AFRICA OPPORTUNITY FUND LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Company

Africa Opportunity Fund Limited ("AOF" or the "Company") is a Cayman Islands incorporated closed-end investment company traded on the Specialist Fund Segment ("SFS") of the London Stock Exchange ("LSE"). AOF's net asset value as at 31 December 2025 was $17.3 million (2024: $13.8 million) and its market capitalisation was $7.5 million (2024: $7.5 million).

Investing objective

The investing objective of the Company is to earn superior returns by investing in businesses that it believes can flourish in Africa and, in doing so, aiding capital formation and the mobilisation of savings with the intention of growing wealth and productivity in Africa's economies. The Company may invest in equity, quasi-equity or debt instruments, debt issued by African sovereign states and government entities, and real estate interests.

The Directors and Africa Opportunity Partners LLC (the "Manager") believe in the long-term attractiveness of investing in Africa, and that the holdings of the Company require a long-term perspective to realise full value and that maintaining an active investment approach will maximise long-term value.

Summary of Investment Strategy and Investment Policies and Restrictions

New investment policy (Effective 15 July 2024)

A change in investment strategy was deemed necessary due to the Directors' and Shareholders' determination that the Company should re-establish itself as a "going concern" with an indefinite life as opposed to the prior status during the liquidation phase as a "not going concern" with a finite life. Consistent with the 15 July 2024 adoption of the New Investment Policy as approved at the Company's extraordinary general meeting ("EGM"), the Directors considered it to be in the best interests of the Company and its shareholders to terminate the liquidation strategy adopted effective 1 July 2019 and that the Company's investment policy be changed to generate capital growth and income through value investments in the continent of Africa. The Company's investments will be focused on industries and companies that the Investment Manager believes have scope for substantial profitable growth with the capacity to thrive even in stressed macro-economic or macro-political settings. Shareholders approved the adoption of the New Investment Policy effective 15 July 2024.

The Manager adheres to the following policies and restrictions:

Geographical focus. The Company makes investments in companies or assets with a material portion of their value derived from or located in Africa. Such companies may be domiciled in Africa or outside Africa or, if listed, listed either on an African stock exchange or a non-African stock exchange. The geographic mix of investments varies over time depending on the relative attractiveness of opportunities among countries and regions.

Type of investments. The Company may invest in equity, quasi-equity debt instruments or real estate interests which may or may not represent shareholding or management control, and debt issued by African sovereign states and government entities. Investments may be made directly or through special purpose vehicles, joint venture, nominee or trust structures.

Borrowings. The Company may use overdraft and other short-term borrowing facilities to satisfy short-term working capital needs, including to meet any expenses or fees payable by the Company. Borrowings may be utilised for investment purposes with the prior approval of the Board. The Company has no borrowing or gearing limits in its Articles but gearing, represented by borrowings as a percentage of Net Asset Value, will not exceed 30% at the time of drawdown.

Dividend policy

The Company has been accepted into the UK Reporting Fund Status regime.

Upon Shareholder approval at the 15 July 2024 EGM, the Company initiated a change to the dividend distribution policy.

While the Company intends to continue to meet the requirements of the UK Reporting Fund Status regime, it is the current intention of the Directors to reinvest any income received from investee companies as well as the net proceeds of any realisations in the Company's portfolio rather than distribute dividends. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Company.

Life of the Company

The Company does not have a fixed life. Consistent with the 15 July 2024 adoption of the New Investment Policy as approved at the Company's EGM, the Company will no longer propose continuation votes.

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2025 Review

2025 was a superb year for African stock markets.

