 000	67 500 000
8. Gabon	A	7 800	-	7 800	1 950 000
9. Gambia	A	900	-	900	225 000
10. Ghana	A	17 655	-	17 655	8 625 222
11. Madagascar	A	9 003	-	9 003	6 752 250
12. Malawi	A	1 800	-	1 800	450 000
13. Mali	A	1 813	-	1 813	1 359 750
14. Kingdom of Morocco	A	90 000	-	90 000	67 500 000
15. Mauritania	A	9 101	-	9 101	2 275 250
16. Niger Republic	A	1 799	-	1 799	449 750
17. Nigeria	A	36 000	-	36 000	27 000 000
18. Senegal	A	9 007	-	9 007	2 251 750
19. Sierra Leone	A	1 800	-	1 800	540 000
20. Sudan	A	2	-	2	500
21. Togo	A	17 346	-	17 346	8 672 903
22. Kenya	A	90 000	-	90 000	25 644 135
23. Burkina Faso	A	2 694	-	2 694	1 111 748
24. BCEAO	B	4 500	-	4 500	4 500 000
25. Bank Al Maghrib	B	18 000	-	18 000	18 000 000
26. Tunisia	A	9 000	-	9 000	6 750 000
27. Republic Democratic of Congo	A	1 800	-	1 800	900 000
28. Guinea (Conakry)	A	4 500	-	4 500	3 375 000
29. Rwanda	A	9 000	-	9 000	6 750 000
30. Mauritius	A	900	-	900	675 000
31. Zimbabwe	A	4 500	-	4 500	3 375 000
		785 792	-	785 792	417 208 090

* Class A shares, shall only be offered, allotted and issued for the benefit of sovereign African states. Class B shares, shall only be offered, allotted and issued for the benefit of African and non-African public financial institutions and public international, pan-African, or regional financial institutions; provided, that, for the purposes of Class B shares, "public" shall mean an institution that is wholly or substantially owned, directly or indirectly, by a sovereign state.

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. ACCOUNTS PAYABLES

Accounts payables amount to 8,978,811 USD of which 984,166 USD correspond to long term loans of Lease due to IFRS 16 adjustments, 3,219,575 USD to a commitment into a project and the rest to trade payables and outstanding invoices as of December 31st, 2022.

15. OTHER PAYABLES

	2022 USD	2021 USD
Current accounts	**9 240 387**	**6 852 281**
Africa 50-PD*	9 240 387	6 852 281
Overpayments of share subscriptions from shareholders	**20 345 446**	**20 345 446**
Madagascar	2 250 437	2 250 437
Tunisia	342 059	342 059
Mali	112 950	112 950
Nigeria	17 640 000	17 640 000
Total	**29 585 834**	**27 197 727**

*Relation with Africa50-PD: Africa50-PD develops a pipeline of investment ready projects and Africa50-PF sources projects through Africa50-PD and through its own efforts and invests equity and quasi-equity alongside strategic partners. Africa50-PF manages the cash received from capital calls and processes payments for both entities including disbursements for investments; in this context a current account between both entities is maintained and amounts to 9,240,387 USD as of 31 December 2022. The PD Pipeline Preferential Access fee paid by PF to PD is included in this current account.

Notes to the financial statements (continued)

For the year ended 31 December 2022

16. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following related party transactions. Details of the nature, volume of transactions and balances are as follows:

Related party	Nature	2022 Net volume of transactions during the year	2022 Balance receivable / payable at 31 Dec
Africa50 - PD	Debt - Current account	2 388 106	9 240 387
Africa50 Infrastructure Partners I (Fund Manager)	Debt - Current account	441730	(565 878)
Africa50 Infrastructure Acceleration Fund I GP	Debt - Current account	(17 623)	(33 228)
Africa50 Infrastructure Acceleration Fund I LP	Debt - Current account	(174 141)	(193 466)
Infra Holdco 1	Debt - Current Account	(5 861 248)	14 005 153

Related party	Nature	2021 Net volume of transactions during the year	2021 Balance receivable / payable at 31 Dec
Africa50 - PD	Debt - Current account	(4 648 897)	6 852 281
Africa50 Infrastructure Partners I (Fund Manager)	Debt - Current account	(1 007 608)	(1 007 608)
Africa50 Infrastructure Acceleration Fund I GP	Debt - Current account	(15 605)	(15 605)
Africa50 Infrastructure Acceleration Fund I LP	Debt - Current account	(19 325)	(19 325)
Infra Holdco 1	Debt - Current Account	(11 435 525)	19 866 401
Power Holdco 1	Debt - Current Account	(60 000)	0
Power Holdco 2	Debt - Current Account	(30 000)	0
Power Holdco 3	Debt - Current Account	(14 838)	0

17. INTEREST / DIVIDEND INCOME

	2022 USD	2021 USD
Accrued Interests		
Interests on projects loans - Nachtigal	2 132 226	2 037 758
Interests on projects loans - Infra Holdco 1	757 116	1 223 734
Interests on projects loans - Malicounda	678 099	267 343
	3 567 441	**3 528 835**
Interests and Dividends Paid		
Interests on projects loans - Room to Run	1 154 179	1 514 503
Dividends - Infra Holdco 1	0	489 229
Dividends - Power Holdco 1	5 834 740	-
Dividends - Power Holdco 3	2 620 041	-
	9 608 960	**2 003 731**

Depreciation:

According to IFRS9, the provisions on the Malicounda and Nachtigal loans are deducted from the accrued interests/ dividends. The amortization of the due diligence expenses of the Room to Run project are also deducted.

	2022 USD	2021 USD
Depreciation Malicounda	2 482	(2 986)
Depreciation Room to Run	92 318	113 300
Depreciation Nachtigal	(2 138)	(6 081)
	92 662	**104 233**

Notes to the financial statements (continued)
For the year ended 31 December 2022

18. OTHER INCOME

The other income amounts to 1,266,643 USD which consists of receivables from the A50 Infrastructure Acceleration Fund ("IAF") entities as Africa50-PF has incurred expenses on behalf of the IAF which are to be reimbursed once the Fund reaches first close.

19. FINANCE INCOME

Finance income	2022 USD	2021 USD
Interests on investment securities (term deposits)	1 770 714	538 946
	1 770 714	**538 946**

20. FINANCE COST

Finance cost	2022 USD	2021 USD
Gain/loss on foreign currency	(56 160)	41 745
Interests on lease	(38 458)	(41 772)
	(94 618)	**(28)**

21. EXPENSES ON PROJECTS

The project expenses correspond to the amounts committed (consultants, missions, specialists ...) during the year for the research and the study of investment projects whether through equity participation or direct financing.

	2022 USD	2021 USD
Expenses incurred on projects	672 090	1 043 005
	672 090	**1 043 005**

22. FUNDRAISING EXPENSES

The total fundraising expenses for the year 2022 amount to 3,093,083 USD.
Part of the 2022 expenses and of the past expenses have been reinvoiced to the A50 Infrastructure Acceleration Fund ("IAF").

The IAF is expected to have its first close in 2023.

23. ADMINISTRATIVE EXPENSES

The total administrative expenses of Africa50-PF amount to 10,817,065 USD which include salaries and benefits for an amount of 6,575,343 USD, other administrative expenses for an amount of 4,241,722 USD which includes travel, communication, recruiting, Board and General Shareholder Meeting expenses among others.

