

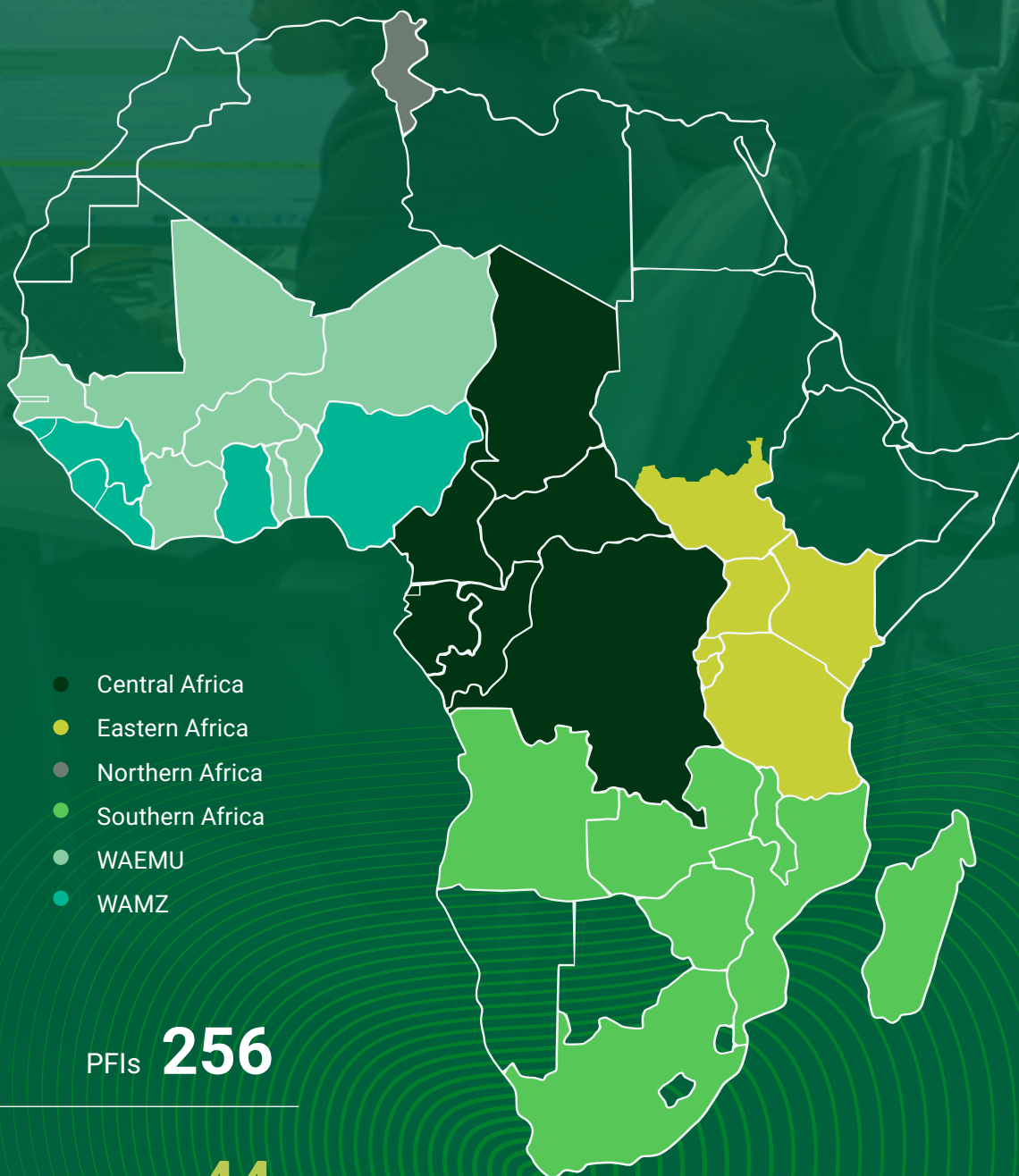



AFRICAN GUARANTEE FUND
FOR SMALL AND MEDIUM-SIZED ENTERPRISES

2025 Annual Report

**Delivering Impact
with Discipline**

Our Footprint



PFI's **256**

Country Presence **44**

Follow our Impact Journey at
www.agf.africa



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01.

Overview

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About This Report

This Annual Report presents the financial, operational and developmental performance of the African Guarantee Fund – for Small and Medium-sized Enterprises Ltd (“AGF”) for the year ended 31 December, 2025.

It provides an overview of AGF’s activities, institutional progress and impact achieved in advancing access to finance for small and medium-sized enterprises (SMEs) across Africa.

The report reflects AGF’s continued commitment towards transparency, accountability and impact-driven reporting. It highlights how AGF’s blended finance model; combining risk-sharing instruments with Capacity Development (CD); continues to unlock private sector financing, strengthen financial ecosystems and contribute to inclusive and sustainable economic growth across the continent.

In line with AGF’s evolving strategic direction, 2025’s report places greater emphasis on impact amplification and outcome-oriented storytelling. Beyond reporting on activities and institutional milestones, the report demonstrates how AGF’s interventions contribute to broader development objectives, including financial inclusion, gender equality, climate resilience, job creation and enterprise growth.

The report is structured around AGF’s results and impact framework, tracing its contribution across the financing value chain, from catalytic capital mobilisation and guarantee issuance to SME growth and long-term developmental outcomes. It also outlines AGF’s governance structures, risk management practices and environmental and social commitments.

Performance data and impact indicators included in this report are based on information available as at 31 December 2025. Financial information has been prepared in accordance with applicable reporting standards, while impact data has been compiled through AGF’s Monitoring, Evaluation and Learning (MEL) framework, partner financial institution reporting and programme monitoring mechanisms.

Unless otherwise stated, all financial figures are presented in United States Dollars (USD / \$). Certain figures may have been rounded for consistency and ease of presentation.

Executive Summary

In 2025, AGF continued to strengthen its position as a leading catalyst for SME financing and financial inclusion across Africa.

Through its blended finance approach, AGF expanded access to finance for underserved businesses, strengthened financial institution capacity and advanced strategic interventions aligned with the continent’s development priorities.

Through disciplined deployment of shareholder and partner capital, AGF had mobilised USD 6.8 billion in financing through its PFIs, supporting more than 53,300 SMEs across 44 African countries. This growth reflects increasing utilisation of AGF’s risk-sharing instruments and sustained demand for SME financing solutions across the continent.

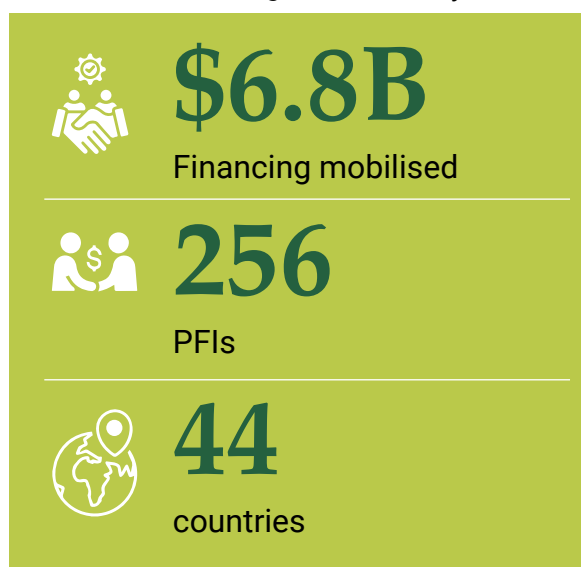
Despite persistent economic pressures affecting SMEs across many African markets, AGF maintained strong operational momentum throughout the year. We

deepened partnerships with partner financial institutions, development partners and ecosystem actors to unlock financing opportunities for SMEs operating across key sectors including agriculture, climate and green finance, blue economy and women-led enterprise development.

AGF’s activities in 2025 remained firmly anchored in delivering measurable development outcomes. Through its guarantee and CD interventions, AGF contributed to the creation and sustenance of approximately 629,700 jobs, while supporting SMEs to improve productivity, strengthen resilience and expand economic participation.

The year also saw continued progress across AGF’s thematic priorities. Under the Affirmative Finance Action for Women in Africa (AFAWA) programme, AGF supported approximately 16,000 women SMEs (WSMEs)¹, helping expand access to finance for one of the continent’s most underserved business segments. Strategic collaborations and targeted technical assistance further strengthened the capacity of financial institutions to implement gender-responsive lending practices.

AGF also continued to scale its climate-focused interventions through the Green Guarantee Facility (GGF) and related initiatives, supporting financing for green and climate-resilient enterprises.



¹ Women SMEs (WSMEs) are defined in line with the 2X Challenge Criteria for Women’s Economic Empowerment, which considers factors including women ownership, leadership, employment and consumption.

As at year-end, AGF-supported interventions had contributed to approximately 4.1 million tonnes of CO₂ emissions avoided, while facilitating increased access to renewable and sustainable energy solutions across African markets.

Beyond financing interventions, AGF continued to strengthen Africa's SME financing ecosystem through strategic partnerships, technical assistance and industry engagements. By year-end, AGF had partnered with 256 financial institutions, reinforcing its role not only as a guarantor, but also as a convener, ecosystem builder and trusted development finance partner.

Financial performance improved compared to 2024. Total income increased to USD 22.4 million, the Group loss narrowed to USD 2.2 million, total comprehensive income turned positive at USD 2.8 million, and net assets strengthened to USD 235 million. Management remains focused on improving utilisation, portfolio quality, recoveries, operating efficiency and long-term financial sustainability.

Overall, the 2025 results show that AGF continues to use shareholder capital responsibly and effectively, translating it into private-sector financing, measurable impact and stronger institutional resilience.

As demand for SME financing solutions continues to grow across Africa, AGF's strategic focus remains centred on scaling sustainable impact through deeper market penetration, increased guarantee utilisation and strengthened partnerships. By mobilising additional catalytic capital, enhancing innovative financing solutions and expanding support for underserved segments, AGF remains well-positioned to respond to Africa's evolving SME financing needs while driving inclusive and resilient economic growth.



53.3K

Supported SMEs



629.7K

Jobs created



16K

Women supported under AFAWA



Our Impact at a Glance

AGF continued to strengthen its contribution to Africa's economic transformation by unlocking financing for SMEs, deepening partnerships across the financial ecosystem and advancing sustainable development outcomes. The year was marked by continued growth in guarantee utilisation, expanded outreach to businesses across the continent and stronger momentum across AGF's strategic priorities.

The highlights below provide a snapshot of AGF's cumulative impact, and the progress achieved in driving job creation, financial inclusion, climate resilience and long-term economic growth across Africa.





Message from the Group Chairman

Felix Adahi BIKPO

Dear Shareholders, Partners and Stakeholders,

Fifteen years after AGF's incorporation, our purpose remains as urgent as ever. Across Africa, small and medium-sized enterprises continue to create jobs, sustain livelihoods and drive innovation, yet many remain constrained by limited collateral, high financing costs and cautious credit markets.

In this environment, AGF's role is clear: to use catalytic capital responsibly, share risk with financial institutions and help viable enterprises gain access to the finance they need to grow.



53.3K

Supported SMEs



630K

Jobs created



44

Countries

The results presented in this Annual Report confirm both the relevance of that mandate and the strength of AGF's model. By the end of 2025, our partner financial institutions had mobilised cumulative financing of USD 6.8 billion for more than 53,000 SMEs across 44 African countries. These businesses have created or sustained approximately 630,000 jobs (of which 54% for youth) and generated USD 5.4 billion in incremental income. This is the practical expression of AGF's mission: shareholder and partner capital translated into broader private-sector financing and measurable development outcomes.

The progress achieved through our thematic programmes is equally encouraging. Under AFAWA, cumulative loan disbursements reached approximately USD 1 billion, benefiting about 16,000 women-owned and women-led enterprises. Through the Green Guarantee Facility and related initiatives, AGF mobilised USD 247 million in green financing, contributed to avoiding approximately 4 million

tonnes of greenhouse-gas emissions and helped connect 53 million people to green-energy solutions. These results demonstrate that our guarantees and Capacity Development interventions can address financing gaps while advancing gender equality, climate resilience and inclusive growth.

A year of financial recovery

AGF's financial performance improved materially in 2025 with a gradual financial recovery and improved institutional resilience, although important structural constraints remain. The financial performance also calls for continued attention to guarantee utilisation, portfolio quality, recoveries, operating efficiency and foreign-exchange exposure. The positive comprehensive result was supported by a foreign-currency translation gain arising mainly from movements in the USD/XOF exchange rate. The Board remains attentive to this source of volatility and continues to work with Management on appropriate measures to reduce the exposure over time.

New guarantee originations were limited to USD 40 million in 2025, compared with USD 228 million in 2024. This did not reflect a lack of demand. It resulted from capital-capacity constraints and the Board's decision to ensure that new commitments remained consistent with AGF's risk appetite, leverage limits and long-term sustainability. The discipline exercised during the year protected the institution while Management focused on improving the utilisation of existing facilities. That effort contributed to a USD 1.3 billion SME loan disbursements in 2025.

Capital, governance and leadership

The support of our shareholders and partners remains central to AGF's ability to respond to market demand. I extend the Board's sincere appreciation to KfW for its additional contribution of USD 14.1 million. We also warmly welcome OAPI as a new Class B shareholder following its contribution of USD 5.8 million and acknowledge the USD 2.0 million grant provided by Visa Foundation. These commitments strengthen AGF and affirm confidence in its continental mandate.

Nevertheless, our current capital base remains insufficient relative to the financing needs of African SMEs and the demand from our partner financial institutions. The Board has therefore approved a resource-mobilisation strategy for 2026 - 2028, supported by a dedicated Resource Mobilization Department. Successful implementation of this strategy is essential if AGF is to resume responsible growth, expand its reach and preserve its position as a leading pan-African guarantee institution. We continue to count on the active support of our shareholders in this effort.

The Board remains committed to high standards of governance, transparency, accountability and prudent risk management. During 2025, the composition of the Board continued to evolve, bringing new expertise while preserving institutional continuity. We are grateful to the directors who completed their service and welcome those who have joined us.

The period also brought a change in executive leadership. Following the conclusion of the outgoing Group Chief Executive Officer's tenure, the Board appointed Mr Constant N'ZI, then Deputy Group CEO and Group Chief Risk Officer, as Interim Group CEO. The transition was managed with care to maintain stability and stakeholder confidence. The Board has confidence in the current leadership team and will continue to support Management in strengthening execution, financial sustainability, risk discipline and organisational effectiveness.

Looking ahead

AGF enters its next phase with a proven model, a strong development record and a clear understanding of the work still to be done. Our priorities are to mobilise additional capital, restore sustainable origination, improve operational efficiency, deepen portfolio utilisation and maintain the quality and credibility of our impact. We will pursue these priorities with ambition, but also with the discipline expected of an institution entrusted with development capital.

I thank our shareholders, sponsors, donors, partner financial institutions and other stakeholders for their continued confidence and partnership. I also thank Management and every member of staff for their commitment through a demanding period, as well as my fellow directors for their guidance and stewardship.

Together, we will ensure that AGF continues to turn partnerships into finance, finance into enterprise growth, and enterprise growth into lasting opportunity across Africa.

Felix Adahi BIKPO
Group Chairman





Message from the Group CEO

Constant N'ZI

Dear Shareholders, Board members, Partners and Colleagues,

The theme of this Annual Report - Delivering Impact with Discipline - captures the character of 2025.

It was a year in which African SMEs continued to navigate expensive credit, constrained liquidity, currency pressure and uncertainty across many markets. It was also a year in which AGF had to balance strong demand for its guarantees with the limits of its available capital. Our response was to remain focused on our mandate, make better use of existing facilities and protect the long-term strength of the institution.

That discipline produced meaningful results. By the end of 2025, AGF's 256 partner financial institutions had mobilised cumulative financing of USD 6.8 billion for SMEs across 44 countries, an increase of about USD 1.3 billion over 2024. More than 53,000 enterprises had accessed finance through AGF-supported facilities, including approximately 29,000 youth-owned or youth-led SMEs and 16,000 women-owned or women-led SMEs. The businesses we support had created or sustained approximately 630,000 jobs and generated USD 5.4 billion in incremental income.



29K

Youth-led
SMEs



16K

Women Owne
SMEs



\$5.4B

Incremental income

These figures represent far more than portfolio growth. They reflect businesses purchasing equipment, farmers reaching markets, women entrepreneurs expanding their companies, young people finding work and households gaining access to cleaner energy. They show what becomes possible when guarantees are combined with capable financial institutions, targeted Capacity Development and a clear focus on additionality.

Deepening impact through our partners

In 2025, we concentrated on converting partnerships and existing guarantee capacity into stronger financing outcomes. We also worked with OAPI to establish AFINVENT, a facility designed to open financing pathways for SMEs whose innovation and intellectual property are valuable assets but are not readily recognised as traditional collateral.

Our thematic programmes continued to direct finance and expertise towards underserved segments. Under AFAWA, cumulative loans disbursed reached approximately USD 1 billion, benefiting about 16,000 women-owned and women-led SMEs. The Green Guarantee Facility mobilised USD 247 million in green financing. AGF-supported green investments contributed to avoiding approximately 4 million tonnes of carbon emissions, connecting 53 million people to green-energy solutions and increasing installed renewable-energy capacity to 97 MW.

Capacity Development remained a defining part of our model. In 2025, about 3,900 employees of partner financial institutions were trained, including 1,700 women, while 26,500 SMEs benefited from Capacity Development initiatives. We launched the FinRISE programme in Kenya, Zambia and Côte d'Ivoire, strengthened gender-responsive lending through AFAWA engagements, and convened stakeholders across agriculture, green finance and enterprise development. By supporting both lenders and enterprises, we are helping to build a more capable and inclusive SME-finance ecosystem—not simply financing individual transactions.

Strengthening institutional performance

Our financial results improved in 2025. Total income rose from USD 18.6 million to USD 22.4 million, while the Group loss narrowed from USD 6.2 million to USD 2.2 million. Total comprehensive income turned positive at USD 2.8 million, net assets increased to USD 235.0 million and claims on Loan Portfolio Guarantee contracts declined from USD 5.3 million to USD 2.3 million. These movements reflect stronger income generation, improved claims experience and continued prudence in recognising credit risk. The comprehensive result also benefited from a foreign-currency translation gain, a source of volatility that we are working to reduce.

At the same time, we are clear-eyed about the constraints that shaped the year. New guarantee originations declined to USD 40 million from USD 228 million in 2024 because our capital capacity did not permit us to pursue the full pipeline of market opportunities. Demand for AGF's products remains strong. The challenge is to equip the institution with sufficient resources to meet that demand without compromising portfolio quality, risk appetite or financial sustainability.

We therefore used the year to place greater emphasis on utilisation, portfolio management and institutional resilience. We are strengthening recoveries, cost discipline, data quality, impact measurement and the management of foreign-exchange exposure. The additional USD 1.3 billion loan disbursements, despite a relatively stable guarantee portfolio, demonstrates the value of working more closely with our partners to turn existing commitments into financing that reaches SMEs.

Leading AGF into its next phase

I assumed the role of Interim Group CEO with humility and a deep sense of responsibility. Having served AGF as Deputy Group CEO and Group Chief Risk Officer, I know the institution, its people and its partners well. I also understand the responsibility we carry: to protect

the capital entrusted to us while extending its reach to enterprises that can transform communities and economies.

Our immediate direction is clear. We will implement the 2026 - 2028 resource-mobilisation strategy with urgency; restore guarantee origination at a responsible pace as capital capacity improves; increase utilisation and recoveries; reinforce portfolio quality and operating efficiency; and sharpen the measurement of financial and development additionality. We will continue to deepen our work in gender finance, climate and green finance, agriculture and food security, while building pathways for innovation, intellectual-property-based businesses and digitally enabled SMEs.

None of this can be delivered by AGF alone. Our model is built on partnership. I thank our shareholders and sponsors for their confidence, including KfW for its additional capital contribution, OAPI for joining AGF as a shareholder, and Visa Foundation for its grant support. I thank our partner financial institutions and Capacity Development partners for taking our solutions to the market, and our Board for its guidance and oversight.

Most importantly, I thank my colleagues across AGF and AGF West Africa. Their professionalism, resilience and unity of purpose sustained the institution through a demanding year. Their work gives life to every result reported in these pages.

The opportunity before us is substantial. Africa's SMEs do not lack ambition; too often, they lack access to finance structured for their realities. AGF exists to help close that gap. With renewed capital strength, disciplined execution and deeper partnerships, we will convert the demand we see across the continent into sustainable finance, stronger enterprises and lasting development impact.

Constant N'ZI
Group Chief Executive Officer





02.

Introduction

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Our Vision



To be the leading Non-Bank Financial Institution, which meets Africa's financing providers' needs, effectively serving SMEs while maintaining our uncompromised principles as we grow.

Our Mission



The promotion of economic development and poverty reduction in Africa. In support of the vision above, we aim:

- To be more resource efficient
- To build strong partnerships between FIs and AGF
- To reduce the inability of SMEs to provide acceptable guarantees
- To encourage and support banks and other FIs in their SME financing by sharing the risk involved
- To support the CD of our partners by seeking to build their existing knowledge and capacity.

Our Values



Integrity

In our relationships and transactions with our clients, and among each other, we are honest, trustworthy, reliable, transparent, and accountable



Customer First

We meet our internal and external customers' expectations



Creativity

We embrace new ideas and respond swiftly to changes in our environment



Unity of Purpose

We dedicate ourselves to pursuing agreed common goals



Right First Time

We deliver on our commitments accurately and promptly.



Find out more about us on AGF TV

Who We Are

Since its inception in 2011, AGF has been committed to becoming the leading Non-Bank Financial Institution facilitating access to finance for Small and Medium Enterprises (SMEs) and enabling them to fully contribute to the growth of African economies. We support our African partner financial institutions (PFIs) by providing Guarantees and Capacity Development, thereby fostering economic growth and development across the continent.

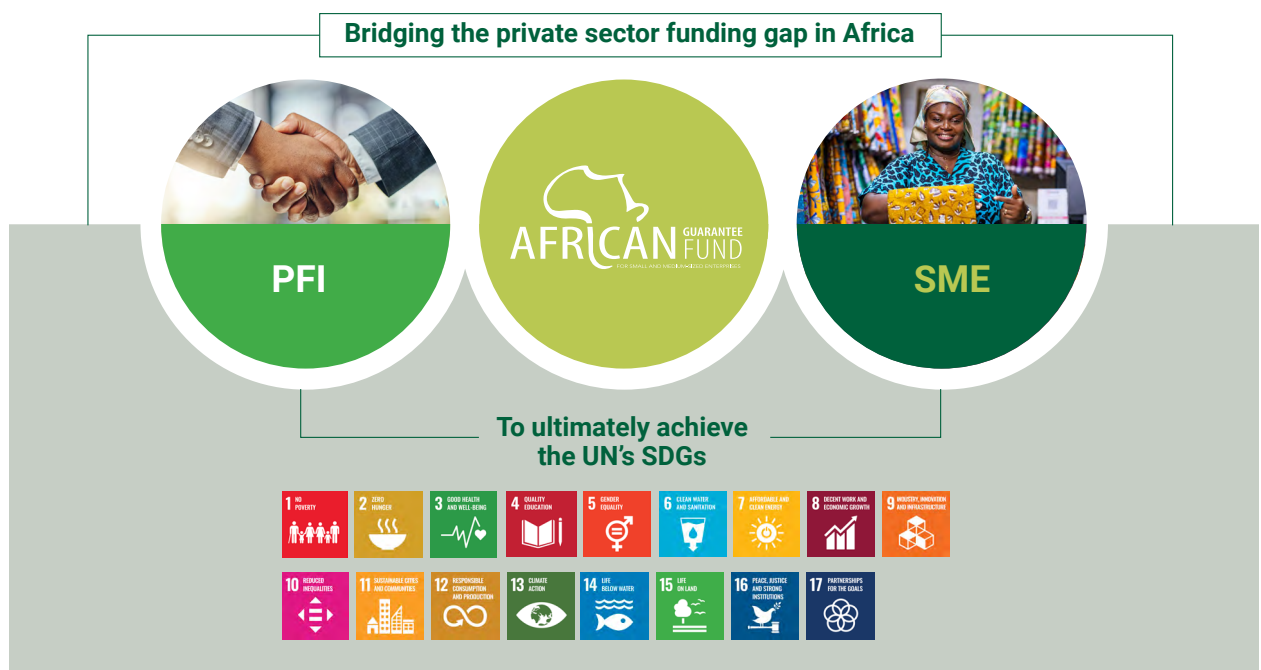
AGF's role is to act as a disciplined intermediary between catalytic capital and private-sector lending. By sharing risk with financial institutions and strengthening their capacity to serve SMEs, AGF enables shareholder and partner capital to generate development additionality beyond direct lending or grant funding alone.

What We Do

SMEs make up approximately 90% of the private sector and are integral to achieving the UN SDGs in Africa. The role they play in driving economic growth, job creation and environmental sustainability is crucial to Africa's future economic growth and global competitiveness. However, African SMEs face significant challenges in accessing finance, with a funding gap estimated at \$421 billion.

At AGF, we foster the growth of SMEs across Africa by providing our PFIs with fit-for-purpose guarantees and Capacity Development (CD) interventions. Our strategic partnerships and access to private capital leverages our shareholders' and sponsors' funding by up to ten times for African SMEs. Through our work, we promote economic growth and sustainable development across the continent.

Over the last 14 years we have built a robust reputation that is corner-stoned by our blended finance structure and an external AA- rating from Fitch, reflecting a stable outlook. In the African market where commercial lending remains largely limited and more so driven by development finance institutions (DFIs), AGF brings true financial additionality, enabling partner financial institutions (PFIs) to grow their loan books, take on greater risk, and develop SME-focused products. This positions AGF as a driver of systemic change in building a more resilient and inclusive financial ecosystem in Africa. We are proud to be the best credit rated private company in Africa.



Corporate Information

Directors

Non-executive

Mr. Felix Adahi Bikpo - Chairman

(Independent Non-Executive director)

Mr. Riad Aubdool* (Non-Executive director)

Mr. Olawale Bashirudeen Shonibare

(Non-Executive director)

Mr. Richard Marney (Non-Executive director)

Ms. Hanjali Permalloo-Le Roux*

(Non-Executive director)

Ms. Njeri Ngaruiya (Non-Executive director)

Ms. Anu Hassinen (Non-Executive director)

Mr. Guy Sauvanet (Independent Non-Executive director)

Ms. Mercyline Njoroge (Non-Executive director)

Mr. Iqbal Dulloo* (Non-Executive director)

Mrs. Deeya Autar* (Non-Executive director)

Date of appointment

01 July 2020

30 June 2015 until 30 June 2025

03 December 2019 until 03 December 2025

10 February 2021

27 June 2023 until 25 February 2026

16 November 2023

31 January 2024

13 June 2024

09 December 2024 until 31 December 2025

30 June 2025

25 February 2026

*Resident director

Management

Jules Ngankam

Constant N'zi

Daisy Wanjie

Franck Adjagba

Ali Ballo

Juneid Kodabux

Nishdeep Sethi

Allan Akoko

Patrick Lumumba

Bendjin Kpeglo

Serge Mian

Sibi Lawson

Position

Group Chief Executive Officer (until January 2026)

Group Chief Executive Officer,

Deputy Group CEO and Group Chief Risk Officer (until January 2026)

Group Chief Finance Officer

Group Director of Business Development (until February 2025)

Group Chief Internal Controller & Compliance Officer

Group Director of Legal and Corporate Affairs

Group Director of Structured Finance

Group Director of Human Resources

Group Director of Capacity Development and Acting Group Director of Business Development

Managing Director, AGF West Africa (until January 2025)

Managing Director, AGF West Africa (from November 2025)

Deputy Managing Director, AGF West Africa,

Ag. Managing Director, AGF West Africa (until November 2025)

Company Secretary & Administrator

Rogers Capital Fund Services Ltd
 Rogers Capital House Level 3
 5, President John Kennedy Street
 Port Louis
 Republic of Mauritius

Registered Offices and Principal Places of Business

Rogers Capital Fund Services Ltd
 Rogers House
 5, President John Kennedy Street
 Port Louis
 Republic of Mauritius

Africa House, 3rd and 4th Floor
 Muthangari Road
 P.O. Box 57795-00200
 Nairobi
 Republic of Kenya

Auditor

PricewaterhouseCoopers LLP
 PwC Centre, Avenue de Telfair
 Telfair 80829, Moka
 Republic of Mauritius

Subsidiary Company

AGF West Africa
 5082, Boulevard
 Gnassingbe Eyadéma, Lomé II
 Lomé, Togo

Bankers

Mauritius

ABSA Bank (Mauritius)
 International Banking Division
 1st Floor, ABSA House
 68–68A, Cybercity
 Ebene
 Mauritius

United Kingdom

Barclays Bank London PLC
 Intermediaries I
 London Offshore Corporate
 Barclays, 16th Floor
 1 Churchill Place, London, E145HP
 United Kingdom

Kenya

Stanbic Bank Kenya
 International Life House
 Branch
 P.O. Box 75501-00200
 Nairobi, Kenya

Equity Bank Kenya
 Equity Centre
 Hospital Road, Upper Hill.
 P.O. Box 75104-00200
 Nairobi, Kenya

Ecobank Kenya Ltd
 Gikomba Branch
 Muindi Bingu Street
 P.O. Box 49584–00100
 Nairobi, Kenya

NCBA
 Upper Hill Branch
 Mara and Ragati Roads
 P.O. Box 44599–00100
 Nairobi, Kenya

ABSA Bank (Kenya)
 Waiyaki Way
 4th Floor, Absa HQ
 P.O.Box 30120-00100
 Nairobi, Kenya

UBA Kenya Bank Limited
 Imperial Court Westlands
 Road
 P.O. Box 34154-00100
 Nairobi, Kenya

Board Committees

Audit and Risk Committee

Mr. Guy Sauvanet – *Chairman*
(Independent director)
Mr. Wale Shonibare
Ms. Njeri Ngaruiya
Mr. Ali Ballo – *Secretary*

Treasury Management Committee

Mr. Richard Marney – *Chairman*
Ms. Anu Hassinen
Ms. Mercyline Njoroge
Mr. Jean N'Sele - External Advisor
Ms. Daisy Wanjie – *Secretary*

Human Resources Committee

Mr. Wale Shonibare – *Chairman*
Ms. Hanjali Permalloo-Le Roux
Ms. Mercyline Njoroge
Mr. Allan Akoko – *Secretary*

Investment Committee

Mr. Riad Aubdool – *Chairman (Until 30 June 2025)*
Mr. Guy Sauvanet
Mr. Richard Marney
Mr. John Wasielewski – External Advisor
Mr. Constant N'zi – *Secretary*

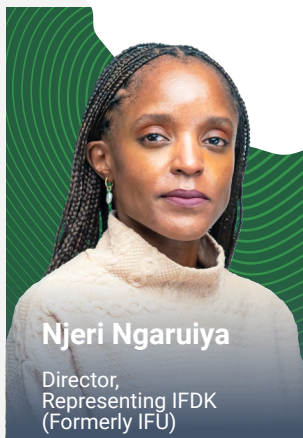
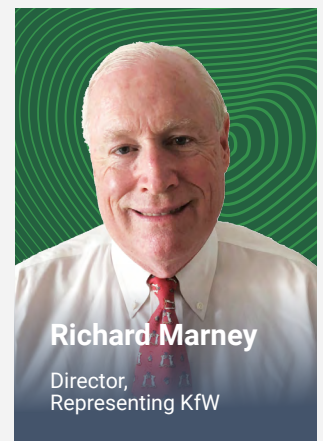
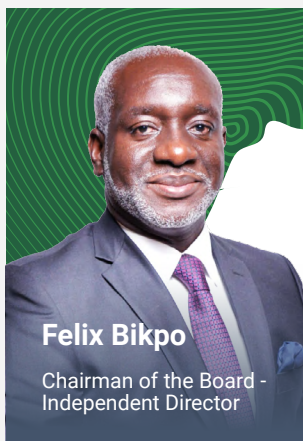
Capacity Development Committee

Mr. Riad Aubdool – *Chairman (until 30 June 2025)*
Ms. Njeri Ngaruiya
Ms. Hanjali Permalloo-Le Roux
Ms. Anu Hassinen
Mr. Patrick Lumumba – *Secretary*

Board of Directors

AGF's Board of Directors provides strategic oversight, guidance, and leadership to ensure the organisation remains aligned with its mission to unlock financing for African SMEs.

Comprised of experienced professionals from across the public and private sectors, the Board brings diverse expertise and a shared commitment to driving sustainable development across the continent.



Senior Management

AGF's Management Team leads the organisation's operations with a strong focus on execution, innovation, and impact.

With deep expertise across finance, development, and risk management, the team is responsible for driving AGF's strategic priorities, strengthening partnerships, and ensuring effective delivery of its mandate to accelerate SME access to finance across Africa.



*Job titles as at 31 December 2025

AGF 2025 Year at Glance

In 2025, AGF built on its strong foundation to further translate partnerships, programmes and market engagements into tangible development outcomes across Africa's SME landscape.

Against a backdrop of continued financing constraints for SMEs, AGF's blended finance model continued to play a catalytic role in unlocking private capital, strengthening financial ecosystems and advancing inclusive growth.

The year was marked by expanded outreach, deeper institutional engagement and stronger alignment with AGF's core thematic priorities. Through a combination of strategic partnerships and targeted capacity development interventions, AGF contributed to a notable increase in financing flows to underserved segments.

This momentum is reflected in the Fund's growing footprint and utilisation, with increased SME outreach, strengthened PFI capabilities and continued progress toward long-term development outcomes.



Further details on performance and impact metrics are presented in the Results & Impacts section of this report.



Catalysing Capital Through Strategic Partnerships

AGF continued to expand and deepen its partnerships with financial institutions across Africa, reinforcing its role as a key enabler of SME financing on the continent. These partnerships, spanning new guarantee agreements, renewals and portfolio expansions, were designed not only to increase the volume of SME lending, but also to improve its quality and inclusivity.

Each agreement signed during the year represented more than a financial commitment; it reflected a shared ambition to unlock capital at scale, expand financial inclusion and support SMEs operating in high-impact sectors.

Catalysing Capital Through Strategic Partnerships

Key partnership highlights included:

Strengthening regional guarantee ecosystems: AGF advanced its collaboration with Société de Garantie du Gabon (SGG), reinforcing local risk-sharing capacity and supporting the development of sustainable guarantee mechanisms to expand SME financing in Gabon.



Building on existing relationships: We deepened engagements with NCBA Group, Equity Group and Banque Internationale pour l'Industrie et le Commerce (BIIC), enabling the expansion of SME lending portfolios across the Eastern and Western Africa regions, while increasing access to finance for SMEs.



Expansion into new markets: With support from African Intellectual Property Organisation (OAPI), AGF rolled out the Innovation and Invention Financing Facility (AFINVENT), unlocking new financing pathways for IP-backed SMEs.



Targeted support for priority segments: Collaborations with Visa Foundation and Women's World Banking further strengthened AGF's gender-lens investing efforts under AFAWA, combining catalytic capital with capacity development to accelerate access to finance for women entrepreneurs.





Advancing Thematic Priorities for Inclusive Growth

AGF continued to channel its efforts toward high-impact sectors and underserved segments, with a strong focus on gender finance, agriculture and enterprise development. Through targeted programmes and strategic convenings, AGF reinforced its role in directing both capital and capacity to where it is most needed.

Scaling enterprise development through programme rollouts:

The launch of the Financial Resilience through Institution Strengthening and Expansion (FinRISE) programme in Kenya, Zambia and Côte d'Ivoire marked a significant step in strengthening business ecosystems by combining access to finance with capacity development, supporting Micro and Small Enterprises to become investment-ready while enabling financial institutions to scale lending.



Accelerating gender finance through targeted capacity building:

The AFAWA Workshop in Cameroon deepened the capacity of partner financial institutions to better serve women-owned and women-led SMEs (WSMEs), reinforcing the adoption of gender-responsive lending practices and expanding access to tailored financial solutions.



Advancing Thematic Priorities for Inclusive Growth

Driving agricultural transformation through ecosystem engagement:

The EU AgriBiz Forum served as a key platform to strengthen dialogue across the agricultural value chain, bringing together financial institutions, agribusiness-specific services and development partners to unlock financing opportunities, enhance value chain resilience and promote sustainable agribusiness growth.



Shaping the Ecosystem and Driving Market Influence

In addition to its operational activities, AGF continued to play an active role in shaping the broader financial ecosystem. Through participation in high-level forums, strategic industry engagements and thought leadership engagements; AGF contributed to advancing key agendas around financial inclusion, gender equality and climate finance.

The platforms provided opportunities to:

- Elevate the visibility of SME financing challenges and solutions
- Promote dialogue among financial ecosystem stakeholders on leveraging existing financial instruments to unlock Africa's vast investment potential
- Strengthen partnerships with development finance institutions (DFIs), regulators and private sector stakeholders
- Reinforce AGF's position as a trusted partner and knowledge leader in the African SME finance space

Africa Energy Summit



AFAWA Side Event at Africa Investment Forum (AIF)



African Banker Awards



Startup Night Africa



Nordic Climate Dialogues





Strengthening Financial Ecosystems Through Capacity Development

Beyond capital mobilisation, AGF remained committed to addressing structural barriers that limit SME access to finance. Capacity Development interventions remained central to AGF's efforts to strengthen both the supply and demand sides of the SME financing ecosystem.

Through a series of targeted trainings, workshops and technical assistance programmes, AGF worked closely with PFIs to:

- Enhance credit assessment and risk management capabilities
- Support the design and deployment of SME-focused financial products
- Integrate gender-responsive and climate-sensitive lending practices
- Improve monitoring, evaluation, and reporting systems

At the SME level, these interventions contributed to improved credit readiness, enabling businesses to better position themselves for financing and long-term growth.

Ilala ya Kijani Workshop



Orabank AFAWA Launch



NCBA/SME Support Centre Accelerator Programme



Stanbic Dada



ADC/Equity Tanzania





03.