Africa Opportunity Fund Limited (the "Fund" or "AOF") had a comparatively modest 2025, as its net asset value rose 26% to $1.510 per share.[1] This is against a backdrop of South Africa rising 61%, Nigeria 67%, Kenya 51%, and Egypt 46%. In non-African emerging markets, China rose 26%, Brazil 51%, and India 5%. Developed markets also did well, the US rising 18%, Japan 29%, Europe 36%, and the UK 35%.[2] African indices also performed well. The MSCI EFM Africa index rose 74%, and the S&P Africa Top 40 Index rose 71%.[3]

Sub-Saharan Africa's macro-economy experienced solid economic growth in 2025, with both its median country gross domestic product ("GDP") growth rate and inflation rate at 4%.[4] The 2% fall in the 2025 UN Food and Agricultural Organization World Food Price index stabilised the cost of food for the average African household.[5] With respect to where the Fund has investments, Kenya's oil import outflows diminished following the oil price decline from $75 a barrel in 2024 to $61 per barrel in 2025; while Ghana's balance of payments were buoyed by a windfall in foreign exchange receipts caused primarily by a 65% rise in the gold price. These two countries enjoyed a 2025 macro-economic spring as fiscal stress abated, currencies appreciated against the Dollar, and nominal interest rates fell. The sovereign debt crisis and foreign exchange pressures that stalked Ghana and Kenya, ceased to occupy the front row of investor attention. As sovereign spreads compressed for both countries, they received ratings upgrades while their stock markets soared in value. Kenya Power – the Fund's Kenyan investment - experienced a total return of 206% in 2025 as it declared its first interim and final dividends in nine years and reported solid profits.[6]

As mentioned, Ghana experienced a solid 2025 with real GDP at 6%.[7] Complementing that growth was an inflation rate that collapsed from 24% in December 2024 to 5% in December 2025,[8] a large current account surplus equal to 8% of Ghana's GDP,[9] and a 40% appreciation of the Cedi against the Dollar. Expanding gold and cocoa production, coupled with high prices of both commodities, accounted for the elevated surplus. Ghana's new administration set, and adhered to, a tone of fiscal sobriety by targeting and attaining a budgetary primary surplus in 2025. It made significant strides on both its economic and debt restructuring fronts. The Bank of Ghana cut its monetary policy rate sharply in response to inflation rate trends. These developments helped the shares of Enterprise Insurance rise 147% and MTN Ghana rise 127%.[10]

1 The Fund's unaudited year-end net asset value per share released in January 2026 climbed from $1.308 to $1.510 because it was deemed that the prevailing parallel Dollar rate of the ZiG to be more relevant than the ZiG currency discount calculated by the Fund's internal ZiG currency model. Zimbabwe had one local currency in 2025 called the Zimbabwe investment Gold currency (known as the "ZiG"). This change produced material currency gains that were partially offset by a reduction in the fair value of Sand Tech Holdings for the net asset value of $1.510 per share.

2 Reference indices are calculated in US Dollars using: Nigeria NSE Allshare Index, South Africa FTSE/JSE Africa Allshare Index, Nairobi NSE Allshare Index, Egypt Hermes Index, Moex Russia Index (previously known as Russia MICEX Index), Brazil IBOV Index, the Shanghai Shenzen 300 CSI Index, the India SENSEX Index, the S&P 500, the Stoxx Europe 600 Index, the FTSE 100 and the Nikkei 225. Source is Bloomberg.

3 Bloomberg.

4 International Monetary Fund, Regional Economic Outlook Sub-Saharan Africa, Oct 2025, Table SA1, p.12

5 Bloomberg.

6 Bloomberg.

7 Bank of Ghana, Summary of Macroeconomic and Financial Data, February 2026, Table 2-Real Sector Indicators, Note 1, page 2.

8 Bank of Ghana, Summary of Macroeconomic and Financial Data, January 2026, Table 1-Year-on-Year Inflation, page 1.

9 Bank of Ghana, Summary of Macroeconomic and Financial Data, January 2026, Table 6-External Developments (Cumulative), Balance of Payments, page 7.

10 Bloomberg.

Zimbabwe experienced a year of recovery marked by declining inflation, rising real interest rates,[11] and 6% GDP growth.[12] It also benefited from a strong gold price, increased output of platinum group metals ("PGMs"), and favorable rains causing higher agricultural and hydro-power production. Rising real interest rates tend to smother commercial real estate valuations. Consequently, the aggregate ZiG market capitalisation of First Mutual Properties and Mashonaland Holdings, in 2025, fell 25% in local currency.[13]

The Fund's new investments were all in companies that generate hard currency-denominated revenues – Anglogold Ashanti, Valterra, and Seplat. Except for trimming its Anglogold Ashanti holding, AOF did not make any disposals in 2025.