Salaries and Benefits:

Africa50-PF and Africa50-PD together count 58 employees as of December 2022 (50 in 2021), of which 11 employees are focusing on Africa50-PF investment activity (8 in 2021).

Notes to the financial statements (continued)
For the year ended 31 December 2022

Africa50-PF's staff receives a monthly allowance to cover retirement costs and other expenses such as education and life insurance. A healthcare defined contribution insurance plan has been implemented in 2018.

Africa50-PF's staff also benefits from a relocation allowance when appropriate.

24. "PD PIPELINE PREFERENTIAL ACCESSE" FEE

Africa50-PF has paid fees amounting to 3,456,000 USD to Africa50-PD for pipeline preferential access (the "PD Pipeline Preferential Access" fee).

25. CASH FLOW

The cash used in operations amounts to 22,572,044 USD resulting mainly from the movement in working capital for 25,693,747 USD which mainly consists of payments of salaries and to suppliers.

The Net cash from investing activities amounts to 44,794,140 USD and mainly consists of:

- The increase of equity investments by 63,093,169 USD.
- The decrease of loans by 11,783,400 USD.
- The payment of dividends from the Tobene project for 3,895,589 USD and from the Azura project for 2,620,041 USD.

The Net Cash from financing activities amounts to 15,375,891 USD and consists of 1,587,445 USD of revenues from cash deposits and 13,788,446 USD of subscriptions paid by shareholders.

26. FINANCIAL RISK MANAGEMENT

Africa50-PF is a highly selective investor and each investment is subject to an individual risk assessment through an investment approval process which includes approval from Africa50-PF's Investment Committee which is a key part of the overall risk management framework.

Financial instruments carried on the statement of financial position include financial assets at fair value through profit or loss, loans and receivables, capitalized expenses at amortized costs, other receivables, cash and cash equivalents, borrowings and other payables.

Africa50-PF investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The most common risks to which it is exposed are market risk, credit risk and liquidity risk. Africa50-PF policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. Africa50-PF regularly reviews their risk management policies and systems to reflect changes in markets and emerging best practice.

The Board has established an Enterprise Risk Management and Finance Committee which oversees the risks affecting Africa50 - PF, the main mitigating factors, action taken to reduce these risks and has put into place a risk management framework and policies to address the main risks.

a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk that will affect the Company's income or the value of its holdings of financial instruments. The Company's strategy on the management of investment risk is driven by the Company's investment objective.

i). Currency risk

Currency risk is the risk that the value of an instrument will fluctuate in USD owing to changes in foreign exchange rates. Africa50-PF invests in securities denominated in different currencies. Consequently, it is exposed to the risk that the USD may change in a manner which has a material effect on the reported values of its assets which are denominated in these underlying currencies. Currency exposure and exchange rate movement are monitored and reviewed on a regular basis.

As regard cash accounts, most of the company accounts are in USD, with the exception of one account in EUR and another one in MAD which are used for current expenses.

	Financial assets 2022 USD	Financial assets 2021 USD	Financial liabilities 2022 USD	Financial liabilities 2021 USD
UNITED STATES DOLLARS (USD)				
Financial assets at fair value through profit or loss	128 459 964	73 085 145		
Loans and receivables	21 519 826	31 569 394		
Other receivables	17 264 677	7 119 370		
Account payables			3 035 324	4 023 025
Other payables			29 585 833	27 197 727
Cash and cash equivalents	170 174 450	222 383 615		
Other non-current assets	2 466 906	2 449 518		
Paid-up capital			417 208 089	403 419 794
Total comprehensive income for the year			15 067 159	7 555 129
Reserves and retained earnings			5 396 902	(2 158 228)
	339 885 824	**336 607 043**	**470 293 306**	**440 037 448**
EURO (EUR)				
Financial assets at fair value through profit or loss	73 868 939	43 915 734		
Loans and receivables	52 300 822	54 653 130		
Capitalised expenses at amortised cost	-	-		
Account payables			3 566 340	329 377
Cash and cash equivalents	2 461	2 536		
Other receivables (non current)	8 854 326	6 407 024		
	135 026 549	**104 978 425**	**3 566 340**	**329 377**
GREAT BRITAIN POUND (GBP)				
Account payables			3 417	1 461
	-	**-**	**3 417**	**1 461**
MOROCCAN DIRHAM (MAD)				
Other receivables	854 298	462 602		
Account payables			2 373 730	1 930 919
Cash and cash equivalents	470 123	251 134		
	1 324 421	**713 736**	**2 373 730**	**1 930 919**
	476 236 793	**442 299 204**	**476 236 794**	**442 299 204**

Notes to the financial statements (continued)
For the year ended 31 December 2022

The % forex as a total of financial assets and financial liabilities are as follows:

	Financial assets 2022 %	Financial assets 2021 %	Financial liabilities 2022 %	Financial liabilities 2021 %
United States dollar	71	76	99	99
Euro	28	24	1	0
Moroccan Dirham	0	0	0	1
Great Britain Pound	-	-	0	0
	100	**100**	**100**	**100**

Sensitivity analysis

The following table indicates the approximate change in the Company's financial assets in response to possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date.

A 10% increase and decrease in the USD against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates.

A 10% movement in the foreign currency will affect financial assets as follows:

	Increase / (decrease)	2022 USD	2021 USD
EUR	10%	13 146 021	10 464 905
	(10%)	(13 146 021)	(10 464 905)
MAD	10%	(104 931)	(121 718)
	(10%)	104 931	121 718
GBP	10%	(342)	(146)
	(10%)	342	146

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the reporting date and had been applied to the Company's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. Results of the analysis as presented in the above table represent the effects on the Company's financial assets measured in foreign currencies, translated into USD at the exchange rate ruling at the reporting date.

ii). Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The income and operating cash flows are substantially independent of changes in market interest rates. The Company's significant interest-bearing financial assets are loans, as detailed in below table. Interest income may fluctuate in amount, in particular due to changes in interest rates.

		2022 USD	2021 USD
Assets			
Loans and receivables	Floating rate	7 142 485	11 236 349
		7 142 485	**11 236 349**

The Company is exposed to interest rate fluctuation on a portion of the guaranty revenues from the Room2Run transaction. However, most of the revenues from Room2Run come from a premium with a fixed rate, and only a small portion of interest earnings are linked to LIBOR.

Sensitivity analysis

A 0.5 % movement in the interest rate will affect the revenues from Room2Run as follows:

	Increase / (decrease)	2022 USD	2021 USD
Loans and receivables	0.50%	35 712	56 182
	(0.50%)	**(35 712)**	**(56 182)**

iii). Price risk

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or other factors affecting all instruments traded in the market.

The portfolio is reviewed on a regular basis by the Investment Committee to identify and manage the risk associated with particular countries and sector. Broad sector exposure and country limit thresholds are imposed and monitored on a regular basis.

iiii). Exchange rates as at December 31st, 2022

The tab below represents the exchange rates as of 31 December 2022:

	2022 USD	2021 USD
MAD	0.0958	0.1080
EUR	1.0732	1.1377
GBP	1.2102	1.3536

Notes to the financial statements (continued)

For the year ended 31 December 2022

(b) Credit risk

The Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

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

	2022 USD	2021 USD
Assets		
Financial assets at fair value through profit or loss	202 328 904	117 000 880
Loans and receivables	73 820 648	86 222 524
Other non-current assets	2 466 906	2 449 518
Cash and cash equivalents	170 647 034	222 637 285
Other receivables	26 973 302	13 988 996
	476 236 793	**442 299 204**

Financial assets are not past due nor depreciated, the loans to Nachtigal and Malicounda projects, have been depreciated according to IFRS9 for respectively USD 174,833 and USD 52,930.