Corporate Governance

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Corporate Governance Report

The Board of Directors of the African Guarantee Fund – for Small and Medium-sized Enterprises Ltd (“AGF” or the “Company”) has the pleasure in submitting the Corporate Governance Report together with the audited financial statements for the financial year ended 31st December 2025.

Introduction

AGF was incorporated on 28th March 2011 as a private company Ltd by shares under the Companies Act 2001 and is domiciled in the Republic of Mauritius. AGF was granted a Category 1 Global Business License under the Financial Services Act 2007 and is authorized by the Financial Services Commission under the Securities Act 2005 to operate as a Closed-End Fund.

With the aim of promoting economic development and poverty reduction in Africa, AGF provides African financial institutions with guarantees, capacity development and other similar or related financial products specifically intended to support small and medium-sized enterprises (SMEs) in Africa to grow and to increase employment.

AGF holds standards of corporate governance through awareness of business

ethics and supervision of its management team by the Board of Directors.

The main objectives and functions of the Board of Directors (the “Board”) as regards Corporate Governance are to:

- determine, agree, and develop the Company’s general policy on Corporate Governance in accordance with the applicable Code of Corporate Governance.
- select candidates for eventual Board appointments; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that it has discharged its responsibilities for the year in respect of Corporate Governance.



PRINCIPLE ONE: GOVERNANCE STRUCTURE

The Board is fully committed to achieving and sustaining the highest standards of Corporate Governance with the aim of maximizing long-term value creation. The Board assumes full responsibility for leading and controlling the Company. Emphasis is placed on the conduct of business practices that display characteristics of good corporate governance namely discipline, integrity, transparency, independence, accountability, fairness, professionalism, and social responsibility.

In addition, the Board continuously reviews the implications of Corporate Governance principles and practices in light of its experience and regulatory requirements.

The Board believes that strong Corporate Governance is essential for delivering sustainable value, enhancing business integrity, and maintaining investors’ confidence towards achieving AGF’s corporate objectives and vision.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

Board Charter and Constitution

The Company has a Board Charter in place since 15 June 2018. The purpose of this Board Charter is to promote the highest standards of Corporate Governance within the Company and to clarify, inter alia, the roles and responsibilities of the Board in accordance with the principles of good corporate governance. The Board Charter serves not only as a reminder of the Board's roles and responsibilities but also as a general statement of intent and expectation as to how the Board shall discharge its duties and responsibilities.

The Constitution of AGF, which was last amended on 14 December 2022, is in line with the Companies Act 2001.

The Board is composed of skilled, knowledgeable, and experienced professionals, carefully selected to be highly effective in the governance of the organization. They assume full responsibility for leading and controlling the organization and for meeting all legal and regulatory obligations.

The business and affairs of the Company are managed by the Board.

The Board of AGF comprises of independently minded non-executive Directors. The Board must at all times be composed of 2 Independent Directors, that is directors appointed for their personal or professional qualities who are in a position to perform their duties without being influenced by any connection with the Company, the Shareholders or its management.

Directors are elected (or re-elected, as the case may be) on a three-year mandate and a director cannot hold office for more than two (2) terms, that is, a maximum of six (6) years in total.

Subject to the Constitution, the Board is to be constituted as follows:

- At all times, consist of two (2) directors resident in Mauritius;
- Each founding shareholder has the right to appoint one (1) director;
- Each new holder of class B or Class C shares who subscribes for at least 10% of the shareholding in the Company may be given the right to appoint one (1) director so long as they are shareholders of the Company; and
- Must consist at least two (2) Independent directors.

The Board comprises of directors with the mix of skills, backgrounds, academic qualifications, and experience in the fields of:

- Banking, finance, Risk management, accounting, legal, business management, information technology and investment management; and
- Entrepreneurship, knowledge of target market/sector and socio-economic perspective and business development (including Small and Medium Enterprises (SMEs) in Africa).

The Board endeavours to have at all times one Director who is specialized in the following fields: Risk Management; Legal; Banking / Finance; and Entrepreneurship / knowledge of SMEs.

A Chairman of the Board is elected from amongst the Directors of AGF by a board resolution. The Chairman is responsible for the overall leadership and efficient functioning of the Board and is accountable to the Board and the Shareholders. The current Chairman of the Company is Mr. Felix Bikpo.

PRINCIPLE ONE: GOVERNANCE STRUCTURE (CONTINUED)

Under regulatory supervision of the Financial Services Commission, all officers and agents of AGF are expected to maintain a high level of ethics in their behaviour and business transactions. The transactions of AGF are carried out as per its Constitution, Shareholders' Agreement, the Board Charter and the Code of Business Conduct and Ethics, applicable to all direct and indirect employees who deal with the matters of the Company.

AGF is involved in the provision of services and its operations do not materially impact on the environment. Investing strategies include investment in sound, ethical and environmentally friendly entities. The Board Charter of AGF is reviewed as required with the latest version reviewed and approved by the Board for adoption with effect from June 2024.



PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board has attempted to create the right balance and composition in such a way as to best serve the organisation. The Board is a unitary Board and comprised of 8 directors as at 31 December 2025.

In terms of gender diversity, the Board is composed of 4 males and 4 females as at 31 December 2025.

The profile of the Board members who served during the year ended 31 December 2025 is as follows:

Mr. Felix Bikpo

Felix, the chairman of the board, has more than 25 years of experience in the financial sector with extensive experience in Sub-Saharan Africa. He has led several financial institutions across the continent including banks, guarantee funds and the private equity sector. He is passionate about spurring a thriving SME sector as a means of creating economic and social sustainability in Africa. Prior to his appointment as Chairman of the Board, Felix was the Group CEO at African Guarantee Fund. Felix has previously served as the Founding CEO and Chairman of Success Finance, an Asset Management and Private Equity Fund. He has worked in the capacity of Chief Executive Officer at Access Pan-Africa, a holding company of Access Bank Plc. Nigeria where he was in charge of affiliates outside of Nigeria and at Atlantic Financial Group, a regional banking group operating under Banque Atlantique with a presence in 8 African Countries. As a Managing Director, Mr. Bikpo has worked with Ecobank Niger, and with Fonds de Garantie des Investissements Privés en Afrique de l'Ouest (Now AGF West Africa) where he was the first Managing Director. He has also served as Vice President of Citibank NA, where he was in charge of Financial Control in French speaking countries. Mr. Bikpo is a graduate of ESSEC - Paris and holds a Master's Degree in Economics from the University of Côte d'Ivoire.

Mr. Riad Aubdool (until 30 June 2025)

Riad is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Member of the Chartered Institute of Securities and Investment (Chartered MCSI). He is

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

registered with the Mauritius Institute of Professional Accountants, both as a professional and public accountant. Riad is a member of the Mauritius Institute of Directors. Riad has 30 years of professional experience in financial services, which includes fund administration, secretarial, accounting, tax compliance, AML, auditing and consulting. He gathered his experience with 9 years at PwC Mauritius, and 13 years with management companies. He has administered funds/special licensed companies with Assets under Administration (“AuA”) of approximately USD 26 Billion, which included major international financial institutions as clients. He holds directorship in investment managers/advisors and collective investment schemes (open ended and closed ended funds). He has previously been director on listed companies, both in Mauritius and overseas. He was also the Executive Director of a fund administrator before he set up his own company in 2020. He is currently the Managing Director of Zain Consultancy Ltd, a company providing management consultancy, financial advisory services, tax, accounting and compliance services.

Mr. Olawale Bashirudeen Shonibare (until 03 December 2025)

Wale is Director responsible for Energy Financial Solutions, Policy and Regulations at the African Development Bank. He oversees the team of Investment officers responsible for structuring across the board range of products offered by the bank (equity, debt, guarantees and capital markets solutions) to support public and private sector investment in the Energy sector in Africa. On the policy and regulation side, he leads a team of economists, statisticians and policy specialists who work with governments to create an enabling environment to encourage private sector participation in the energy sector. Wale has over 25 years’ experience in Debt and Equity Capital Markets, Mergers and Acquisitions and Project Finance spanning Asia, Europe, Middle East and Africa. He was the Deputy Group CEO/Managing Director, Investment Banking at United Capital Plc (former UBA Capital Plc) in Lagos, Nigeria. He has held previous senior level executive positions, including Managing Director and Head of Infrastructure, Africa, Middle East and New Markets at Renaissance Capital in Dubai, Director KPMG in Dubai and Associate Director KPMG, London.

Mr. Richard Marney

Richard has a broad and varied forty-five-year career in emerging markets banking, principal investing, economics and asset management. He has held senior-level business development, risk-management, fundraising and operating roles in: Commercial and investment banking, Micro-finance, Impact investment asset management and Private equity working in globally recognized financial services organizations.

Mrs. Hanjali Permalloo-Le Roux (until 25 February 2026)

Hanjali is the Chief Technology & OpEx Executive of the Rogers Group. She holds an MBA from La Sorbonne Business School, Paris and a M.Sc. Information Management from the University of Lancaster, UK. Hanjali is a management professional with 20 years progressive experience in strategic planning and development, operational and digital transformation, and project management for a variety of industries. She gained international exposure through her consulting assignments in Paris, Spain and the USA while working for Accenture Paris. She has managed large-scale systems integration projects requiring intensive functional and industry knowledge and expertise, as well as, change management programmes to ensure the smooth transition to new seamless systems and processes.

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Prior to joining Rogers Capital in June 2019, Hanjali was General Manager of AXA Customer Services Ltd, the outsourcing arm of AXA Partners, an organisation of 250 employees offering various insurance and banking services to AXA clients aboard.

Ms. Njeri Ngaruiya

Njeri is an Investment Director at the Investment Fund for Developing Countries (IFU). She provides advisory services and risk capital to companies wishing to do business in developing countries and emerging markets. She identified, led and executed IFU Sub-Saharan Africa's two 1st banking investments with an aggregate investment size of USD 52m in equity. Njeri also led and executed the successful and profitable exit of IFU's first bank investment and led and executed IFU's investment in the first intermediary energy off-taker in Africa. Prior to joining IFU, she was the Regional Director Africa of Incofin Investment Management. Njeri holds an MSC in Finance from Cass Business School, City University London and a BSc (Hons) Management from the University of Surrey, UK.

Ms. Anu Hassinen

Anu is a Program Manager of the Nordic Development Fund. A Finnish national, she has over 20 years of experience as a sustainable finance expert with experience in developing and managing both public and private sector climate projects. As an economist with an MBA in finance, she started her career as finance and risk manager with experience from the Finnish Export Credit and AIG. Her career has evolved to development finance with experiences from UNDP, the African Development Bank and the Ministry for Foreign Affairs of Finland. Anu is a certified expert in renewable energy and climate finance and worked initially as senior energy adviser at the Ministry for Foreign Affairs. She also worked five years in Africa, first as counsellor for private sector development at the Embassy of Finland to Zambia and then at the African Development Bank (AfDB). She most recently worked for the Ministry as Deputy Director and Team Leader for Multilateral Development Banks in the Unit for Development Finance and Private Sector Cooperation. In addition to native Finnish, Anu is fluent in English and has a working knowledge of Swedish, French, Spanish and Russian.

Mr. Guy Sauvanet

Guy has over 30 years of experience as Managing Director and Chief Executive Officer of various banks and financial institutions in anglophone and francophone African countries. He is vastly experienced in the areas of business development, strategic planning, SME financing and risk management. Guy is a graduate of HEC Paris and holds a DECS degree. He began his career as an auditor with a major French banking group. From 1983 to 1995, he worked in various senior positions, including as Managing Director, of the former Internationale pour l'Afrique Occidentale (BIAO), in Senegal, Nigeria, DRC, Burundi and Cameroon. He was then MD of the Nigerian subsidiary of Belgolaise, a Belgian bank, now known as BNP/Fortis Group from 1995 to 2005 and the MD of BACI (Banque Atlantique) in Cote d'Ivoire from 2006 to 2007. Guy led the team that launched the new banking subsidiary of Banque Atlantique in Cameroon in 2008-2009 and the set-up of the subsidiary of Diamond Bank, a Nigerian bank, in Cote d'Ivoire from 2009 to 2012. He was the MD/CEO of Orabank Togo from 2012 to 2015 and led the merger with a state bank and a regional bank. He has extensive experience of bank mergers and serves as director in various financial institutions.

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Ms. Mercyline Njoroge (until 31 December 2025)

Mercyline is a Senior Investment Officer at Proparco for the East Africa Region. She is a finance professional with over 14 years' experience, currently in development finance at Proparco's regional office in Nairobi (Kenya) and previously in corporate finance as a Transactions Manager with PricewaterhouseCoopers Kenya's Transaction Advisory practice. Mercyline holds a Masters of Business Administration from Warwick Business School and a Bachelor of Commerce (Finance), First Class Honors from Strathmore University. She is also a member of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

Mr. Iqbal DULLOO (as from 01 July 2025)

Iqbal is a fellow member of the Association of Chartered Certified Accountants and a member of the Mauritius Institute of Professional Accountants. Prior to joining Rogers Capital, he spent more than 8 years with Cim Global Business where he managed the daily operations of the Fund department. His portfolio included both Closed Ended and Open-Ended Funds, CIS Manager and Investment Holdings. He has spent 12 years with Emtel Ltd, where he has extensively involved in the daily operations of the finance department.

Board meetings and attendance

The Board of Directors meets at least once quarterly. The following table shows the list of Board members and the number of Board meetings held during the year and the attendance of individual Directors.

No. of meetings held	Board 6	Annual Meeting 2025 1
Directors		
Mr. Riad Aubdool	4	
Mr. Olawale Shonibare	5	
Mr. Felix Bikpo	6	
Mr. Richard Marney	6	
Mrs. Hanjali Permollo-Le Roux	6	
Ms. Njeri Ngaruiya	6	
Ms. Anu Hassinen	6	
Mr. Guy Sauvanet	6	
Ms. Mercyline Njoroge	6	
Mr. Iqbal DULLOO	2	

Board Committees

Pursuant to Article 31 of the Constitution of the Company, the Directors have the power to establish, by a resolution of Directors, Committees of the Board with such composition and functions as they may determine from time to time. Charters for each of the Committees of the Board were adopted in June 2019. As of date, the Directors have established the following Committees of the Board:

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

(i) Investment Committee

The Investment Committee is responsible to assist the Board by (i) Establishing and overseeing the implementation of the Company's overall Guarantee policies, strategies and guidelines; and (ii) Reviewing and/or approving guarantees as delegated by the Board. The Chairperson of the Investment Committee shall be a resident director in Mauritius and the Secretary of the Investment Committee is the Group Chief Risk Officer. The Investment Committee comprises of three (3) members among which two (2) shall be Directors of the Company.

(ii) Treasury Management Committee

The Treasury Management Committee (TMC) has the delegated authority of the Board over the Treasury of the Company. It has the responsibility to assist the Board by (i) Establishing and overseeing the implementation of the Company's overall treasury management policies, strategies and guidelines; and (ii) Carrying out such other responsibilities as delegated by the Board or as set forth in the Treasury Management Committee Charter. The Treasury Management Committee comprises of three (3) members among which two (2) shall be directors of the Company. The Secretary of the TMC is the Group Chief Finance Officer.

(iii) Audit and Risk Committee

The Audit & Risk Committee provides assistance to the Board in fulfilling its oversight responsibility to the shareholders, the investment community and other stakeholders relating to:

- Risk management and controls activities;
- The integrity of the Company's financial statements;
- The effectiveness of the Company's internal control over financial reporting;
- The Company's compliance with legal and regulatory requirements;
- The External Auditor's qualifications and independence; and
- The performance of the Company's Internal Audit function and External Auditor.

In fulfilling its purpose, the Audit and Risk Committee is responsible for maintaining free and open communication between itself, the External Auditor, the Internal Auditor and the management of the Company, and for determining that all parties are aware of their responsibilities. The Audit and Risk Committee shall comprise of three (3) members among which two (2) shall be Directors, including at least one Independent Director, appointed by the Board. The Board shall appoint a chairperson of the Audit and Risk Committee from amongst the independent Directors. The Secretary of the Audit and Risk Committee is the Group Chief Internal Controller.

(i) Human Resources Committee

The Human Resources Committee assists the Board by (i) Establishing and overseeing the implementation of the company's key policies, strategies and practices on human resources, and (ii) Carrying out such other responsibilities as delegated by the Board or as set forth in the Charter.

The Human Resources Committee shall comprise of three (3) members among which two (2) shall be directors of the Company. The Secretary of the Human Resources Committee is the Group Director of Human Resources.

PRINCIPLE TWO: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONTINUED)

Board Committees

(ii) **Capacity Development Committee.**

The Capacity Development Committee assists the Board by (i) Establishing and overseeing the implementation of the company's overall Capacity Development strategies, policies and guidelines; and (ii) Carrying out such other responsibilities as delegated by the Board or as set forth in the Charter. The Capacity Development Committee shall comprise of three (3) members among which two (2) shall be directors of the Company.



PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES

Directors' appointment procedures

As per the Code of Corporate Governance, there should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. AGF has a formal, rigorous and transparent procedure in place for the appointment of the Directors and also an induction program for the newly appointed Directors.

The Directors of AGF are appointed as follows:

- (i) two directors resident in Mauritius are appointed by Ordinary Resolution;
- (ii) each of the founding shareholders has the right to appoint one (1) Director, so long as they are registered as holders of Class B Shares or Class C Shares (as applicable) in the Company. Such director shall be appointed upon receipt by the Administrator of clear instructions via letter from the Founding Shareholder setting out the name of the person to be appointed as Director of the Company and such person shall be of high caliber and have the relevant experience to act as Director and such appointment shall be approved by an Ordinary Resolution at the Annual Meeting of the Shareholders or through written resolutions of the Shareholders; and
- (iii) at least two independent Directors appointed by Special Resolution.

Induction

Upon his or her appointment, each Board member participates in an induction program that covers AGF's strategy, general financial and legal affairs, financial reporting by AGF, any specific aspects unique to the Company and its business activities, and the responsibilities of a Board member, as well as every other existing process at large.

Continuous Development Programme

The Board is aware of the requirement of holding Continuous Development Programmes. The Board works on the training needs of each board member and a board retreat is held annually in Mauritius where the directors have the opportunity to update themselves on

PRINCIPLE THREE: DIRECTORS APPOINTMENT PROCEDURES (CONTINUED)

selected topics relating to the business of AGF and also generally. The Board Retreat was held in Mauritius in April 2025.

Company Secretary

The Company Secretary has an advisory role in all governance-related matters concerning the Company and acts as the main point of contact for the Directors, should they require guidance on their statutory responsibilities. The principal functions of the Company Secretary include supplying the Board with high quality and timely information, collaborating with the Board in the preparation of agendas and coordinating the information flow between the Directors.

Rogers Capital Fund Services Ltd ("RCFS") has been appointed by the Board as Company Secretary.

The Board assumes full responsibility for succession planning within the Company. The Board has adopted a talent retention and succession policy for the Company.



PRINCIPLE FOUR: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

All Directors on the Board are fully apprised of their fiduciary duties as laid out in the Companies Act 2001.

Code of Ethics

The ethical standards of the Company are defined in the Board Charter. These policies and procedures enable the Company to meet its regulatory obligations and also meet its objective of creating and operating with the highest levels of business integrity and ethical best practice. The ethical standards of the Company are defined and approved in the Board Charter.

Board Evaluation

The Code encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and that of its committees and individual directors and produce a development plan on an annual basis. Pursuant to the Board Charter, the Board must once a year conduct a self-assessment exercise. The self-assessment exercise has not yet been performed as the Company was in the process of adopting a revised Board Charter which now contains a clear self-assessment tool.

Conflict of Interest

The Directors must declare the nature of their interest(s), depending on the following circumstances:

- a. at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration; or
- b. if the Director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or

PRINCIPLE FOUR: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONTINUED)

- c. in a case where the Directors becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested.

A full register of interests is kept by the Company Secretary and is updated on a regular basis. The register is also available to the shareholders of the Company upon request to the Company Secretary. AGF has adopted a conflict of interest policy.

IT Governance Policy

The Code provides that the Board is responsible for the governance of the organization's information strategy, information technology and information security. The Board has adopted an ICT Policy and Procedure Manual for AGF since November 2016.

Directors' Remuneration

AGF pays an amount of USD 5,000 per annum to Rogers Capital Fund Services Ltd ("RCFS"), being fees payable for the services provided by the Mauritius resident directors of AGF.

The directors nominated by the shareholders are not remunerated but their travel and accommodation expenses are covered by AGF for the purposes of attending board and shareholders meetings.

The Board expenses was a total amount of USD in 2025 USD 459,521 (2024: USD 377,583).

Directors' Liability Insurance

AGF has in place a proper liability Directors & Officers and Professional Indemnity Insurance cover for its Directors and officers, renewable on a yearly basis, to cover for any legal action entered against them.

The director's liability insurance cost for 2025 was USD 18,734 (2024: USD 14,143). Please refer to note 26 of the financial statements.

Related Party Transactions

Please refer to note 26 of the financial statements.



PRINCIPLE FIVE: RISK GOVERNANCE AND INTERNAL CONTROL

The oversight of risk management and internal control activities at the level of the Company is currently delegated to the Audit & Risk Committee which regularly reviews the effectiveness of the internal control and risk management systems of the Company. The Audit & Risk Committee also reviews the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.

AGF has its own Risk Management Policies and Procedures Manual and Compliance Anti Money Laundering Manual in place.

The main risks to which AGF is exposed are credit risks, foreign currency risk, concentration risk, market risk liquidity risk and operational risks. The measures that the Group and Company adopt to manage these risks are explained.

(a) Credit risk

Credit risk refers to the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities and from its financing activities, including cash at bank and other financial instruments. The Group has adopted a policy of only dealing with creditworthy counterparties. Cash at bank is maintained with financial institutions having strong credit ratings.

(b) Foreign currency risk

Foreign currency risk is the risk that Group's net financial asset will fluctuate because of changes in foreign currency risk. The Group manages this FX risk by a combination of long-term economic hedges for large exposures and tight cash flow forecasting and planning to effectively manage FX risk occurring in day-to-day operations.

While the reporting currency of AGF is USD, the investment portfolio aims to mitigate currency risk. Such currency risk arises from writing guarantees in currencies other than USD, while having an asset base to support those guarantees denominated in USD. In particular, the portfolio counteracts the currency risk by aiming to match the currencies of the investments to the major contingent liabilities.

(c) Concentration risk

Concentration risk is defined as a direct and/or indirect concentration of exposure to a single or group of counterparties, industry or geographic region. Owing to the nature of its operations, AGF will always have a large amount of exposure in the African continent. AGF will always seek to counter this by diversifying, i.e. by investing in other geographical regions and other counterparties. The investments are well diversified within each region and are within the single obligor limits.

(d) Market risk

Market risk arises from the Group's use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). In order to manage this risk, the group holds its long term financial instruments as held to maturity.

(e) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty when meeting obligations from its financial liabilities. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

(f) Operational risk

Operational risks arise from all of the Group's and the Company's operations. Company's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Group's objective is to manage operational risk in order to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness, as well as to avoid control procedures that restrict initiative and creativity.

PRINCIPLE FIVE: RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

The primary responsibility for the development and implementation of controls designed to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of the Group's overall standards for the management of operational risk.

Compliance with the Group's standards is supported by a program of regular reviews undertaken by the Internal Control department. The results of internal audit reviews are discussed with the management of the department to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.



PRINCIPLE SIX: REPORTING WITH INTEGRITY

The Board is required to ensure that adequate accounting records are maintained so as to disclose at any time, and with reasonable adequacy, the financial position of the Company. The Board is also responsible for taking reasonable steps to safeguard the assets of AGF and to prevent and detect fraud and other irregularities.

The Board must present financial statements for each financial year, which give a true and fair view of the affairs of the Company, and the results for that period.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Company.

The financial statements have been prepared on a going concern basis and there is no reason to believe that the Company will not continue as a going concern in the next financial year.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004, the Securities Act 2005, the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 and the International Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPLE SIX: REPORTING WITH INTEGRITY (CONTINUED)

The Board approves the strategy of the Company and oversees the determination of the nature and the extent of the principal risks it is willing to take in achieving its strategic objectives. The Board has the overall oversight of the monitoring and evaluation of the Company's operational risk and compliance risk and has a dedicated Audit and Risk Committee to assist in the process.



PRINCIPLE SEVEN: AUDIT

Directors' responsibilities

The Directors are responsible for the preparation and fair preparation of the financial statements in accordance with IFRS Accounting Standards and all the requirements of the Companies Act 2001, and Financial Reporting Act 2004 and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Any deviations on the above will be reported in the independent auditors' report attached to the financial statements.

External Audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented. PricewaterhouseCoopers Mauritius was re-appointed as the statutory auditors for the financial year ended 31 December 2025 at the annual meeting of the Company held in June 2025.

Audit Fees

Fees payable to the Group's external auditors for audit services for the year are as follows:

	2025 (USD)	2024 (USD)
External auditors	256,269	293,126

Internal Audit

The responsibility of monitoring the internal control systems in place has been kept at the level of the Audit & Risk Committee which is overseen by the Board, given the size and complexity of the Company.

PRINCIPLE SEVEN: AUDIT (CONTINUED)



PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Relations with shareholders

As at 31 December 2025, the stated capital of AGF comprises of 8,536 Class B Shares of no par value, 16,894 Class C Shares of no par value, 3 Class D Shares of no par value.

The shareholders of AGF are African Development Bank, Ministry of Foreign Affairs/ Danida, Ministry of Foreign Affairs and Cooperation on behalf of the Government of Spain, Agence Francaise de Development, Nordic Development Fund, the Investment Fund for Developing Countries, KfW and Facilité d'Investissement et de Soutien aux Entreprises en Afrique (FISEA) and African Development Bank in its capacity as executing agency of the European Union represented by the European Commission (ADB/EC). The annual meeting will be held in June 2026.

Other key stakeholders

AGF has contribution capital from Government of Canada, USAID, Technoserve Inc, NORAD and VISA Foundation. No shares have been issued to these stakeholders.

Analysis of ownership

AGF had 9 Shareholders which include 5 investing in Class B, 5 in Class C as at 31 December 2025.

Substantial Shareholders

Shareholders holding more than 20% of the shares of the Company, as at 31 December 2025, were as follows:

No.	Name of Shareholder	% Holding
1.	Kreditanstalt für Wiederaufbau (KfW)	29.8
2.	Impact Fund for Denmark (IFDK)	28.3

Engagement with Shareholders and Stakeholders

The Board is responsible for ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders. The Board respect the interests of its shareholders and other key stakeholders within the context of the Company's fundamental purpose.

The Board recognises that understanding and responding to expectations and interests of stakeholders through maintaining regular and transparent communication is key to fostering a trustworthy relationship with them. This also helps the Company to collect important insights to refine its strategies and priorities.

PRINCIPLE EIGHT: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

The key stakeholders of the Company and the principal way in which the Company engages with them are as follows:

i. **Shareholders and Investors**

The Company responds promptly and in a timely to all queries which are received from the Shareholders. Regular reporting is provided to all the shareholders. Material business developments such as information on the Company's portfolio and performance, key achievements and strategic initiatives are shared with the shareholders in a timely and consistent manner through periodical reporting, as well as publications on the company's website. Additionally, the Company holds regular calls and meetings with Shareholders and with investors to provide performance updates.

Shareholders' meetings are also organised to seek their approval where required, or written resolutions would be circulated to seek requisite approvals from shareholders. Shareholders are encouraged to ask questions to the Directors during shareholders meetings. The annual meeting is held yearly in June in the presence of the Board and the management.

The Chairman of the Board and the Group Chief Executive Officer, assisted by the Chairpersons of the various Board Committee, are present and available to answer questions from the Shareholders.

(ii) **Regulators**

The Board is committed to maintaining an open and transparent relationship with regulators. The Board place utmost importance on maintaining compliance with prevailing laws and regulations, thus promoting a culture of accountability and governance within the Company.

(iii) **Service Providers**

The Board engages with service providers fairly, responsibly and with integrity. The Board also ensures that engagements with service providers are able to support long-term and sustainable collaboration. Proper service level agreements are maintained with key service providers in order to ensure that expectations and performance metrics are clearly defined.

Shareholders' calendar

AGF has planned the following forthcoming events:

Reporting date	31 December 2025
Publication of year end results	Within six months from end of 31 December 2025

Statement of compliance

Name of Company:

African Guarantee Fund – For Small and Medium-sized Enterprises Ltd

Reporting period:

Year ended 31 December 2025

We, the undersigned being the directors of African Guarantee Fund – For Small and Medium-sized Enterprises Ltd (the “Company”) confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance (the “Code”).

On behalf of the board

DocuSigned by:



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Director

Date: 23 June 2026

DocuSigned by:



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Director

Date: 23 June 2026

Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2025, which disclose the state of affairs of African Guarantee Fund for Small and Medium Sized Enterprises Ltd (the "Company") and its subsidiary, (together the "Group").

Principal activities

The principal activity of the Group is to significantly increase the access of African Small and Medium-sized Enterprises (SMEs) to finance from the financial sector. The Group has two lines of activity:

- Provision of partial financial guarantees on a product and portfolio basis; and
- Support for capacity development of the client financial institutions to help them improve their SME financing capabilities.

The Group is composed of two distinct entities, presented below:

- African Guarantee Fund has a branch registered in Nairobi, Kenya. It is registered as a branch of a foreign entity under the Kenyan Companies Act. The main operations are located in Kenya.
- African Guarantee Fund Pour Les Petites Et Moyennes Entreprises, registered in Lomé, Togo. It is registered as a financial institution, subject to the provisions of the banking law in the West African Monetary Union (WAEMU/WAMU).



Business review

The results of the Group and Company are set out on page 102 while the financial positions as at 31 December 2025 are set out on page 103.

Dividend

The directors do not recommend the payment of any dividend for the year (2024: Nil).

Directors

The Directors who held office at the date of this report are set out on page 18.

Events after the end of the reporting period

There were no material subsequent events after the reporting date requiring disclosure in these financial statements as at the date of the financial statement approval.

Statement as to disclosure to the group's auditor

With respect to each director at the time this report was approved:

- (i) there is, so far as the director is aware, no relevant audit information of which the Group's auditor is unaware; and
- (ii) the director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Terms of appointment of the auditor

PricewaterhouseCoopers continues in office in accordance with the Mauritian Companies Act 2001.

The directors monitor the effectiveness, objectivity, and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.



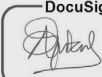
Certificate from the Secretary

Certificate from the Secretary

Under Section 166 (d) of the Mauritius Companies Act

We certify to the best of our knowledge and belief, that African Guarantee Fund for Small and Medium Sized Enterprises Ltd has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001 for the year ended 31 December 2025.

By order of the Board

DocuSigned by:

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Rogers Capital Fund Services Ltd
Company Secretary

Rogers Capital
› Keep evolving

23 June 2026

Statement of Directors' Responsibilities

The Directors are required in terms of the Mauritian Companies Act 2001 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards. The external auditor is engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

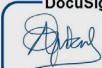
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing, and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Having assessed the Group's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on 23 June 2026 and signed on its behalf by

DocuSigned by:

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Director

DocuSigned by:

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Director



04.

Risk Management and Internal Control

Content

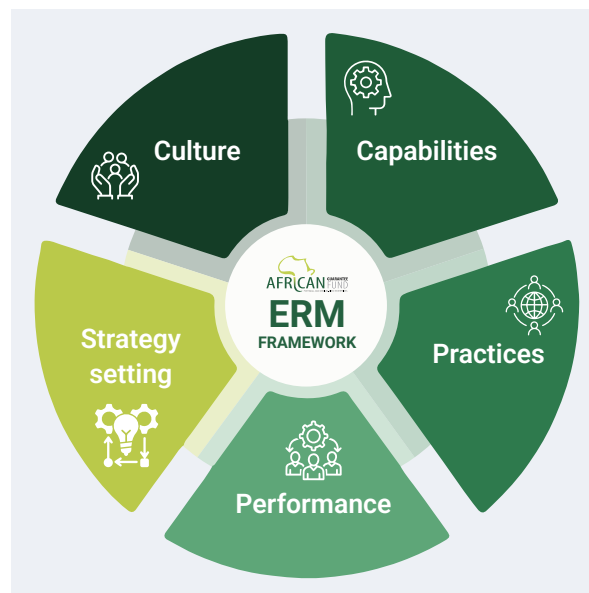
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Framework and Key Highlights

Risk management is central to AGF's ability to protect shareholder capital while delivering development impact.

As a guarantee institution, AGF's mandate requires disciplined risk-taking: accepting risk where it creates additionality, pricing and monitoring that risk appropriately, and maintaining controls that preserve the long-term sustainability of the institution.

AGF continued to advance its governance, risk, and control environment through the proactive implementation of its Enterprise Risk Management Framework (ERMF). The ERMF encompasses the culture, capabilities, and practices, integrated with strategy-setting and performance, that AGF relies on to manage risks while creating, preserving, and realizing value. By aligning strategy and objectives with an optimal balance between growth ambitions, return expectations, and associated risks, AGF ensures that resources are effectively deployed in pursuit of its mandate.



Enhanced organisational value is the outcome of well-managed risk-taking, and the internal control system plays a central role in ensuring that risks are identified, assessed, and managed appropriately.

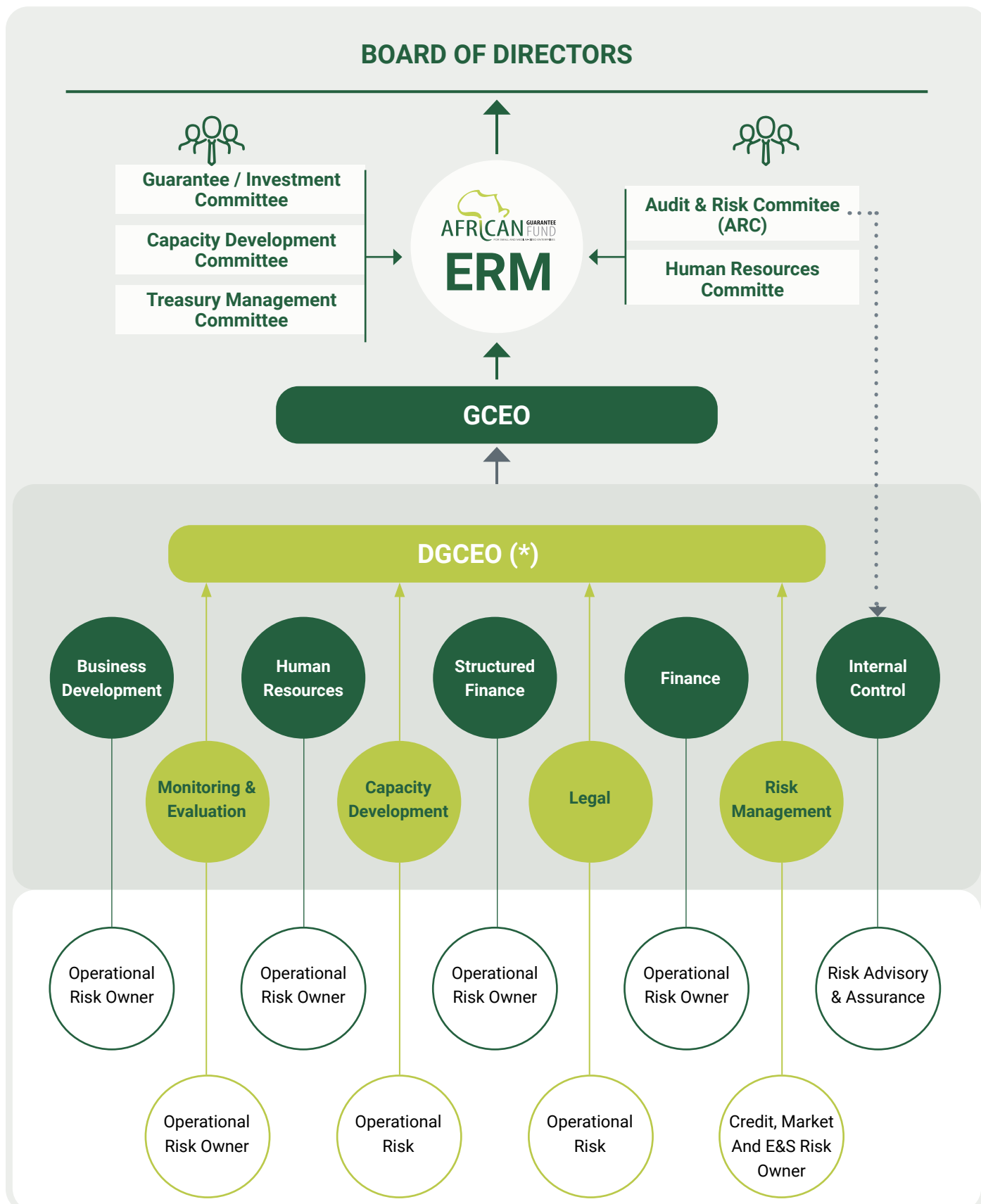
AGF's ERMF and Internal Control System are guided by the globally recognized frameworks of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), ensuring that the Group's risk and control processes remain robust, coherent, and aligned with international best practice.

In 2025, AGF made significant progress in strengthening its risk management and internal control environment. Key initiatives included:

- Revision and approval of the Audit and Risk Committee Charter
- Continuous monitoring and updating of the organisational risk register
- Execution of internal audit engagements and follow-up on the implementation of audit recommendations
- Comprehensive revision of the ERMF
- Reinforcement of AGF's compliance and business integrity framework through the implementation of key policies and procedures, including:
 - Fraud Deterrence and Whistleblowing
 - Anti-Money Laundering & Combating the Financing of Terrorism (AML/CFT)
 - Data Protection and Management
 - Code of Ethics and Professional Conduct
 - Conflict of Interest
- Management also placed increased emphasis on portfolio monitoring, claims management, recovery follow-up and data quality, recognising that disciplined portfolio management is essential to sustaining AGF's guarantee model as utilisation increases.