2026 Outlook

Following year-end, AOF successfully sold its second largest Zimbabwe holding, First Mutual Properties, repatriating the USD proceeds thereafter. Holdings such as Enterprise Group have continued to appreciate, and at the time of writing this Chairperson's Statement in April 2026, AOF's unaudited NAV is $2.43.

Since the Fund's launch in 2007, Africa has faced economic turmoil and outbreaks of war, but its underlying economies have grown and the stock of capital has deepened. The recent conflict in the Middle East adds a new element of uncertainty, yet periods of turmoil create opportunities for the Fund to make investments on attractive terms. We are optimistic about the Fund's outlook, despite the current macroeconomic backdrop.

Africa market valuations, as captured by indices like the MSCI EFM Africa Index, have continued their recovery from post Global Financial Crisis historical lows.[14] The Fund will target investments among companies that generate hard currency-denominated revenues, raise the productivity of African consumers and producers, or increase the stock of long-term domestic African financial capital.

In closing, I wish to extend my thanks to our shareholders for their continued support.

Dr. Myma Belo-Osagie
Chairperson
April 2026

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11 Reserve Bank of Zimbabwe website (www.rbz.co.za), inflation rates, ZiG consumer price indices; annualized inflation rates for April 2025 was 86% and 15% for December 2025. Reserve Bank of Zimbabwe, Monetary Policy Statement at a Glance, 27 February 2026, p.0, paragraph 14, and p.5ii. Base Policy Rate maintained at 35% from September 2024. Therefore, real Base Policy Rate rose from 35%-86%(-51%) in April 2025 to 35%-15% (+20%) in December 2025.

12 International Monetary Fund, Zimbabwe 2025 Article IV Report, Table 1, p. 10, IMF Country Report No. 25/282

13 The combined market capitalizations of First Mutual Properties and Mashonaland Holdings on December 31, 2024, was ZiG 321,321,600 and, on December 31, 2025, was ZiG 241,776,000.

14 Bloomberg, MSCI EFM Africa Index (MXFMEAF Index) Price/Cash Flow multiples of 7.38x (2022), 7.76x (2023), 9.64 (2024), and 11.56 (2025) .

2025 marked the eighteenth full year of operation of Africa Opportunity Fund Limited (the "Fund" or "AOF"). Its ordinary shares had an annual return of 26%. At year-end, Africa Opportunity Fund, L.P., - the investment subsidiary of AOF, held $136,000 in cash, and $18 million in equity securities. The Fund's principal underlying end-of-year holdings were in Ghana, Kenya, Mauritius, and Zimbabwe.

The balance of this report will discuss a few of the Fund's holdings.

The Fund's Zimbabwean property holdings (Mashonaland Holdings and First Mutual Properties) turned in decent returns. Zimbabwe's currency enjoyed a placid 2025 with very little devaluation or depreciation in the official or unofficial foreign exchange markets. The total value of the Fund's Zimbabwe portfolio fell 3.4% from $7.6 million at the end of December 2024 to $7.3 million at the end of December 2025.[15] Shortly after year-end, we exited First Mutual Properties for a consideration of $2.2 million. Measured against the $2.3 million aggregate cost of our purchases of First Mutual Properties shares, this investment is hardly one that deserves celebration. Our hopes for an economic recovery in Zimbabwe proved far too optimistic. But we did learn a valuable lesson about the ability of real assets to preserve value in an inflationary environment, and we are pleased to have successfully achieved an exit.