Cash and cash equivalents are maintained with reputable financial institutions. The Risk Committee's policy is to closely monitor the creditworthiness of the Company's counterparties by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table presents the international rating scales used by Africa50-PF to evaluate the risk rating of financial institutions:

Risk class	S&P - Fitch	Moody's
Very low risk	A+ and above	A1 and above
	A	A2
	A-	A3
	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
Low risk	BB+	Ba1
	BB	Ba2
	BB-	Ba3
Moderate risk	B+	B1
	B	B2
	B-	B3
High risk	CCC+	Caa1
	CCC	Caa2
Very high risk	CCC-	Caa3
	CC	Ca
	C	C

The Company's cash balances are held at financial institutions having the following credit ratings.

Financial Institution	2022 USD	2021 USD	Credit ratings 2022	Credit ratings 2021	Credit agency 2022	Credit agency 2021
Attijari Wafabank	33 169 823	42 816 904	BB	BB	Fitch	Fitch
BMCE	35 902 183	43 109 587	BB	BB	Fitch	Fitch
TDB Bank	32 516 486	32 168 576	BB+	BB+	Fitch	Fitch
Afreximbank	33 045 189	42 123 241	BBB-	BBB-	Fitch	Fitch
Citibank	36 013 100	62 416 771	A+	A+	Fitch	Fitch
Petty Cash	252	2 206	N/A	N/A		
	170 647 034	**222 637 285**				

The Company considers credit risk associated with balances held at bank to be very low or low as outlined on the above risk classes.

(c) Liquidity risk

Liquidity risk is the risk that Africa50-PF will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. This excludes the potential impact of extreme circumstances which cannot be reasonably predicted.

The maturity profile of the Company's financial assets and liabilities based on contractual cash flows is summarized in the table below. The contractual cash flows approximate the carrying amounts.

31-Dec-22	On demand USD	Less than 1 year USD	Between 1-5 years USD	More than 5 years USD	Total USD
Financial assets					
Loans and receivables	-	12 519 575	33 157 638	28 371 199	74 048 411
Cash and cash equivalents	39 609 179	131 037 855	-	-	170 647 034
Other receivables	-	12 863 815	14 109 487	-	26 973 302
	39 609 179	**156 421 245**	**47 267 124**	**28 371 199**	**271 668 747**
Financial liabilities					
Other payables	-	29 585 833	-	-	29 585 833
Account payables	-	4 798 313	4 180 498	-	8 978 811
	-	**34 384 146**	**4 180 498**	**-**	**38 564 644**
31-Dec-21					
Financial assets					
Loans and receivables	-	7 803 840	45 496 139	33 149 964	86 449 943
Cash and cash equivalents	42 771 536	179 865 750	-	-	222 637 285
Other receivables	-	3 083 928	10 905 068	-	13 988 996
	42 771 536	**190 753 518**	**56 401 207**	**33 149 964**	**323 076 225**
Financial liabilities					
Other payables	-	27 197 727	-	-	27 197 727
Account payables	-	5 067 611	1 217 171	-	6 284 782
	-	**32 265 338**	**1 217 171**	**-**	**33 482 509**

Notes to the financial statements (continued)

For the year ended 31 December 2022

27. OFF-BALANCE SHEET COMMITMENTS

The amount of off-balance sheet commitments in connection with the projects amounts to 56,303,872 USD as of 31 December 2022. The disbursement of this amount is subject to milestones conditions.

28. MACRO ECONOMIC ENVIRONMENT

2022 has been an important year for the world, for Africa, and for Africa50. As we started to emerge from the COVID crisis new challenges emerged, with inflation, currency volatility, and war in Ukraine negatively affecting the business environment. Furthermore, the impact of the climate crisis on Africa is becoming more apparent and more acute and, the political instability created by military coups and conflicts across several African countries had a negative impact on the investment climate in many countries.

Africa50 has shown resiliency in the face of these headwinds and has been able to achieve most of its 2022 corporate objectives.

The tightening fiscal environment faced by Africa50 country shareholders has necessitated a review of how they meet their infrastructure financing requirements and the need to leverage the private sector more, providing a potential pipeline of investment opportunities for Africa50.

29. EVENT AFTER THE REPORTING DATE

The entity's financial statements have been prepared on a going concern basis.

On the date of the approval of the financial statements by its board of directors, the management of the Company is not aware of any significant uncertainties which call into question the ability of the entity to pursue its purposes.

AFRICA50 – PROJECT DEVELOPMENT

INDEX TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

CONTENTS	PAGE

Corporate information

DIRECTORS		*Date term expires
Dr. Akinwumi A. ADESINA (the Chair)	21 July 2016	Day after 2024 GSM
Ms. Imoni AKPOFURE	19 July 2018	Day after 2024 GSM
Mr. Nouaman AL AISSAMI	29 July 2015	Day after 2024 GSM
Mr. Charles BOAMAH	29 July 2015	Day after 2024 GSM
Ms. Sophie L'HELIAS	19 July 2018	Day after 2024 GSM
Ms. Monhla Wilma HLAHLA	19 July 2018	Day after 2024 GSM
Mr. Assaad JABRE	19 July 2018	Day after 2024 GSM
Mr. Amadou KANE	29 July 2015	Day after 2024 GSM
Mr. Albert MUGO	19 July 2018	Day after 2024 GSM
Ms. Félicité Célestine OMPORO ENOUANY	29 July 2015	Day after 2024 GSM
Mr. Abdel Latif El Maghraby	5 October 2021	Day after 2024 GSM
Mr. Zouanga Boukaré	5 October 2021	Day after 2023 GSM

*Each Director continues to serve until his/her successor has been appointed.

CEO
Mr. Alain EBOBISSE

CORPORATE SECRETARY
Ms. Zurina SABAN

REGISTERED OFFICE
Tour Ivoire 3 – 8eme étage
Marina de Casablanca
Boulevard des Almohades
Casablanca, Maroc

AUDITOR
KPMG S.A.
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex, France

BANKERS

BMCE BANK
140 Avenue Hassan II
20070 Casablanca, Maroc

CITIBANK
Zénith Millénium immeble 1,
Sidi Mâarouf – B.P 40
Casablanca 20190 – Maroc

ATTIJARIWAFA BANK
Centre d'Affaires 2001
2 Boulevard Moulay Youssef
Casablanca

Directors and management report
For the year ended 31 December 2022

The Management presents their report and the audited financial statements of Africa50 – Project Development (the "Company" or "Africa50-PD" or "PD") for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

Africa50-PD is an international organization and a special status financial company that promotes infrastructure development within Africa, identifies and develops infrastructure projects by identifying and developing infrastructure projects by investing capital in the early stages of the project development cycle up to financial close (or mobilization of long-term funding) and temporarily beyond such milestone and thereby, attracts and channels new sources of capital for financing infrastructure in Africa, and mobilizes the necessary political and regulatory support to effect reforms needed to ensure the operational, financial, and economic viability of investments and reduce the risk of delays in developing and implementing projects.

RESULTS AND DIVIDENDS

The results for the year are shown on pages 122 to 125.

The Company did not pay any dividends for the year under review (2021: USD Nil).