Risk Management Operating Structure

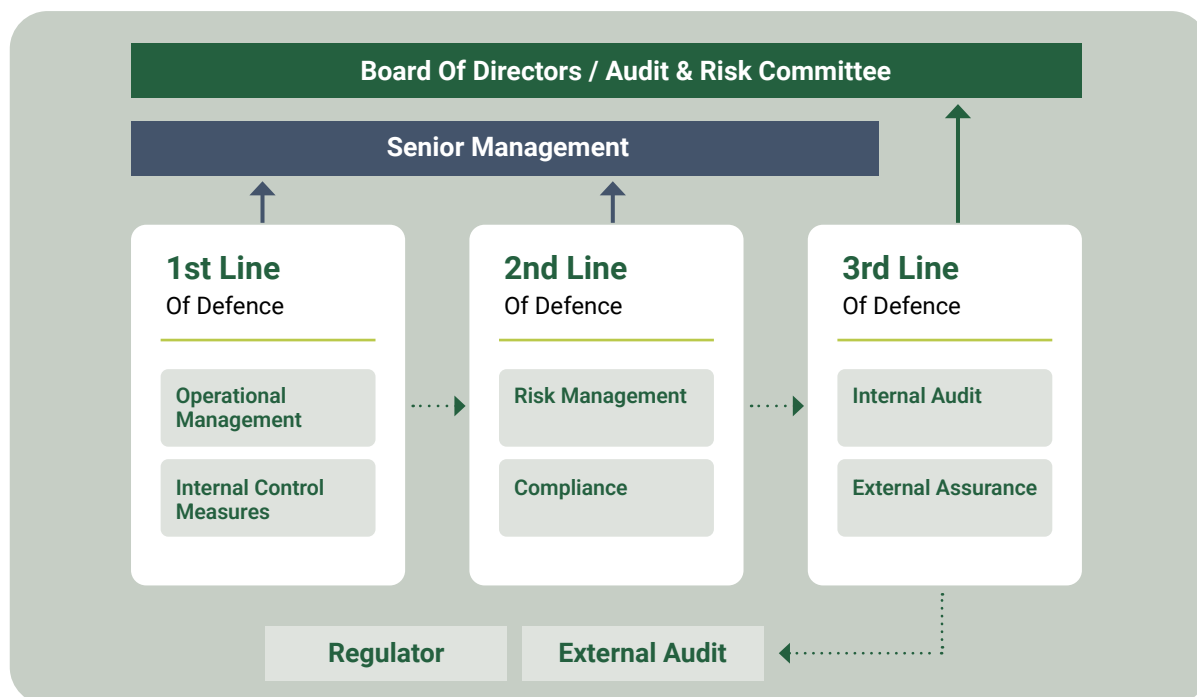
AGF's risk management operating structure is as follows:



* IT Risk Owner

System of Defence: 3-Line model

AGF has adopted the three lines of defence model to set clear boundaries in which all employees play an active role in managing risk. This has provided clear roles, responsibilities and accountabilities across the organisation.



1st Line of Defence	Business	All employees engaged in the revenue generating and client-facing areas of the Group and all associated support functions. The first line is responsible for identifying, assessing, and managing the risks they generate, establishing effective controls, identifying and managing incidents and ensuring they meet their compliance obligations.
2nd Line of Defence	Risk Management Department and Compliance Function	The role of the second line is to establish the frameworks and policies to support the business in identifying, assessing, and managing their risks and regulatory compliance obligations as well as limits, under which first line activities shall be performed, consistent with the risk appetite of the Organisation. Risk and Compliance also provide guidance, challenge and independent oversight of the first line

3rd Line of Defence

Internal Audit and External Assurance Providers

These functions provide independent assurance over the effectiveness of the group's governance, risk management and control practices.

All employees are responsible for managing risk. Leaders/Managers have additional responsibilities commensurate with their positions.

Key Risks Management

The Company's activities expose it to a variety of risks, which have been classified into distinct types or categories to facilitate a comprehensive and structured approach to risk management such as :



All identified risk categories or types are managed in accordance with the Company's approved policies and procedures, with appropriate controls, mitigation measures, and oversight mechanisms implemented to ensure that risks remain within the defined risk appetite.



05.

Performance (Results and Impact)

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Our Approach to Impact Measurement

Impact measurement is central to how we assess performance, strengthen accountability and guide strategic decision-making. As a development finance institution focused on expanding access to finance for African SMEs, AGF recognizes that measuring success extends beyond financial performance to include the broader economic, social and environmental outcomes generated through our interventions.

Our approach to impact measurement is anchored in a results-based framework that tracks the contribution of AGF's guarantee and CD interventions across the SME financing value chain. This framework enables us to assess how catalytic capital mobilised through AGF translates into increased financing access, enterprise growth, job creation and sustainable development outcomes across Africa.

AGF's impact measurement approach is guided by a clear Theory of Change, which links:

- Catalytic capital mobilisation
- Risk-sharing and Capacity Development interventions
- Increased financing by Partner Financial Institutions (PFIs)
- Improved SME growth and resilience
- Broader development outcomes.

Through this approach, AGF measures impact across five interconnected levels: Inputs, Activities, Outputs, Outcomes and Impact.

AGF's Monitoring, Evaluation and Learning (MEL) framework plays a critical role in ensuring the credibility and consistency of reported results. Impact data is collected through multiple channels, including PFI reporting, programme monitoring mechanisms, SME-level assessments and portfolio analysis.

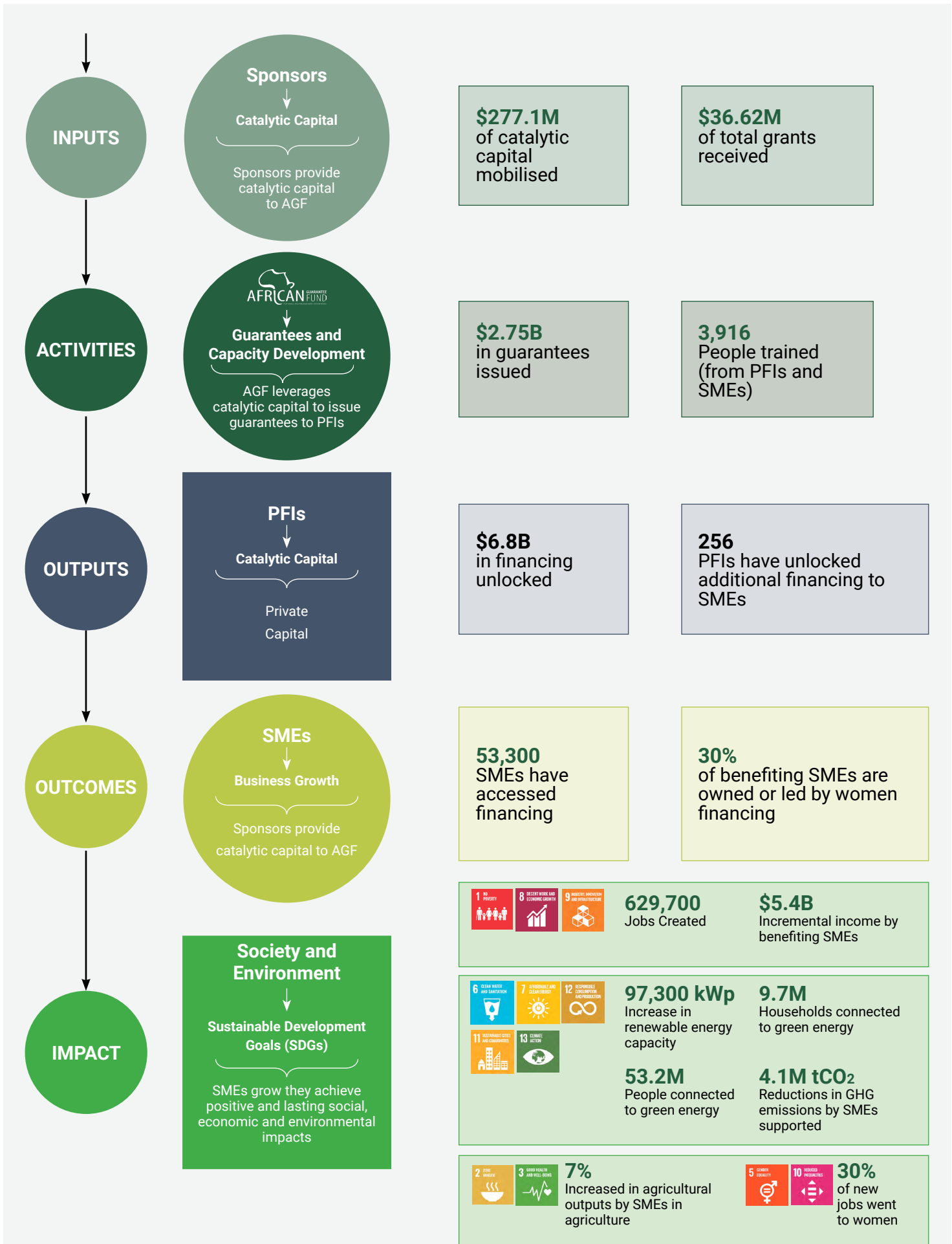
In recent years, AGF has continued strengthening its impact measurement systems by improving data quality processes, refining methodologies and integrating more outcome-oriented reporting practices. Greater emphasis has also been placed on qualitative storytelling and case studies to complement quantitative indicators and provide a more human-centred perspective on impact.

AGF's impact measurement approach is further aligned with key international development and sustainability priorities, including the United Nations Sustainable Development Goals (SDGs), with particular contribution towards no poverty, decent work and economic growth, gender equality and climate action.

By continuously strengthening how impact is measured, analysed and communicated, AGF aims not only to demonstrate accountability to its stakeholders, but also to enhance learning, improve programme effectiveness and deepen its contribution to Africa's development agenda.

Theory of Change

AGF's theory of change illustrates how catalytic capital mobilised from shareholders and sponsors, through guarantees and capacity development interventions, unlocks increased private sector financing from PFIs. This expanded access to finance enables SMEs to grow while delivering measurable environmental and social impact. By bridging the financing gap between PFIs and SMEs, AGF contributes to the achievement of the United Nations Sustainable Development Goals.



Driving Financial Inclusion and SME Growth Across Africa



In 2025, AGF continued to support SME growth and financial inclusion across the continent, contributing to efforts in addressing Africa's estimated USD 421 billion SME financing gap through its blended finance model. By combining risk-sharing instruments with targeted CD interventions, AGF mobilised cumulative financing of USD 6.8 billion to SMEs through a network of 256 PFIs operating across 44 African countries. Despite maintaining a steady guarantee portfolio, AGF's cumulative guarantees issued since inception reached USD 2.75 billion as at 31 December 2025. During the year, AGF recorded a 24% year-on-year increase in SME loan disbursements, reflecting a strategic focus on optimizing facility utilisation and improving capital deployment. This performance was further supported by AGF's institutional standing, including its AA- Fitch credit rating and an expanded catalytic capital base of USD 277.1 million.

AGF's interventions continued to advance financing across its strategic thematic areas aligned with the United Nations Sustainable Development Goals. Through the Affirmative Finance Action for Women in Africa (AFAWA) programme, AGF facilitated cumulative loan disbursements of USD 1.05 billion to approximately 16,000 women-owned/led businesses. Under the Green Guarantee Facility (GGF), AGF mobilised USD 246.9 million in green financing, contributing to the avoidance of 4.1 million tonnes of CO₂ emissions and expanding access to sustainable energy solutions for 53.2 million people.

These interventions contributed to measurable socio-economic outcomes across AGF's markets of operation. AGF-supported enterprises created and sustained approximately 629,700 jobs, representing a 23% increase in employment impact, while generating USD 5.4 billion in incremental income. Capacity Development initiatives also expanded considerably, enabling more than 26,000 businesses to strengthen their financial and operational readiness for long-term resilience and growth.

Overall, the 2025 results reflect AGF's continued role in supporting financial institutions to increase lending to SMEs through guarantees, catalytic capital, and technical assistance, while contributing to inclusive and sustainable economic development across Africa.



\$6.8 B

Cumulative financing mobilised to SMEs

+24%

YoY SME loan disbursements

Reach & institutional standing



256

PFIs

44

Countries



\$2.75B

Cumulative guarantees issued

Thematic programmes (SDG-aligned)



AFAWA

\$1.05B

Loans disbursed



GGF

\$246.9M

Green financing mobilised

~16,000

Women-owned / led businesses

4.1M

CO₂ avoided

Socio-economic impact

629.7K

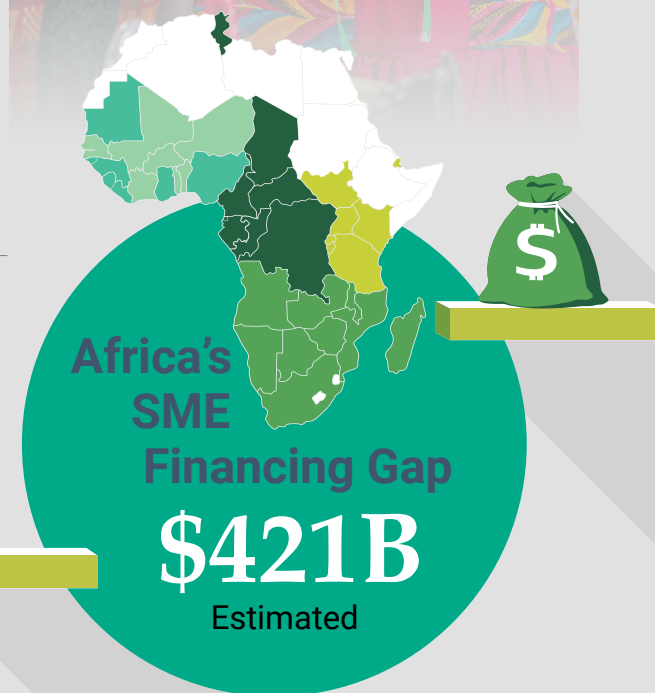
Jobs created & sustained (+23%)

\$5.4B

Incremental income generated

26K+

Businesses strengthened



Inputs

Catalyzing African SME Growth: The Evolution of AGF Capital

Since its formal incorporation in 2011 by the Government of Denmark through Danida, the Ministry of Foreign Affairs of Spain through AECID, and the African Development Bank, the African Guarantee Fund (AGF), established as a private company limited by shares in Mauritius with a mandate to facilitate SME access to finance and drive economic growth across Africa, has achieved significant institutional growth.

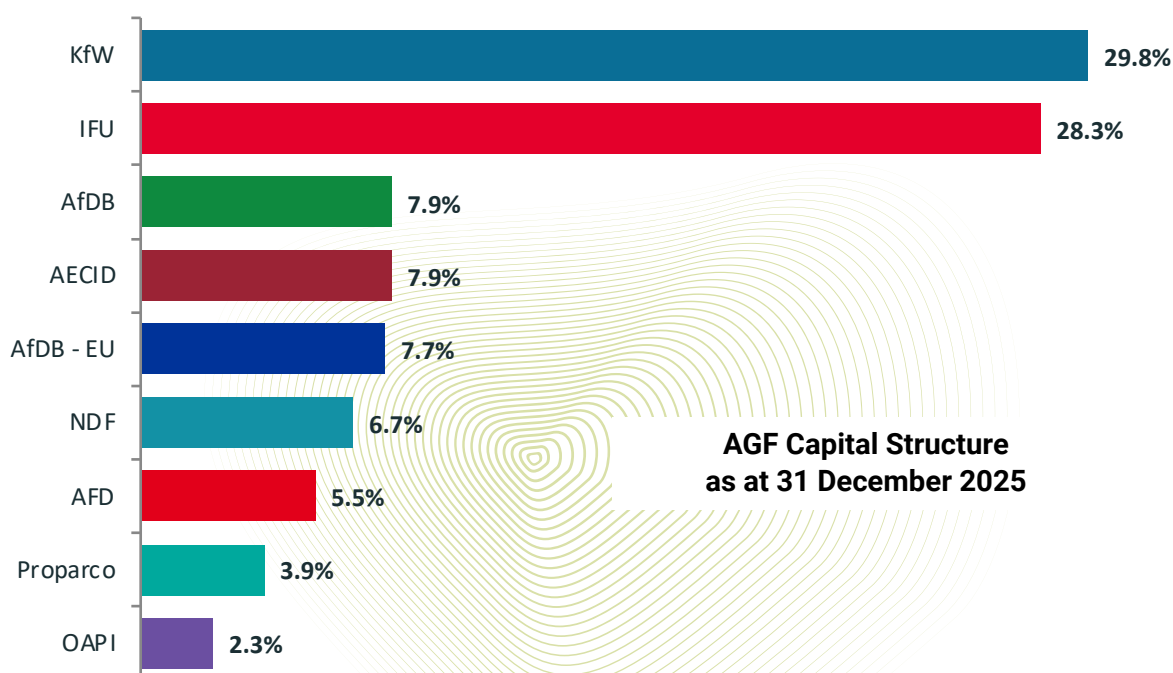
Supported by the sustained commitment of a strong and diverse shareholder base, alongside sponsors and development partners whose catalytic capital underpins its mission to unlock financing for African SMEs, AGF remains aligned with global mandates to mobilize both financial and technical resources for Africa's private sector. To date, shareholder capital contributions have enabled AGF to unlock USD 6.8 billion in financing for SMEs across Africa, while systematically de-risking high priority thematic areas such as gender equity, agricultural productivity, and climate resilience through the deployment of clean

energy technologies, nature based solutions, and blue economy initiatives critical to building low carbon, climate resilient economies.

As of year end 2025, AGF had expanded its capital structure from an initial USD 50 million subscription to USD 277.1million in catalytic capital and USD 36.62 million of total grants received.

Looking ahead, AGF is strategically positioned to further scale its impact by deepening collaboration with governments, multilateral agencies, and private sector investors. This will enable the institution to expand support across key thematic areas, including gender, agriculture and food security, green and climate finance as well as emerging sectors such as innovation and invention, while advancing priorities such as digital inclusion.

Today, AGF is proud to report that its shareholder base has expanded. The current shareholders at December 31, 2025 are:



Activities

Our activities fall into two distinct areas: Risk Sharing (by leveraging capital through guarantees) and Capacity Development Interventions.

AGF doubles-down on its mission and mandate by combining the two into a single solution delivery point. Not only is AGF unlocking financing for SMEs, but we strengthen the ecosystem that supports them. In partnership with our PFIs and with appropriate interventions we are able to ensure more inclusive, resilient, and sustainable financial markets across Africa.

Risk Sharing and Leverage Activities

AGF provides PFIs with our four comprehensive Risk Sharing Guarantee Products which mitigate the risks associated with lending to SMEs. These Guarantee products significantly enhance PFIs' capacity and willingness to extend credit to underserved and perceived higher-risk segments, by absorbing a portion of the potential losses.

This approach allows financial institutions to:

- Extend financing to SMEs that would otherwise fall outside their risk appetite
- Increase loan volumes and improve their SME portfolio diversification
- Test new markets, products, and borrower segments with greater confidence.

Our Guarantees act as a catalytic instrument, mobilising private capital towards SMEs while enhancing the financial sector's risk-adjusted returns. AGF's guarantees are therefore not only risk-transfer instruments; they are market-building tools that help financial institutions gain experience, confidence and capacity in SME lending.

Capacity Development (CD) Interventions

Capacity Development is the ecosystem-building layer of AGF's model. It protects and amplifies the value of guarantees by strengthening PFI underwriting, product design, portfolio monitoring and SME credit-readiness. In doing so, it contributes to better utilisation, lower risk and more sustainable SME finance markets. We work across two levels of the ecosystem:

- At the **PFI level**, we support institutions to strengthen their internal systems, credit underwriting processes, gender-lens approaches, and product design capabilities—enabling them to better serve SME clients.
- At the **SME level**, we help businesses become more bankable by building or strengthening their financial management, governance, and operational readiness.

Guarantee Activities

The data below provide a snapshot of guarantee portfolio performance as at 31 December 2025. Overall, there were no major changes in the volume of guarantees issued during the year, reflecting AGF's strategic focus on optimizing the utilisation of existing facilities rather than expanding the portfolio through new issuances.



Guarantee Portfolio Snapshot

532

Guarantees issued

2024: 529

\$2.75B

Volume of guarantees issued

2024: \$2.71B

\$4.9M

Average guarantee

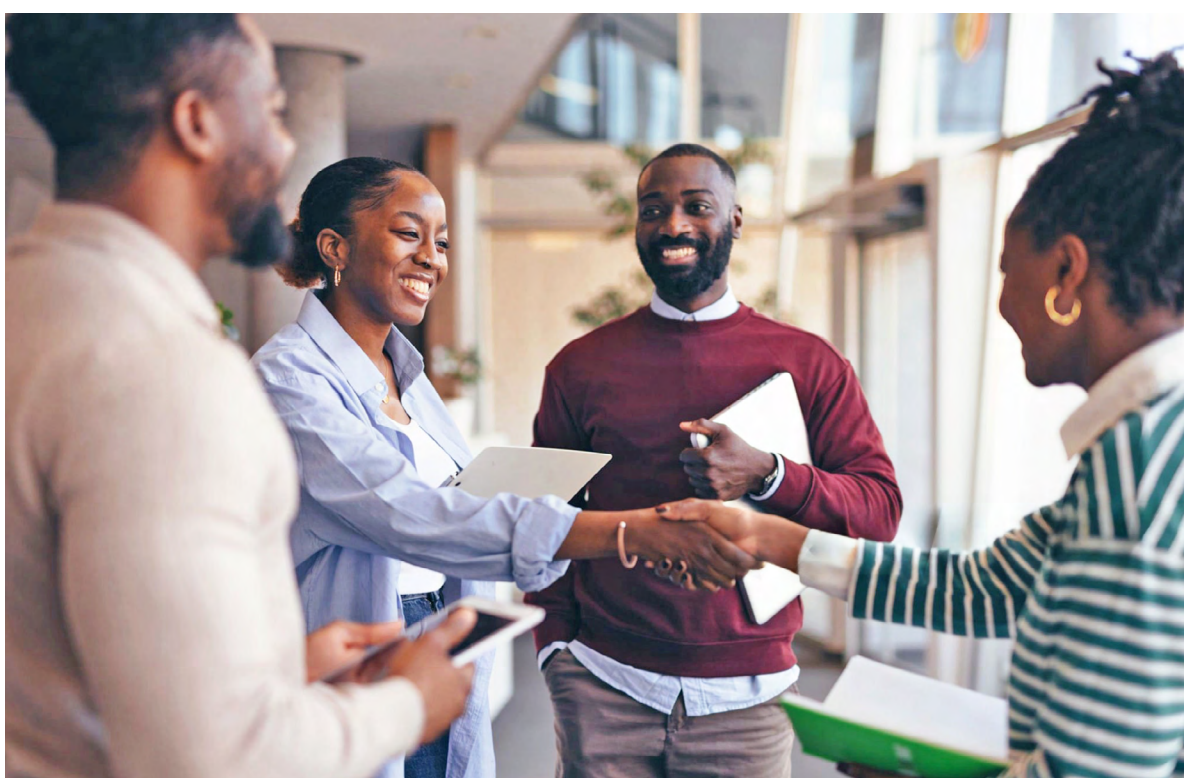
66

Months

Average tenor

Types of Guarantees

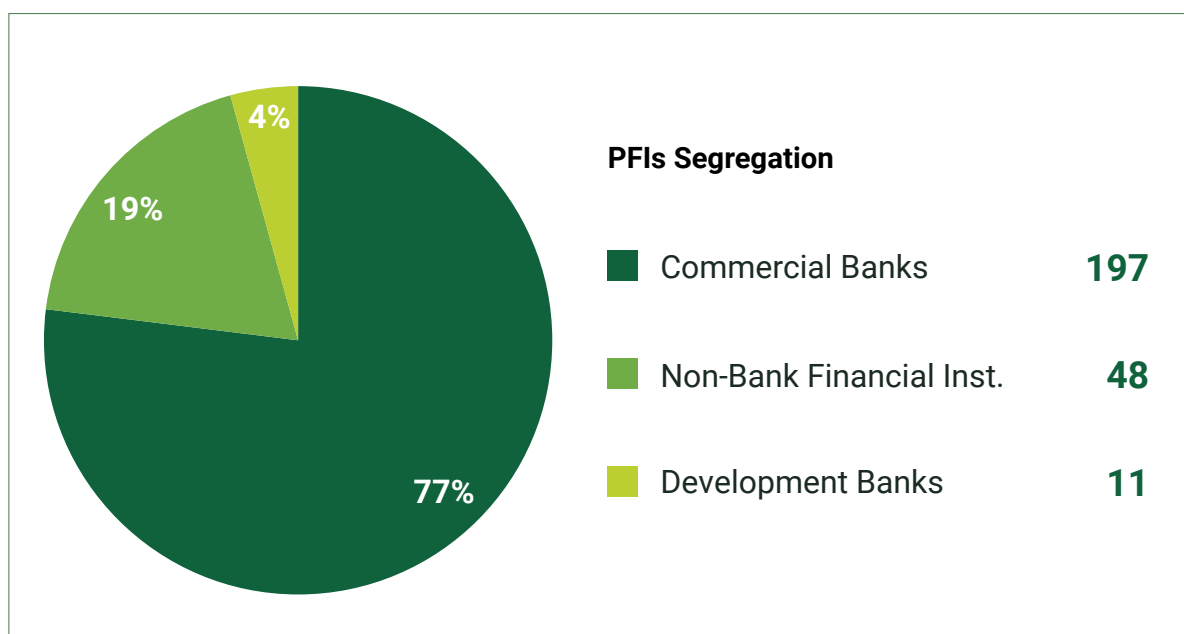
Guarantee By Product Type	Units	2025	2024
Total Guarantees Issued	USD, billions	2.75	2.71
Bank Fundraising Guarantee	USD, billions	0.28	0.27
Equity Guarantee	USD, millions	0.71	0.71
Loan Individual Guarantee	USD, billions	0.34	0.34
Loan Portfolio Guarantee	USD, billions	2.13	2.10



In 2025, the cumulative volume of guarantees issued since inception to USD 2.75 billion as at 31 December 2025, up from USD 2.71 billion in December 2024. This marginal increase underscores a deliberate shift towards enhancing the performance and absorption capacity of already committed guarantees.

This approach has enabled AGF to create sufficient room within underutilised facilities, improve efficiency in capital deployment, and strengthen relationships with PFIs by encouraging higher drawdowns on existing commitments. As a result, while guarantee issued volumes remained relatively stable, the emphasis on utilisation has contributed significantly to the observed growth in financing mobilised and overall portfolio impact.

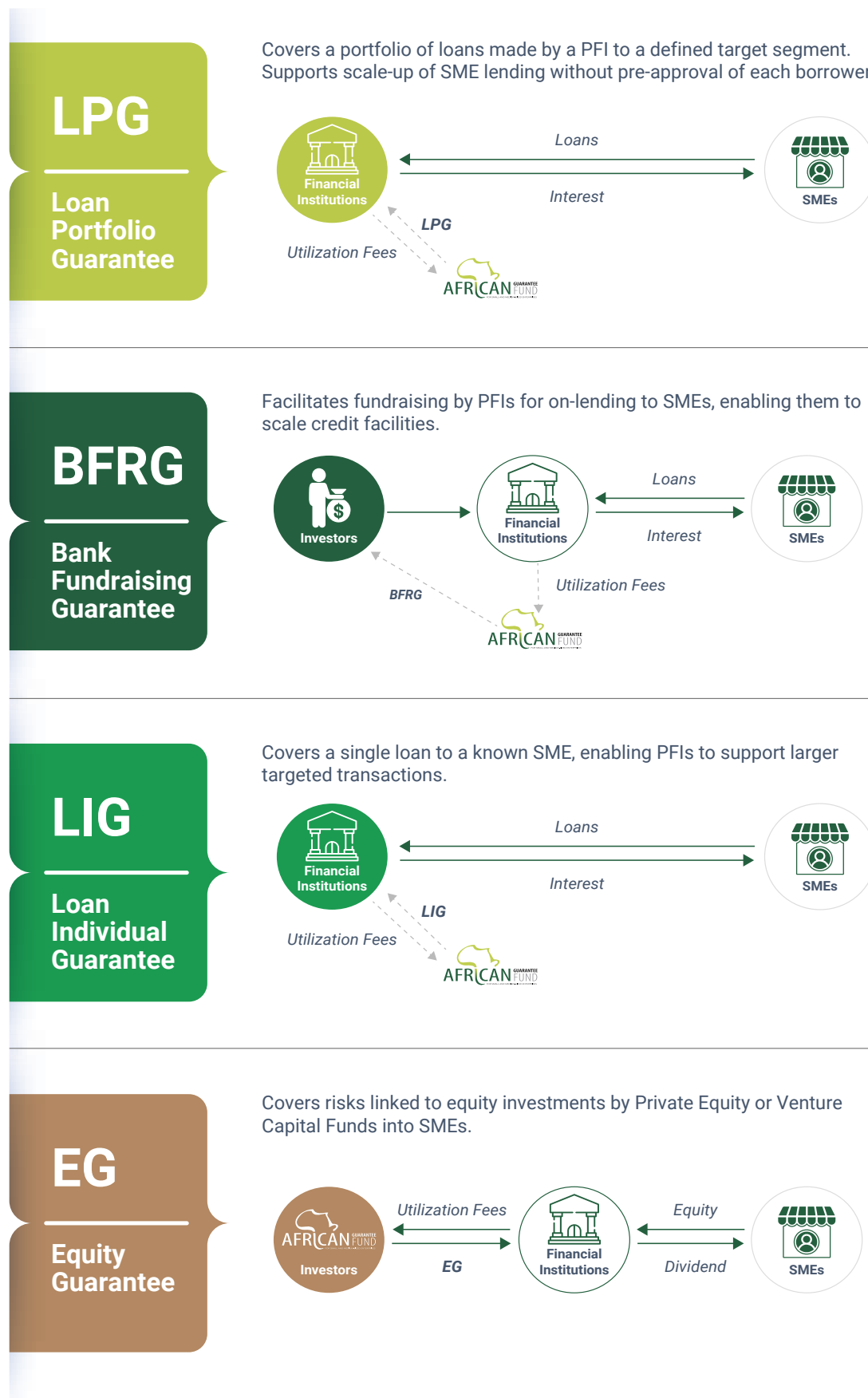
While expansion into new markets remained measured, considerable progress was achieved in deepening outreach and strengthening impact within existing markets. In parallel, AGF's network of PFIs expanded to 256 institutions, driven by growth in Development Banks, which increased from 9 to 11 during the year.



AGF's continued influence on PFIs has reinforced the prioritisation of inclusive segments, particularly women and youth-led enterprises. Overall, the 2025 results reflect a deepening of impact within AGF's existing operational footprint.

Types of Guarantees

AGF offers four guarantee products designed to unlock financial resources and spur SME growth across sectors.



AGF's Thematic Windows

While AGF continues to advance its mandate across all SME segments, it has deliberately carved out targeted interventions around priority themes where financing gaps remain most pronounced and the potential for development impact is greatest. These thematic areas include Gender-Lens Investing, Climate Change Solutions, Agriculture as well as Invention and Innovation. Key activities implemented under each theme are outlined below:

Key activities implemented under each theme are outlined below:

01

Gender Finance

\$494.7M

Volume of
Guarantees Issued

2024: \$485.8M

i. Affirmative Finance Action for Women in Africa (AFAWA)

AFAWA is a pan-African initiative of the African Development Bank, supported by G7 countries, the Netherlands and Sweden. This initiative aims to bridge the estimated USD 42 billion financing gap facing women-owned and women-led businesses in Africa. The African Guarantee Fund is an implementing partner of the AFAWA programme, offering the AFAWA Guarantee for Growth (AFAWA G4G) to lending institutions and Capacity Development Assistance to both lending institutions and Women SMEs (WSMEs).

Through a combination of the risk-sharing mechanism and targeted technical assistance, the programme seeks to catalyze between USD 1.3 billion and USD 2 billion in additional financing for WSMEs.

The interventions under AFAWA G4G are structured around two complementary pillars:

- **Pillar 1:** Access to finance;
- **Pillar 2:** Strengthening institutional capacity through technical assistance to financial intermediaries and supporting WSMEs readiness for financing growth.

02

Green / Climate Finance

\$156.7M

Volume of
Guarantees Issued

2024: \$153.7M

i. Green Guarantee Facility

Launched in 2016 by the AGF with support from sponsors including the Nordic Development Fund and Impact Fund Denmark (formerly IFU), the Green Guarantee Facility (GGF) was established to build on the momentum of the 2015 Paris Climate Agreement by de-risking financing for African green SMEs and supporting countries in achieving their Nationally Determined Contributions (NDCs). Through guarantees provided to PFIs, the facility catalyzes lending to SMEs operating in renewable energy, energy efficiency, climate-smart agriculture, and resilient infrastructure.

Since its inception, the facility has continued to attract the support of key partners and shareholders, including the Impact Fund Denmark (formerly IFU), the Norwegian Agency for Development Cooperation (Norad), and AGF's broader shareholder base, all united under a shared commitment to advancing Africa's green transition agenda.

02

Green / Climate Finance

\$25.69M

Volume of
Guarantees Issued

2024: \$6.99M

ii. AGF Innovation and Entrepreneurship on Climate & Environment Project

The AGF Innovation and Entrepreneurship on Climate & Environment project was launched in 2023 through a grant provided by the Norwegian Agency for Development Cooperation (NORAD) to support the implementation of a targeted initiative aimed at improving access to finance for MSMEs across Ghana, Kenya, Malawi, Mozambique and Tanzania that demonstrate strong potential to scale climate and environmentally sustainable innovations.

The project focuses on high impact sectors that are critical to both economic transformation and climate resilience in the target countries including:

- Food Security
- Blue Economy
- Marine Litter
- Renewable energy
- Clean cooking solutions and,
- Aquaculture

These sectors offer potential for inclusive growth across the five target countries. MSMEs operating in areas such as artisanal fisheries, aquaculture farming and offshore energy are especially well positioned to contribute to both economic diversification and climate resilience, provided they are supported to overcome structural and financial barriers.

03

Agriculture / Food Security

\$9.1M

Volume of
Guarantees Issued

2024: \$3.2M

i. Agri-Biz (Kenya) Programme

Kenya's agricultural sector remains central to livelihoods and the country's economic prosperity. However, access to affordable finance, particularly for women and youth led agribusinesses, continues to be a significant constraint. To address these challenges, the European Union (represented by the European Commission), through the African Development Bank, established the EU Agribiz Programme as a targeted agricultural finance intervention designed to tackle both supply and demand barriers to finance.

The programme is anchored in the Kenya Women and Youth Risk Sharing Facility, which de-risks lending to underserved agribusiness segments through the provision of partial credit guarantees. This enables PFIs to expand access to credit access while mitigating risk exposure. The facility is further complemented by targeted CD support for both financial institutions and agribusinesses, aimed at strengthening institutional capabilities and improving business resilience.

Through this integrated approach, the Kenya Women and Youth Risk Sharing Facility plays a catalytic role in advancing inclusive finance, expanding economic opportunities for women and youth and driving growth within Kenya's agricultural value chains.

04 Innovation & Invention

i. AFINVENT

AFINVENT (Innovation and Invention Financing Facility) was established in response to a persistent financing gap faced by African SMEs whose primary assets are intellectual property rights. The facility was designed jointly with the African Intellectual Property Organisation (OAPI), headquartered in Yaoundé, Cameroon, which protects and promotes IP rights across 17 Francophone African member states through a centralized registry for patents, trademarks, industrial designs, geographical indications, and utility models.

Despite holding patents and other industrial property titles, these enterprises often struggle to access traditional financing due to the intangible nature of their assets, limited collateral, and the perceived risk associated with early-stage or innovation-driven business models. AFINVENT addresses these gaps by creating a structured ecosystem that links innovation, finance, and technical expertise to unlock the value of intellectual property.

The programme is designed to enable innovators and IP-driven SMEs to access appropriate financing, strengthen their capacity, and scale their businesses across different stages of growth. In doing so, it aims to catalyze innovation-led entrepreneurship, enhance the contribution of IP-based enterprises to economic development, and foster a more dynamic and inclusive innovation ecosystem within OAPI Member States.

As the AFINVENT programme remains in its early implementation stage, no guarantees have been issued to date and, consequently, no measurable impact has yet been recorded. Activities undertaken during the period primarily focused on institutional setup, business development, capacity building, communications, and the establishment of operational frameworks to support the programme's future rollout and impact.

Aspirations Going Forward

As Africa's development landscape continues to evolve, AGF remains committed to strengthening its role as a catalytic partner in unlocking sustainable financing for underserved SMEs across the continent. Building on the progress achieved across its thematic programmes in 2025, AGF will continue to deepen its interventions in gender finance, climate and green finance, agriculture and food security, as well as innovation and invention, while remaining responsive to emerging development priorities and market needs.

Looking ahead, AGF will focus on disciplined scale: increasing utilisation, strengthening portfolio quality, improving operational efficiency and deepening measurable impact across its thematic windows. Management will continue to prioritize interventions where AGF's guarantees and CD can deliver clear additionality and sustainable market-building outcomes.

In gender finance, AGF will continue supporting financial institutions to increase financing for women-led and women-owned enterprises while strengthening the broader ecosystem required to accelerate women's economic participation. Within climate and green finance, we seek to expand support for enterprises driving climate adaptation, mitigation, renewable energy adoption, resilient infrastructure, and sustainable blue economy solutions, in line with

Africa's climate ambitions and transition priorities.

AGF also recognizes the strategic importance of agriculture and food security as key drivers of livelihoods, resilience, and inclusive economic growth. Future interventions will therefore continue to focus on strengthening financing for agribusiness value chains, particularly those led by women and youth, while supporting financial institutions to better serve underserved agricultural markets.