Enterprise Group's shares delivered a total return of 156% in 2025, of which the Cedi's appreciation against the Dollar accounted for 40%. Its December 2025 audited equity attributable to shareholders, year-on-year, rose 16% in Cedis and 62% in Dollars to $128 million.[16] In Cedis, Enterprise's 2025 insurance revenues climbed 10% to 1.75 billion Cedis while its insurance service results after reinsurance jumped 74% to 494 million Cedis.[17] However, its net insurance service results plummeted 76% to 46 million Cedis after absorbing a 398% increase to 448 million Cedis in net insurance finance expense.[18] Ghana's strong macro-economic improvements, exemplified by the collapse of its year-on-year inflation from 23.8% in December 2024 to 5.4% in December 2025[19] and steep declines in short-term and long-term Cedi interest rates,[20] lowered discount rates used to calculate Enterprise's insurance liabilities with the effect of increasing the net present value of those liabilities. Those effects are included in Enterprise's spike in 2025 net insurance finance expense.

Enterprise's audited 2025 net profit attributable to its shareholders, year-on-year, fell 10% in Cedis to 218 million Cedis and rose 6% to $17 million.[21] Its net cash generated from operating activities fell 8% in Cedis to 692 million Cedis and rose 6% in Dollars to $55 million. Our initial impressions are Enterprise probably lost some pricing power as it faced more intense competition in its core Ghanaian markets in 2025 and ceded more of its general insurance business to reinsurers. Enterprise had a respectable year in both Cedis and Dollars. Valued on a P/E ratio of 3.35x, a dividend yield of 3.6%, and a P/B ratio of 0.45x, Enterprise's end-of-year $57 million market capitalisation remained cheap[22]. By the end of Q1 2026, its market capitalisation had soared to $187 million, placing it on a P/E ratio of 9.5x, a dividend yield of 1.1% and a P/B ratio of 1.54x. .

The Nairobi Stock Exchange Allshare Index enjoyed a 2025 total return, in both Kenyan shillings and Dollars, of 51%.[23] Kenya Power's ordinary shares enjoyed an excellent 2025 performance, with a total return of 206%, as it resumed the declaration of dividends after a nine-year hiatus. Its market capitalisation rose from $72 million at 2024 year-end to $205 million, while enterprise value climbed from $760 million to $826 million. Its heavy debt burden creates a setting in which Kenya Power's shares can re-rate materially if its regulators continue to allow it to charge cost-reflective tariffs while earning a return that covers both debt service and dividends to shareholders.

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15 The Fund's unaudited net asset value per share released in January 2026 climbed from $1.308 to $1.510 because it was deemed that the prevailing parallel Dollar rate of the ZiG to be more relevant than the ZiG currency discount calculated by the Fund's internal ZiG currency model. This change produced material currency gains that were partially offset by a reduction in the fair value of Sand Tech Holdings for the net asset value of $1.510 per share..

16 The Cedi's value against the Dollar on December 31, 2025, December 31, 2024, December 31, 2023, December 31, 2022, December 31, 2021, were, respectively 10.47 Cedis, 14.7 Cedis, 11.95 Cedis, 10.15 Cedis, 6.18 Cedis, and 5.87 Cedis.

17 Enterprise Group's numbers are extracted from PR. No. 171/2026 Enterprise Group PLC Annual Report and Financial Statements for the Year Ended 31 December 2025, published by the Ghana Stock Exchange on April 28, 2026 and from Enterprise Group PLC Annual Report and Financial Statements for the Year Ended 31 December 2024.

18 The net effect of discounting, interest accretion, and financial remeasurement on insurance and reinsurance contract balances of Enterprise Group during a financial year.

19 Bank of Ghana Summary of Economic and Financial Data, 27 January 2026, p.3.

20 Ibid., pps. 1 and 3, Table 1 (Year-on-Year Inflation (%) and Table 3a (Interest Rates (Percent per Annum)-Monetary Policy Rate and Treasury Instruments. The Bank of Ghana's Monetary Policy Rate fell from 27% in December 2024 to 18% in December 2025. Treasury Instruments. 364-Day Bill (interest equivalent) fell from 29.95% in December 2024 to 12.92% in December 2025.