DIRECTORS

The directors in office during the year were as stated on page 74 and 75.

MANAGEMENT RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to being a going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Nothing has come to the attention of the management to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

AUDITORS

The auditors, KPMG S.A. were appointed at the General Shareholders Meeting on 19 July 2022 for a period of three years, starting in the financial year 2022 and ending after the 2024 financial statements are complete.

APPROVAL OF FINANCIAL STATEMENTS BY DIRECTORS

The annual financial statements were approved by the board of directors on 1 June 2023.

Siège social :
KPMG S.A.
Tour Eqho
2 avenue Gambetta
92066 Paris la Défense Cedex
Capital : 5 497 100 €.
Code APE 6920Z
775 726 417 R.C.S. Nanterre
TVA Union Européenne
FR 77 775 726 417

Téléphone : +33 (0)1 55 68 86 66
Télécopie : +33 (0)1 55 68 86 60
Site internet : www.kpmg.fr

AFRICA50 – PROJECT DEVELOPMENT

Registered office :
Tour Ivoire 3
Marina de Casablanca
Boulevard des Almohades
20000 Casablanca - Morocco

INDEPENDENT AUDITORS' REPORT AFRICA50 - PROJECT DEVELOPMENT
Year ended December 31st, 2022

Opinion

In execution of the mission entrusted to us by your shareholder's meeting, we have audited the accompanying financial statements of Africa 50 – Project Development ("the Entity") which comprise the balance sheet as at December 31st, 2022 and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information as set out in notes. These accounts were approved by the Board of Directors on June 1st, 2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31st, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements based on International Standards on Auditing, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Société anonyme d'expertise
comptable et de commissariat
aux comptes à directoire et
conseil de surveillance.
Inscrite au Tableau de l'Ordre
à Paris sous le n° 14-30080101
et à la Compagnie Régionale
des Commissaires aux Comptes
de Versailles.

Siège social :
KPMG S.A.
Tour Eqho
2 avenue Gambetta
92066 Paris la Défense Cedex
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TVA Union Européenne
FR 77 775 726 417

Other Information

Management is responsible for the other information. The other information comprises the information included in the Africa 50 – Project Development Annual Report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view, in accordance with IFRS, and for such internal control as management determines 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, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

KPMG

Africa 50 - Project Development
Independent Auditors' Report Africa 50 - Project Development
June 29, 2023

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

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Paris La Défense, June 29th, 2023

KPMG S.A.

Valéry Foussé
Partner

Year ended December 31st, 2022

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2022

	Notes	31 December 2022 USD	31 December 2021 USD
Income			
Revenues from projects sold	16	5 567 809	-
Cost of projects sold	16	(2 672 037)	-
Accrued Interests on Loans	18	39 479	665 896
Interest/Dividend income		-	-
Depreciation on loans		-	-
Unrealized gain/Loss on foreign currency		(201 456)	(605 971)
Unrealized gain/Loss on financial assets at fair value through profit and loss			
PD Pipeline Preferential Access fee	19	3 456 000	2 352 000
Total income		**6 189 795**	**2 411 925**
Expense			
Expenses on projects	21	1 941 273	2 774 270
Salaries and benefits	22	5 268 062	5 761 029
Other expenses	22	3 672 026	2 616 332
Total expenses		**10 881 361**	**11 151 631**
Operating profit		**(4 691 565)**	**(8 739 707)**
Finance cost	20	(1 638)	(115 128)
Finance income	20	118 241	50 318
Financial profit		**116 603**	**(64 810)**
Profit for the year		**(4 574 962)**	**(8 804 516)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(4 574 962)**	**(8 804 516)**

The accompanying notes 1 to 27 form part of these financial statements.

Statement of financial position
As at 31 December 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	7	30 249	716
Various creditors	8	9 240 387	6 852 280
Capitalized project expenses	9	2 218 726	2 943 798
Loans and receivables	10	895 002	4 988 537
Other receivables	11	3 241 811	793 942
Total non-current assets		**15 626 175**	**15 579 273**
Current assets			
Cash and cash equivalents	12	(28 807)	3 060 856
Total current assets		**(28 807)**	**3 060 856**
TOTAL ASSETS		**15 597 367**	**18 640 130**
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves			
Paid-up capital	13	46 105 811	44 573 611
Total comprehensive income for the year		(4 574 962)	(8 804 516)
Reserves and retained earnings		(28 196 097)	(19 391 580)
Total capital and reserves		**13 334 752**	**16 377 514**
LIABILITIES			
Current liabilities			
Account payables	14	2 438	2 438
Other payables	15	2 260 177	2 260 177
Total current liabilities		**2 262 615**	**2 262 615**
TOTAL EQUITY AND LIABILITIES		**15 597 367**	**18 640 130**

The accompanying notes 1 to 27 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2022

	Paid-up capital USD	Reserves and retained earnings USD	Total equity USD
As at 1 January 2021	**42 247 285**	**(19 391 580)**	**22 855 704**
Total comprehensive income for the year		(8 804 516)	(8 804 516)
Net increase in paid-up capital	2 326 327		2 326 327
Balance at 31 December 2021	**44 573 612**	**(28 196 097)**	**16 377 514**
Total comprehensive income for the year		(4 574 962)	(4 574 962)
			-
Net increase in paid-up capital	1 532 200		1 532 200
Balance at 31 December 2022	**46 105 812**	**(32 771 060)**	**13 334 752**

The accompanying notes 1 to 27 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2022

	Notes	2022 USD	2021 USD
Cash transfer		(3 121 744)	-
Movement in working capital			
Decrease / increase in debtors		(1 523 199)	(3 461 335)
Decrease / increase in creditors			
Changes in movement in working capital		(1 523 199)	(3 461 335)
Cash generated from / (used in) operations	**23**	**(4 644 943)**	**(3 461 335)**
Cash flow from investing activities			
Equity investments		(1 061 678)	(836 937)
Loans and other investment funding		1 052 827	
Net cash used in/from investing activities	**23**	**(8 850)**	**(836 937)**
Cash flow from financing activities			
Cash flow from time deposits		32 080	5 360
Capital subscription		1 532 050	4 298 272
Net cash generated from financing activities	**23**	**1 564 130**	**4 303 632**
Net change in cash and cash equivalents		(3 089 663)	5 360
Cash and cash equivalents at start of year		3 060 856	3 055 496
Cash and cash equivalents at end of year	**12**	**(28 807)**	**3 060 856**

The accompanying notes 1 to 27 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2022

1. PURPOSES, OPERATIONS AND ORGANIZATION

Africa 50 – Project Development is an international organization and special status financial company, with its headquarters in Casablanca (Morocco), with authorized share capital of 500,000,000USD and subscribed common stock of 95,121,000USD.