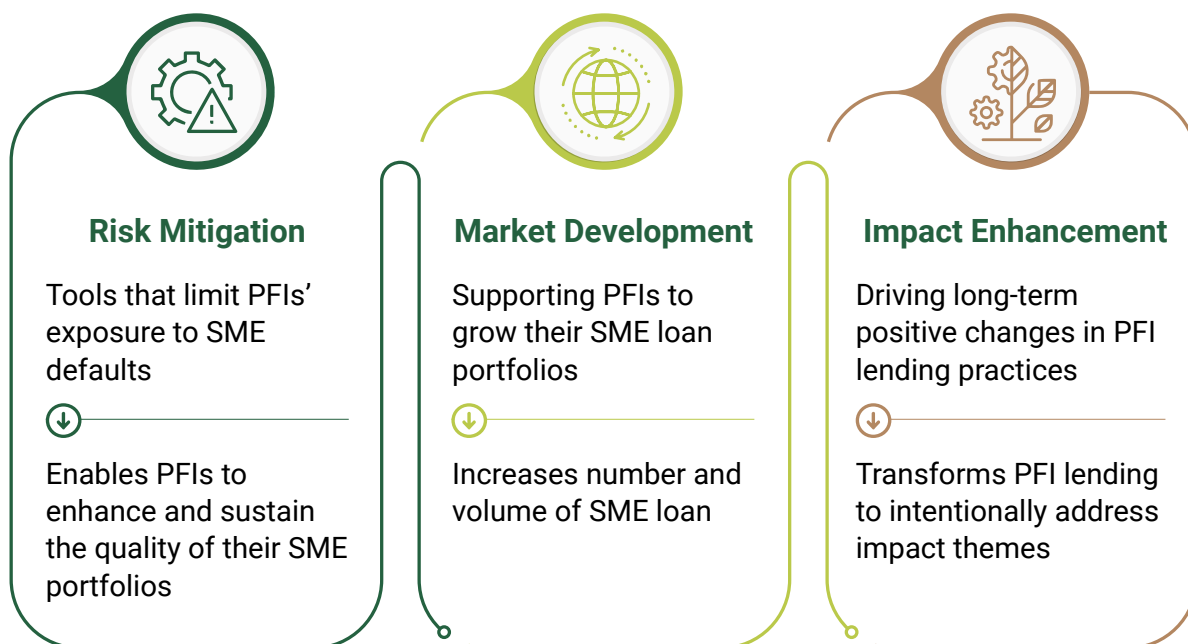
AFINVENT will continue laying the foundation for innovation and invention financing, with the long-term ambition of unlocking capital for intellectual property-driven enterprises and strengthening Africa's innovation ecosystem. As digital transformation increasingly shapes African economies, AGF will also explore opportunities that advance digital inclusion and support technology enabled SME growth across its thematic areas.

Through these efforts, AGF aspires to further position itself as a leading pan-African catalyst for inclusive and sustainable private sector development, supporting SMEs that drive job creation, economic resilience, and long-term development impact across the African continent.

Capacity Development Activities

AGF's Capacity Development (CD) initiatives continue to drive ecosystem strengthening through targeted support at both the PFI and SME levels. These interventions focus on enhancing internal systems, streamlining operational processes and strengthening management and institutional capabilities. In 2025, AGF adopted a more focused and results-driven approach, anchored on granular KPIs aligned to strategic pillars, enabling the delivery of tailored, high-impact interventions rather than broad-based support.

The three CD Pillars & Objectives



CD PFI Metrics for 2025

Capacity Development efforts expanded significantly during the year, with committed resources to PFIs increasing by 36% compared to 2024. AGF also deepened its focus on gender-inclusive institutional strengthening, with the number of women employees trained more than doubling year-on-year.

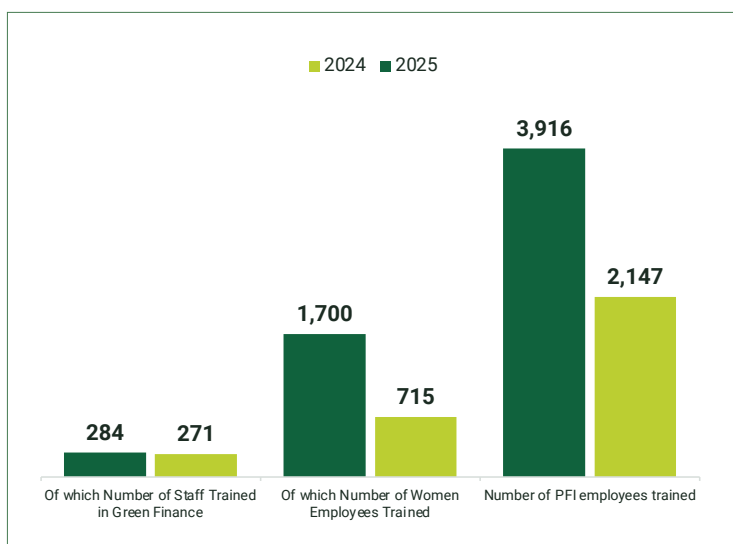


Strengthening PFIs Snapshot

\$2.4M

CD committed to PFIs

2024: \$1.8M



CD SME Metrics for 2025

At the SME level, outreach scaled substantially, with 26,510 SMEs benefiting from CD initiatives in 2025, representing a 330% increase from the previous year.

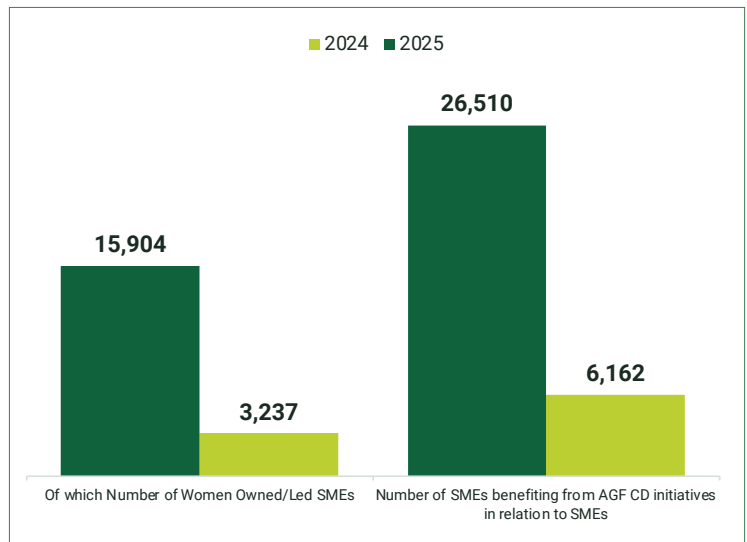


Building SME Bankability Snapshot

\$1.57M

CD committed to SMEs

2024: \$0.8M



Outputs

As of 31 December 2025, the cumulative volume of loans disbursed to SMEs reached USD 6.8 billion, representing a 24% increase from USD 5.5 billion recorded at the close of 2024. This reflects increased utilisation of the AGF guarantees alongside deeper engagement with PFIs.



Metric	2025	2024
Average amount	\$32K	\$31.5K
Average tenor	20 months	21 months
Average cost	17%	17%

Volume of Loans disbursed

Sectoral distribution of financing remains broadly consistent, with Wholesale and Trade (35%) and Manufacturing (29%), continuing to account for the largest share of SME lending. This reflects both market demand and the strategic positioning of PFIs, whose lending priorities significantly influence thematic and sectoral coverage.

Volume of Loans Disbursed to SMEs	Units	2025	2024
Volume of Loans Disbursed	USD, billions	6.8	5.5
Of which Agriculture	USD, billions	0.6	0.5
Of which Energy	USD, billions	0.4	0.4
Of which Infrastructure & Manufacturing	USD, billions	1.9	1.6
Of which Wholesale & Trade	USD, billions	2.4	1.8
Of which other	USD, billions	1.5	1.2

Overall, the sharp increase in financing mobilised underscores the effectiveness of AGF's strategic shift towards optimizing existing guarantee facilities. While the guarantee portfolio itself remained relatively stable, enhanced utilisation has translated into significantly higher lending volumes, demonstrating improved efficiency in capital deployment and stronger impact delivery across the SME ecosystem.

Outcomes

The number of SMEs benefiting from AGF guarantees grew by 21% year-on-year, reaching 53,300 enterprises across 44 countries (approximately 81% of the African continent), and its priority thematic areas, including women and climate finance. This expansion reflects enhanced utilisation of guarantee facilities and stronger engagement with PFIs, enabling broader access to finance across underserved segments.

While geographic expansion was steady, significant progress was achieved in deepening outreach within existing markets. As illustrated in the table below, this growth includes support to 28,800 youth-owned SMEs, 16,000 women-owned SMEs, and 248 green SMEs, reflecting AGF's continued commitment to inclusive and sustainable financing across the continent.

SMEs benefitting from AGF Guarantees	Units	2025	2024
Number of SMEs Benefiting from AGF's Guarantees	Numbers	53,300	44,000
Of which Youth Owned/Led SMEs	Numbers	28,800	23,700
Of which Women Owned/Led SMEs	Numbers	16,000	13,200
Of which Green SMEs	Numbers	248	205

Impact

AGF's interventions in 2025 translated into strong and measurable development impact, with significant year-on-year gains across core outcome indicators, particularly in job creation, income generation, and green growth.

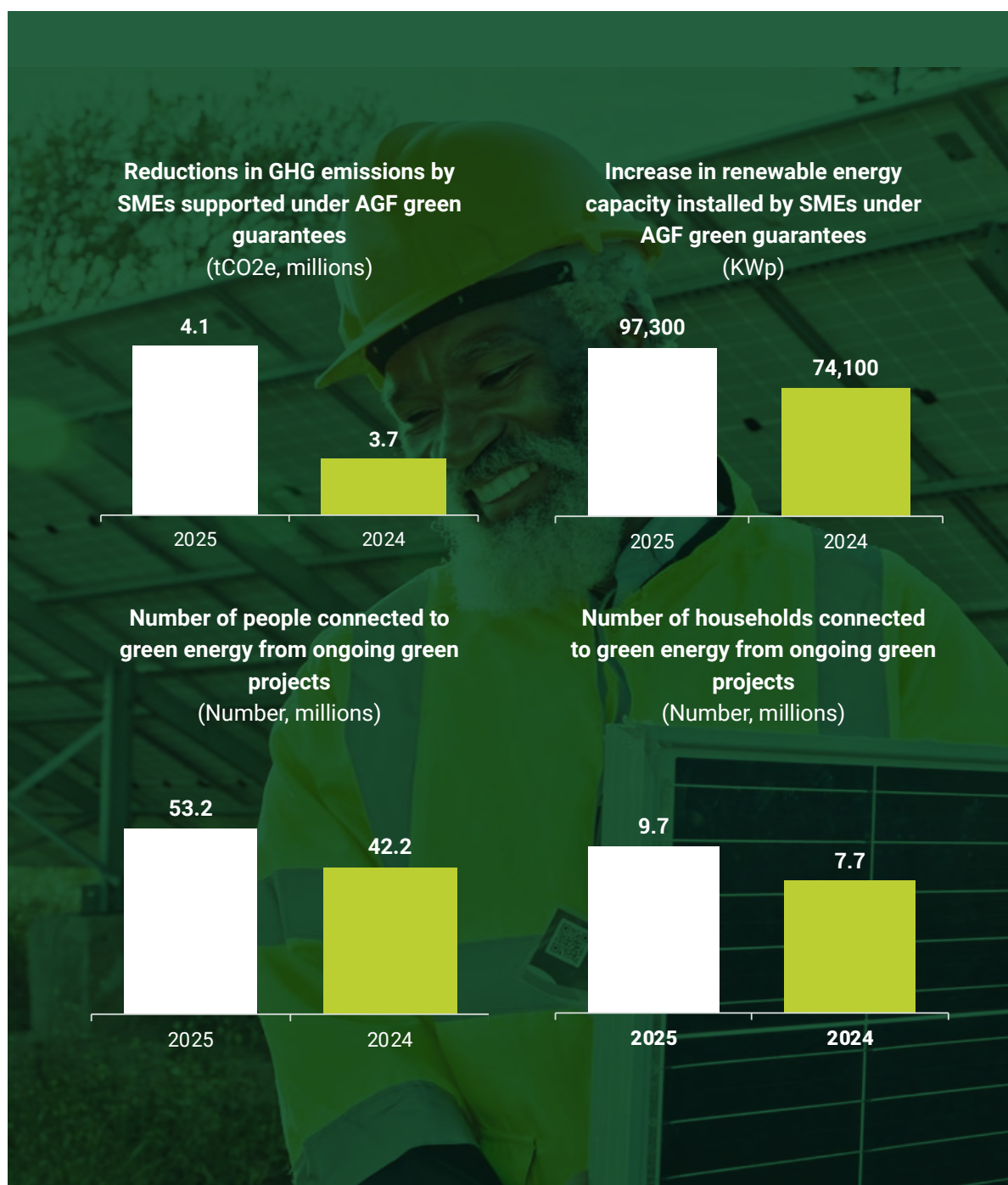
At the SME level, jobs created and supported increased substantially from 512,100 in December 2024 to 629,700 in December 2025, representing a 23% growth. This reflects the scaling effect of increased financing to SMEs and the continued resilience and expansion of supported enterprises. In parallel, incremental income generated by SMEs rose from USD 4.4 billion to USD 5.4 billion, also marking a 23% increase, underscoring improved business performance and productivity across the portfolio.



Job Creation	2025	2024
Number of Jobs supported/created by SMEs under AGF's guarantees	629,700	512,100

Income Generated	2025	2024
Incremental income generated by the SMEs under AGF's guarantees	5.4	4.4

AGF also recorded strong progress under its green window. The number of people connected to green energy solutions grew from 42.2 million in 2024 to 53.2 million in 2025, highlighting expanded access to sustainable energy. Contribution to Greenhouse gas (GHG) emissions reductions increased by 11%, from 3.7 million tCO₂e in 2024 to 4.1 million tCO₂e in 2025, demonstrating continued contributions to climate mitigation. Additionally, renewable energy capacity rose significantly by 31%, from 74.1 MW in 2024 to 97.3 MW in 2025, reflecting growing investments in clean energy infrastructure.



Overall, the 2025 impact results demonstrate AGF's ability to translate increased financing and improved portfolio utilisation into tangible socio-economic and environmental outcomes. The simultaneous growth in jobs, income, and green indicators reinforces AGF's strategic positioning at the intersection of financial inclusion, economic development, and climate action.

Global Alignment of AGF's Impacts

From Waste to Wonder

Kentaste's Coconut Revolution – Turning Kenya's coastal bounty into a global brand



“Access to finance isn't the main problem — it's access to the right type of finance. What early-stage businesses need is equity-like support, but most of what's available is debt”



Meet Kyle

Kentaste Products Limited, founded by **Kyle Denning**, was born from a simple observation: Kenya's coast was rich in coconuts but lacked a formal processing industry. Starting with a basic factory and a few dozen farmers in 2014, Kentaste grew into a regional brand known for quality, ethical sourcing, and innovation.



Today the business supports over 4,000 smallholder farmers and supplies supermarkets across East Africa and export markets in Europe, the Middle East, and North America. In 2022, a partnership with Grassroots Business Fund unlocked the working capital needed to scale sourcing and meet rising demand.

Impact Highlights

1. Over 250 staff employed at full capacity
2. 4,000+ registered coconut farmers supported directly
3. Products supplied to 1,000+ supermarkets across East Africa
4. Ethical sourcing and community reinvestment guaranteed
5. Coconut nursery and replanting initiatives running for farmer sustainability

Looking Ahead

His strategic priorities include:

- Deepening international partnerships and new product innovation
- Expanding farmer support and development programmes
- Growing Kentaste into a global coconut-based products leader



From Passion to Continental Impact

APINOME's Beekeeping Revolution — Transforming honey into a West African enterprise

“Only Fin’ELLE gave me loans, no commercial banks”



Meet Kassi

APINOME, founded by **Kassi Clémentine** in 2011, specializes in agro-processing for beekeeping — training producers, packaging honey, and developing bee-derived cosmetic and therapeutic products. With international AFNOR certification and capital grown from 1 to 10 million CFA francs, it is positioning itself as a major player in West African beekeeping.

Kassi's path began at 22 managing a Shell station, before building a beauty salon, hostess agency, and training firm. A 2007 UNDP beekeeping project sparked her true calling. When trained villagers told her no one was buying their honey, she saw the gap and built APINOME to fill it.

Impact Highlights

- | | | |
|---|--|--|
| <p>1.
Capital grew tenfold from 1 to 10 million CFA francs</p> | <p>2.
12 employees, 7 of them women</p> | <p>3.
AFNOR international certification secured</p> |
| <p>4.
Missions deployed to Congo Brazzaville with expansion into Gabon</p> | <p>5.
5 villages trained in sustainable beekeeping, producing 4 tons of honey</p> | |



Looking Ahead

Her strategic priorities include:

- Deepening international partnerships and new product innovation
- Expanding farmer support and development programmes
- Growing Kentaste into a global coconut-based products leader





06.

Environmental and Social

Content

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AGF's Value-add: Capacity Development	93

E&S Framework

This section elaborates how the E&S policy, procedures, tools are used and implemented to manage E&S risks:

- Policy, procedures, tools, international E&S standards used, etc.
- Overview of the guarantee process and integration of E&S.
- Outline of key E&S resources throughout the organisation.
- Stakeholder engagement and external grievance management.

For its Environmental and Social Risk Management, AGF is guided by its E&S Policy and E&S Management Framework (ESMF), which it uses in the assessment of the E&S Risks of each guarantee facility. The Policy sets out the Environmental & Social objectives and principles which guide AGF's business activities to achieve sound E&S performance. The ESMF sets out our approach to the identification, assessment, approval and management of these E&S risks. The ESMF has been developed in line with the E&S Policy.

The ESMF's objective is to assess the management of such risks by AGF's PFIs. The Policy and the ESMF are based on the *IFC Performance Standards* and aligned to International Standards for Financial Intermediaries (including but not limited to the *EDFI Principles for Responsible Financing*, the *AfDB Environmental and Social Operational Safeguards*, the core *ILO Labour Standards*).

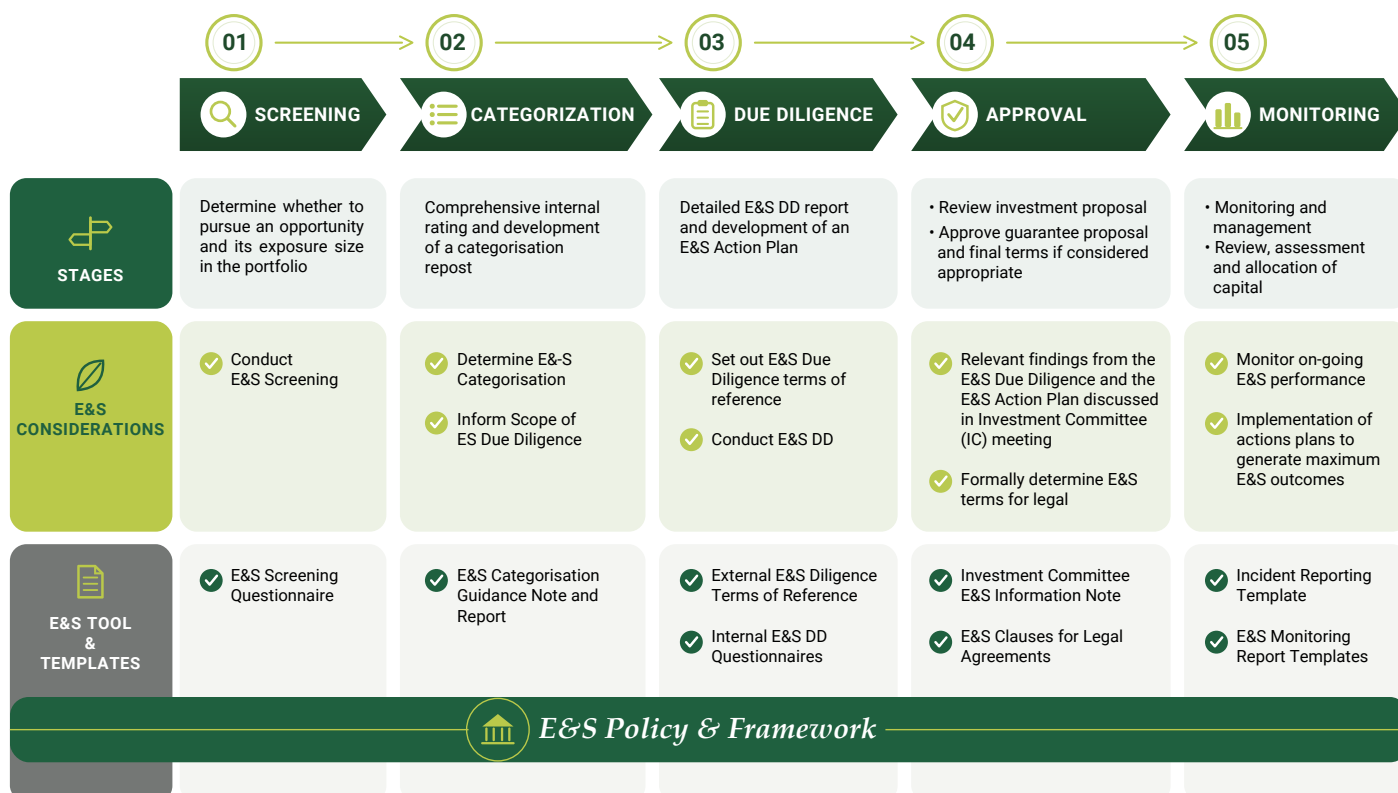
AGF has adopted a robust Exclusion List to ensure that it does not invest, guarantee or provide capacity development to any activity, production, use, distribution, business or trade that is on this list.

With its key target sector being SMEs, AGF supports projects that contribute directly to the Global Goals for Sustainable Development (SDGs) as illustrated below.



Procedure and Processes

The E&S risk assessment is integrated into the guarantee appraisal process and includes different stages and associated steps, as presented hereunder:



- **Screening:** The AGF Exclusion List is applied to the prospective SME/PFI/transaction with the objective of determining whether to pursue such opportunity and its exposure size within the portfolio.
- **Categorization:** This is undertaken in accordance with the categorization process of the IFC, as outlined in the Equator Principles IV (2020) and further detailed on the following page. The categorization of a prospective guarantee depends on the type, location, sensitivity, scale as well as the nature and magnitude of its potential risks and impacts.

The categories, as specified under the policy and framework, in line with our reference standards, are detailed hereunder:

- i. **Category A or FI-1:** Projects with potential significant adverse social or environmental impacts which are diverse, irreversible or unprecedented;
- ii. **Category B or FI-2:** Projects with potential limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures, and
- iii. **Category C or FI-3:** Projects with minimal or no social or environmental impacts.

- **Due Diligence:** This key step consists of an investigation or exercise of care performed before entering into an agreement to determine approach, understanding and management of E&S risks in relation to the prospective SME/PFI/transaction. The E&S Due Diligence mainly focuses on:
 - i. How the PFI assesses its own E&S risks; and
 - ii. How the SME is equipped to manage E&S risks.
- **Approval:** E&S risk assessment is integrated into the guarantee risk appraisal process hence the approval process is similarly embedded. The relevant findings from the E&S Due Diligence are discussed during the Committee meeting with the objective of determining E&S terms for inclusion into legal agreements. Any E&S action plans (ESAPs), terms and conditions, monitoring and reporting requirements are captured in the Guarantee Agreement that is to be entered into by AGF and its Partner Financial Institutions, to ensure that all partners integrate Environmental and Social Management Guidelines.
- **Monitoring:** The monitoring is conducted in line with the signed Guarantee Agreement provisions in terms of monitoring and reporting requirements captured there-in e.g. frequency of monitoring or reporting, level of detail of information based on Category etc. The PFI's monitoring usually occurs in one or more of the following means:
 - i. Review of E&S Action Plans implementation;
 - ii. Review of annual monitoring reports prepared by the PFI;
 - iii. Provision of Capacity Development assistance and opportunities to PFIs to support them in mitigating their operational risks when lending to SMEs, where applicable.

There are two types of E&S assessment that AGF undertakes:

1. Direct assessment of SME's E&S risks (applicable to Loan Individual Guarantees, Equity Guarantees and Treasury Investment on Corporate Companies). For this the Categories applied are A, B, and C.
2. Indirect assessment of SME's E&S risks through delegation of assessment to PFI and direct assessment of the PFIS' E&S framework by AGF (applicable to Loan Portfolio Guarantees, Bank Fundraising Guarantees, Capacity Development and Treasury Investment on PFI). For this the Categories applied are FI-1, FI-2, FI-3.

Stakeholder engagement and grievance management

The Stakeholder Engagement Framework and the Grievance Management Procedure were developed to encourage ongoing dialogues, information sharing, enhanced interactions and grievance response between AGF and its stakeholders.,

The Stakeholder Engagement Framework outlines the process followed by AGF in stakeholder identification, stakeholder analysis, stakeholder engagement planning, and information disclosure and sharing. AGF's Grievance Management Procedure allows for stakeholders to confidentially and/or anonymously report incidents, feedback or complaints about us and our partners without fear of retaliation.

E&S Highlights

Key highlights or achievements for the reporting period compared to the previous period, with disaggregated data by category, sector, region and showing SMEs growth.

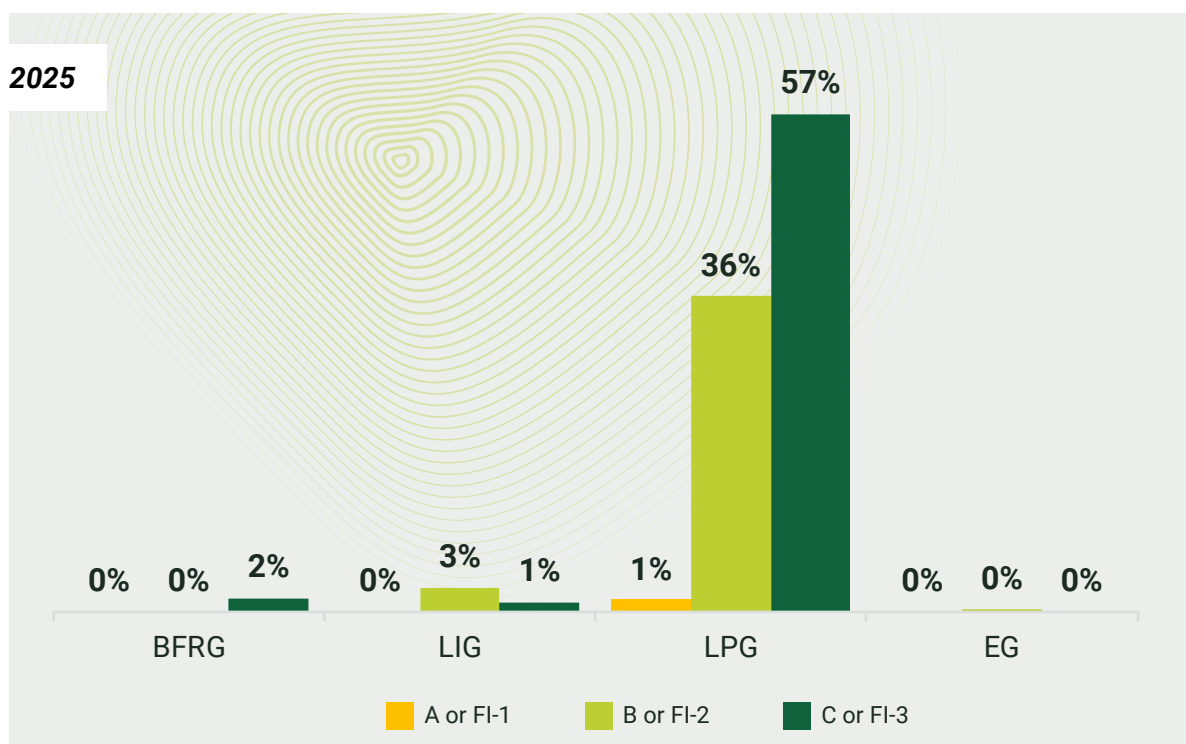
1. By Product

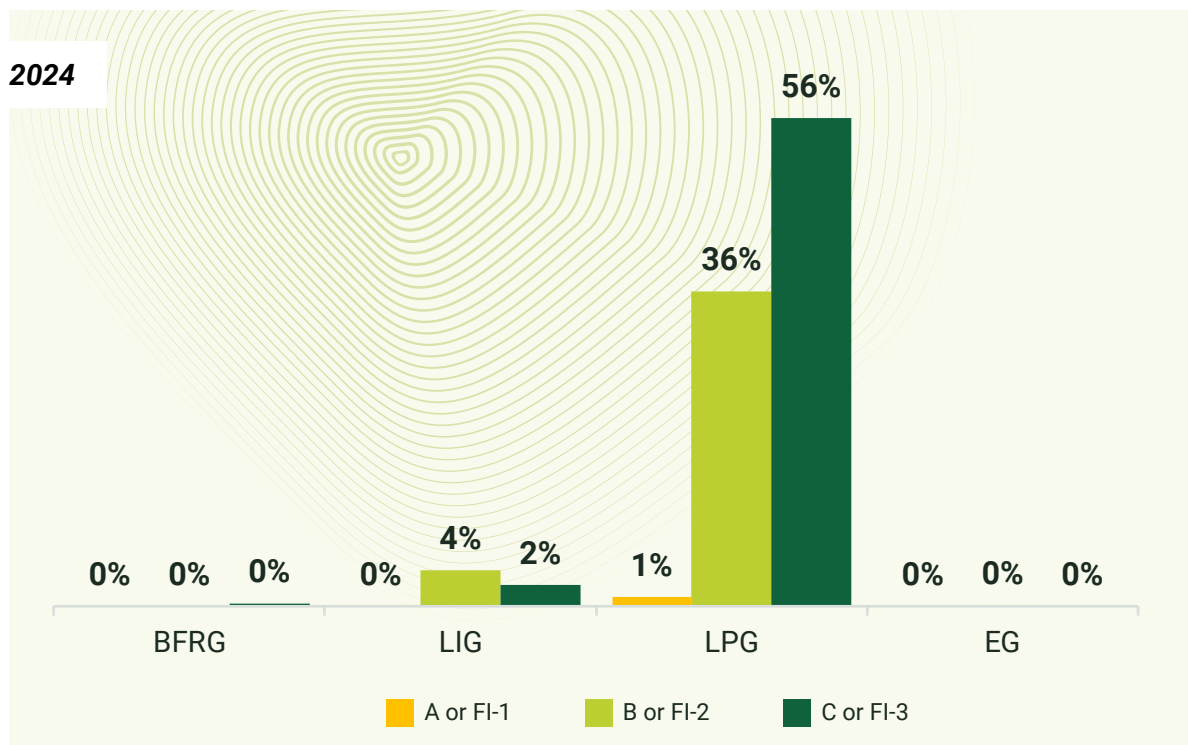
2025

	A or FI-1	B or FI-2	C or FI-3	Grand Total
BFRG	0%	0%	2%	2%
LIG	0%	3%	1%	4%
LPG	1%	36%	57%	94%
EG	0%	0%	0%	0%
Grand Total	1%	39%	60%	100%

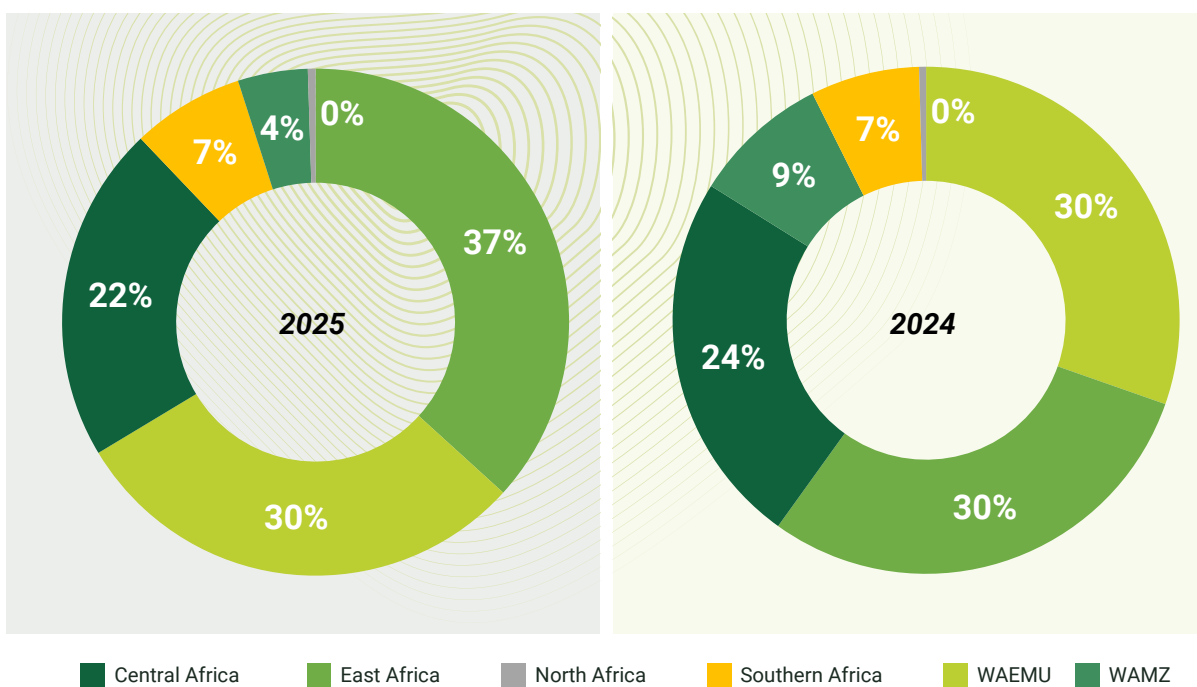
2024

	A or FI-1	B or FI-2	C or FI-3	Grand Total
BFRG	0%	0%	0%	0%
LIG	0%	4%	3%	7%
LPG	1%	36%	56%	93%
EG	0%	0%	0%	0%
Grand Total	1%	40%	59%	100.00%





2. Guarantees per Region



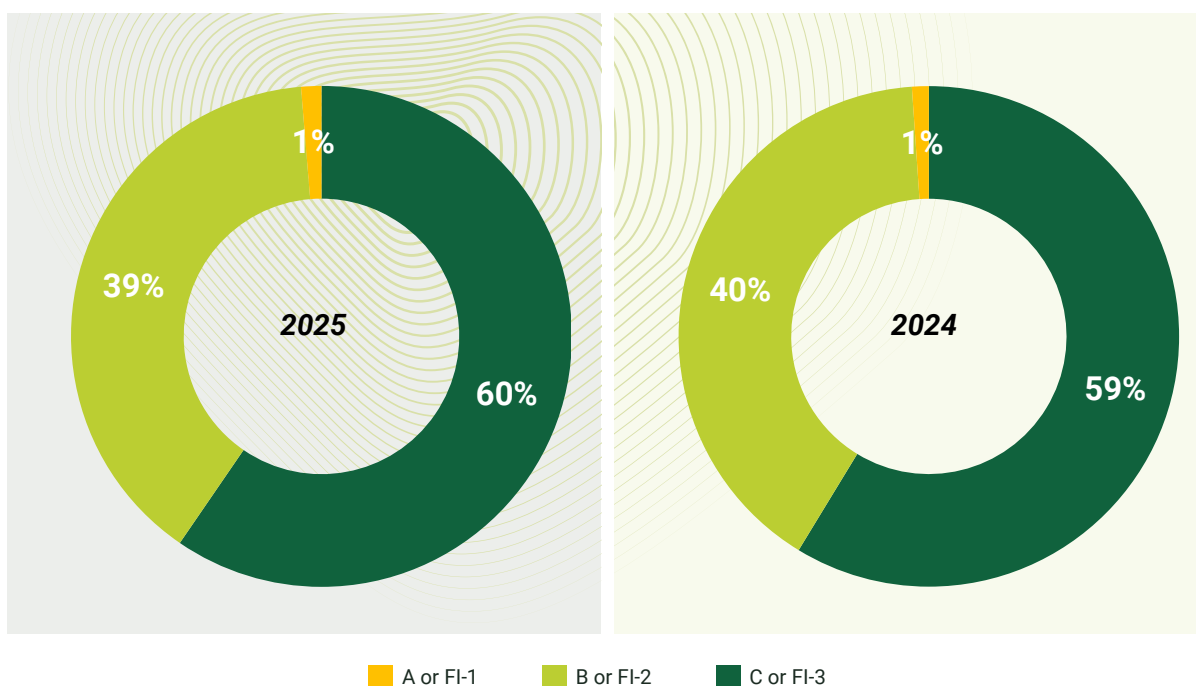
3. By Category and Regions

2025

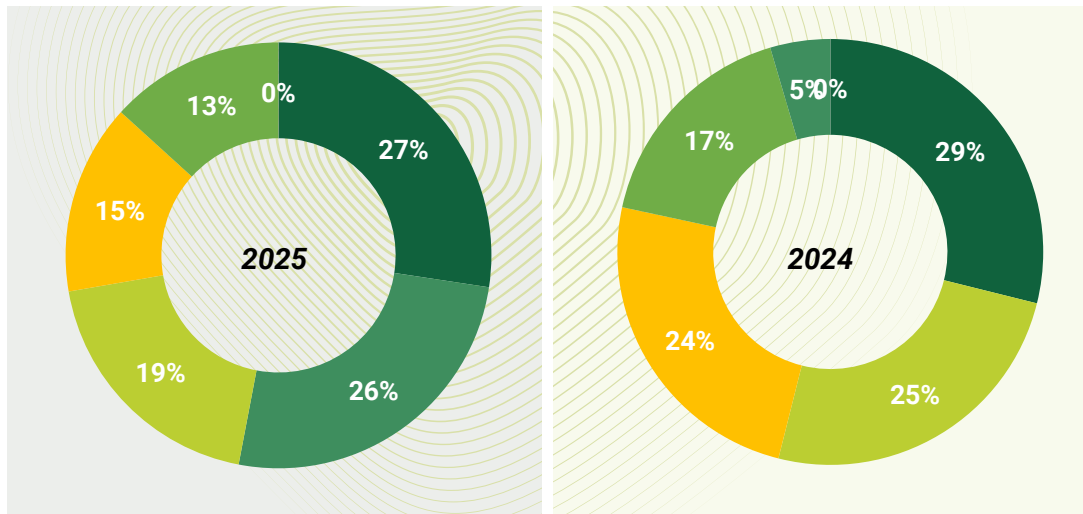
	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	0%	9%	13%	22 %
East Africa	0%	13 %	24%	37%
North Africa	0%	0%	0%	0%
Southern Africa	0%	4%	3%	7%
WAEMU	1%	13%	16%	30%
WAMZ	0%	1%	3%	4%
Grand Total	1 %	40%	59%	100.00%