Africa50-PD's organizational purposes include the following:

a) Identify and develop Infrastructure companies, assets, ventures, and projects to support sustainable economic development in Africa, both nationally and regionally, by investing capital in the early stages of the project development cycle up to financial close (or mobilization of long-term funding) and temporarily beyond such milestone and thereby attract and channel new sources of capital for financing infrastructure in Africa

b) To promote Infrastructure development within Africa, with funding derived from diverse sources, including equity subscriptions, borrowings and grants from African and non-African sources;

c) To mobilize the necessary political and regulatory support to effect reforms needed to ensure the operational, financial and economic viability of investments and reduce the risk of delays in developing and implementing projects;

d) To make Infrastructure Investments, including:
   i) In association with multilateral, bilateral, public or private investors or financiers, to assist in financing the construction, rehabilitation, improvement, expansion, or acquisition of financially and economically viable Infrastructure-related, Infrastructure-mobilizing and Infrastructure-enabling companies, assets, ventures, and projects by making investments in debt or equity, with or without guarantee of repayment by the government or the State in which the investment is made;
   ii) To carry on business as a financier, alone or in cooperation with any other financial institution, through the provision of loans, guarantees, equity, quasi-equity, or other forms of financial assistance; and
   iii) To provide resources to finance the cost of developing Infrastructure-related, Infrastructure-mobilizing and Infrastructure-enabling companies, assets, ventures, and projects in Africa to a stage where multilateral, public or private investors can invest in such projects;

e) To provide financial advisory services, in connection with potential investments;

f) Identify and hire qualified experts (including in the fields of engineering, finance, economics, law, environmental and social) toward the end of collaborating with African governments and private investors to shorten the project development cycle and maximize projects' chances of success;

g) To enter into any agreement or arrangement with any government, municipal or local authority or any other entity which is conducive to Africa50 realizing any activity relating to its organizational purposes; to obtain from any such authority or entity any rights, privileges and exemptions that Africa50 deems desirable; and to carry out, exercise and comply with any such arrangements, rights, privileges and exemptions;

h) To provide technical assistance and advisory services for the study, preparation and implementation of Infrastructure-related, Infrastructure-mobilizing and Infrastructure-enabling companies, assets, ventures, and projects involving Infrastructure physically located in Africa or substantially benefiting Africa;

Notes to the financial statements (continued)
For the year ended 31 December 2022

i) To apply earnings to defray the costs of pursuing organizational purposes, to fund reserves and to distribute dividends;

j) To borrow or raise money, to issue securities, bonds, notes, mortgages and other instruments and to provide guarantees;

k) To hold investments of every kind and description (including investments in securities, shares, and notes);

l) To pay distributions on Africa50-PD shares;

m) To retain and apply earnings to the organizational purposes of Africa50-PD;

n) To obtain any administrative or legislative act or effect any modification of these Articles that assists Africa50-PD in carrying out its organizational purposes and to oppose any proposals or proceedings that may directly or indirectly prejudice Africa50-PD's interests; and

o) To carry on any business related directly or indirectly to any of the aforementioned operations, for the purpose of facilitating, promoting and developing Africa50-PD's activity.

2. BASIS OF PREPARATION

These financial statements are the only financial statements presented by the Company and are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements are prepared in accordance with IFRS standards in effect in 2021 and new standards described below.

The financial statements have been prepared under the historical cost, except for the financial assets at fair value through profit or loss which have been measured at fair value.

The presentation of the cash flow statement has been subject to a change presented in note 5.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FOR THE FIRST TIME IN 2022

New standards or interpretations	Date of application
AIP (2018 – 2020 cycle): IFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
AIP (2018 – 2020 cycle): Illustrative Examples accompanying IFRS 16 Lease incentives	1 January 2022
Amendment to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended Use	1 January 2022

The new requirements did not have any material impact on the financial statements.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

New standards or interpretations	Date of application
Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Deferral of Effective Date issued in July 2020	1 January 2023
Amendments to IAS 1 (Presentation of Financial Statements) Non-current liabilities with covenants	1 January 2024
IFRS 16 – Leases Amendments to IFRS16 Leases: Lease Liability in a Sale-Leaseback	1 January 2024

The Company does not expect any material impact on its financial statements when these forthcoming requirements will be mandatory.

5. SIGNIFICANT ACCOUNTING POLICIES

Presentation of the cash flow statement using the direct method:
This year, the cash flow statement is presented using the direct method and 2021 data has been restated accordingly. Under IAS7, companies are encouraged to present their cash flow from operating activities using the direct method. Africa50-PD has opted for the direct method in order to facilitate the establishment of the cash flow statement by reducing the risk of errors and to be able to provide more precise and relevant explanations to describe the flows related to operational activities.

The accounting policies set out below have been applied consistently for the year presented in these financial statements.

a) Functional and Presentation Currencies

The USD is the currency in which the financial statements are presented. Africa50-PD conducts its operations in the currencies of its member countries together with Euros and USD.

Income and expenses are translated to USD at the rates prevailing on the date of the transaction. Monetary assets and liabilities are translated into USD at rates prevailing at the balance sheet date.

b) Foreign currency translation

The rates used for translating currencies into USD at 31 December 2022 are reported in Note 23. Non-monetary assets and liabilities are translated into USD at historical rates. Translation differences are included in the determination of net income.

c) Exemption from preparing consolidated financial statements

The Company holds investments for the sole purpose of capital appreciation, investment income (such as dividends, interest or rental income), or both. All the equity investments are measured at fair value (see note 7). According to IFRS 10.27, the Company meets the definition of an investment entity and does not have to consolidate its equity investments. Instead, the equity investments of the Company are subject to the normal rules of IFRS 9 as detailed hereinafter.

Notes to the financial statements (continued)

For the year ended 31 December 2022

d) Financial assets and liabilities

d) 1. Financial assets

The Company's financial assets include financial assets designated at fair value through profit or loss, loans and receivables, cash and cash equivalents and other receivables.

i) Classification

The Company classifies its financial assets and financial liabilities in accordance with IFRS 9.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows, as detailed hereinafter.

ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus transactions costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date (i.e., the date that the Company commits to purchase or sell the asset). Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company may classify its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows (where those cash flows represent solely payments of principal and interest) are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. When the asset is derecognised in its entirety, a gain or loss on disposal is recorded in the income statement for an amount equal to the difference between the carrying value of the asset and the payment received for it" [IAS1 §82 (aa)]. This amount should be presented separately as "gains and losses" from the derecognition of financial instruments at amortised cost.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets (where the assets' cash flows are solely payments of principal and interest) are measured at FVOCI. Movements in the carrying amount are taken through OCI (except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses) are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

As of and for the year ended December 31, 2022, all the Company debt instruments are measured at amortized cost and presented as "Loans & receivables" in the balance sheet.

The Company has also granted loans to entities that hold investments.

Equity instruments

The Company measures all of it equity investments at fair value and recognizes the changes of fair value as "Unrealised gain/(loss) on financial assets at fair value through profit or loss" in the statement of profit or loss.

d) 2. Financial liabilities

i). Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

ii). Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables and account payables.

Financial liabilities, other than those classified as at fair value through profit or loss and derivatives, are measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

d) 3. Subsequent measurement

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

d) 4. Fair value measurement

The Company measures its equity investments at fair value at each reporting date. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction on the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Given that the Company is invested in non-listed companies, the fair value is determined by using valuation techniques, such as discounted cash flows, deemed to be appropriate in the circumstances.

d) 5. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs, and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data. Included in this category are instruments that are valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques for which significant input is not based on observable market data and the unobservable inputs have a significant effect on the instrument's valuation. Instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments are included in this category.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

d) 6. Impairment of financial assets

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses its judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

d) 7. De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligation is discharged, cancelled or expired.

d) 8. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is permitted under IFRS (e.g., gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss).

e) Expenses

All expenses are recognized in the statement of profit or loss and other comprehensive income on an accrual basis.

f) Cash and cash equivalents

Cash comprises deposits with banks, cash at banks and petty cash. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g) Segment and geographical information

The area of investment of the Company is limited to Africa.

h) Contingent liabilities

Contingent liabilities are potential liabilities where there is even greater uncertainty, which could include a dependency on events not within Africa50-PD's control, but where there is a possible obligation. Contingent liabilities are only disclosed and not included within the statement of financial position.

Notes to the financial statements (continued)
For the year ended 31 December 2022

i) Commitments

Commitments represent amounts that Africa50-PD has contractually committed to pay to third parties, but do not yet represent a charge or asset. This gives an indication of committed future cash flows. Commitments at the year-end do not impact Africa50-PD's financial results for the year.

j) Provisions

Provisions are recognized when Africa50-PD has a present obligation of uncertain timing or amount as a result of past events, and it is probable that Africa50-PD will be required to settle that obligation and a reliable estimate of that obligation can be made. The provisions are measured at the management's best estimate of the amount to settle the obligation at the balance sheet date and are discounted to present value if the effect is material. Changes in provisions are recognized in the statement of comprehensive income.

In the case of financial assets that are not classified at their fair value through profit or loss, Africa50 - PD determines, at the end of each reporting period, whether there are objective indications of a loss of value. If there is a loss of value, financial assets that are carried at amortized cost are revalued at net recoverable amount, and the amount of loss is recognized in net income. Unrealized losses on available-for-sale financial assets are recognized in net income at the time of depreciation.

k) Property plants and equipments

All assets are owned by Africa50 - Project Finance and part of the amortized amounts are allocated to Africa50 - Project Development according to the expense allocation rules between the two entities.

6. USE OF ESTIMATES AND JUDGEMENTS

Valuation of financial instruments:

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

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

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the financial statements (continued)
For the year ended 31 December 2022

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Unquoted equity investments	2022 USD	2021 USD
At 1 January	716	773
Additions	31 124	0
Disposals (at cost)	0	0
Fair value movement	(1 591)	(57)
At 31 December	**30 249**	**716**

Investment holdings

Name	Country of Incorporation	Main business	Year end 2022	Direct holding 2022 %	Indirect holding 2022 %	Effective holding & voting power 2022 %	Direct holding 2021 %	Indirect holding 2021 %	Effective holding & voting power 2021 %
CGHV (Volobe)	Madagascar	Hydro Power Project Co.	31-Dec	25	-	25	25	-	25

Change in fair value:

Portfolio of investments:

Name of company	Number of shares	%Holding	Country	Activity	Opening USD	Additions Cost USD	Disposal USD	Closing USD	Opening USD	Movement in fair value Movement USD	Movement in fair value Closing USD	Fair Value 2022 USD	2021 USD
CGHV (Volobe)	125	25	Madagascar	Hydro Power Project Co.	700	31 124	-	31 824	16	(1 591)	(1 575)	30 249	716
					700	**31 124**	**-**	**31 824**	**16**	**(1 591)**	**(1 575)**	**30 249**	**716**

8. VARIOUS CREDITORS

	2022 USD	2021 USD
Various creditors		
Africa50 - PF	9 240 387	6 852 280
	9 240 387	**6 852 280**

9. CAPITALIZED PROJECT EXPENSES

	2022 Opening USD	2022 Movement USD	2022 Closing USD	2021 USD
Capitalized project expenses	2 943 798	(725 072)	2 218 726	2 943 798
	2 943 798	**(725 072)**	**2 218 726**	**2 943 798**

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. LOANS AND RECEIVABLES AT AMORTIZED COST

	2022 USD	2021 USD
Non-current		
CGHV (Volobe)*	895 002	845 921
SOGEAG (Gbessia)		4 142 616
	895 002	**4 988 537**
Current	-	-
Total	**895 002**	**4 988 537**

The following table represents shareholder loans, as part of the financing package to project companies.

***Shareholder loans to CGHV (Volobe)**

The project is still under development phase. Therefore, the loan provided falls under project development risk. A provision has been incurred according to the probability of financial close of the project and included in the "Expenses on projects" section of the Statement of Profit or Loss.

	Provision IFRS 9 2022 USD	On demand 2022 USD	Within 1 year 2022 USD	Between 1 to 5 years 2022 USD	After 5 years 2022 USD	Total 2022 USD
CGHV (Volobe)	**(2 685 004)**	**-**	**-**	**-**	**3 580 006**	**895 002**
SOGEAG (Gbessia)	**-**	**-**	**-**	**-**	**-**	**-**
Total	**(2 685 004)**	**0**	**0**	**0**	**3 580 006**	**895 002**

	Impaired 2021 USD	On demand 2021 USD	Within 1 year 2021 USD	Between 1 to 5 years 2021 USD	After 5 years 2021 USD	Total 2021 USD
CGHV (Volobe)	(2 688 393)	-	-	-	3 534 314	845 921
SOGEAG (Gbessia)	-	-	-	-	4 142 616	4 142 616
Total	(2 688 393)	0	0	0	7 676 930	4 988 537

11. OTHER RECEIVABLES

Other receivables amounting to 3,241,811 USD include 3,160,187 USD of receivables following the exit of the Gbessia project and 81,623 USD of accrued interests from the Volobe project.

12. CASH AND CASH EQUIVALENTS

Unquoted equity investments	2022 USD	2021 USD
Cash and cash equivalents		
Cash equivalents	(28 807)	3 060 856
	(28 807)	**3 060 856**

Africa50-PD Cash is managed by Africa50-PF.

13. PAID-UP CAPITAL

The authorized share capital according to Africa50-PD status is 500,000,000 USD. The subscribed capital is 95,121,000 USD and the called capital is 71,965,750 USD, while the paid-in capital is 46,105,810 USD.

	Class*	# of shares as at 31 Dec 2021	# of shares issued in 2022	# of shares as at 31 Dec 2022	Paid-up capital as at 31 Dec 2022 USD
1. African Development Bank	B*	18 924	0	18 924	8 082 439
2. BAM (Bank al maghrib)	B	2 000	0	2 000	2 000 000
3. BCEAO (Central bank of the states of West Africa)	B	500	0	500	500 000
4. Benin	A*	464	0	464	212 123
5. Burkina Faso	A	299	0	299	123 444
6. Cameroon	A	5 000	0	5 000	2 693 525
7. Congo Brazzaville	A	18 666	0	18 666	4 666 500
8. Djibouti	A	300	0	300	75 000
9. Egypt	A	10 000	0	10 000	7 500 000
10. Gabon	A	866	0	866	216 500
11. Gambia	A	100	0	100	25 000
12. Ghana	A	1 961	0	1 961	958 358
13. Guinea (Conakry)	A	500	0	500	375 000
14. Ivory Coast	A	2 999	0	2 999	749 750
15. Kenya	A	10 000	0	10 000	2 849 348
16. Kingdom of Morocco	A	10 000	0	10 000	7 500 000
17. Madagascar	A	1 000	0	1 000	750 000
18. Malawi	A	200	0	200	50 000
19. Mali	A	203	0	203	152 250
20. Mauritania	A	1 011	0	1 011	252 750
21. Mauritius	A	100	0	100	75 000
22. Niger Republic	A	199	0	199	49 750
23. Nigeria	A	4 000	0	4 000	3 000 000
24. Republic Democratic of Congo	A	200	0	200	100 000
25. Rwanda	A	1 000	0	1 000	750 000
26. Senegal	A	1 000	0	1 000	250 000
27. Sierra Leone	A	200	0	200	60 000
28. Sudan	A	2	0	2	500
29. Togo	A	1 927	0	1 927	963 573
30. Tunisia	A	1 000	0	1 000	750 000
31. Zimbabwe	A	500	0	500	375 000
		95 121	0	95 121	46 105 810

* Class A shares, shall only be offered, allotted and issued for the benefit of sovereign African states. Class B shares, shall only be offered, allotted and issued for the benefit of African and non-African public financial institutions and public international, pan-African, or regional financial institutions; provided, that, for the purposes of Class B shares, "public" shall mean an institution that is wholly or substantially owned, directly or indirectly, by a sovereign state.