2024

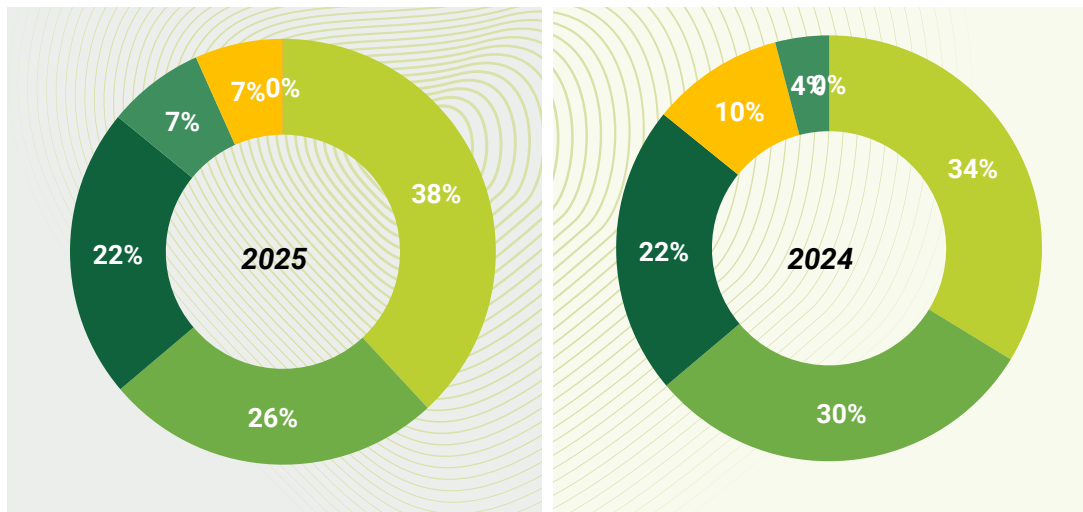
	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	0%	9%	15%	24%
East Africa	0%	10%	19%	30%
North Africa	0%	0%	0%	0%
Southern Africa	0%	3%	4%	7%
WAEMU	0%	15%	15%	30%
WAMZ	0%	3%	5%	9%
Grand Total	1%	39%	60%	100%



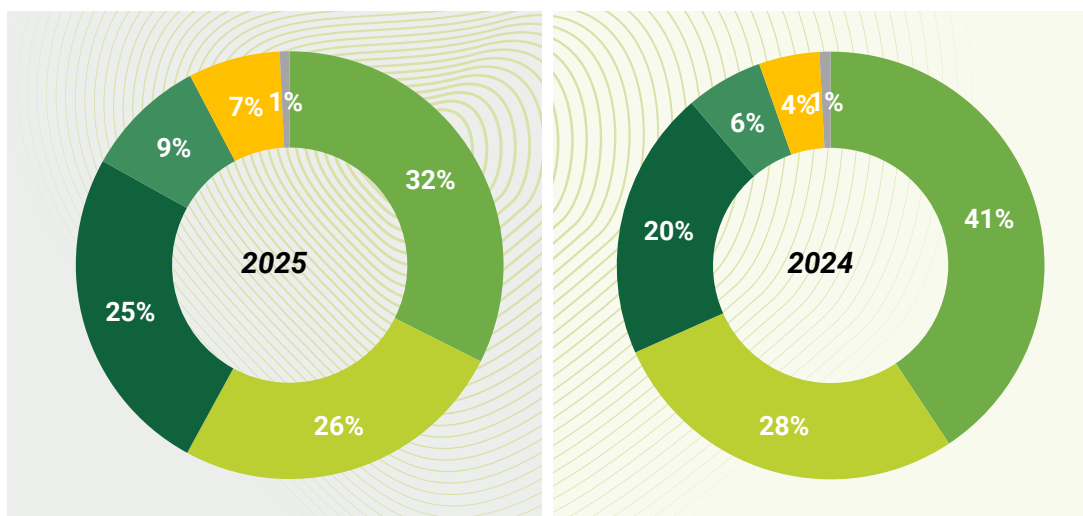
Category A or FI-1



Category B or FI-2



Category C or FI-3

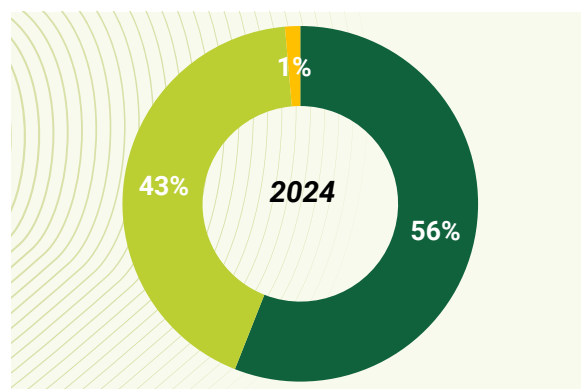
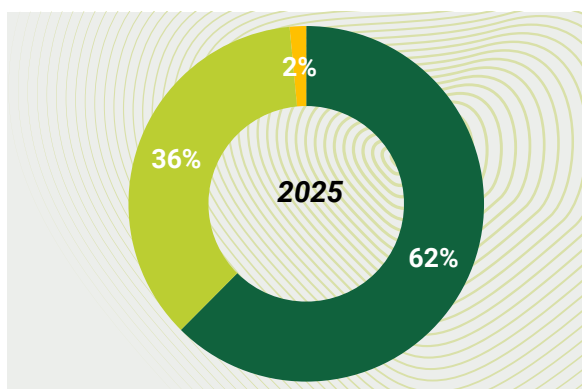


Central Africa East Africa North Africa Southern Africa WAEMU WAMZ

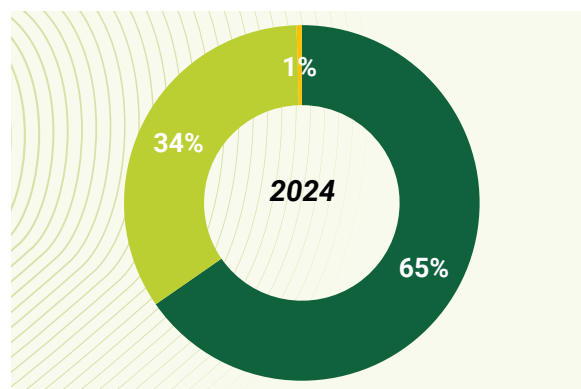
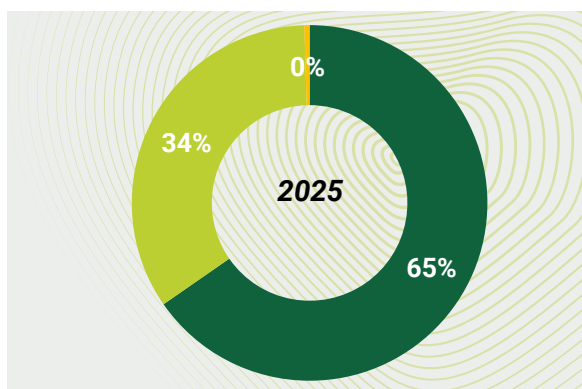
The charts above illustrate that AGF guarantee exposure is predominantly concentrated in the Low Risk (C or FI-3) and Medium Risk (B or FI-2) categories. Where the portfolio includes Category A or FI-1 guarantees, these are primarily in the mining, quarrying and extractive sector.

The charts below illustrate the distribution per region, including Central Africa, East Africa, North Africa, Southern Africa, West African Economic and Monetary Union (WAEMU), West African Monetary Zone (WAMZ).

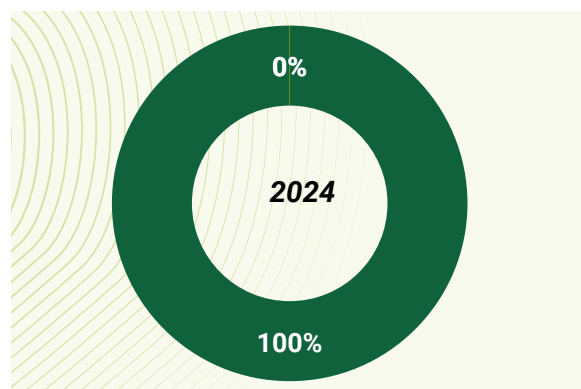
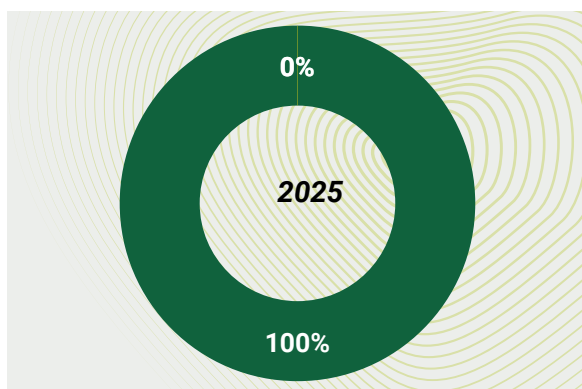
Central Africa



East Africa

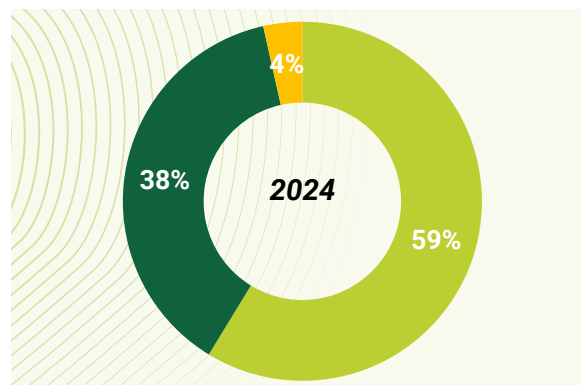
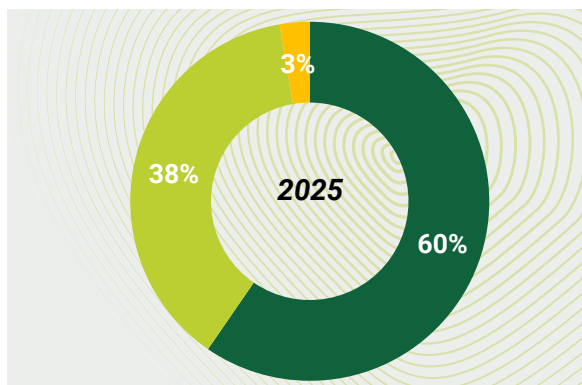


North Africa

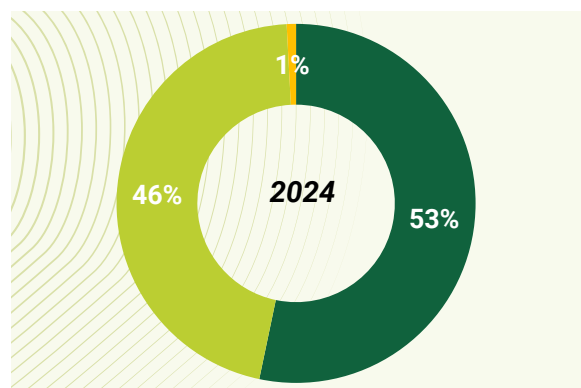
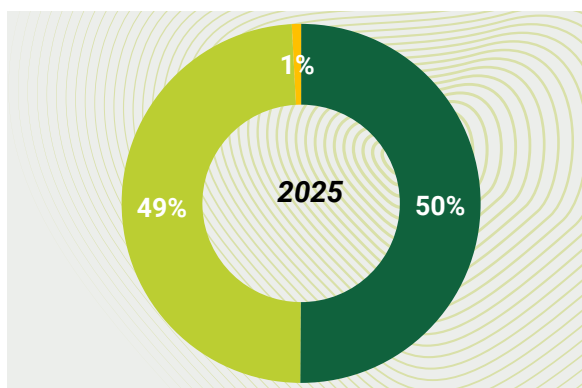


■ A or FI-1
 ■ B or FI-2
 ■ C or FI-3

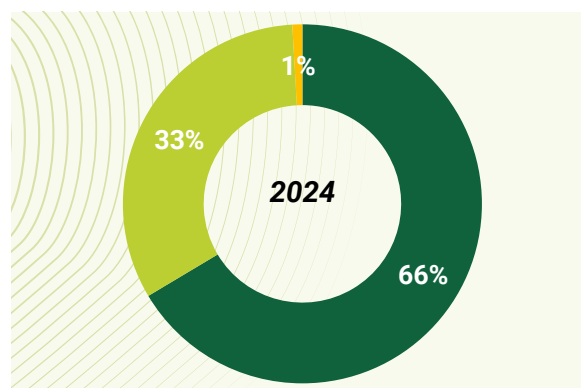
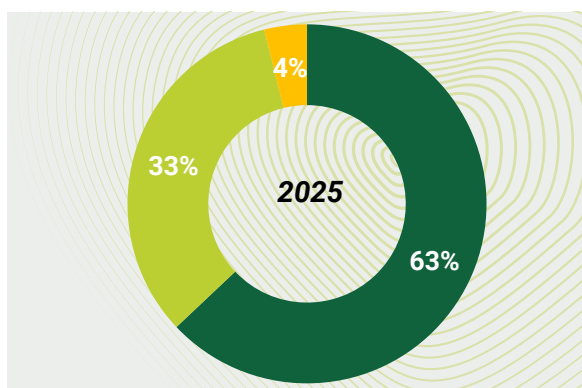
Southern Africa



WAEMU



WAMZ



■ A or FI-1
 ■ B or FI-2
 ■ C or FI-3

4. By AGF Sectors

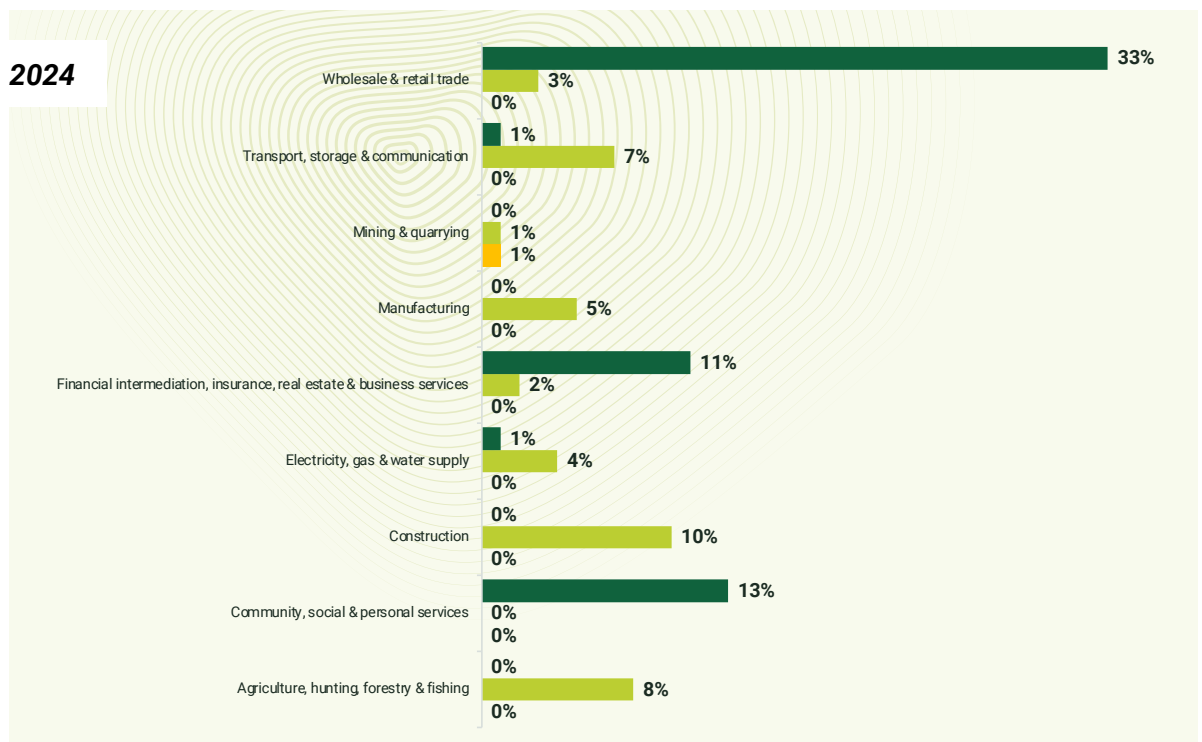
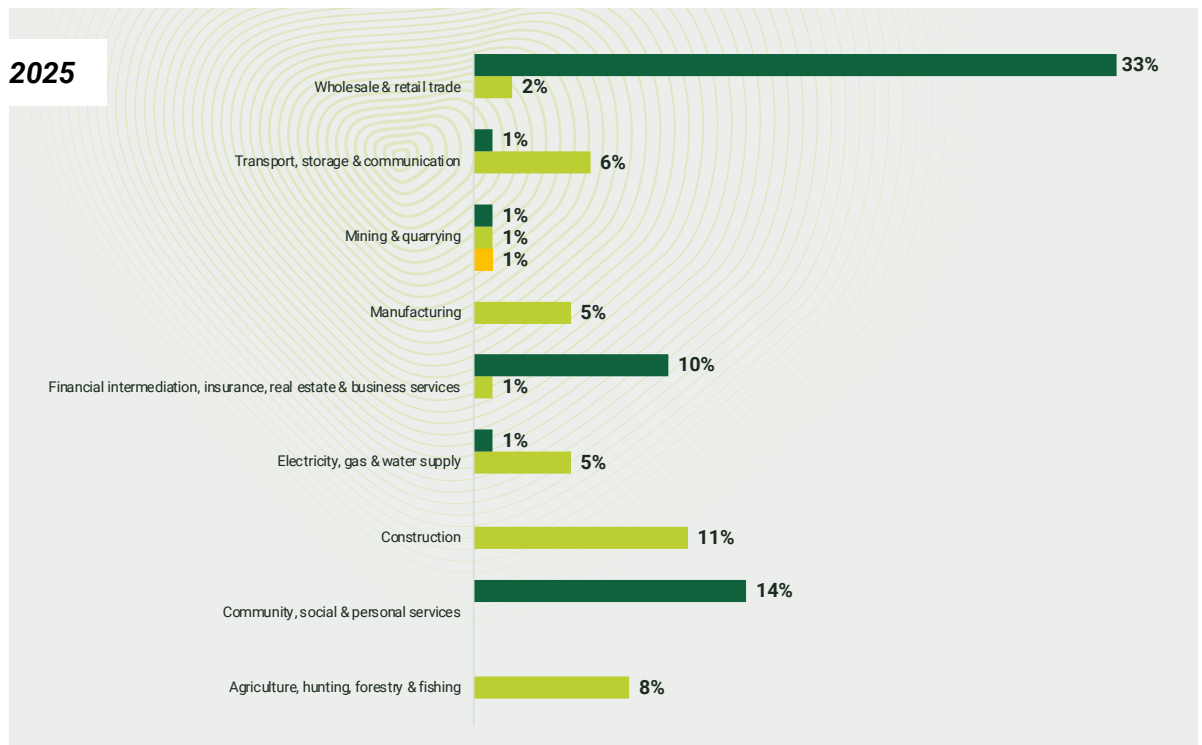
2025

	A or FI-1	B or FI-2	C or FI-3	Grand Total
Agriculture, hunting, forestry & fishing	0%	8%	0%	8%
Community, social & personal services	0%	0%	14%	14%
Construction	0%	11%	0%	11%
Electricity, gas & water supply	0%	5%	1%	6%
Financial intermediation, insurance, real estate & business services	0%	1%	10%	11%
Manufacturing	0%	5%	0%	5%
Mining & quarrying	1%	1%	1%	3%
Transport, storage & communication	0%	6%	1%	7%
Wholesale & retail trade	0%	2%	33%	35%
Grand Total	1%	39%	60%	100%

2024

	A or FI-1	B or FI-2	C or FI-3	Grand Total
Agriculture, hunting, forestry & fishing	0%	8%	0%	8%
Community, social & personal services	0%	0%	13%	13%
Construction	0%	10%	0%	10%
Electricity, gas & water supply	0%	4%	1%	5%
Financial intermediation, insurance, real estate & business services	0%	2%	11%	13%
Manufacturing	0%	5%	0%	5%
Mining & quarrying	1%	1%	0%	2%
Transport, storage & communication	0%	7%	1%	8%
Wholesale & retail trade	0%	3%	33%	36%
Grand Total	1%	40%	59%	100%

Industry and Sectors



■ A or FI-1
 ■ B or FI-2
 ■ C or FI-3

5. By number of facilities and SMEs per Category

By Facilities: capturing agreements that were live in the reporting year

2025

	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	34	1,422	3,745	5,201
East Africa	92	8,683	20,084	28,859
North Africa		2	25	27
Southern Africa	20	1,007	2,275	3,302
WAEMU	27	2,301	5,082	7,410
WAMZ	12	366	1,335	1,713
Grand Total	185	13,781	32,546	46,512

2024

	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	22	1,075	2,478	3,575
East Africa	103	7,381	17,225	24,709
North Africa		2	27	29
Southern Africa	38	1,444	1,411	2,893
WAEMU	28	1,805	3,367	5,200
WAMZ	6	609	5,956	6,571
Grand Total	197	12,316	30,464	42,977

By SMEs: Capturing all the SMEs placed under AGF's guarantee since inception

2025

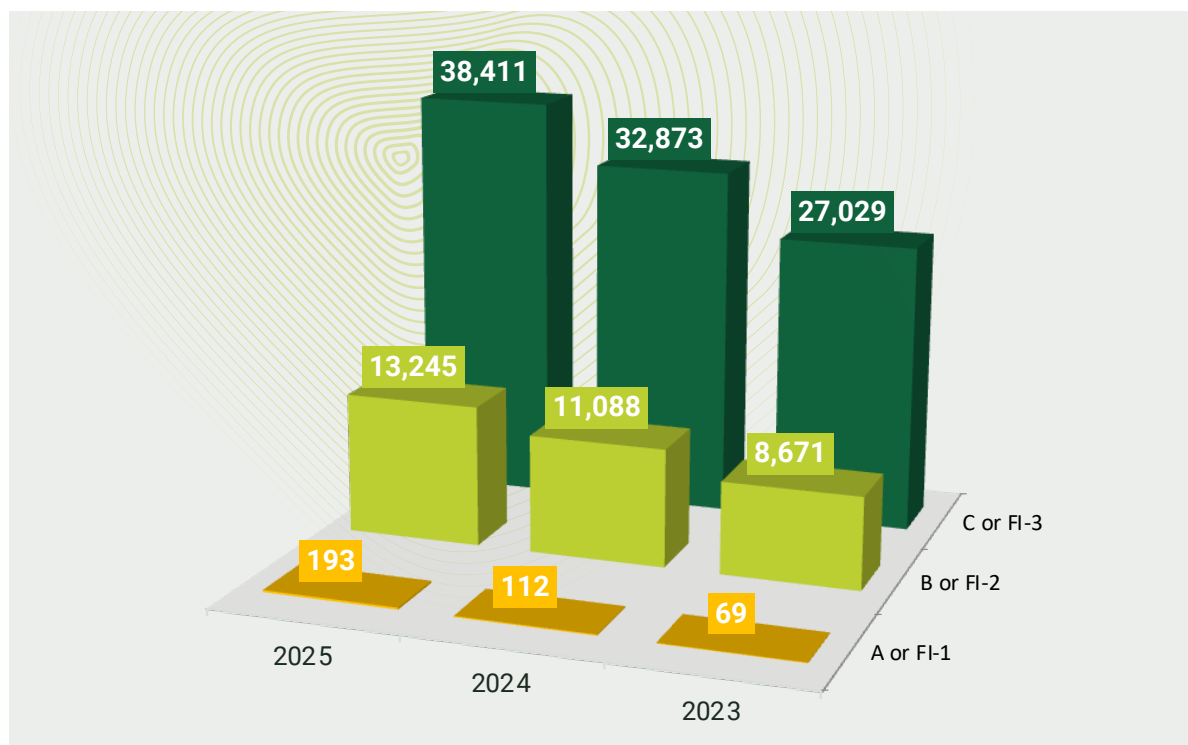
	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	20	1,327	3,186	4,533
East Africa	110	7,316	22,791	30,217
North Africa	0	4	9	13
Southern Africa	20	1,553	1,819	3,392
WAEMU	32	2,413	4,019	6,464
WAMZ	11	632	6,587	7,230
Grand Total	193	13,245	38,411	51,849

2024

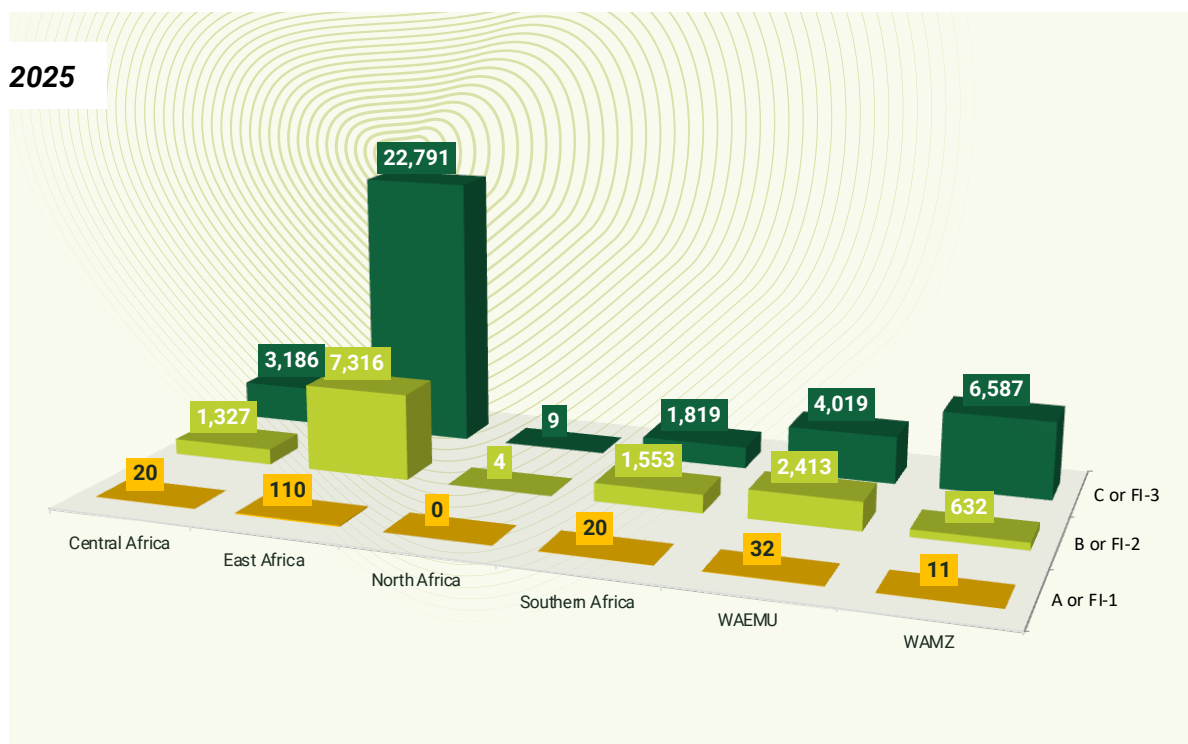
	A or FI-1	B or FI-2	C or FI-3	Grand Total
Central Africa	10	1,082	2,436	3,528
East Africa	52	5,999	20,128	26,179
North Africa		4	9	13
Southern Africa	16	1,425	1,364	2,805
WAEMU	28	2,101	2,981	5,111
WAMZ	6	477	5,955	6,438
Grand Total	112	11,088	32,873	44,074

2025 compared to 2024 and 2023

Disaggregated by Number of SMEs



Disaggregated number of SMEs per region



■ A or FI-1
 ■ B or FI-2
 ■ C or FI-3

E&S Performance Review

E&S Performance Review per region presenting internal E&S Framework implementation, E&S resources, focus areas, achievements, challenges, KPIs where applicable, etc.

Exposure on excluded sectors

As of 31st of December 2025, AGF has no exposure to report on any excluded sector.

Incidents/Accidents reported in 2025

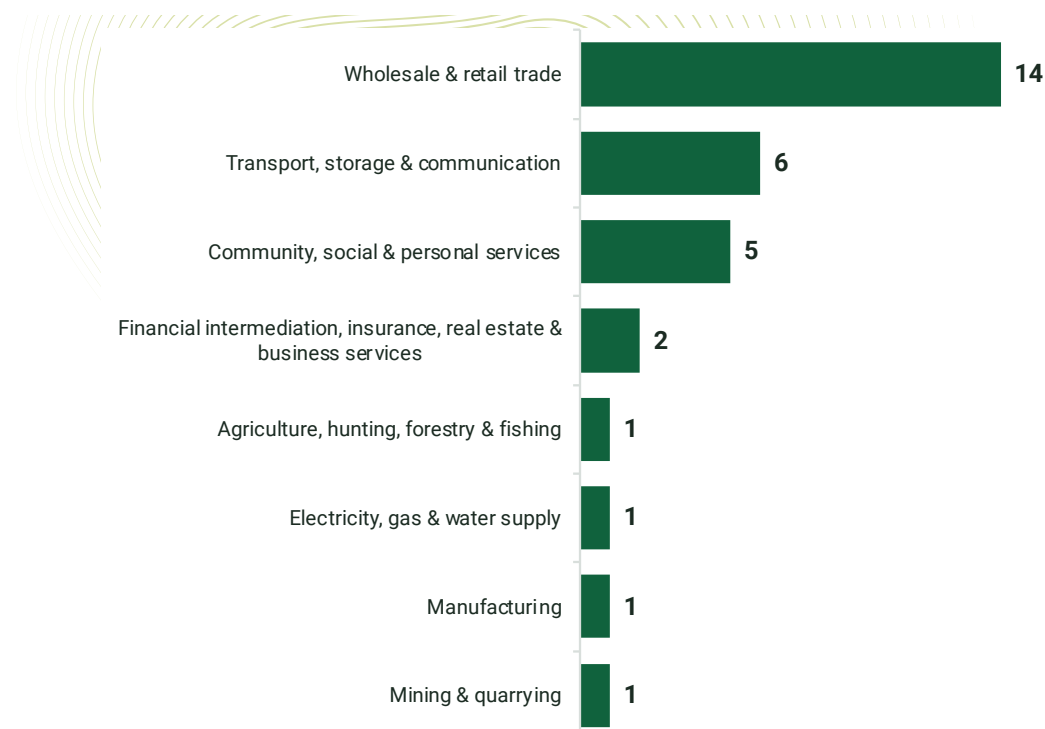
As of 31st of December 2025, 31 incidents relating to occupational health, fire incident and safety and social aspects have been reported on exposure of AGF.

Such accidents reported by SMEs are in relation to clients involved in various sectors including agriculture, hunting, forestry and fishing; electricity, gas and water supply; manufacturing; community, social and personal services, transportation, storage & communication; wholesale and retail trade; mining and quarrying in Cote D'Ivoire, Benin, Congo (Democratic Republic), Ghana, Burkina Faso, Kenya. The summary of incidents is presented in the table below and in subsequent charts below.

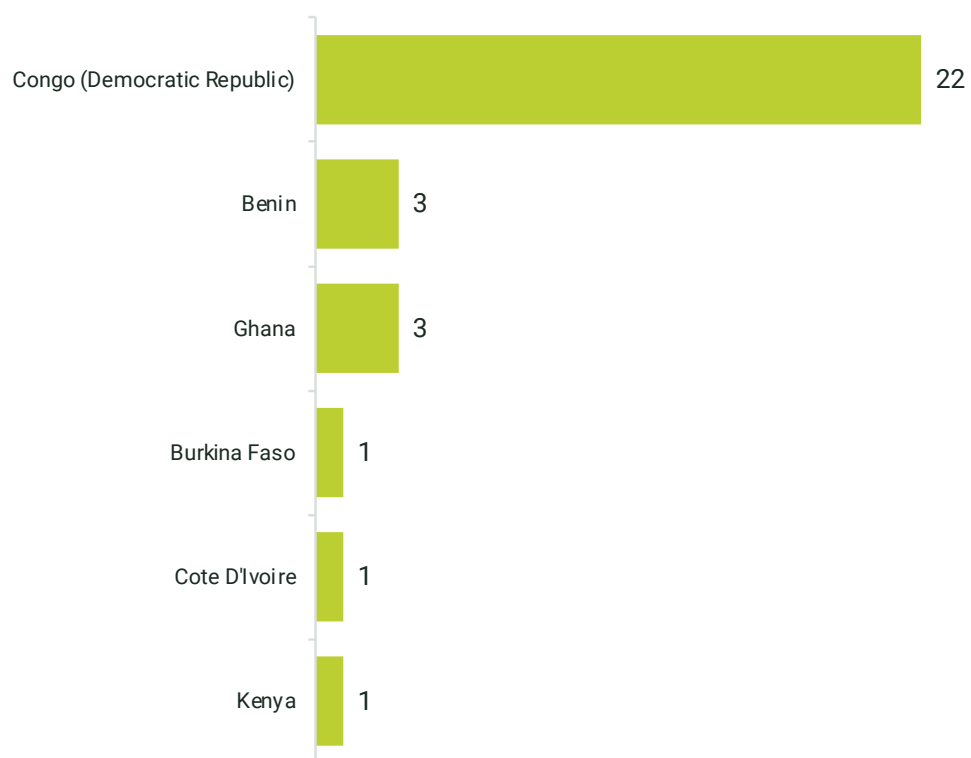
Summary of incidents/accidents reported during the reporting period



Summary of Incidents Reported per Sector



Summary of Incidents Reported per Sector



All reported incidents are subject to follow-up with the relevant PFIs in line with AGF's E&S monitoring procedures. Management will continue strengthening incident reporting, escalation and corrective action tracking to ensure that E&S risks are appropriately managed across the portfolio.

AGF's Value-add: Capacity Development

In 2025, AGF supported a series of targeted capacity development initiatives aimed at strengthening the ability of financial institutions and market actors to integrate environmental and social considerations into their operations. These interventions focused on enhancing ESG awareness, improving risk management practices, and expanding access to green and inclusive finance solutions for MSMEs. Collectively, they reflect AGF's continued commitment to advancing sustainable finance through structured technical assistance and strategic stakeholder engagement.

CRDB Bank Tanzania Enhancing ESG Integration and Green Lending Capacity



AGF provided targeted technical assistance to CRDB Bank under the AGF Green Guarantee Facility to strengthen the Bank's sustainability and ESG agenda. The support contributed to the rollout of the "Kijani Proposition" green financing products focused on renewable energy, clean transportation, and waste management solutions for MSMEs. Through this partnership, CRDB expanded access to guarantee-backed green financing for underserved MSMEs, strengthened institutional capacity in sustainability and ESG integration, and enhanced climate risk management systems through nationwide geo-mapping and spatial risk analytics. The intervention also supported sustainability awareness initiatives and the publication of CRDB's 2024 Sustainability Report, reinforcing the Bank's position as a leading institution in advancing climate-resilient and inclusive finance in Tanzania.

Diagnostic Assessments to Accelerate Sustainable Finance Integration

AGF's capacity development support in 2025 was further demonstrated through targeted green and ocean-based diagnostic assessments conducted across selected Partner Financial Institutions (PFIs). These assessments were designed to strengthen institutional readiness to identify, structure, and scale sustainable finance solutions, with a focus on both green and blue (ocean-based) SME financing.

The diagnostics provided a structured evaluation of institutional capacity, including strengths in existing green lending portfolios, gaps in product design and market positioning, staff technical skills, and the effectiveness of credit appraisal and operational systems. They also assessed readiness to scale sustainable



PRO - PME
FINANCEMENT S.A.



finance, including emerging opportunities such as the integration of carbon credit mechanisms and broader climate-aligned business models.

PFI's that benefited from this technical support included **Centenary Rural Development Bank Limited**, **PRO-PME Financement S.A.**, and **ABSA Bank Tanzania Limited**. Overall, the initiative strengthened institutional preparedness to expand sustainable finance offerings and reinforced AGF's role in advancing inclusive, climate-resilient, and environmentally responsible financial systems across its partner network.

Equity BCDC Technical and Vocational Education and Training (TVET) Initiative



AGF's technical assistance also supported Equity BCDC in advancing youth economic empowerment through a Technical and Vocational Education and Training (TVET) initiative aimed at strengthening employability, entrepreneurship, and financial inclusion outcomes. The intervention focused on equipping youth with practical, job-ready skills in solar energy and related technical trades aligned with broader energy transition priorities.

A total of 60 youth were selected under the programme, with women representing 32% of participants, reflecting a strong focus on inclusive participation. The initiative was implemented in partnership with Schneider Electric, which supported the design and delivery of training modules on solar energy systems and practical technical competencies. As part of the capacity-building component, four trainers were certified, strengthening local training delivery capacity and ensuring longer-term sustainability of the programme.

The training was launched on 1 December 2025 at the Institut Technique Salama in Lubumbashi, the sole engaged training centre for this cohort. The programme follows a structured pathway comprising three months of technical training followed by a one-month internship, designed to enhance job readiness and facilitate the transition of youth into employment and income-generating opportunities within the renewable energy sector.



Independent Auditor's Report

To the Shareholders of
African Guarantee Fund - for Small and Medium-sized Enterprises Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of African Guarantee Fund - for Small and Medium-sized Enterprises Ltd (the "Company") and its subsidiary (together the "Group") and of the Company standing alone as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The consolidated and separate financial statements of African Guarantee Fund - for Small and Medium-sized Enterprises Ltd set out on pages 102 to 176 comprise:

- the consolidated and separate statements of financial position as at 31 December 2025;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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Business Registration Number : F07000530

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Independent Auditor's Report

To the Shareholders of
African Guarantee Fund - for Small and Medium-sized Enterprises Ltd
(Continued)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

Other Information

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

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

The directors are responsible for overseeing the Group's and Company's financial reporting process.