Notes to the financial statements (continued)
For the year ended 31 December 2022

14. ACCOUNTS PAYABLES

Accounts payables amount to 2,438 USD and mainly represent trade payables and outstanding invoices as of December 31, 2022. All those liabilities are due within less than one year.

15. OTHER PAYABLES

	2022 USD	2021 USD
Overpayments of share subscription paid by shareholders	2 260 177	2 260 177
Madagascar	250 299	250 299
Tunisia	38 007	38 007
Nigeria	1 960 000	1 960 000
Mali	11 772	11 772
Others	100	100
Total	2 260 177	2 260 177

16. REVENUES AND COSTS FROM SOLD PROJECTS

The revenues from sold projects amount to 5,567,809 USD and correspond to the sale of the KIC and Scanning Systems (Sahara) projects to Africa50-PF for respectively 4,858,653 USD and 709,156 USD.

The development costs of the projects incurred by Africa50-PD amounted to 2,672,037 USD.

17. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following related party transactions. Details of the nature, volume of transactions are as follows:

Related party	Nature	2022 Net volume of transactions during the year	2022 Balance receivable / payable at 31 Dec
Africa50 - PF*	Debt - Current account	2 388 107	9 240 387

Related party	Nature	2021 Net volume of transactions during the year	2021 Balance receivable / payable at 31 Dec
Africa50 - PF	Debt - Current account	(4 648 897)	6 852 280

17. RELATED PARTY TRANSACTIONS (CONTINUED)

*Relation with Africa50-PF: Africa50-PD develops a pipeline of investment ready projects and Africa50 - PF is sourcing projects through its sister company Africa50-PD and through other partners and invests equity and quasi-equity alongside strategic partners. Africa50-PF manages the cash received from capital calls and processes payments for both entities including disbursements for investments; in this context a current account between both entities is maintained and amounts to 9,240,387 USD as of 31 December 2022. The Pipeline Preferential Access fee paid by PF to PD is included in this current account.

18. ACCRUED INTERESTS ON LOANS

	2022 USD	2021 USD
Interests on projects loans - VOLOBE	39 479	30 981
	39 479	**30 981**

19. PD PIPELINE PREFERENTIAL ACCESS FEE

Africa50-PD invests significant resources in the development of new bankable projects. Those investments are offered for sale to Africa50-PF at or shortly before financial close.

Africa50 - PF receives benefits from this relationship:

- Preferential access to the project pipeline developed by Africa50-PD; and
- Good knowledge of these projects and the ability to purchase Africa50-PD assets by relying on the due diligence, transaction structuring, and negotiations done by Africa50-PD at no or limited cost to Africa50-PF.

The PD Pipeline Preferential Access Fee paid by Africa50-PF represents the compensation for the above described service benefits it receives from Africa50-PD and amounts to 3,456,000 USD for the year 2022.

20. FINANCE INCOME AND COST

Finance income	2022 USD	2021 USD
Interests on investment securities (term deposits)	118 241	50 318
	118 241	**50 318**

Finance cost	2022 USD	2021 USD
Gain / loss on foreign currency	(35 393)	61 023
Interests on lease	37 031	54 106
	1 638	**115 128**

Notes to the financial statements (continued)
For the year ended 31 December 2022

21. EXPENSES ON PROJECTS

The project expenses correspond to the portion expensed of amounts disbursed (e.g., for consultants, missions, specialists) during the year for the research and the study of investment projects, whether through equity participation or direct financing.

	2022 USD	2021 USD
Expenses incurred on projects	1 941 273	2 774 270
	1 941 273	**2 774 270**

22. ADMINISTRATIVE EXPENSES

The total administrative expenses of Africa50-PD amount to 8,940,088 USD which includes salaries and benefits for an amount of 5,268,062 USD, and other administrative expenses for an amount of 3,672,026 USD which includes travel, communication, recruiting, Board of Directors' Meetings, General Shareholder Meeting and various other expenses.

Salaries:
Africa50-PF and Africa50-PD together have 58 employees as of December 2022 (50 in 2021), of which 16 employees are focused on Africa50-PD investment activity (13 in 2021).

Africa50-PD's staff receives a monthly allowance to cover retirement costs and other expenses such as education and life insurance. A healthcare defined contribution insurance plan has been implemented in 2018.
Africa50-PD's staff also benefits from a relocation allowance when appropriate.

23. CASH FLOW

The net cash used in operations amounts to 4,644,943 USD of which 3,121,744 USD consists of cash transfer to PF and 1,523,199 USD consists of the movement in working capital.
The net cash used in investing activities amounts to 8,850 USD. It includes additional investments in the Volobe and KIC projects and reimbursements received from the Gbessia project.

The net cash from financing activities amounts to 1,564,130 USD and consists of 32,080 USD of revenues from cash deposits and 1,532,050 USD of subscriptions paid by shareholders.

24. FINANCIAL RISK MANAGEMENT

Africa50-PD is a highly selective investor, and each investment is subject to an individual risk assessment through an investment approval process which includes approval from Africa50-PD's Investment Committee which is a key part of the overall risk management framework.

Financial instruments carried on the statement of financial position include financial assets at fair value through profit or loss, loans and receivables, other receivables, cash and cash equivalents, borrowings and other payables. Related Expenses capitalized correspond to pre-investment due diligence expenses, these expenses are resold when projects are sold (or are added to the sale price when a project is resold).

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Africa50-PD investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The most common risks to which it is exposed are market risk, credit risk and liquidity risk. Africa50-PD policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. Africa50-PD regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice.

The Board has established an Enterprise Risk Management and Finance Committee, which oversees the risks affecting Africa50-PD, the main mitigating factors, action taken to reduce these risks and has put into place a risk management framework and policies to address the main risks.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk that will affect the Company's income or the value of its holdings of financial instruments. The Company's strategy on the management of investment risk is driven by the Company's investment objective.

i). Currency risk

Currency risk is the risk that the value of an instrument will fluctuate in USD owing to changes in foreign exchange rates. Africa50-PD invests in securities denominated in different currencies. Consequently, it is exposed to the risk that the USD may change in a manner which has a material effect on the reported values of its assets which are denominated in these different currencies. Currency exposure and exchange rate movement are monitored and reviewed on a regular basis.

As regard cash accounts, most of the company accounts are in USD.