Independent Auditor's Report

To the Shareholders of
African Guarantee Fund - for Small and Medium-sized Enterprises Ltd
(Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.



Independent Auditor's Report

To the Shareholders of
African Guarantee Fund - for Small and Medium-sized Enterprises Ltd
(Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

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

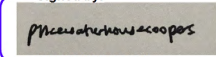


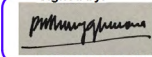
Independent Auditor's Report

To the Shareholders of
African Guarantee Fund - for Small and Medium-sized Enterprises Ltd
(Continued)

Other Matter

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

Signed by:

284260236951469...
PricewaterhouseCoopers

Signed by:

284260236951469...
Prithiviraj Ghunowa, licensed by FRC

24 June 2026



07.

Consolidated Financial Statements

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Financial Sustainability and Institutional Resilience

AGF's financial performance in 2025 reflected improved income generation, prudent provisioning and continued investment in institutional capacity. Total income increased from USD 18.6 million in 2024 to USD 22.4 million in 2025. The Group loss narrowed from USD 6.2 million to USD 2.2 million, while total comprehensive income improved from a loss of USD 10.3 million in 2024 to positive comprehensive income of USD 2.8 million in 2025. Net assets increased from USD 212.8 million to USD 235.0 million.

These results demonstrate the resilience of AGF's model while highlighting the importance of continued focus on utilization, cost efficiency, portfolio quality and recoveries.

Management will continue working to strengthen financial sustainability, including improving the cost-to-income ratio over time through higher utilization, process efficiency, digitalization and disciplined cost management.



Consolidated and Separate Statements of Profit and Loss and Other Comprehensive Income

		Group		Company	
	Notes	2025 USD	2024 USD	2025 USD	2024 USD
Income from guarantees	8	8,341,783	9,899,254	6,529,288	7,807,301
Interest income from investments	9	8,493,452	7,270,942	6,003,638	4,722,851
Grant income	10	1,815,848	3,494,948	1,815,848	3,494,948
Net fair value gain/(loss) on portfolio guarantee contracts	6	3,284,153	(1,938,304)	2,979,688	(1,475,735)
Fair value (loss) on financial guarantee contract assets	4	(233,955)	(996,691)	(167,783)	(387,149)
Other income	11 (a)	652,617	858,950	291,309	478,859
Total income		22,353,898	18,589,099	17,451,988	14,641,075
Expenses					
Staff costs	12	(7,590,795)	(6,719,263)	(5,550,168)	(5,079,492)
General and administrative expenses	13	(5,119,187)	(5,620,184)	(4,244,691)	(4,648,206)
Depreciation and amortisation	14	(1,038,074)	(1,204,419)	(676,696)	(914,426)
Re-guarantee expenses	29	(444,863)	-	(444,863)	-
Expected credit loss expense on financial assets other than financial guarantees	4 (a)	(1,481,686)	(747,867)	(943,849)	(880,463)
Expected credit loss expense/(credit) on financial guarantees	22	(4,761,098)	(2,942,903)	287,904	(1,830,319)
Capacity development expenses		(1,815,848)	(2,244,948)	(1,815,848)	(2,244,948)
Claims on guarantee contracts		(2,269,539)	(5,276,345)	(1,696,207)	(4,951,323)
Total expenses		(24,521,090)	(24,755,929)	(15,084,418)	(20,549,177)
(Loss)/profit before tax		(2,167,192)	(6,166,830)	2,367,570	(5,908,102)
Income tax expense	16	(59,201)	-	(59,201)	-
(Loss)/profit for the year		(2,226,393)	(6,166,830)	2,308,369	(5,908,102)
Attributable to;					
-Owners of the company		(1,344,838)	(6,116,535)	2,308,369	(5,908,102)
- Non-controlling interest		(881,555)	(50,295)	-	-
		(2,226,393)	(6,166,830)	2,308,369	(5,908,102)
Other comprehensive income for the year					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Currency exchange differences on translation of foreign operations	11 (b)	5,019,917	(4,084,223)	-	-
Total comprehensive income for the year		2,793,524	(10,251,053)	2,308,369	(5,908,102)
Attributable to;					
-Owners of the company		2,699,209	(9,406,781)	2,308,369	(5,908,102)
- Non-Controlling Interest		94,315	(844,272)	-	-
		2,793,524	(10,251,053)	2,308,369	(5,908,102)

The notes on pages 107 to 176 form an integral part of these financial statements.

Consolidated and Separate statements of Financial Position

	Notes	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Assets					
Property and equipment	17	16,302,812	15,555,268	8,943,995	8,983,112
Intangible assets	18	469,233	636,669	418,042	588,055
Investment property	19	5,683,913	5,585,744	3,638,911	3,737,260
Investment in subsidiary	27	-	-	31,887,765	31,887,765
Loan portfolio guarantee contracts at fair value through profit or loss	6	1,547,442	-	1,829,168	-
Financial guarantee contract assets	22	676,062	910,017	337,898	505,681
Other financial instruments	7	40,578,759	41,992,831	1,473,353	1,441,653
Debt instruments at amortised cost	5	144,833,327	139,151,377	143,114,551	137,362,288
Trade and other receivables	20	16,897,980	19,479,746	12,880,050	12,598,356
Cash and cash equivalents	4	29,242,767	12,431,090	20,803,217	11,843,013
Total assets		256,232,295	235,742,742	225,326,950	208,947,183
Liabilities					
Post-employment benefits obligation	23	585,627	274,097	-	-
Loan portfolio guarantee contracts at fair value through profit or loss	6	-	1,736,711	-	1,150,520
Financial guarantee contract liabilities	22	11,720,278	9,317,993	1,542,012	1,829,916
Trade and other payables	21	4,545,175	5,523,490	1,941,740	4,040,671
Deferred grant income	25	4,337,435	6,064,796	2,804,753	4,620,601
Total liabilities		21,188,515	22,917,087	6,288,505	11,641,708
Net assets		235,043,780	212,825,655	219,038,445	197,305,475
Equity					
Stated capital	24 (a)	254,299,525	234,422,932	254,299,525	234,422,932
Share premium		7,465	7,465	7,465	7,465
Capital contribution	24 (b)	22,779,642	23,231,634	22,779,642	23,231,634
Accumulated losses		(52,862,386)	(51,517,548)	(58,048,187)	(60,356,556)
Other reserves	31	1,547,888	(2,496,159)	-	-
Equity attributable to owners of the company		225,772,134	203,648,324	219,038,445	197,305,475
Non-controlling interests		9,271,646	9,177,331	-	-
Total Equity		235,043,780	212,825,655	219,038,445	197,305,475

The notes on pages 107 to 176 form an integral part of these financial statements. The financial statements on pages 102 to 176 were approved for issue by the board of directors on 24 June 2026 and were signed on its behalf by:

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Director

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Director

Consolidated and Separate Statements of Changes in Equity

Group	Notes	Issued capital USD	Share premium USD	Capital contribution USD	Accumulated losses USD	Foreign currency Translation reserve USD	Total Owners equity USD	Non-Controlling interest USD	Total Equity USD
Year ended 31 December 2024									
At start of year		214,891,155	7,465	20,734,391	(45,401,013)	794,087	191,026,085	10,021,603	201,047,688
Issue of shares	24	19,531,777	-	-	-	-	19,531,777	-	19,531,777
New capital contribution	24	-	-	2,497,243	-	-	2,497,243	-	2,497,243
Loss for the year	-	-	-	-	(6,116,535)	-	(6,116,535)	(50,295)	(6,166,830)
Other comprehensive income	-	-	-	-	-	(3,290,246)	(3,290,246)	(793,977)	(4,084,223)
Total comprehensive income for the year	-	-	-	-	(6,116,535)	(3,290,246)	(9,406,781)	(844,272)	(10,251,053)
At end of year		234,422,932	7,465	23,231,634	(51,517,548)	(2,496,159)	203,648,324	9,177,331	212,825,655
Year ended 31 December 2025									
At start of year		234,422,932	7,465	23,231,634	(51,517,548)	(2,496,159)	203,648,324	9,177,331	212,825,655
Issue of shares	24	19,876,593	-	-	-	-	19,876,593	-	19,876,593
New capital contribution	24	-	-	2,000,000	-	-	2,000,000	-	2,000,000
Withdrawals	24	-	-	(2,451,992)	-	-	(2,451,992)	-	(2,451,992)
Loss for the year					(1,344,838)	-	(1,344,838)	(881,555)	(2,226,393)
Other comprehensive income	-	-	-	-	-	4,044,047	4,044,047	975,870	5,019,917
Total comprehensive income for the year	-	-	-	-	(1,344,838)	4,044,047	2,699,209	94,315	2,793,524
At end of year		254,299,525	7,465	22,779,642	(52,862,386)	1,547,888	225,772,134	9,271,646	235,043,780

The notes on pages 107 to 176 form an integral part of these financial statements.

Consolidated and Separate Statements of Changes in Equity

Company

	Notes	Issued capital USD	Capital contribution USD	Share premium USD	Accumulated losses USD	Total Equity USD
Year ended 31 December 2024						
At start of year		214,891,155	20,734,391	7,465	(54,448,454)	181,184,557
Issue of shares	24	19,531,777	-	-	-	19,531,777
New capital contribution	24	-	2,497,243	-	-	2,497,243
Loss and total comprehensive income for the year		-	-	-	(5,908,102)	(5,908,102)
At end of year 31 December 2024		234,422,932	23,231,634	7,465	(60,356,556)	197,305,475
Year ended 31 December 2025						
At start of year		234,422,932	23,231,634	7,465	(60,356,556)	197,305,475
Issue of shares	24	19,876,593	-	-	-	19,876,593
New capital contribution	24	-	2,000,000	-	-	2,000,000
Withdrawals	24	-	(2,451,992)	-	-	(2,451,992)
Profit and total comprehensive income for the year		-	-	-	2,308,369	2,308,369
At end of year 31 December 2025		254,299,525	22,779,642	7,465	(58,048,187)	219,038,445

The notes on pages 107 to 176 form an integral part of these financial statements.

Consolidated and Separate Statements of Cash flows

	Notes	Group		Company	
		2025	2024	2025	2024
		USD	USD	USD	USD
Net cash flows used in operating activities	30	(9,889,105)	(15,704,481)	(10,132,578)	(15,575,680)
Cash flows from investing activities					
Purchase of property and equipment	17	(679,646)	(1,228,789)	(275,683)	(71,887)
Purchase of intangible assets	18	(319,327)	-	(298,702)	-
Net investment in debt instrument at amortised cost		(5,052,610)	(14,268,452)	(5,022,688)	(14,269,452)
Net investments in other financial instruments		8,173,597	4,330,075	246,504	159,750
Interest income received		5,154,167	4,600,804	5,018,750	4,058,296
Net cash flows from investing activities		7,276,181	(6,566,362)	(331,819)	(10,123,293)
Cash flows from financing activities					
Proceeds from issue of shares	24	19,876,593	19,531,777	19,876,593	19,531,777
Withdrawal from capital contribution	24	(2,451,992)	-	(2,451,992)	-
Proceeds from capital contribution	24	2,000,000	2,497,243	2,000,000	2,497,243
Proceeds from grants	25	-	5,830,756	-	5,830,756
Net cash flows from financing activities		19,424,601	27,859,776	19,424,601	27,859,776
Net increase in cash and cash equivalents		16,811,677	5,588,933	8,960,204	2,160,803
At start of year		12,431,090	10,428,529	11,843,013	9,682,210
Effects of exchange rates on cash and cash equivalents		-	(3,586,372)	-	-
		29,242,767	12,431,090	20,803,217	11,843,013

The notes on pages 107 to 176 form an integral part of these financial statements.

Notes

1. General information

The African Guarantee Fund for Small and Medium-sized Enterprises Ltd (the "Company") was incorporated in the Republic of Mauritius on 28 March 2011 as a private company Ltd by shares in accordance with the Companies Act 2001. It has been granted a Global Business License by the Financial Services Commission. The Company is regulated by the Financial Services Commission. The registered office is located at C/o Rogers Capital Fund Services Ltd, Rogers House, 5 President John Kennedy Street, Port Louis.

African Guarantee Fund (AGF) has a branch registered in Nairobi, Kenya. It is registered as a branch of a foreign entity under the Kenyan Companies Act, 2015.

The African Guarantee Fund group has a subsidiary AGF West Africa, located in Togo, Lomé. The subsidiary was acquired in December 2015. The subsidiary is regulated by the central bank in Togo.

2. Material accounting policies

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

(a) Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS Accounting Standards. The financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Mauritian Companies Act 2001.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies in the current year.

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Guarantee contracts measured at the higher of the initial fair value less amortization and the expected credit loss allowance; and
- Loan portfolio guarantee contracts measured at fair value through profit and loss.

Fair values are categorised into three levels of fair value hierarchy based on the degree to which the inputs to the measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and the Company at the end of the reporting period during which the change occurred.

Notes (continued)

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

(ii) Use of estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires the directors to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Changes in accounting policy and disclosures

(i) IFRS Accounting Standards and amendments effective for the first time for December 2025 year-ends

Title	Effective date	Executive summary
Amendments to IAS 21 - Lack of exchangeability	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. the disclosures to provide.

The amendments did not have had a material impact on the group's and on the company's financial statements.

Notes (continued)

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(i) IFRS Accounting Standards, interpretations and amendments issued but not effective.

Title	Effective date	Executive summary
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2024)	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss.

Notes (continued)

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(i) IFRS Accounting Standards, interpretations and amendments issued but not effective (continued)

Title	Effective date	Executive summary
Amendment to IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	Annual periods beginning on or after 1 January 2027. (Published August 2025)	These amendments help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024, specifically: • IFRS 18 Presentation and Disclosure in Financial Statements. • Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); • International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12); • Lack of Exchangeability (Amendments to IAS 21); and • Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). In the future, IFRS 19 will be amended at the same time as the IASB issues or revises other IFRS Accounting Standards.
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027 (Published May 2024)	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after 1 January 2025	IFRS S1 provides guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities. The Group will align its application of IFRS S1 with the effective date as prescribed by the Financial Services Commission (FSC) of Mauritius once the relevant guidelines are issued.

Notes (continued)

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

(i) IFRS Accounting Standards, interpretations and amendments issued but not effective (continued)

Title	Effective date	Executive summary
IFRS S2 Amendments to Climate-related Disclosures	Annual periods beginning on or after 1 January 2024 (Published June 2023)	IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. It also requires entities to consider specified industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities.

The above new accounting standards and interpretations have been published but are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These changes are not expected to have a material impact on the Group's and the Company's financial statements except for IFRS 18 which may have a material impact on the financial statements of the Group and the Company. Management is currently assessing the detailed implications of applying the new standard. The Group will align its application of IFRS S1 with the effective date as prescribed by the Financial Services Commission (FSC) of Mauritius once the relevant guidelines are issued.

Notes (continued)

2. Material accounting policies (continued)

(b) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and an entity controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power over the investee, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements for subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to the transactions between the members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes (continued)

2. Material accounting policies (continued)

(b) Consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9: Financial Instruments: Recognition and Measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(c) Investment in subsidiary

Investment in subsidiary companies are stated at cost less impairment loss where applicable in the separate accounts of the Company.

(d) Interest income and expense recognition

Interest income and interest expense on interest bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount, except for:

- i. Purchased or originated credit impaired (POCI) financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset; and
- ii. Financial assets that are not "POCI" but have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) in subsequent reporting periods.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate, such as origination fees.

(e) Fee and commission income

AGF guarantee products attracts 3 types of commissions.

- Origination fees: this is paid up front, when the agreement is signed. This is recognized at a point in time when the right to receive the fees is established.
- Utilisation fees: This is paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis. The revenue for the utilisation fees is recognised over time as the utilisation is provided.
- Commitment fees: This is paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis, and on the un-utilized portion.

Notes (continued)

2 Material accounting policies (continued)

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the Functional currency'). Both the Group's and Company's financial statements are presented in United States Dollars. The Functional Currency of the company is United States Dollars. The Functional currency of the branch in Kenya is United States Dollars. The Functional and Presentation currency of the subsidiary is Franc de la Communauté Financière Africaine (FCFA). For each entity in the Group, the Group determines the functional currency and items included in the financial statements of each entity are measured using that Functional currency.

(ii) Transactions and balances

Foreign currency transactions that are transactions denominated are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the reporting date, unsettled monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

(iii) Group companies

On consolidation, the assets and liabilities in foreign operations are translated into United States Dollars at the spot rate of exchange prevailing at the reporting date and their statements of profit or loss and other comprehensive income are translated at average rates. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of the other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(g) Financial assets

The financial assets of the Group comprise other financial instruments, financial guarantee contract assets, financial guarantee contracts at fair value through profit or loss, debt instruments at amortized cost, trade and other receivables and cash and bank balances.

Recognition and initial measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction costs.

Classification and subsequent measurement

In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, and fair value through other comprehensive income, depending on the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Notes (continued)

2 Material accounting policies (continued)

(g) Financial assets (continued)

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (for example, whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity

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

Financial assets that are held for trading, or are managed, and the performance of which is evaluated on a fair value basis are measured at FVTPL.

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

Notes (continued)

2 Material accounting policies (continued)

(g) Financial assets (continued)

Impairment

Financial instruments

The Group recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortized cost (this includes cash and bank balances, debt instruments at amortized cost, other financial instruments and other receivables);
- Financial guarantee contracts (for LIGs, BFRGs & EGs)

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

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Group considers this to be Baa3 or higher, per Moody's, or BBB- or higher, per Bloomberg.

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

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

Measurement of ECLs

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

Notes (continued)

2 Material accounting policies (continued)

(g) Financial assets (continued)

Impairment (continued)

Financial instruments (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is “credit-impaired” when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider;
- likelihood that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

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

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the financial guarantees of the Fund are classified into Stage 1, Stage 2, and Stage 3, as described below:

- Stage 1: When financial guarantees are first recognized, the Fund recognizes an allowance based on 12-month ECLs. A Stage 1 financial guarantee also includes facilities where the credit risk has improved and the financial guarantee has been reclassified from Stage 2.
- Stage 2: When a financial guarantee has shown a significant increase in credit risk since its origination, the Fund records an allowance for Long-Term ECLs. A Stage 2 financial guarantee also includes facilities where the credit risk has improved and the loan has been reclassified from Stage 3. A significant increase in credit risk is assessed when there are liquidity issues or an inability to make payment on the due date by the counterparty. This is where the probability of default and the LGD will increase significantly.
- Stage 3: Financial guarantees with more than 90 days of arrears and for which, based on the monitoring discussion with the financial institution, the Company expects a claim with a high probability

Notes (continued)

2 Material accounting policies (continued)

(g) Financial assets (continued)

Impairment (continued)

The calculation of ECLs

The Group calculates ECLs based on a set of probabilities of default to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity, in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below. The key elements of these are as follows:

- PD, the Probability of Default, is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognized and is still in the portfolio.
- EAD, the Exposure at Default, is an estimate of the exposure at a future default date, taking into account expected changes in exposure after the reporting date; these include the guarantee amount, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities.
- LGD, the Loss Given Default, is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Partner Financial Institutions would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

(h) Financial liabilities

Financial liabilities of the Group are measured at amortized cost.

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Group includes in this category its loan portfolio guarantee contracts at fair value through profit or loss, financial guarantee contract liabilities and trade and other payables.

Notes (continued)

2 Material accounting policies (continued)

(h) Financial liabilities (continued)

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or;
- The Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor substantially retained all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor substantially retained all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(i) Guarantee accounting

The Group provides the following guarantee products:

- Loan Individual Guarantee (LIG)
- Loan Portfolio Guarantee (LPG)
- Bank's Fund-Raising Guarantee (BFRG)
- Equity Guarantee (EG)

(i) Loan Individual Guarantee (LIG)

The loan individual guarantees are grouped under financial guarantee contract assets and liabilities in the statement of financial position.

Definition

The Loan Individual Guarantee (LIG) guarantees a single loan made by a Partner Lending Institution to a single Borrower whose identity is known.

Fee structure

The Group charges the following fees on loan individual guarantees:

- Origination fees: paid up front when the agreement is signed.
- Utilisation fees: paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product.

The fees are paid on a semi-annual or quarterly basis.

Notes (continued)

2 Material accounting policies (continued)

(i) Guarantee accounting (continued)

(i) Loan Individual Guarantee (LIG) (continued)

Measurement and Classification

Loan Individual Guarantees are treated as financial guarantee contracts and are initially measured at fair value. Subsequently, they are measured at the higher of the amount initially recognized less amortisation and expected credit loss. The fair value is recorded as financial guarantee asset in the balance sheet while the expected credit loss is recorded as financial guarantees liability. The financial guarantees are generally issued to unrelated parties and the fair value at inception is equal to the premiums receivable. No premium is received up front on the guarantee contracts issued by the Group. The fair value is nil at initial recognition.

(ii) Loan Portfolio Guarantee (LPG)

The Loan Portfolio Guarantee (LPG) guarantees a portfolio of loans made by a partner lending institution to a target borrower segment (Qualifying Borrowers) for which the parameters have been defined but the individual borrowers are not known at the time of the guarantee agreement. The guaranteed party is not required to obtain AGF approval prior to the placement of each loan under the guarantee.

Definition

The loan guarantee contracts are carried at fair value through profit or loss. On initial recognition, the fair value gains are deferred to the statement of financial position and amortised to the profit or loss account on a straight-line basis over the tenor of the respective contracts.

Fee structure

The Group charges the following fees in relation to loan portfolio guarantees:

- Origination fees: paid up front, when the agreement is signed.
- Utilisation fees: paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis, and on the utilised portion.
- Commitment fees: paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis, and on the un-utilised portion

Measurement and Classification

Loan Portfolio Guarantees are measured at fair value through profit and loss. On initial recognition, the fair value gains are deferred to the statement of financial position and amortised to the profit or loss account on a straight-line basis over the life of the respective contracts.

The fair value of the LPGs during initial and subsequent recognition is determined by establishing the element of "super profits" derived from the fees over the life of the contracts relative to the expected claims, adjusted for risk, time value of money and a normal profit margin.

At initial recognition, due to the above market profit element embedded in the guarantee contracts, it represents day 1 gain in terms of IFRS 9. Due to the unobservable nature of the inputs into the valuation, the day 1 gain is deferred in the statement of financial position and subsequently amortised on a straight-line basis to profit or loss over the period of the contract.

Notes (continued)

2 Material accounting policies (continued)

(i) Guarantee accounting (continued)

(iii) Bank Fund-Raising Guarantee (BFRG)

The Bank Fund-Raising (BFRG) Guarantee are grouped under financial guarantee contract assets and liabilities in the statement of financial position.

Definition

The Bank Fund-Raising Guarantee (BFRG) guarantees are issued by a Partner Financial Institution to investors for whom the parameters have been defined but the individual investors may not be known for the purpose of raising long-term resources to finance SMEs.

Fee structure

The Group charges the following fees on bank fundraising guarantees:

- Origination fees: Paid up front, when the agreement is signed.
- Utilisation fees: Paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis.

Measurement and classification

Bank fundraising guarantees are treated as financial guarantee contracts and are initially measured at fair value. Subsequently, these contracts are measured at the higher of the amount initially recognized less amortization and expected credit loss. The fair value is recorded as financial guarantees assets in the balance sheet while the expected credit loss is recorded as financial guarantees liability. The financial guarantees are generally issued to unrelated parties and the fair value at inception is equal to the premiums receivable. No premium is received upfront on the guarantee contracts issued by the Group. Therefore fair value is nil at initial recognition.

(i) Equity Guarantees (EG)

The Equity Guarantees have been grouped under financial guarantee contract assets and liabilities in the statement of financial position.

Definition

This is a guarantee that covers initial capital investment loss for investors providing equity or quasi equity to Small and Medium-sized Enterprises. It provides an alternative source of financing to SMEs facing difficulties in accessing Bank financing due to their weak financial structure.

Fee structure

The Group charges the following fees on equity guarantees:

- Origination fees: This is paid up front, when the agreement is signed.
- Utilisation fees: This is paid during the lifetime of the guarantee, with an annual fee rate depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis.

Notes (continued)

2 Material accounting policies (continued)

(i) Guarantee accounting (continued)

(ii) Equity Guarantees (EG) (continued)

Measurement and classification

EGs are treated as financial guarantee contracts and are initially measured at fair value. Subsequently, these contracts are measured at the higher of the amount initially recognized less amortization and expected credit loss. The fair value is recorded as financial guarantees assets in the balance sheet while the expected credit loss is recorded as financial guarantees liability. The financial guarantees are generally issued to unrelated parties and the fair value at inception is equal to the premiums receivable. No premium is received upfront on the guarantee contracts issued by the Group. The fair value is nil at initial recognition.

(j) Fair value measurement

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 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group 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.

The Group's management determines the policies and procedures for recurring fair value measurement, such as guarantee contracts at fair value through profit or loss.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value-related disclosures for financial instruments and non-financial assets that are measured at fair value, or where fair values are disclosed, are summarized in the following note.

- Fair value measurement: Note 4 .

Notes (continued)

2 Material accounting policies (continued)

(k) Property and equipment

Equipment, furniture, vehicles, and other tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where significant parts of an item of property and equipment have useful lives of different lengths, they are accounted for as separate items (major components) of property and equipment.

Property and equipment are measured at cost less impairment. Costs that are subsequently incurred are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Group and/or the company and the cost of the item can be reliably measured. Expenditure that does not meet these criteria is recognized in profit or loss as incurred. Depreciation, impairment losses and gains or losses on disposal of assets are included in profit or loss.

Property and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets to their expected residual values. The assets' residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end. The estimated useful lives of tangible assets for the current financial year are as follows:

Description	Years
Office equipment	3 to 10
Fittings	3 to 10
Furniture	3 to 10
Computer equipment	3 to 5
Motor vehicles	3 to 5
Owner-occupied buildings	40
Land	Nil

(l) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses as set out in IAS 16, property, plant and equipment.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(m) Re-guarantee Expenses

Re-guarantee expenses represent fees incurred by the Group in respect of arrangements where existing guarantees are re-insured or re-guaranteed with external counterparties. These costs are recognized in profit or loss when incurred.

Notes (continued)

2 Material accounting policies (continued)

(n) Grants

Grants related to non-depreciable assets requiring the fulfilment of certain obligations are recognized in profit or loss over the periods that bear the cost of meeting the obligations. The Group received a grant of land that is conditional upon the erection of a building of AGF WA. The grant is released to profit or loss over the estimated useful life of the building. The value of the land was initially determined by an external professional valuer based on open market value.

The Group signed a grant agreement with AFDB for facilitation of the AFAWA (Affirmative Finance Action for Women in Africa) programme to cover the operating expenses incurred during the implementation of the programme. The grant of USD 25 million is to be received within a period of five years. The first tranche and second tranche of the grant of USD 6.1 million and USD 5.8 million was received. Further, the group is managing the capacity development grants that offers technical assistance to financial institutions. Refer to Note 25.

(o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost includes all costs incurred during the acquisition and bringing to use of the specific assets. These costs are amortized on the basis of the assets' expected useful lives. Expenditure subsequently incurred on an intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if necessary. The estimated useful lives of intangible assets for the current financial year are as follows:

Description	Years
Software	1 to 5
Website	10

(p) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are tested annually for impairment, and additionally when an indicator of impairment exists. Intangible assets that are subject to amortisation and other non-financial assets are reviewed for indicators of impairment at each reporting date and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest levels for which there are separately identifiable cash inflows from continuing use (cash-generating units). Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any intangible asset allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

Assets other than goodwill on which impairment losses have been recognized in prior periods are re-assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through profit or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notes (continued)

2 Material accounting policies (continued)

(q) Income tax

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

(i) Current income tax

Current tax is the amount of income tax payable on the taxable profit for the year, and any adjustment to tax payable in respect of prior years.

ii) Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(r) Employee benefits

Post-employment benefits – Pension Scheme

The Group has outsourced a pension scheme of which the employee contributions are based on a percentage of pensionable earnings funded by both employer and employees, the assets of which are generally held in separate trustee-administered funds. Contributions to these plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognized as an expense when the Group and/or the company are committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the group and/or the company have made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

Notes (continued)

2 Material accounting policies (continued)

(s) Employee benefits (continued)

Short-term benefits

Short-term benefits consist of salaries, accumulated leave payments, bonuses and any non-monetary benefits, such as medical aid contributions. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans or accumulated leave if the Group and/or the company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(t) Provisions

Provisions are in respect of general expenses and pension costs. Provisions are recognized when the Group and/or the Company have a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. When the Group and/or the Company expect some or all of a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(u) Revenue recognition

Revenue is recognised as depicting the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Assessment fee and commission revenue

Assessment (Origination) fee and commission revenue are recognised as the related services are performed and provided that there are no significant uncertainties in respect of related collections. The revenue is recognised as the services are rendered.

Utilisation fee

The Group and Company calculates utilisation fee during the lifetime of the guarantee, with an annual fee rate depending on calculated risk of the product. The fees are paid on a semi-annual or quarterly basis, and on the average outstanding disbursed loans subject to the ceiling of the guaranteed amount.

The utilisation volume fluctuates on an annual basis depending on the disbursement and the repayment of the loans to the SMEs. The cumulative utilisation percentage is a function of cumulative disbursed guarantees under live guarantees and the outstanding live financial guarantees volume.

Commitment fee

This is the premium to cover the selection risk (the risk of adverse selection) and the cost of capital. Commitment fee is usually paid on the unutilised portion of the guarantee. This fee is included at the discretion of the Group.

Notes (continued)

2 Material accounting policies (continued)

(u) Revenue recognition (continued)

Interest income

Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

(v) Stated capital

Class A, B and C shares are redeemable at the Company's option, are classified as equity and are measured at the redemption amount.

Class D Shares are not entitled to any dividend, are not redeemable, have no voting rights and have no right to receive notice of, attend or participate in any Shareholders' Meeting for as long as there is any other Class of Shares in issue. If at any time there are no other Classes of Shares in issue, then each Class D Share shall confer on its holder the right to exercise one vote at any Shareholders' Meeting at a poll. Class D Shares are classified as equity.

Some financial instruments include a contractual obligation for the issuing entity to deliver to another entity a pro rata share of its net assets only upon liquidation. The obligation arises because liquidation is either certain to occur and outside the control of the entity (for example, a Ltd-life entity) or is not certain to occur but is at the option of the instrument holder.

As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has all the following features:

- It entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing entity to deliver a pro rata share of its net assets on liquidation.

For an instrument to be classified as an equity instrument, in addition to the instrument having all of the above features, the issuer must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the entity (excluding any effects of such instrument or contract); and
- The effect of substantially restricting or fixing the residual return to the instrument holders.

The Company continuously assesses the classification of the redeemable participating shares. If the redeemable participating shares have all the features or meet all conditions set out to be classified as equity, the Company will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of reclassification. If the redeemable participating shares subsequently cease to have all of the features, or meet the conditions set out, to be classified as equity, the Company will reclassify them as financial liabilities and measure them at fair value at the date of the reclassification, with any differences from the previous carrying amount recognized in equity

(w) Leased assets

Lease payments on short-term lease value assets are recognised as an expense on a straight-line basis over the lease term.

Notes (continued)

3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Functional currency

The determination of the Company's functional currency is critical, since the recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. The directors have considered these factors and determined that the functional currency of the Company and of the Kenyan Branch is the US Dollar ("USD"), as it most faithfully reflects the underlying transactions, events and conditions. In contrast, the subsidiary in Togo uses the Franc de la Communauté Financière Africaine (FCFA) as its functional currency as it is most relevant to its operation.

(b) Impairment losses on financial guarantee contracts

The Group reviews their individually significant guarantee contracts to assess whether an impairment loss should be recorded in profit or loss. In particular, the management's judgement is required in the estimation amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors, including the probability of default (PD), loss given default (LGD), and exposure at default (EAD) applied across the three IFRS 9 stages. The PD is derived from historical default rates within the guarantee portfolio, The LGD is determined on a contract-by-contract basis, reflecting the specific collateral arrangements and recovery expectations for each underlying SME exposure, and ranges from 33.7% to 100% across the portfolio (2024: similar range), and the EAD represents the outstanding guaranteed exposure at the reporting date. A change in any of these assumptions could result in a material adjustment to the impairment allowance. As at 31 December 2025, the gross carrying amount of financial guarantee contract assets subject to ECL assessment was USD 73,793,604 (2024: USD 69,688,268). Refer to note 22 for further detail.

(c) Determination of fair value of guarantee contracts

Fair valuation of guarantee contracts is a key source of estimation uncertainty at the reporting date and has a significant risk of causing a material change in the carrying value of the guarantee contracts at fair value. The Loan portfolio guarantees are measured at fair value through profit or loss.

The Group measures and recognizes the fair value asset only for individual contracts that have been utilised or have evidence that utilisation is underway. This decision is intended to exclude contracts that have been signed but remain unused for an extended period.

Where the fair value of guarantee contracts cannot be derived from active markets, they are determined using valuation techniques such as the discounted cash flow model. Management applies significant judgement in selecting the appropriate methodology and assumptions for fair valuation of guarantee contracts as follows: Utilisation rate by tenor – The utilisation volume rate is calculated as the outstanding utilisation at any given period divided by the live guarantees i.e. Live outstanding utilisation/Live guarantee). The historical utilisation rate has been calculated using the LPG guarantee portfolio data from 2017 to 2025, representing the full history of the programme to date. The methodology has been updated in the current year to incorporate the 2025 data points, extending the observation period to nine years. The future cash inflows is a factor of the live guarantees volume and the utilisation rate to achieve the utilisation volume multiplied by the utilisation fees. Claim rate – The assumption for the claim rate is derived by computing the claims less recoveries as a percentage of the average monthly live utilisation.

Notes (continued)

3. Critical accounting estimates and judgements (continued)

(c) Determination of fair value of guarantee contracts (continued)

- Discount rate – To take into consideration the risk of the underlying assets (SMEs), an analysis of the potential fluctuations in the exchange rate between the cash inflows in local currency and the reporting currency has been done. The risk-free yield curves for the respective countries, based on their local currencies was compiled to determined discount rate. These curves were sourced from Bloomberg and the central banks of the relevant jurisdictions. For consistency and alignment with the average tenor, the 5-year point on each curve is used.

As at 31 December 2025, the carrying amount of loan portfolio guarantee contracts at fair value through profit or loss was USD 1,547,442 Group (2024: nil)

The table below illustrates the sensitivity of the fair value of loan portfolio guarantee contracts to changes in the key assumptions:

Assumption	Change	Impact on fair value (Group)	Impact on fair value (Company)
Utilisation rate	- 5%	(1,414,699)	(1,235,537)
Claim rate	- 1%	(12,725,211)	(10,219,366)
Discount rate	+ 5%	(1,427,307)	(1,335,354)

The sensitivity analysis is based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in assumptions may be correlated.

(d) Land grant

AGFWA received a land grant from the government of Togo for the construction of a building in West Africa. The land being a non-depreciable asset, the land grant has been amortized over the life of the building to be constructed. The Directors of AGF have estimated the life of the building to be 25 years and further believe that this lifespan assumed is reasonable and in line with the depreciation rate of the asset. Refer to note 25.

4. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: credit risks, liquidity risks, market risks (including interest rate and foreign currency risks) and operational risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors of the Group has established the Treasury Management, Investment/Guarantee, Capacity Development and Committees, which are responsible for developing and monitoring the Company risk management policies in their specified areas. All board committees regularly report to the Board of Directors on their activities.

a) Credit risk

Credit risk refers to the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including cash at bank and other financial instruments. The Group has adopted a policy of only dealing with creditworthy counterparties. Cash at bank is maintained with financial institutions having strong credit ratings.

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Expected credit losses

The table below shows the ECL charges/(write-back) on financial instruments for the year recorded in the income statement.

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Investment securities at amortised costs	81,057	119,568	(2,619)	125,415
Other financial instruments, cash and cash equivalents	204,136	(168,730)	(20,272)	67,915
Trade and other receivables	1,196,493	797,029	966,740	687,133
	1,481,686	747,867	943,849	880,463

Debt instruments at amortised cost

Group

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	139,352,218	-	-	139,352,218
Additions	49,982,361	-	-	49,982,361
Disposals	(44,929,751)	-	-	(44,929,751)
Coupon received	(5,154,167)	-	-	(5,154,167)
Accrued interest	5,864,564	-	-	5,864,564
Gross carrying amount at end of year	145,115,225	-	-	145,115,225

2025	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance at start of year	200,841	-	-	200,841
Charge for the year	81,057	-	-	81,057
Expected credit loss allowance at end of year	281,898	-	-	281,898

Company

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	137,541,436	-	-	137,541,436
Additions	48,186,689	-	-	48,186,689
Disposals	(43,164,000)	-	-	(43,164,000)
Coupon received	(5,018,750)	-	-	(5,018,750)
Accrued interest	5,745,706	-	-	5,745,706
Gross carrying amount at end of year	143,291,081	-	-	143,291,081

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Debt instruments at amortised cost (continued)

2025	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance at start of year	179,149	-	-	179,149
ECL release for the year	(2,619)	-	-	(2,619)
Expected credit loss allowance at end of year	176,530	-	-	176,530

Group

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	125,138,337	-	-	125,138,337
Additions	65,549,452	-	-	65,549,452
Disposals	(51,280,000)	-	-	(51,280,000)
Coupon received	(4,600,804)	-	-	(4,600,804)
Accrued interest	4,546,233	-	-	4,546,233
Gross carrying amount at end of year	139,353,218	-	-	139,353,218

2024

Expected credit loss allowance at start of year	81,273	-	-	81,273
Charge for the year	119,568	-	-	119,568
Expected credit loss allowance at end of year	200,841	-	-	200,841

Company

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	122,919,199	-	-	122,919,199
Additions	65,549,452	-	-	65,549,452
Disposals	(51,280,000)	-	-	(51,280,000)
Coupon received	(4,058,296)	-	-	(4,058,296)
Accrued interest	4,411,081	-	-	4,411,081
Gross carrying amount at end of year	137,541,436	-	-	137,541,436

2024	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance at start of year	53,734	-	-	53,734
Charge for the year	125,415	-	-	125,415
Expected credit loss allowance at end of year	179,149	-	-	179,149

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Other financial instruments and cash and bank balances

Group

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	56,560,925	-	-	56,560,925
Additions	13,927,311	-	-	13,927,311
Gross carrying amount at end of year	70,488,236	-	-	70,488,236
Expected credit loss allowance at start of year	462,574	-	-	462,574
Charge for the year	204,136	-	-	204,136
Expected credit loss allowance at end of year	666,710	-	-	666,710

Company

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	13,416,151	-	-	13,416,151
Charge for the year	8,971,632	-	-	8,971,632
Gross carrying amount at end of year	22,387,783	-	-	22,387,783
Expected credit loss allowance at start of year	131,485	-	-	131,485
Write back for the year	(20,272)	-	-	(20,272)
Expected credit loss allowance at end of year	111,213	-	-	111,213

Group

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	54,507,441	-	-	54,507,441
Additions	2,053,484	-	-	2,053,484
Gross carrying amount at end of year	56,560,925	-	-	56,560,925
Expected credit loss allowance at start of year	631,304	-	-	631,304
Writeback for the year	(168,730)	-	-	(168,730)
Expected credit loss allowance at end of year	462,574	-	-	462,574

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Other financial instruments and cash and bank balances (continued)

Company

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	11,103,328	-	-	11,103,328
Additions	2,312,823	-	-	2,312,823
Gross carrying amount at end of year	13,416,151	-	-	13,416,151

2024

Expected credit loss allowance at start of year	63,570	-	-	63,570
Charge for the year	67,915	-	-	67,915
Expected credit loss allowance at end of year	131,485	-	-	131,485

Trade and other receivables

Group

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	18,914,149	1,145,172	3,131,147	23,190,468
Net (receipts/additions)	(2,255,961)	(160,414)	872,180	(1,544,195)
Gross carrying amount at end of year	16,658,188	984,758	4,003,327	21,646,273

2025

At start of the year	498,347	489,771	2,979,660	3,967,778
ECL charge for the year	1,012,817	(168,809)	352,485	1,196,493
Expected credit loss allowance at end of year	1,511,164	320,962	3,332,145	5,164,271

Company

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	12,395,994	567,038	2,378,907	15,341,939
Net additions/(disposals)	382,887	417,720	290,025	1,090,632
Gross carrying amount at end of year	12,778,881	984,758	2,668,932	16,432,571

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Trade and other receivables (continued)

Company (continued)

2025	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance at start of year	433,487	242,532	2,316,300	2,992,319
ECL charge for the year	1,015,136	78,431	(126,827)	966,740
Expected credit loss allowance at end of year	1,448,623	320,963	2,189,473	3,959,059

Group

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	21,528,870	2,610,809	2,386,257	26,525,936
Net additions/(payments)	(2,614,721)	(1,465,637)	744,890	(3,335,468)
Gross carrying amount at end of year	18,914,149	1,145,172	3,131,147	23,190,468

2024	Stage 1	Stage 2	Stage 3	Total
At start of year	118,902	665,591	2,386,258	3,170,751
ECL charge/(writeback) for the year	379,445	(175,820)	593,404	797,029
Expected credit loss allowance at end of year	498,347	489,771	2,979,662	3,967,780

Company

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount at start of year	8,864,473	1,736,938	1,746,097	12,347,508
Net additions/(payments)	3,531,521	(1,169,900)	632,810	2,994,431
Gross carrying amount at end of year	12,395,994	567,038	2,378,907	15,341,939

2024	Stage 1	Stage 2	Stage 3	Total
Expected credit loss allowance at start of year	97,674	461,417	1,746,096	2,305,187
ECL charge/(writeback) for the year	335,813	(218,885)	570,205	687,133
Expected credit loss allowance at end of year	433,487	242,532	2,316,301	2,992,320

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Financial guarantee

The tables below present the classification and measurement of the loan individual guarantees (LIGs), bank fund raising guarantees (BFRGs) and equity guarantees. These types of guarantees are treated as financial guarantee contracts and are initially measured at fair value (NPV). Subsequently, these contracts are measured at the higher of the amount initially recognized less amortisation and expected credit loss. The financial guarantees are assessed on a yearly basis; thereafter, the staging is reallocated.

Group

Classification

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
At start of year	19,823,175	20,895,946	28,969,147	69,688,268
(Variation)/New volume	(4,295,068)	3,394,035	5,006,369	4,105,336
At end of year	15,528,107	24,289,981	33,975,516	73,793,604

Measurement

Financial guarantee contract assets

2025	Stage 1	Stage 2	Stage 3	Total
At start of year	910,017	-	-	910,017
Fair value loss for the year	(233,955)	-	-	(233,955)
At end of year	676,062	-	-	676,062

Financial guarantee contract liabilities

2025	Stage 1	Stage 2	Stage 3	Total
At start of year	-	3,299,666	6,018,327	9,317,993
ECL (writeback)/charge for the year	-	(170,828)	4,931,926	4,761,098
Claim payment	-	-	(2,358,813)	(2,358,813)
At end of year	-	3,128,838	8,591,440	11,720,278

Company

Classification

2025	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
At start of year	10,417,748	10,101,659	15,896,150	36,415,557
(Variation)/New volume	(3,732,708)	1,798,643	(1,197,977)	(3,132,042)
At end of year	6,685,040	11,900,302	14,698,173	33,283,515

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Financial guarantee (continued)

Company (continued)

Measurement

Financial guarantee contract assets

2025	Stage 1	Stage 2	Stage 3	Total
At start of year	505,681	-	-	505,681
Fair value loss for the year	(167,783)	-	-	(167,783)
At end of year	337,898	-	-	337,898

Financial guarantee contract liabilities

2025	Stage 1	Stage 2	Stage 3	Total
At start of year	-	1,074,335	755,581	1,829,916
ECL charge/(writeback) for the year	-	(126,159)	(161,745)	(287,904)
At end of year	-	948,176	593,836	1,542,012

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
At start of year	32,602,798	15,864,218	25,405,778	73,872,794
(Variation)/New volume	(12,779,623)	5,031,728	3,563,369	(4,184,526)
At end of year	19,823,175	20,895,946	28,969,147	69,688,268

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Financial guarantee (continued)

Measurement

Financial guarantee contract assets

2024	Stage 1	Stage 2	Stage 3	Total
At start of year	1,631,446	275,262	-	1,906,708
Fair value (loss)/gain for the year	(721,429)	(275,262)	-	(996,691)
At end of year	910,017	-	-	910,017

Financial guarantee contract liabilities

2024	Stage 1	Stage 2	Stage 3	Total
At start of year	60,961	3,053,854	13,551,359	16,666,174
ECL charge/(writeback) for the year	(60,961)	245,812	2,758,052	2,942,903
Claim payment	-	-	(10,291,084)	(10,291,084)
At end of year	-	3,299,666	6,018,327	9,317,993

Company

Classification

2024	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount				
At start of year	15,990,189	2,571	14,906,980	30,899,740
(Variation)/New volume	(5,572,441)	10,099,088	989,170	5,515,817
At end of year	10,417,748	10,101,659	15,896,150	36,415,557

Measurement

Financial guarantee contract assets

2024	Stage 1	Stage 2	Stage 3	Total
At start of year	892,732	98	-	892,830
Fair value (loss)/gain for the year	(387,051)	(98)	-	(387,149)
At end of year	505,681	-	-	505,681

Financial guarantee contract liabilities

2024	Stage 1	Stage 2	Stage 3	Total
At start of year	31,476	596	4,960,295	4,992,367
ECL charge/(writeback) for the year	(31,476)	1,073,739	788,056	1,830,319
Claim payment	-	-	(4,992,770)	(4,992,770)
At end of year	-	1,074,335	755,581	1,829,916

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Financial assets (excluding cash in hand) (continued)

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the reporting date is outlined below.

Cash and cash equivalents (excluding cash in hand)

Group	2025	Rating	2024	Rating
	USD		USD	
Absa Bank Mauritius	14,423,007	BBB-	2,774,743	BBB-
Barclays Bank London	562,082	BBB	885,661	BBB
Stanbic Bank Kenya	1,522,489	B	3,001,862	B
NCBA Bank Kenya	53,071	B	78,387	B
Ecobank Kenya	1,181,888	B	2,043,897	B
Absa Bank Kenya	1,069,294	B	1,057,712	B
Equity Bank Kenya	1,007,458	B	1,569,757	B
UBA Kenya	1,040,446	B	518,014	B
BTCI	16,382	B	29,402	B
Ecobank Togo	3,675,726	B	137,089	B
Coris Bank Togo	-	B	413,530	B
Orabank Togo	-	B	128	B
BCEAO	1,712,944		-	
Cash in transit	3,044,054		-	
Total	29,308,841		12,510,182	
ECL allowance	(101,713)		(102,848)	
	29,207,128		12,407,334	

Company	2025	Rating	2024	Rating
	USD		USD	
Absa Bank Mauritius	14,423,007	BBB-	2,774,743	BBB-
Barclays Bank London	562,082	BBB	886,880	BBB
Stanbic Bank Kenya	1,522,489	B	3,001,862	B
NCBA Bank Kenya	53,071	B	78,387	B
Ecobank Kenya	1,181,888	B	2,043,897	B
Absa Bank Kenya	1,069,294	B	1,059,271	B
Equity Bank Kenya	1,007,458	B	1,569,757	B
UBA Kenya	1,040,446	B	518,014	B
Total	20,859,735		11,932,811	
ECL allowance	(91,528)		(113,554)	
	20,768,207		11,819,257	

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Cash & cash at bank	19,863,667	9,714,411	16,685,242	7,352,445
Short term deposits	9,379,100	2,716,679	4,117,975	4,490,568
Total	29,242,767	12,431,090	20,803,217	11,843,013

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Notes (continued)

4. Financial risk management objectives and policies (continued)

a) Credit risk (continued)

Financial assets (excluding cash in hand) (continued)

Rating*	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
AAA	40,995,583	27,178,400	40,995,583	27,178,400
AA+	1,510,825	-	1,510,825	-
AA	23,063,870	20,803,214	23,063,870	20,803,213
AA-	3,643,960	4,860,374	3,643,960	4,860,374
A+	26,265,235	27,537,137	26,265,235	27,537,136
A	9,212,711	10,701,717	9,212,711	10,701,717
A-	1,115,132	6,546,054	1,115,132	6,546,054
BBB+	3,745,039	610,405	3,745,039	610,405
BBB	27,419,631	33,439,361	25,690,305	31,657,543
BBB-	23,033,511	11,307,000	23,033,511	11,307,000
B+	-	11,837,777	-	-
B	50,169,709	38,642,144	7,399,523	9,754,528
Not rated	29,333,042	20,220,665	18,567,798	12,522,130
	239,508,248	213,684,248	184,243,492	163,478,500
ECL allowance	(6,112,879)	(4,631,193)	(4,246,802)	(3,302,953)
	233,395,369	209,053,055	179,996,690	160,175,547

*Source: Bloomberg

The credit risk is mitigated through:

- Portfolio diversification by applying limits by region, country, sector, single obligor, product, and risk category
- Portfolio hedging by using re-guarantees to share credit risk with other guarantee funds
- Intensive due diligence
- Contract covenants, providing the ability to cancel, reduce or reprice a deal if the credit conditions deteriorate significantly or if the fees are not settled within the set time frame.

Notes (continued)

4. Financial risk management objectives and policies (continued)

b) Concentration risk

Concentration risk is defined as a direct and/or indirect concentration of exposure to a single or group of counterparties, industry or geographic region. Owing to the nature of its operations, AGF has a large amount of exposure in the African continent and thus tries to diversify its investment in other geographical regions and other counterparties. The investments are well diversified within each region and are within the single obligor limits.

Net carrying value of Debt instruments at amortized cost, cash and bank balances and other financial instruments

Group	Carrying amount 2025 USD	Percentage	Carrying amount 2024 USD	Percentage
Africa	81,513,091	37.97%	62,854,875	32.47%
Europe	11,286,570	5.26%	18,910,427	9.77%
America	23,821,668	11.10%	29,447,039	15.21%
Middle East	32,926,201	15.34%	27,696,115	14.31%
Asia	65,107,324	30.33%	54,666,842	28.24%
Total	214,654,854	100%	193,575,298	100%

Company	Carrying amount 2025 USD	Percentage	Carrying amount 2024 USD	Percentage
Africa	32,430,769	19.61%	19,926,531	13.23%
Europe	11,283,186	6.82%	18,910,427	12.55%
America	23,766,431	14.37%	29,447,039	19.55%
Middle East	32,906,903	19.89%	27,696,115	18.38%
Asia	65,017,675	39.31%	54,666,842	36.29%
Total	165,404,964	100%	150,646,954	100%

c) Market risk

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

d) Interest rate risk

Neither the Group nor the Company is sensitive to interest rate risk changes, due to the fact that all coupon rates are fixed and the bonds are intended to be held to maturity.

Notes (continued)

4. Financial risk management objectives and policies (continued)

e) Foreign exchange risk

Foreign currency risk is the risk that Group's net financial asset will fluctuate because of changes in foreign currency risk. The Group manages this FX risk by a combination of long-term economic hedges for large exposures and tight cash flow forecasting and planning to effectively manage FX risk occurring in day-to-day operations.

While the reporting currency of AGF is USD, the investment portfolio aims to mitigate currency risk. Such currency risk arises from writing guarantees in currencies other than USD, while having an asset base to support those guarantees denominated in USD. In particular, the portfolio counteracts the currency risk by aiming to match the currencies of the investments to the major contingent liabilities.

The currency breakdown of the assets is in line with the Group's major contingent liabilities (a highly significant proportion of the Group contingent liabilities is in West African CFA Franc (XOF). As of 31 December 2025, and 2024, the Group and the Company's net exposure to foreign exchange risk was as follows:

	USD 2025	EURO 2025	KES 2025	XOF 2025	Total USD 2025
Assets	190,156,793	1,983,030	79,847,894	26,175,622,769	240,225,963
Liabilities	13,569,159	-	11,690,656	1,389,868,883	16,162,110
Closing rate	1.0000	1.175	0.0078	0.0018	
Net exposure in USD	176,587,634	2,330,235	531,626	44,614,357	224,063,852
Company	USD 2025	EURO 2025	KES 2025	XOF 2025	Total USD 2025
Assets	181,977,748	1,980,099	79,402,719	-	184,923,706
Liabilities	3,179,713	-	11,690,656	-	3,270,900
Closing rate	1.0000	1.175	0.0078	0.0018	-
Net exposure in USD	178,798,035	2,326,616	528,154	-	181,652,805

Notes (continued)

4. Financial risk management objectives and policies (continued)

e) Foreign exchange risk (continued)

Group	USD 2024	EURO 2024	KES 2024	XOF 2024	Total USD 2024
Assets	157,167,869	1,960,027	31,451,320	34,476,463,482	213,884,010
Liabilities	5,321,207	-	9,799,230	7,085,674,441	16,758,194
Closing rate	1	1.0352	0.00773455	0.001578	-
Net exposure in USD	151,846,662	2,029,020	167,469	43,222,665	197,265,816
Company	USD 2024	EURO 2024	KES 2024	XOF 2024	Total USD 2024
Assets	161,375,638	1,950,027	31,451,320	-	163,637,568
Liabilities	6,945,315	-	9,799,230	-	7,021,108
Closing rate	1	1.0352	0.00773455	0.001578	-
Net exposure in USD	154,430,323	2,018,668	167,469	-	156,616,460

Notes (continued)

4. Financial risk management objectives and policies (continued)

f) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty when meeting obligations from its financial liabilities. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation. The Group and the Company manage liquidity risk by holding sufficient assets to meet the liquidity requirements by the respective buckets of the financial liabilities.

The Group and the Company's treasury maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities to always ensure necessary access to sufficient liquidity.

The table below summarizes the maturity profile of the Group's and the Company's financial assets and liabilities at 31 December based on contractual non-discounted payments.

Group	On demand	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
At 31 December 2025	USD	USD	USD	USD	USD	USD
Cash and cash equivalents	29,242,767	-	-	-	-	29,242,767
Debt instruments at amortised cost	17,754,132	7,449,940	13,861,995	9,096,398	110,170,094	158,332,559
Other financial assets	1,742,045	-	6,643,201	3,414,400	30,716,837	42,516,483
Financial guarantee contracts	676,062	-	-	-	-	676,062
Trade and other receivables	12,137,407	5,092,300	413,239	869,862	3,133,465	21,646,273
Total financial assets	61,552,413	12,542,240	20,918,435	13,380,660	144,020,396	252,414,144
Trade and other payables	748,743	3,583,042	-	-	-	4,331,785
Guarantee contracts at fair value through profit or loss	11,720,278	-	-	-	-	11,720,278
Total financial liabilities	12,469,021	3,583,042	-	-	-	16,052,063
Net assets/(liabilities)	49,083,392	8,959,198	20,918,435	13,380,660	144,020,396	236,362,081

Notes (continued)

4. Financial risk management objectives and policies (continued)

f) Liquidity risk (continued)

Company

At 31 December 2025	On demand	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Total
	USD	USD	USD	USD	USD	USD
Cash and cash equivalents	20,803,217	-	-	-	-	20,803,217
Debt Instruments at amortised cost	17,754,132	7,449,940	13,861,995	9,096,398	107,505,796	155,668,261
Financial guarantee contract assets	337,898	-	-	-	-	337,898
Other financial assets	-	-	-	1,516,343	-	1,516,343
Trade and other receivables	8,258,100	5,092,300	413,239	549,873	2,119,059	16,432,571
Total financial assets	47,153,347	12,542,240	14,275,234	11,162,614	109,624,855	194,758,290
Trade and other payables	571,277	1,157,073	-	-	-	1,728,350
Financial guarantee contract liabilities	1,542,012	-	-	-	-	1,542,012
Other liabilities	-	-	-	-	-	-
Total financial liabilities	2,113,289	1,157,073	-	-	-	3,270,362
Net assets/(liabilities)	45,040,058	11,385,167	14,275,234	11,162,614	109,624,855	191,487,928

Notes (continued)

4. Financial risk management objectives and policies (continued)

f) Liquidity risk (continued)

Group

At 31 December 2024	On demand USD	1 to 3 months USD	3 to 6 months USD	6 to 12 months USD	1 to 8 years USD	Total USD
Cash and cash equivalents	9,019,807	3,579,487	-	-	-	12,599,294
Debt instruments at amortised cost	136,080	22,919,238	11,446,654	23,498,785	108,678,312	166,679,069
Financial guarantee contract assets	910,017	-	-	-	-	910,017
Other financial assets	1,767,378	485,641	15,073,436	13,242,997	13,401,153	43,970,605
Trade and other receivables	1,411,237	17,502,912	104,696	585,456	3,586,167	23,190,468
Total financial assets	13,244,519	44,487,278	26,624,786	37,327,238	125,665,632	247,349,453
Trade and other payables	3,948,800	1,574,690	-	-	-	5,523,490
Guarantee contracts at fair value through profit or loss	1,736,711	-	-	-	-	1,736,711
Financial guarantee contract liabilities	9,317,993	-	-	-	-	9,317,993
Total financial liabilities	15,003,504	1,574,690	-	-	-	16,578,194
Net assets/(liabilities)	(1,758,985)	42,912,588	26,624,786	37,327,238	125,665,632	230,771,259

Notes (continued)

4. Financial risk management objectives and policies (continued)

f) Liquidity risk (continued)

Company

At 31 December 2024	On demand	1 to 3 months	3 to 6 months	6 to 12 months	1 to 8 years	Total
	USD	USD	USD	USD	USD	USD
Cash and cash equivalents	8,425,218	3,579,487	-	-	-	12,004,705
Debt instruments at amortised cost	65,261	22,919,238	11,446,654	7,551,434	106,145,558	148,128,145
Financial guarantee contract assets	505,681	-	-	-	-	505,681
Other financial assets	-	485,641	-	1,017,731	-	1,503,372
Trade and other receivables	11,684,005	711,990	104,695	397,475	2,443,774	15,341,939
Total financial assets	20,680,165	27,696,356	11,551,349	8,966,640	108,589,332	177,483,842
Trade and other payables	2,545,467	1,495,204	-	-	-	4,040,671
Guarantee contracts at fair value through profit or loss	1,150,520	-	-	-	-	1,150,520
Financial guarantee contract liabilities	1,829,916	-	-	-	-	1,829,916
Total financial liabilities	5,525,903	1,495,204	-	-	-	7,021,107
Net assets/(liabilities)	15,154,262	26,201,152	11,551,349	8,966,640	108,589,332	170,462,735

Notes (continued)

4. Financial risk management objectives and policies (continued)

g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk in order to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness, as well as to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls designed to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of the Group's overall standards for the management of operational risk in the following areas:

- Ethical and business standards.
- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the yearly assessment of operational risks faced and the adequacy of controls and procedures to address the risks identified.
- Development of contingency plans.
- Training and professional development.
- Risk mitigation (including insurance, where this is effective).

Compliance with the Group's standards is supported by a program of regular reviews undertaken by the Internal Control department. The results of internal audit reviews are discussed with the management of the department to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

Capital management

When managing capital, the principal objective of the Group is to earn the maximum risk-adjusted return that is compatible with keeping the capital intact in the medium- and long-term and being able to settle all obligations in full as they fall due. The group does not have any loans.

Fair value measurements

At 31 December, the Group and the Company held the following financial instruments measured at fair value: Recurring fair value measurement of guarantee contracts at fair value through profit or loss

Guarantee contracts at fair value through profit or loss are fair valued using the Discounted Cash Flow ("DCF") methodology and are classified under Level 3 of the fair value hierarchy. The DCF methodology derives the value of an instrument by calculating the present value of expected cash flow or future earnings.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements during the year.

At 31 December 2025, the nominal amount of guarantee contracts at fair value through profit or loss amounted to, Group USD 1,090,894,406 (2024: USD 1,026,532,960) and Company USD (738,478,289) (2024: USD 752,889,794) for the loan portfolio guarantee product.

Notes (continued)

4. Financial risk management objectives and policies (continued)

g) Operational risk (continued)

Valuation process

Management is responsible for the valuation of guarantee contracts including the policies and procedures. The valuation of the portfolio of guarantee contracts is carried out on a quarterly basis and is reviewed by the Audit and Risk committee of the Group.

5. Debt instruments at amortised cost

Group

2025		2024	
Purchase value (including commission) USD	Carrying value USD	Purchase value (including commission) USD	Carrying Value USD
143,592,062	144,833,327	138,199,643	139,151,377
2025 USD		2024 USD	
Current	48,561,136	38,892,474	
Non-current	96,272,191	100,258,903	
	144,833,327	139,151,377	

Company

2025		2024	
Purchase value (including commission) USD	Carrying value USD	Purchase value (including commission) USD	Carrying Value USD
141,873,286	143,114,551	138,199,643	137,362,288
2025 USD		2024 USD	
Current	47,034,676	38,858,512	
Non-current	96,079,875	98,503,776	
	143,114,551	137,362,288	

The allowance for the expected credit loss (ECL) of the Group and Company has been derived from the Standard & Poor credit rating. An average loss given default of 45% (2024: 45%) has been used to calculate the ECL on Debt instruments at amortised cost .

Notes (continued)

6 Loan portfolio guarantee (LPG) contracts at fair value through profit or loss

Loan portfolio guarantee contracts are initially measured at fair value through profit or loss. The initial fair value gain is deferred in the statement of financial position and amortised to profit or loss, on a straight-line basis, over the tenor of the contract. A summary of the gross amounts and the carrying amount of loan portfolio guarantees at fair value at the year-end was as follows:

Gross amounts	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Loan portfolio guarantee contracts	1,090,894,406	1,026,532,960	738,478,289	752,889,794

The net amount on the face of the statement of the financial position is as a result of the net off of the fair value asset and the deferred income.

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Loan portfolio guarantee contracts at fair value	15,450,333	13,551,877	12,348,365	11,212,413
Deferred income on loan portfolio guarantee contracts	(13,902,891)	(15,288,588)	(10,519,197)	(12,362,933)
	1,547,442	(1,736,711)	1,829,168	(1,150,520)

The movement in the fair value of loans portfolio guarantee contracts in the year was as follows

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
At start of year	13,551,877	14,487,389	11,212,413	10,888,103
New contracts in the year	2,897,882	5,668,343	1,088,026	5,273,072
Fair value loss through profit or loss	(999,426)	(6,603,855)	47,926	(4,948,792)
At end of year	15,450,333	13,551,877	12,348,365	11,212,413

Notes (continued)

6 Loan portfolio guarantee (LPG) contracts at fair value through profit or loss (continued)

The movement in the deferred income on loans portfolio guarantee contracts during the year was as follows:

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
At start of year	(15,288,588)	(14,285,796)	(12,362,933)	(10,562,888)
New contracts in the year	(2,897,882)	(5,668,343)	(1,088,026)	(5,273,072)
Amortisation to profit of loss	4,283,579	4,665,551	2,931,762	3,473,027
At end of year	(13,902,891)	(15,288,588)	(10,519,197)	(12,362,933)

The net charge in the income statement is arrived at as below:

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Fair value (loss)/gain to profit or loss	(999,426)	(6,603,855)	47,926	(4,948,792)
Amortisation of deferred income	4,283,579	4,665,551	2,931,762	3,473,027
Net fair value gain/(loss) through profit of loss	3,284,153	(1,938,304)	2,979,688	(1,475,735)

The methodology used for fair value is the Discounted Cash Flow ("DCF") methodology and is classified under Level 3 of the fair value hierarchy. The DCF methodology derives the value of an instrument by calculating the present value of expected cash flow or future earnings.

Sensitivity analysis for the assumptions used in the fair valuation of the guarantee contracts at fair value through profit or loss are as follows;

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
If the cost of credit rate over the period of the contract increases/decreases by 100 basis points to the management assumption, the fair value will (decrease)/increase by;	(12,725,211)	(12,655,880)	(10,219,366)	(9,055,008)
If the utilization rate over the period of the contract increases/decreases by 500 basis points to the management assumption, the fair value will (decrease)/increase by;	(1,414,699)	(1,286,811)	(1,235,537)	(1,058,349)
If the discount rate over the period of the contract increases/decreases by 500 basis points to the management assumption, the fair value will (decrease)/increase by;	(1,427,307)	(1,136,521)	(1,335,354)	(937,413)

Notes (continued)

7. Other financial instruments

Other financial instruments consist of long-term, USD fixed rate deposits held in different African banks as follows:

Group			2025
Bank	Annual rates	Terms	Amount (USD)
BOA Senegal	6.00%	21/06/2021 - 20/06/2026	4,476,551
Banque Atlantique Togo	6.00%	30/09/2025 - 15/12/2027	1,790,620
Banque Atlantique Togo	6.00%	30/09/2025 - 18/07/2027	1,432,497
BGFI Bank Benin	6.00%	20/05/2020 - 21/05/2026	1,790,620
Societe Generale Togo	6.00%	24/07/2021 - 24/07/2027	1,790,620
Coris Bank Cote D'Ivoire	6.00%	30/09/2025 - 15/06/2026	1,790,620
NSIA Banque Togo	6.00%	19/09/2022 - 18/09/2027	1,790,620
Banque Islamique Senegal	4.52%	14/10/2021 - 13/10/2027	2,685,930
NSIA Banque Cote D'Ivoire	6.00%	30/03/2023 - 30/03/2028	4,476,551
NSIA Banque Togo	6.00%	26/10/2022 - 25/10/2027	1,790,620
CORIS BANK TOGO	6.00%	30/09/2025 - 26/12/2027	4,476,551
NSIA Banque Togo	6.50%	07/09/2023 - 06/09/2028	895,310
BOA Togo	6.20%	07/07/2023 - 07/06/2028	2,685,930
Coris Bank Burkina Faso	2.50%	03/12/2022 - 02/12/2027	2,685,930
Bridge Bank Cote d'Ivoire	6.20%	22/05/2024 - 21/05/2029	5,091,748
Stanbic Bank Kenya	3%	21/09/2020 - 26/09/2026	1,493,038
Allowance for expected credit losses			(564,997)
			40,578,759

Company			2025
Bank	Annual rates	Terms	Amount (USD)
Stanbic Bank	3.00%	21/09/2020 - 26/09/2026	1,493,038
Allowance for expected credit losses			(19,685)
			1,473,353

Notes (continued)

7 Other financial instruments (Continued)

Group		2024	
Bank	Annual rates	Terms	Amount (USD)
BOA Senegal	6.00%	21/06/2021 - 20/06/2026	3,945,926
NSIA Banque Cote D'Ivoire	6.00%	30/03/2023 - 30/03/2028	3,945,926
Orabank Senegal	6.00%	06/07/2023 - 05/07/2025	3,945,926
Orabank Cote D'Ivoire	6.00%	08/06/2020 - 07/06/2025	3,945,926
Coris Bank Burkina Faso	6.00%	03/12/2019 - 02/12/2025	1,578,370
Banque Islamique Senegal	4.52%	14/10/2021 - 13/10/2027	2,367,555
BOA Togo	6.20%	07/07/2023 - 06/07/2028	2,367,555
Banque Atlantique Togo	6.06%	16/06/2021 - 15/06/2025	1,262,696
BGFI Bank Benin	6.00%	20/05/2020 - 19/05/2025	1,578,370
Coris Bank Burkina Faso	6.50%	03/12/2022 - 02/12/2027	2,367,555
NSIA Banque Togo	6.00%	19/09/2022 - 18/09/2027	3,156,741
NSIA Banque Togo	6.00%	26/10/2022 - 25/10/2027	2,367,555
Societe Generale Togo	6.00%	24/07/2021 - 23/07/2025	2,335,128
Bridge Bank Cote d'Ivoire	6.00%	22/05/2024 - 21/05/2029	3,945,926
BCEAO	0.00%	On call	1,781,818
Stanbic Bank Kenya	3%	21/09/2020 - 26/09/2026	1,459,584
Allowance for expected credit losses			(359,726)
			41,992,831

Company		2024	
Bank	Annual rates	Terms	Amount (USD)
Stanbic Bank	3.00%	21/09/2020 - 26/09/2026	1,459,584
Allowance for expected credit loss			(17,931)
			1,441,653

The allowance for the expected credit loss (ECL) on other financial instruments has been calculated based on the Standard & Poor credit rating of the individual financial institutions.

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Current	10,743,722	28,712,029	1,473,353	1,441,653
Non-current	29,835,037	13,280,802	-	-
	40,578,759	41,992,831	1,473,353	1,441,653

Notes (continued)

8. Income from guarantees

a) Utilisation fees

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
<i>Income earned from services that are provided over time:</i>				
Utilisation fees	7,500,071	8,076,828	6,529,288	6,883,868

Utilisation fees are calculated during the lifetime of the guarantee, with an annual fee rate of 1% - 4.5% in FY25 (FY24: 1.6% - 3.6%) depending on the risk of the product. The fees are paid on a semi-annual or quarterly basis, and on the average outstanding guaranteed amount. The utilisation volume fluctuates on an annual basis depending on the disbursement and the repayment of the loans to the SMEs.

b) Origination and commitment fees

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
<i>Income earned from services that are provided at one point in time:</i>				
Origination fees	180,598	1,188,189	-	923,433
<i>Income earned from services that are provided over time:</i>				
Commitment fees	661,114	634,237	-	-
	841,712	1,822,426	-	923,433

c) Total guarantee income

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Utilisation fees	7,500,071	8,076,828	6,529,288	6,883,868
Origination fees	180,598	1,188,189	-	923,433
Commitment fees	661,114	634,237	-	-
Total	8,341,783	9,899,254	6,529,288	7,807,301

9. Interest income from investments

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Interest income from debt instruments held at amortised cost	5,745,706	4,411,081	5,745,706	4,411,081
Interest income on bonds AGF West Africa	118,858	135,152	-	-
Interest received on fixed-term deposits in Kenya	257,932	311,770	257,932	311,770
Interest income on fixed-term Deposits AGF West Africa	2,370,956	2,412,939	-	-
	8,493,452	7,270,942	6,003,638	4,722,851

Notes (continued)

10. Grant income

In September 2021, the Group signed a grant agreement with AFDB for facilitation of the AFAWA programme to cover the operating expenses incurred during the implementation of the programme. The grant is a total of USD 25 million to be received within a period of five years. In the year 2025, the total grant accrued is USD 1,196,452. The grant spent under the Capacity Development Generic Fund was USD 619,396. The liability has been included under note 25.

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Grant from AFAWA	1,196,452	2,875,552	1,196,452	2,875,552
Capacity development grant (CD grant)	619,396	619,396	619,396	619,396
	1,815,848	3,494,948	1,815,848	3,494,948

11 a) Other income

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Rental income	647,111	717,335	291,309	345,359
Other income	5,506	141,615	-	133,500
	652,617	858,950	291,309	478,859

11 b) Net foreign exchange differences

Net foreign exchange differences represent the net impact resulting from the translation of foreign currencies to USD. This occurs on consolidation of the operations of the subsidiary denominated in XOF but consolidated in USD.

The foreign currency translation has been calculated as follows:

2025	Group
AGF WA closing balance sheet as at 31 December 2025 in XOF (IFRS adjusted)	30,036,006,817
AGF WA closing balance sheet in USD using 2024 USD/XOF rate at 633.56 (a)	47,407,940
AGF WA closing balance sheet in USD using 2025 USD/XOF rate at 558.47 (b)	53,783,083
Exchange differences on translation of the closing balance sheet (a) - (b)	6,375,143
Exchange differences on translation of other adjustments	(1,355,226)
Exchange differences on translation of foreign subsidiary - USD	5,019,917

2024	Group
AGF WA closing balance sheet as at 31 December 2024 in XOF (IFRS adjusted)	31,372,702,492
AGF WA closing balance sheet in USD using 2023 USD/XOF rate at 593.12 (a)	52,894,520
AGF WA closing balance sheet in USD using 2024 USD/XOF rate at 633.56 (b)	49,517,741
Exchange differences on translation of the closing balance sheet (a) - (b)	(3,376,779)
Exchange differences on translation of other adjustments	(707,444)
Exchange differences on translation of foreign subsidiary - USD	(4,084,223)

Notes (continued)

12. Staff costs

	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Salaries and wages	6,615,117	6,078,016	5,214,629	4,783,554
Defined retirement benefit	930,102	610,766	289,963	265,457
Statutory contributions	45,576	30,481	45,576	30,481
	7,590,795	6,719,263	5,550,168	5,079,492

13. General and administrative expenses

	2025 USD	Group 2024 USD	2025 USD	Company 2024 USD
Administrative and legal fees	1,683,191	1,880,948	1,578,875	1,573,732
Communication expenses	128,379	108,295	74,023	70,162
Marketing expenses	479,531	476,575	433,889	432,917
Other expenses	1,494,184	1,300,017	1,114,671	1,086,229
Audit fees	256,269	293,126	192,000	232,000
Premises expenses	264,873	253,847	208,064	199,118
Travelling expenses	807,075	1,113,802	654,620	878,718
Treasury management fees (Note 15)	282,775	252,404	266,386	234,161
Net foreign exchange differences	(277,090)	(58,830)	(277,837)	(58,831)
	5,119,187	5,620,184	4,244,691	4,648,206

14. Depreciation and amortisation

Depreciation charge on property and equipment (Note 17)	606,466	522,336	314,800	301,339
Depreciation charge on investment property (Note 19)	150,404	150,404	98,349	98,349
Amortisation charge on intangible assets (Note 18)	281,204	531,679	263,547	514,738
	1,038,074	1,204,419	676,696	914,426

15. Treasury management fees

The Group and the Company pays custodian fees to Barclays Bank London for holding its financial securities at the following rate:

Size	Price (per annum)			
\$0–50m	25bps			
\$50m–100m	20bps			
\$100m+	15bps			
	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Custody fees	282,775	252,404	266,386	234,161

Notes (continued)

16. Income tax

Mauritius:

The Company is taxed on its chargeable income at a flat rate of 15%. However, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) an exemption of 80% on some of the income derived, including but not limited to interest income and foreign source dividends, subject to meeting the necessary substance requirements as required under the Income Tax Act 1995 (as amended by the Finance Act 2018) and such guidelines as may be issued. Additionally, corporate climate responsibility (CCR) levy was legislated by the Government of Mauritius in July 2024 for companies with a turnover exceeding MUR 50m and is calculated at 2% on the chargeable income.

Kenya:

The Company undertakes its operations in Kenya and thus has a branch in Kenya. As such, it is subject to tax obligations. Resident and non-resident companies are subject to income tax on income accrued or derived from Kenya. Different rates apply to resident and non-resident companies. The rate of corporate income tax for resident companies, including subsidiary companies of foreign parent companies, is 30%. The corporate income tax rate for branches of foreign companies is 30%. The Company's Kenyan branch pays all its liable taxes, including withholding tax at the rate of 5% for local goods and services and 20% for imported goods and services, value-added tax at the rate of 16% for goods and services and capital gains tax at the rate of 15% of the net gain on the transfer of property. The branch has unused accumulated tax losses as at 31 December 2025 and 2024. The current income tax expense in 2025 relates to tax on interest income on local treasury placements.

Income tax expense	Group and Company	
	2025	2024
Current income tax expense	59,201	-

In 2025, the Company's loss before tax differed from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2025 USD	2024 USD	2025 USD	2024 USD
Loss before income tax	(2,167,192)	(6,166,830)	2,367,570	(5,908,101)
Income tax charge at 17% (2024: 17%)	402,487	(1,004,377)	402,487	(1,004,377)
Expenses not allowable for tax purposes	608,671	1,779,178	608,671	1,779,178
Income disallowed for tax purposes	(555,490)	-	(555,490)	-
Tax losses utilised	455,668	-	455,668	-
Deferred income tax asset not recognized	(970,537)	(774,801)	(970,537)	(774,801)
Income tax expense	59,201	-	59,201	-

As at 31 December 2025, the Group had unrecognised deferred tax assets of USD 1.3M (2024: USD 1.7m).