	Financial assets 2022 USD	Financial assets 2021 USD	Financial liabilities 2022 USD	Financial liabilities 2021 USD
UNITED STATES DOLLARS (USD)				
Various creditors	9 240 387	6 852 280	0	0
Capitalized project expenses	2 218 726	2 943 798	0	0
Other receivables		793 942	0	0
Cash and cash equivalents	(28 807)	3 060 856	0	0
Account payables			2 438	2 438
Other payables	0	0	2 260 177	2 260 177
Paid-up capital			46 105 811	44 573 611
Total comprehensive income for the year			(4 574 962)	(8 804 516)
Reserves and retained earnings			(28 196 097)	(19 391 580)
	11 430 306	**13 650 877**	**15 597 367**	**18 640 130**
EURO (EUR)				
Financial assets at fair value through profit or loss	30 249	716	0	0
Loans and receivables	895 002	4 988 537	0	0
Other receivables	3 241 811			
	4 167 061	**4 989 253**	**0**	**0**
	15 597 367	**18 640 130**	**15 597 367**	**18 640 130**

Notes to the financial statements (continued)

For the year ended 31 December 2022

The % forex as a total of financial assets and financial liabilities are as follows:

	Financial assets 2022 %	Financial assets 2021 %	Financial liabilities 2022 %	Financial liabilities 2021 %
United States dollar	73	73	100	100
Euro	27	27	0	0
	100	**100**	**100**	**100**

The following table indicates the approximate change in the Company's financial assets in response to possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date.

A 10% increase and decrease in the USD against the relevant foreign currencies is the sensitivity rate used when reporting foreign currency risk and represents management's assessment of the reasonably possible change in foreign exchange rates.

A 10% movement in the foreign currency will affect financial assets as follows:

Sensitivity analysis

	Increase / (decrease)	2022 USD	2021 USD
EUR	10%	416 706	498 925
	(10%)	**(416 706)**	**(498 925)**

ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The income and operating cash flows are substantially independent of changes in market interest rates. The Company's significant interest-bearing financial assets are loans, as detailed in the below table. Interest income may fluctuate in amount, in particular due to changes in interest rates.

	Financial instruments	2022 USD	2021 USD
Assets			
Loans and receivables	Floating rate	895 002	4 988 537
Various Creditors		9 240 387	6 852 280
		10 135 389	**4 988 537**

	Increase / (decrease)	2022 USD	2021 USD
Loans and receivables	0.50%	4 475	24 943
	(0.50%)	**(4 475)**	**(24 943)**
Various creditors	0,50%	46 202	34 261
	(0.50%)	**(46 202)**	**(34 261)**

iii). Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The portfolio is reviewed on a regular basis by the Investment Committee to identify and manage the risk associated with particular countries and sectors. Broad sector exposure and country limit thresholds are imposed and monitored on a regular basis.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss.

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

	2022 USD	2021 USD
Assets		
Financial assets at fair value through profit or loss	30 249	716
Loans and receivables	895 002	4 988 537
Capitalized project expenses	2 218 726	2 943 798
Cash and cash equivalents	(28 807)	3 060 856
Various creditors	9 240 387	6 852 280
Other receivables	3 241 811	793 942
	15 597 367	**18 640 129**

Financial assets are not past due. With regards to the Volobe project and as explained in Note 10, the project is still under development phase and therefore the shareholder loan to CGHV (Volobe) falls under project development risk. A provision has been made in line with the probability of financial close of the project and included in the "Expenses on projects" section of the Statement of Profit or Loss.

Africa50-PD cash is managed by Africa50-PF and held at financial institutions with low credit risk as described in Africa50-PF Notes to the Financial Statements.

Exchange rates as at December 31, 2022

The tab below represents the exchange rates as of 31 December 2022:

	2022 USD	2021 USD
MAD	0.0958	0.1080
EUR	1.0732	1.1377
GBP	1.2102	1.3536

Notes to the financial statements (continued)

For the year ended 31 December 2022

25. OFF-BALANCE SHEET COMMITMENTS

There is no off-balance sheet commitment in connection with the projects as of 31 December 2022.

26. MACRO ECONOMIC ENVIRONMENT

2022 has been an important year for the world, for Africa, and for Africa50. As we started to emerge from the COVID crisis new challenges emerged, with inflation, currency volatility, and war in Ukraine negatively affecting the business environment. Furthermore, the impact of the climate crisis on Africa is becoming more apparent and more acute and, the political instability created by military coups and conflicts across several African countries had a negative impact on the investment climate in many countries.

Africa50 has shown resiliency in the face of these headwinds and has been able to achieve most of its 2022 corporate objectives.

The tightening fiscal environment faced by Africa50 country shareholders has necessitated a review of how they meet their infrastructure financing requirements and the need to leverage the private sector more, providing a potential pipeline of investment opportunities for Africa50.

27. EVENT AFTER THE REPORTING DATE

The entity's financial statements have been prepared on a going concern basis.

On the date of the approval of the financial statements by its board of directors, the management of the Company is not aware of any significant uncertainties which call into question the ability of the entity to pursue its purposes.

Glossary

Glossary of terms

AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AU	African Union
AR	Asset Recycling
BOAD	Banque Ouest Africaine de Developpement
CAGR	Compound Annual Growth Rate
CDC	Centers for Disease Control and Prevention
CEO	Chief Executive Officer
COP	Conference of the Parties
CNBC	Consumer News and Business Channel
COD	Commercial Operation Date
COVID	Corona Virus Disease
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CTRG	Central Térmica de Ressano Garcia
DFI	Development Finance Institution
EBRD	European Bank for Reconstruction and Development
EDF	Electricité de France
ESAP	Environmental Social Action Plan
EHS	Environment, Health and Safety
ESMS	Environmental and social management system
ESG	Environmental and Social Governance
ESIA	Environmental Social Impact Assessment
EUR	EURO
FMO	Dutch Development Bank
FiT	Feed-in tariff
FVOCI	Fair Value through Other Comprehensive Income
FVPL	Fair value through profit or loss
GDP	Gross Domestic Product
GHG	Greenhouse gas
GWh	Gigawatt Hours
GSM	General Shareholder Meeting
HFO	Heavy Fuel Oil
IAF	Africa50 Infrastructure Accelerated Fund
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
IFC	International Finance Corporation
IPP	Independent Power Plant
JDA	Joint Development Agreement
KIC	Kigali Innovation City
LIBOR	London Inter-Bank Offered Rate
MOU	Memorandum of Understanding
MIIA	Millennium Impact for Infrastructure Accelerator
MPG	Melec PowerGen
Mt	Metric tons
MW	Megawatt
p.a.	Per annum
PD	AFRICA50 – Project Development
PF	AFRICA50 – Project Finance
PIIP	Privately Initiated Investment Proposal
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PPF	Project Preparation facility
PIDA	Programme for Infrastructure Development in Africa
RDB	Rwanda Development Board
RSI	Relief Support Initiative
OCI	Other Comprehensive Income
OECD	Organization for Economic Co-operation and Development
OPEC	Organization of the Petrolum Exporting Countries
SDGs	Sustainable Development Goals
SEMS	Social, Environmental Management System
STOA	Infrastructure & Energy Fund: An investment vehicle, held by the Caisse des Dépôts (CDC) and the Agence Française de Développement (AFD)
tCO^2	Tons Carbon Dioxide
UN	United Nations
USD	United States Dollar
USTDA	United Stated Trade Development Agency
UEMOA	Union Economique et Monetaire Ouest Africiane
WEF	World Economic Forum
WHO	World Health Organisation
WSJ	Wall Street Journal
YoY	Year-On-Year

AFRICA50

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Tour Ivoire 3 - 8ème étage Marina de
Casablanca Boulevard des Almohades
Casablanca 20000
Morocco

investorrelations@africa50.com
africa50.com