Notes (continued)

16. Income tax (continued)

The Company has not recognised the deferred tax assets as it is not probable, at the reporting date, the future taxable profits will be available against which the deferred tax assets can be recovered. As each balance sheet date, the Group and the Company re-assess unrecognised deferred tax assets.

The below represents the corporation tax payable as per the assessment by Kenya Revenue Authority as indicated below. The branch had unused accumulated tax losses as at 31 December 2025 as follows:

Year of Assessment	Expiry Year	2025 USD	Company 2024 USD
2016	2026	170,615	156,430
2017	2027	4,770,050	4,373,454
2018	2028	1,816,105	1,665,109
2019	2029	2,708,286	2,483,112
2020	2030	1,127,363	1,033,630
2021	Indefinite	4,146,321	5,525,879
2022	Indefinite	1,380,175	2,896,550
2023	Indefinite	617,438	1,221,028
2024	Indefinite	3,795,281	4,438,234
2025	2030	4,600,727	-
		25,132,361	23,793,426

Togo:

The Company's subsidiary is located in Togo. Being a financial institution under the supervision of the banking commission, it is liable for income tax at the rate of 29%. However, the Company has an agreement with the government of Togo, of which Article 6.1 indicates that the organization's assets, revenues and operation transactions are exempt from all taxes. This exemption applies in particular to direct taxes (e.g. corporate taxes, taxes on income from capital, taxes on financial activities) and indirect taxes (value-added taxes, consumption taxes on petroleum products, etc.)

Mauritius:

The unused tax losses not recognized in the books as at 31 December 2025 for the Company amounted to USD 7,479,354. (2024: USD 10,254,414). Deferred tax assets have not been recognized in respect of tax losses carried forward, as the Directors consider it improbable that future taxable profits will be available against which the unused tax losses can be utilized.

Year of Assessment	Expiry Year	Company 2025 USD	2024 USD
2020	2025/2026	-	395,149
2021	2026/2027	2,868,300	5,134,485
2022	2027/2028	101,073	101,073
Indefinite		4,509,981	4,623,707
		7,479,354	10,254,414

Notes (continued)

17. Property and equipment

Group	Office equipment	Fittings	Furniture	Computer equipment	Motor vehicles	Assets under construction	Land	Owner Occupied Building	Total
COST	USD	USD	USD	USD	USD	USD	USD	USD	USD
At 1 January 2024	81,399	109,877	1,009,245	273,736	388,611	140,403	4,863,614	9,739,203	16,606,088
Adjustments	-	-	-	-	-	(169,691)	-	-	(169,691)
Currency translation difference	(1,730)	(6,869)	(16,991)	(7,250)	(2,259)	(8,728)	(130,611)	(239,876)	(414,314)
Additions	8,567	200,592	8,856	87,692	130,690	792,392	-	-	1,228,789
At 31 December 2024	88,236	303,600	1,001,110	354,178	517,042	754,376	4,733,003	9,499,327	17,250,872
At 1 January 2025	88,236	303,600	1,001,110	354,178	517,042	754,376	4,733,003	9,499,327	17,250,872
Adjustments	-	-	-	-	-	(754,376)	-	754,376	-
Currency translation difference	5,021	58,732	36,124	19,240	(15,573)	7,691	261,490	862,741	1,235,466
Additions	46,271	142,397	-	36,221	-	207,479	-	247,278	679,646
At 31 December 2025	139,528	504,729	1,037,234	409,639	501,469	215,170	4,994,493	11,363,722	19,165,984
DEPRECIATION									
At 1 January 2024	(33,690)	(33,987)	(255,317)	(151,417)	(289,553)	-	-	(440,364)	(1,204,328)
Currency translation differences	1,179	2,170	5,545	4,703	2,260	-	-	15,203	31,060
Charge for the year	(15,023)	(30,674)	(123,381)	(60,416)	(47,470)	-	-	(245,372)	(522,336)
At 31 December 2024	(47,534)	(62,491)	(373,153)	(207,130)	(334,763)	-	-	(670,533)	(1,695,604)
At 1 January 2025	(47,534)	(62,491)	(373,153)	(207,130)	(334,763)	-	-	(670,533)	(1,695,604)
Currency translation differences	3,239	(9,279)	(14,987)	(6,409)	30,237	-	-	(563,904)	(561,103)
Charge for the year	(19,530)	(70,984)	(125,880)	(66,354)	(66,084)	-	-	(257,633)	(606,465)
At 31 December 2025	(63,825)	(142,754)	(514,020)	(279,893)	(370,610)	-	-	(1,492,070)	(2,863,172)
NET BOOK VALUE									
At 31 December 2025	75,703	361,975	523,214	129,746	130,859	215,170	4,994,493	9,871,652	16,302,812
At 31 December 2024	40,702	241,109	627,957	147,048	182,279	754,376	4,733,003	8,828,794	15,555,268

All property plant and equipment are non-current.

Notes (continued)

17. Property and equipment (continued)

COMPANY	Office equipment USD	Furniture USD	Computer equipment USD	Motor vehicles USD	Work in progress	Land USD	Owner Occupied Building USD	Total USD
COST								
At 1 January 2024	54,043	737,543	158,920	353,204	-	2,754,374	5,872,261	9,930,345
Additions	-	7,471	64,416	-	-	-	-	71,887
At 31 December 2024	54,043	745,014	223,336	353,204	-	2,754,374	5,872,261	10,002,232
At 1 January 2025	54,043	745,014	223,336	353,204	207,479	2,754,374	5,872,261	10,002,232
Additions	43,158	1,092	23,954	-	207,479	-	-	275,683
At 31 December 2025	97,201	746,106	247,290	353,204	207,479	2,754,374	5,872,261	10,277,915
DEPRECIATION								
At 1 January 2024	(15,214)	(168,466)	(77,744)	(254,147)	-	-	(202,210)	(717,781)
Charge for the year	(5,868)	(85,511)	(27,611)	(30,478)	-	-	(151,871)	(301,339)
At 31 December 2024	(21,082)	(253,977)	(105,355)	(284,625)	-	-	(354,081)	(1,019,120)
At 1 January 2025	(21,082)	(253,977)	(105,355)	(284,625)	-	-	(354,081)	(1,019,120)
Charge for the year	(11,263)	(85,976)	(35,214)	(30,480)	-	-	(151,867)	(314,800)
At 31 December 2025	(32,345)	(339,953)	(140,569)	(315,105)	-	-	(505,948)	(1,333,920)
NET BOOK VALUE								
At 31 December 2025	64,856	406,153	106,721	38,099	207,479	2,754,374	5,366,313	8,943,995
At 31 December 2024	32,961	491,037	117,981	68,579	-	2,754,374	5,518,180	8,983,112

Notes (continued)

18. Intangible assets

Group COST	Software USD	Website USD	Assets under work in progress USD	Total USD
At 1 January 2024	3,427,438	55,604	527,550	4,010,592
Currency translation difference	(12,652)	(686)	(5,526)	(18,864)
Additions	-	-	-	-
Write-off	-	-	(191,000)	(191,000)
At 31 December 2024	3,414,786	54,918	331,024	3,800,728
At 1 January 2025	3,414,786	54,918	331,024	3,800,728
Currency translation difference	28,201	666	871	29,738
Write-off	-	-	(205,168)	(205,168)
Additions	371,699	-	(52,372)	319,327
At 31 December 2025	3,814,686	55,584	74,355	3,944,625
AMORTISATION				
At 1 January 2024	(2,591,956)	(55,604)	-	(2,647,560)
Currency translation difference	14,494	686	-	15,180
Charge for the year	(531,679)	-	-	(531,679)
At 31 December 2024	(3,109,141)	(54,918)	-	(3,164,059)
At 1 January 2025	(3,109,141)	(54,918)	-	(3,164,059)
Currency translation difference	(29,463)	(666)	-	(30,129)
Charge for the year	(281,204)	-	-	(281,204)
At 31 December 2025	(3,419,808)	(55,584)	-	(3,475,392)
NET BOOK VALUE				
At 31 December 2025	394,878	-	74,355	469,233
At 31 December 2024	305,644	-	331,025	636,669

All intangible assets are non-current.

Notes (continued)

18. Intangible assets (continued)

Company	Software USD	Website USD	Assets under work in progress USD	Total USD
COST				
At 1 January 2024	3,217,695	44,864	441,001	3,703,560
Write-off	-	-	(191,000)	(191,000)
At 31 December 2024	3,217,695	44,864	250,001	3,512,560
At 1 January 2025	3,217,695	44,864	250,001	3,512,560
Write-off	-	-	(205,168)	(205,168)
Additions	298,702	-	-	298,702
At 31 December 2025	3,516,397	44,864	44,833	3,606,094
AMORTISATION				
At 1 January 2024	(2,364,903)	(44,864)	-	(2,409,767)
Charge for the year	(514,738)	-	-	(514,738)
At 31 December 2024	(2,879,641)	(44,864)	-	(2,924,505)
At 1 January 2025	(2,879,641)	(44,864)	-	(2,924,505)
Charge for the year	(263,547)	-	-	(263,547)
At 31 December 2025	(3,143,188)	(44,864)	-	(3,188,052)
NET BOOK VALUE				
At 31 December 2025	373,209	-	44,833	418,042
At 31 December 2024	338,054	-	250,001	588,055

19. Investment properties

This relates to the buildings owned by the group. The table below represents the movement in investment property:

	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
At start of year	5,585,744	5,865,752	3,737,260	3,835,609
Depreciation charge	(150,404)	(150,404)	(98,349)	(98,349)
Translation difference	248,573	(129,604)	-	-
At end of year	5,683,913	5,585,744	3,638,911	3,737,260

The Fair value of the investment property for the Group and the Company at the end of 2025 and 2024 approximate the carrying value.

All investment properties are non-current.

Notes (continued)

20. Trade and other receivables

	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Trade receivables	8,373,264	6,540,962	6,930,335	4,920,931
Allowance for expected credit losses	(5,164,271)	(3,967,778)	(3,959,059)	(2,992,319)
Net receivables	3,208,993	2,573,184	2,971,276	1,928,612
Claims recoverable	3,670,220	5,353,914	2,599,182	2,177,080
Other receivables	3,256,229	4,480,615	1,600,756	2,156,168
Accrued income	6,346,560	6,814,976	5,302,298	6,087,760
Deposits	9,440	8,321	-	-
Prepayments	406,538	248,736	406,538	248,736
	16,897,980	19,479,746	12,880,050	12,598,356

Trade receivables are non-interest bearing. These are invoices that have been sent to the clients for guarantee fees. Deposits include utility payments. Other receivables mainly comprise income fees receivable (utilisation and commission fees) and the guarantee fees that have been accrued and are to be invoiced in early 2026.

Accrued income includes approximately USD 6.3 million relating to guarantee utilisation fees that has not yet been invoiced. Out of this an amount of USD 3.6 million is accrued income for the second semester of 2025. The invoices have been invoiced to partner financial institutions in Q1 2026. Considering that the balance has not yet been invoiced, it is subject to minimal credit risk.

Prepayments are services paid for in advance like insurances, website hosting and various licenses whose subscriptions cover till 2025. All receivables are current except those more than one year.

Claims recoverable represents the amount paid in cash for guarantees portfolio (LIG, BFRGs and EGs) that have crystallised and called up by the financial institutions. These amounts are subsequently recovered from realisation of the collaterals held by the Partner Financial Institutions.

Other receivables are accounted as they fall due. The fair values of other receivables classified under amortized cost are not materially different to their carrying values due to their short-term nature.

Trade receivables

Group	Total USD	Neither past due nor impaired USD	31 – 60 days USD	61 – 90 days USD	91days - 1 year USD	More than 1 year USD
Gross amounts	8,373,264	3,385,179	571,519	413,239	869,862	3,133,465
Expected Credit Losses	(5,164,271)	(1,511,163)	(172,092)	(148,871)	(411,713)	(2,920,432)
2025	3,208,993	1,874,016	399,427	264,368	458,149	213,033
Gross amounts	6,540,962	1,411,237	853,406	104,696	585,456	3,586,167
Expected Credit Losses	(3,967,778)	(292,102)	(206,245)	(30,271)	(292,236)	(3,146,924)
2024	2,573,184	1,119,135	647,161	74,425	293,220	439,243

Notes (continued)

20. Trade and other receivables (Continued)

Company						
Gross amounts	6,930,335	3,276,645	571,519	413,239	549,873	2,119,059
Expected Credit Losses	(3,959,059)	(1,448,623)	(172,092)	(148,871)	(271,320)	(1,918,153)
2025	2,971,276	1,828,022	399,427	264,368	278,553	200,906
Gross amounts	4,920,931	1,262,996	711,990	104,696	397,475	2,443,774
Expected Credit Losses	(2,992,319)	(261,419)	(172,068)	(30,271)	(195,298)	(2,333,263)
2024	1,928,612	1,001,577	539,922	74,425	202,177	110,511

21. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Trade and other payables	3,583,042	3,948,800	1,157,073	2,545,467
Accrued expenses	962,133	1,574,690	784,667	1,495,204
	4,545,175	5,523,490	1,941,740	4,040,671

The carrying amount of trade and other payables approximate their fair values due to their short-term nature. Trade payables are interest-free and are payable within a period of three months.

All trade and other payables are current.

22. Financial guarantee contract assets and liabilities

The guarantee contract assets and liabilities relating to financial guarantees under the loan individual guarantee, the bank fundraising portfolio and equity guarantee portfolio at 31 December 2025 were as follows:

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Financial guarantee contract assets	676,062	910,017	337,898	505,681
Financial guarantee contract liabilities	11,720,278	9,317,993	1,542,012	1,829,916

The grading of the gross amount of financial guarantee contracts (LIGs, BFRGs, EGs) at year was as follows:

Gross amount of financial guarantee contracts (LIGs, BFRGs, EGs)

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Stage 1 - Performing	15,528,107	19,823,175	6,685,040	10,417,748
Stage 2 – Significant increase in credit risk	24,289,981	20,895,946	11,900,302	10,101,658
Stage 3 – Non-performing (in default)	33,975,516	28,969,147	14,698,173	15,896,150
	73,793,604	69,688,268	33,283,515	36,415,556

Notes (continued)

22. Financial guarantee contract assets and liabilities (Continued)

The total charge to profit or loss for expected credit losses on financial guarantee contracts during the year is as follows: The balance sheet and P&L movement has been disclosed in Note 4(a).

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
Expected credit losses on performing guarantees	(170,828)	184,851	(126,158)	1,042,263
Expected credit losses on non-performing guarantees	4,931,926	2,758,052	(161,745)	788,056
	4,761,098	2,942,903	(287,903)	1,830,319

23. Post-employment benefits obligation

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
At start of year	274,097	292,789	-	-
Foreign currency exchange loss	36,859	(18,692)	-	-
Movement	274,671	-	-	-
At end of year	585,627	274,097	-	-

These are provisions and liabilities relating to employee benefits under defined benefit plans. The movement in 2025 reflects additional provisions recognised following new regulatory requirements in the WAEMU zone and a board-approved provision in respect of employee entitlements at the subsidiary level. The defined benefit plans are unfunded. All post-employment benefits obligation are non-current.

Notes (continued)

24 a. Classes of shares

Group and Company 2025		
	Number	USD
Class B shares	8,536	85,357,609
Class C shares	16,879	168,941,913
Class D shares	3	3
	25,418	254,299,525

Group and Company 2024		
	Number	USD
Class B shares	7,954	79,540,016
Class C shares	15,473	154,882,913
Class D shares	3	3
	23,430	234,422,932

	Group and Company			Group and Company		
	2024		2025	2024		2025
	Number of shares	Additional shares	Number of shares	Paid in capital	Additional Capital	Paid in capital
				USD	USD	USD
Class B shares	7,954	582	8,536	79,540,016	5,817,593	85,357,609
Class C shares	15,473	1,406	16,879	154,882,913	14,059,000	168,941,913
Class D shares	3	-	3	3	-	3
	23,430	1,988	25,418	234,422,932	19,876,593	254,299,525

The Company has four classes of shares: namely, Class A, Class B, Class C and Class D shares. Share rights in terms of dividends, redemption, voting and liquidation are defined below

Class A

Each Class A Share of no-par value, shall have the following rights:

(a) Dividend

Class A Share shall confer on its holder the right to receive non-cumulative target dividends and in accordance with Clause 15 of the Constitution of the Company

(b) Redemption

Class A Share shall be redeemable at the option of the shareholders subject to the approval of the Board as set forth in Clause 17 of the Constitution of the Company.

(c) Voting

Each Class A Share shall confer on its holder no voting right.

Notes (continued)

24 a. Classes of shares (continued)

Class A (continued)

(d) Liquidation

In the event of the winding up of the Company the holders of Class A Shares shall be entitled to such portion of the assets of the Company as is set out in Clause 40 of the Constitution of the Company.

Class B

Each Class B Share of no-par value, shall have the following rights:

(a) Dividend

A Class B Share shall confer on its holder the right to receive non-cumulative target dividends and in accordance with Clause 15 Constitution of the Company.

(b) Redemption

Class B Share shall be redeemable at the option of the shareholders subject to the approval of the Board as set forth in Clause 17 of the Constitution of the Company.

(c) Voting

Except as otherwise expressly provided in the Shareholders Agreement or required by the Act, each Class B Share shall confer on its holder the right to attend and exercise one vote at any Shareholders' Meeting at a poll.

(d) Liquidation

In the event of the winding up of the Company the holders of Class B Shares shall be entitled to such portion of the assets of the Company as is set out in Clause 40 of the Constitution of the Company.

(e) Subordination

A Class B Share is only subordinated to Class A Shares.

Each Class B Share is convertible into Shares of such Class upon the terms and subject to such conditions as set out in the Shareholders Agreement.

Class C

Each Class C Share of no-par value, shall have the following rights:

(a) Dividend

Class C Share shall confer on its holder the right to receive non-cumulative Target Dividends and in accordance with Clause 15 Constitution of the Company.

(b) Redemption

Class C Share shall be redeemable at the option of the shareholders and subject to the approval of the Board as set forth in Clause 17 of the Constitution of the Company.

Notes (continued)

24 a. Classes of shares (continued)

Class C (continued)

(c) Voting

Except as otherwise expressly provided in the Shareholders Agreement or required by the Act, each Class C Share shall confer on its holder the right to attend and exercise one vote at any Shareholders' Meeting at a poll.

(d) Liquidation

In the event of the winding up of the Company the holders of Class C Shares shall be entitled to such portion of the assets of the Company as is set out in Clause 40 Constitution of the Company.

(e) Subordination

A Class C Share is fully subordinated to Class B Shares and Class A Shares.

Each Class C Share is convertible into Shares of such Class upon the terms and subject to such conditions provided in the Shareholders Agreement.

Class D Shares

Class D Shares are not entitled to any dividend. Class D Shares are not redeemable.

Class D Shares have no voting rights and have no right to receive notice of, attend or participate in any Shareholders' Meeting for as long as there is any other Class of Shares in issue. If at any time there are no other Classes of Shares in issue, then each Class D Share shall confer on its holder the right to exercise one vote at any Shareholders' Meeting at a poll. In the event of the winding up of the Company, the holders of Class D Shares shall be entitled to US \$1 for each Share held.

There was an additional equity of USD 19,876,593. The percentages of shareholding for financial years 2025 and 2024 are presented below.

Shareholders	Class of shares	2025		
		Paid in capital	Number of shares	Percentage
		USD		
KFW	C	75,809,000	7,581	29.82%
IFDK (Formerly IFU)	C	36,500,000	3,650	14.35%
IFDK (Formerly IFU)	B	35,540,016	3,554	13.98%
AECID	C	20,000,000	2,000	7.86%
AFDB	B	20,000,000	2,000	7.86%
AFDB - EU	C	19,531,777	1,953	7.68%
NDF	C	17,101,136	1,695	6.72%
AFD	B	14,000,000	1,400	5.51%
FISEA (Proparco)	B	10,000,000	1,000	3.93%
OAPI	D	5,817,593	582	2.29%
DANIDA	D	1	1	0.00%
AECID	D	1	1	0.00%
AfDB	D	1	1	0.00%
Total		254,299,525	25,418	100.00%

Notes (continued)

24 a. Classes of shares (continued)

Shareholders	Class of shares	2024		
		Paid in capital	Number of shares	Percentage
		USD		
KFW	C	61,750,000	6,175	26.34%
IFDK (Formerly IFU)	C	36,500,000	3,650	15.57%
AECID	C	20,000,000	2,000	8.53%
AFDB - EU	C	19,531,777	1,953	8.33%
NDF	C	17,101,136	1,695	7.29%
IFDK (Formerly IFU)	B	35,540,016	3,554	15.16%
AfDB	B	20,000,000	2,000	8.53%
AFD	B	14,000,000	1,400	5.97%
FISEA (Proparco)	B	10,000,000	1,000	4.27%
AECID	D	1	1	0.00%
AfDB	D	1	1	0.00%
DANIDA	D	1	1	0.00%
Total		234,422,932	23,430	100.00%

AGF received USD 19,876,593 share capital in the year 2025. The increment was from KFW of USD 14,059,000 and OAPI of USD 5,817,593. The contributors are as below.

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
At start of year	234,422,932	214,891,155	234,422,932	214,891,155
Issue of shares during the year	19,876,593	19,531,777	19,876,593	19,531,777
At end of year	254,299,525	234,422,932	254,299,525	234,422,932

24 b. Capital contribution

AGF had capital contribution of USD 22,779,642 as at 31st December 2025. There was new capital contribution of USD 2M from VISA foundation during the year. Further, there was withdrawal of USD 2.5M from Technoserve. There were no shares allocated to the capital contribution.

	Group		Company	
	2025	2024	2025	2024
	USD	USD	USD	USD
At start of year	23,231,634	20,734,391	23,231,634	20,734,391
Additional contributions in the year	2,000,000	2,497,243	2,000,000	2,497,243
Withdrawals in the year	(2,451,992)	-	(2,451,992)	-
At end of year	22,779,642	23,231,634	22,779,642	23,231,634

Notes (continued)

24 c. Capital contribution (continued)

The capital contributions as at year ended 31 December 2025 are as follows:

Contributors	Group and Company	
	2025	2024
	Capital Contribution USD	Capital Contribution USD
Government of Canada	9,980,024	9,980,024
NORAD	8,251,610	8,251,610
Technoserve	548,008	3,000,000
USAID	2,000,000	2,000,000
Visa Foundation	2,000,000	-
	22,779,642	23,231,634

The decline in contributions in 2025 was mainly attributable to the return of capital to Techno serve.

25. Deferred grant income

Group

	Deferred income-Land Grant	Grant from AFAWA	Capacity development grant	Total
2025	USD	USD	USD	USD
At start of year	1,444,195	3,711,438	909,163	6,064,796
Currency translation difference	88,487	-	-	88,487
Amortisation to profit or loss	-	(1,196,452)	(619,396)	(1,815,848)
At end of year	1,532,682	2,514,986	289,767	4,337,435

	Deferred income-Land Grant	Grant from AFAWA	Capacity development grant	Total
2024	USD	USD	USD	USD
At start of year	1,603,024	1,219,521	1,065,272	3,887,817
Grant/Cash received during the year	-	5,830,756	-	5,830,756
Grant expense reallocation	-	(463,287)	463,287	-
Amortisation to profit or loss	(158,829)	(2,875,552)	(619,396)	(3,653,777)
At end of year	1,444,195	3,711,438	909,163	6,064,796

Notes (continued)

25. Deferred grant income (continued)

Company			
2025	Grant from AFAWA	Capacity development grant	Total
	USD	USD	USD
At start of year	3,711,438	909,163	4,620,601
Amortisation to profit or loss	(1,196,452)	(619,396)	(1,815,848)
At end of year	2,514,986	289,767	2,804,753

2024	Grant from AFAWA	Capacity development grant	Total
	USD	USD	USD
At start of year	1,219,521	1,065,272	2,284,793
Grant/Cash received during the year	5,830,756	-	5,830,756
Grant expense reallocation	(463,287)	463,287	-
Amortisation to profit or loss	(2,875,552)	(619,396)	(3,494,948)
At end of year	3,711,438	909,163	4,620,601

Notes (continued)

25. Deferred grant income (continued)

Grant from AFAWA	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Operating expenses	–	1,250,000	-	1,250,000
Support services to PFIs - CD activities	1,196,452	1,625,552	1,196,452	1,625,552
	1,196,452	2,875,552	1,196,452	2,875,552
Grant from Capacity Development				
Disbursements for CD activities	619,396	422,210	619,396	422,210
Administration expenses	-	197,186	-	197,186
	619,396	619,396	619,396	619,396

Land Grant - The government of Togo allocated a parcel of land to the Company's subsidiary, AGF West Africa, for construction of its headquarters. The estimated value of the land is USD 2,109,242 (XOF 1,251,030,000). The group has recognized the grant as a non-current asset and a liability in respect to the condition attached for a period of 25 years.

Grant from AFAWA - The Group signed a grant agreement with AFDB for facilitation of the AFAWA programme to cover the operating expenses incurred during the implementation of the programme. The grant is a total of USD 25 million to be received within a period of five years in five different tranches. The first tranche of USD 6.1 million was received at the end of 2021. In the year 2024, tranche 2 of USD 5.8 million was received. The expenses amortised is USD 1.19 million which cover AFAWA related capacity development disbursements. The cash balance of the AFAWA grant programme as at year ended December 2025 is USD 2.5M

The balance of the capacity development grant as at end of 2025 is USD 289,767.

Notes (continued)

26. Related party disclosures

During the year ended 31 December 2025 and 2024, the Company transacted with related entities. Details of the nature and volume of these transactions and the balances with the related entities are as follows:

Transactions	Relationship	Nature of transactions	Group		Company	
			2025 USD	2024 USD	2025 USD	2024 USD
Directors of the Company	Directors	Board expenses and allowances	459,521	377,583	212,320	164,953
Directors' Liability Insurance	Directors and Officers	Board members Liability Insurance	18,734	14,143	18,734	14,143

Directors' remuneration and allowances include board members' flights and accommodation.

Key management personnel

The key management personnel are the directors and management level staff of the company who are involved in the decision making.

	Group		Company	
	2025 USD	2024 USD	2025 USD	2024 USD
Short-term benefits	3,050,647	3,054,654	2,631,318	2,648,727
Long-term benefits	267,857	236,467	168,970	168,970
	3,318,504	3,291,121	2,800,288	2,817,697

27. Investment in subsidiary

Details of the Investment are as follows:

				2025	2024
				USD	USD
Unquoted investment					
At 1 January and 31 December				31,887,765	31,887,765
Name of subsidiary company	Place of incorporation	Business activity	2025 & 2024 Ownership	2025 USD	2024 USD
AGF West Africa	Togo	Guarantee Business	80.56%	31,887,765	31,887,765

Notes (continued)

27. Investment in subsidiary (continued)

AGF West Africa ("AGFWA") was acquired during the year 2015; effective date of acquisition is 18th December 2015.

The directors have assessed for any indicators of impairment over the investment in AGF West Africa and based on their assessment, none was identified and therefore the directors believe that no impairment is required.

Details of the subsidiary is disclosed below:

Name	Country of incorporation and operation	Proportion of interest held by NCI	Profit/(Loss) allocated to NCI during the year		Accumulated NCI as at	
			2025 USD	2024 USD	2025 USD	2024 USD
AGF West Africa	Togo	19.44%	(881,555)	(50,295)	9,271,646	9,177,331

Details of the Investment are as follows:

The summarized financial information of the subsidiary is provided below. This information is based on amounts before inter-company eliminations.

Statement of profit or loss

African Guarantee Fund West Africa	2025 USD	2024 USD
Income	4,901,910	3,948,024
Expenses	(9,436,673)	(4,206,754)
Net (loss)/profit	(4,534,763)	(258,730)

Statement of financial position

African Guarantee Fund West Africa	2025 USD	2024 USD
Total assets	62,793,110	58,097,129
Total liabilities	(14,900,010)	(10,689,189)
Net assets	47,893,100	47,407,940

Notes (continued)

27. Investment in subsidiary (continued)

Statement of cashflow position

African Guarantee Fund West Africa	2025 USD	2024 USD
Operating activities	837,130	(128,801)
Financing activities	-	-
Investing activities	3,581,197	3,556,931

28. Contingent liabilities and commitments

Contingent liabilities

	2025 USD	Group 2024 USD	2025 USD	Company 2024 USD
Financial guarantees (live)	1,166,326,143	1,324,749,061	786,003,457	909,812,753
Financial guarantees re-guaranteed	(352,931,031)	(369,737,605)	(238,128,233)	(256,521,781)
Net exposure	813,395,112	955,011,456	547,875,224	653,290,972
Re-guarantee fees	(444,863)	-	(444,863)	-

At year end, there is a receivable amount of USD 2,599,182 million as part of claims paid from these guarantee contracts and the recovery process is ongoing. This would indicate the probability that an outflow of economic resources would be required to settle the obligation. Thus, the live guarantees are disclosed as contingent liabilities, until a claim is received from the guaranteed parties; guarantees are accounted for as assets when claims lodged by the Group to the guarantors are approved.

No re-guarantee fees were incurred in 2024 as sufficient accruals had been recognised in that year to cover the cost of re-guarantee arrangements, which were expensed accordingly; the 2025 charge reflects Accrued fees payable under the current re-guarantee programme.

29. Re-guarantee expenses

These are re-guarantee costs incurred.

	Group 2025 USD	2024 USD	Company 2025 USD	2024 USD
Re-guarantee costs	(444,863)	-	(444,863)	-

Notes (continued)

30. Cash flows used in operating activities

	Group	Company			
	Notes	2025 USD	2024 USD	2025 USD	2024 USD
Operating activities					
(Loss)/profit before tax		(2,167,192)	(6,166,830)	2,367,570	(5,908,102)
<i>Adjustment to reconcile profit before tax to net cash flows:</i>					
<i>Non-cash items:</i>					
Credit loss expense on financial assets other than financial guarantees	4 (a)	1,481,686	747,867	943,849	880,463
Credit loss expense on financial guarantees		4,761,098	2,942,903	(287,904)	1,830,319
Write-off on property, plant and equipment and intangibles		205,168	360,691	205,168	190,999
Retirement benefit obligations expenses	23	274,671	-	-	-
Depreciation charge on property and equipment	17	606,465	522,336	314,800	301,339
Depreciation charge on investment property	19	150,404	150,404	98,349	98,349
Amortization of intangible assets	18	281,204	531,679	263,547	514,738
Amortization deferred income on grants	25	(1,815,848)	(3,653,777)	(1,815,848)	(3,494,948)
Fair value loss on financial guarantees contracts		233,955	996,691	167,783	387,149
Net fair value gain/(loss) on portfolio guarantee contracts		(3,284,153)	1,938,304	(2,979,688)	1,475,735
Income from investments	9	(8,493,452)	(7,270,942)	(6,003,638)	(4,722,851)
Net foreign exchange loss from bonds revaluation		-	-	-	-
Fair value gain on investment property		-	-	-	-
<i>Movement in working capital items:</i>					
Receivables		2,075,396	3,437,170	(1,248,434)	(2,889,499)
Trade and other payables		(1,045,942)	50,107	(2,158,132)	753,399
Net claims paid on other guarantees		(3,152,565)	(10,291,084)	-	(4,992,770)
Net cash used in operating activities		(9,889,105)	(15,704,481)	(10,132,578)	(15,575,680)

31. Other reserves

Other reserves relates to translation reserves. The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the foreign operation.

Currency translation reserves	2025 USD	Group 2024 USD
At start of year	(2,496,159)	794,087
Charge to other comprehensive income	4,044,047	(3,290,246)
At end of year	1,547,888	(2,496,159)

Notes (continued)

32. Events after reporting date

There were no events after reporting period.



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APPENDIX 1:

List of Abbreviations

Abbreviation	Definitions
AECID	Spanish Agency for International Development Cooperation
AFAWA	Affirmative Finance Action for Women in Africa
AFD	French Development Agency
AfDB	African Development Bank
AFS	AFAWA Finance Series
AGF	African Guarantee Fund
AML/CFT	Anti-Money Laundering / Countering The Financing Of Terrorism
BD	Business Development
BDS	Business Development Service Provider
BFRG	Bank Fundraising Guarantee
CD	Capacity Development
DAC	The Development Assistance Committee
DANIDA	Danish International Development Agency
DD	Due Diligence
DRC	Democratic Republic of the Congo
EDFI	Association of European Development Finance Institutions
EG	Equity Guarantee
E&S	Environmental and Social
ESAP	Environment and Social Action Plan
ESCO	Energy Service Companies
ESMF	Environment and Social Management Framework
FI	Financial Institution
G4G	Guarantee for Growth
G7	Group of Seven Countries
GAC	Global Affairs Canada
GGF	Green Guarantee Facility
GHG	Greenhouse Gas
GIIP	Good International Industry Practice
GLI	Gender-Lens Investing

IC	Investment Committee
IFC	International Financing Corporation
ILO	International Labour Organization
KfW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LIG	Loan Individual Guarantee
LPG	Loan Portfolio Guarantee
MEL	Monitoring, Evaluation, and Learning
NBFI	Non-Bank Financial Institution
NORAD	The Norwegian Agency for Development Cooperation
OECD	The Organization for Economic Cooperation and Development
PFI	Partner Financial Institution
PRI	Principles for Responsible Investment
SDGs	Sustainable Development Goals
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
SME	Small-Medium Sized Enterprise
TA	Technical Assistance
TNS	TechnoServe
ToC	Theory of Change
UNACC	Uganda National Alliance on Clean Cooking
UN	United Nations
WAEMU	West African Economic and Monetary Union
WAMZ	West African Monetary Zone
WASS	Water Supply and Sanitation
WSME	Women-Led/Owned Small-Medium Sized Enterprise
YEI MDTF	Youth Entrepreneurship and Innovation Multi-Donor Trust Fund
YSME	Youth-Led/Owned Small-Medium Sized Enterprise

APPENDIX 2:

Exchange Rates

Exchange rates applied for conversion purposes are based on reference exchange rates as at 31 December 2025:

1 EUR = 1.1746 USD

APPENDIX 3:

Definition of Key Terms

Adaptation Finance

Adaptation Finance relates to the financing of projects and programs aimed at helping to adapt to the harmful effects of climate change.

Mitigation Finance

Mitigation Finance relates to the financing of projects and programs aimed at reducing or limiting greenhouse gas emissions and enhancing carbon sinks to address the causes of climate change.

Affirmative Finance Action for Women in Africa (AFAWA)

AFAWA is a pan-African initiative to bridge the \$42 billion financing gap facing women in Africa. Financing to WSMEs is aligned with AFAWA if they meet at least one of the following five criteria:

Description	As of 30 Sep 25	
1. Entrepreneurship	1A. Share of women ownership	51%
	1B. Business founded by a woman	Yes/No
2. Leadership	2A. Share of women in senior management	20%-30%
	2B. Share of women on the Board or Investment Committee	30%
3. Employment	3A. Share of women in the workforce	30%-50%
	AND	
	3B. One "quality" indicator beyond compliance	Yes/No
4. Employment	4. Product or service specifically or disproportionately benefits women	Yes/No
5. Investments through Financial Intermediaries (FIs)	5A. On-Lending facilities: Percent of the Investor/ FI loan proceeds or percent of FI's portfolio supporting businesses that meet direct criteria	30%
	5B. Funds: Percent of portfolio companies that meet the direct criteria	30%

Green Guarantee Facility (GGF)

GGF was initiated as a collaborative effort between the Nordic Development Fund (NDF) and AGF, with the goal of unlocking more financing for green projects. Since its inception, key shareholders such as Investment Fund for Developing Countries (IFU) and Norwegian Agency for Development Cooperation (Norad) have joined, along with AGF's existing shareholders, all aligned under the same green agenda.

An SME is defined as "Green" if it meets at least one of the following six criteria:

1.	Small scale energy efficiency and renewable energy investments
2.	Suppliers, manufacturers and retailers in renewable energy and energy efficiency equipment and technology value chains
3.	Climate smart agriculture and natural resource management investments and value chains
4.	Climate insurance and similar climate resilient financing products
5.	Energy efficiency audits
6.	Climate proofing services for infrastructure and water supply

CO2 Equivalent (CO2e)

CO2e is a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential. Carbon dioxide equivalents are commonly expressed as million metric tonnes of carbon dioxide equivalents.

Finance Made Available

Financial resources committed and/or disbursed by PFIs as a result of an AGF's guarantee.

States Experiencing Fragility

The list of fragile and conflict-affected situations is released annually by the World Bank Group. The list is based on publicly available global indicators and is updated every year to reflect changes in country situations.

During Q3 2025, the following African states were listed as experiencing fragility.

1.	Burkina Faso
2.	Burundi
3.	Cameroon
4.	Central African Republic
5.	Chad

6.	Congo, Democratic Republic of
7.	Guinea Bissau
8.	Mali
9.	Mozambique
10.	Niger
11.	Nigeria
12.	Zimbabwe

G20 Compact with Africa Countries

The G20 Compact with Africa (CwA) was initiated under the German G20 Presidency to promote private investment in Africa, including in infrastructure. The CwA's primary objective is to increase attractiveness of private investment through substantial improvements of the macro, business and financing frameworks. The initiative is demand-driven and open to all African countries. So far, the following African countries have joined the initiative:

1.	Benin
2.	Burkina Faso
3.	Congo, Democratic Republic of
4.	Ghana
5.	Guinea Conakry
6.	Rwanda
7.	Senegal
8.	Togo

Greenhouse Gases (GHG)

The amount of emissions, in tonnes of carbon dioxide equivalent (tCO₂e), which would have been created to generate the same amount of electricity produced by an AGF guaranteed financed renewable energy project if fossil fuels had been used.

Installed Capacity

The rated power output, in KW or MW, of a power plant or other electricity generator when operational. Also known as name plate capacity and rated capacity.



AGF remains committed to delivering impact with discipline:
**protecting shareholder capital, mobilising private finance and
expanding sustainable access to finance for African SMEs.**

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