21 Average 2024 Cedi/$ rate was 14.48 Cedis/$; average 2025 Cedi/$ rate was 12.56 Cedis/$. Bloomberg.

22 Bloomberg, December 31, 2025 is the date of valuation of Enterprise.

23 Bloomberg

Its customers have surpassed 10 million, and it reached a record peak electricity demand of 2439 megawatts in December. Reserve margin, on the other hand, collapsed from the prudent international norm of 15% to 2.3%,[24] with the inevitable attendant increase in blackouts. It reported, for its June-December 2025 period, a 11% increase in purchased electricity units, a 7% rise in revenues to $890 million (vs. $833 million in H1 2024/5), a modest 2% climb in operating profit to $124 million (vs. $121 million in H1 2024/25), and a 4% step up to $80 million of net profit (vs. net profit of $77 million in H1 2024/5). A gratifying note was that free cashflow (before debt amortisation) rose by 35% to $26 million (vs. $20 million in H1 2024/5).

In these times of high crude oil prices, Kenya Power remains vulnerable to a steep depreciation of the Kenyan shilling that would raise the Kenyan shilling value of its Dollar and Euro denominated loans and power purchase agreements. We doubt that the plan to reduce that vulnerability through a transfer of those loans to its sister company - Kenya Transmission Company("Ketraco") - in consideration for the sale of its transmission lines to Ketraco will occur. Ketraco is battling for its very existence in a Kenyan court case brought by a Spanish contractor that acquired rights to enforce an arbitral award against Ketraco in favor of another insolvent Spanish contractor. Kenya Power continues to be hobbled by other handicaps. Reducing its vulnerability to a steep depreciation of the Kenyan shilling remains its most urgent challenge. Kenya Power's current $244 million market capitalization and $867 million enterprise value are attractive: a P/E ratio of 1.3x, a dividend yield of 6.8%, and a P/B ratio of 0.27x.[25] Despite its many challenges, we remain cautiously optimistic that Kenya Power can continue its current path of recovery.

The Fund targeted all its new investments among hard currency exporters: Anglogold Ashanti ("Anglogold"), Valterra, and Seplat. Anglogold's total return of 179% was the Fund's second highest return of 2025. We offloaded 10% of the Fund's holding in mid-October 2025. We must admit, though, that we did not fully foresee last year's dramatic appreciation of the gold price. We invested 2.3% of the Fund's February net asset value in shares of Anglogold. It owns 10 mines on three continents - Africa, Australia, and South America - plus some exploration assets in North America. Its market capitalisation, at the time of investment, was $15.9 billion and its enterprise value was $18.4 billion. By the end of December, Anglogold's market capitalisation and enterprise value had risen, respectively, to $43.0 billion and $44 billion.[26] Anglogold's 36.5 million gold ounce mineral reserves have a 12-year life. It has benefited handsomely from the combination of record gold prices, rising production, subdued cost increases, and accretive acquisitions. Its 2025 profits attributable to shareholders soared 163% from $1.0 billion in 2024 to $2.6 billion[27] on a 16% increase of sold gold from 2.679 million ounces in 2024 to 3.105 million ounces in 2025.[28] Average gold price per ounce received by Anglogold was $3468 and all-in sustaining costs per ounce was $1709.[29] Consequently, cash generated from operations approximated $5.4 billion[30] and it ended 2025 with $879 million of adjusted net cash.[31] It is noteworthy that Anglogold has also steadily expanded the size of its gold resources in the new "Beatty" gold district in southern Nevada with a maiden reserve estimate of 4.9 million ounces for the Arthur gold project.[32]

The volatile gold price, with its attendant leveraged effects on the share prices of miners like Anglogold, is a major source of anxiety for shareholders. Anglogold's improving operational and cost profile, the growing interest of central banks in purchasing gold for the non-Dollar monetary assets share of their foreign exchange reserves, its rising dividend yield and relative undervaluation when compared against other large gold producers provide some support to Anglogold's current valuation.

The Fund reassessed its valuation methodology for determining the fair value of Sand Tech Holding Limited. The methodology changed from a valuation based on recent share transactions involving Sand Tech shares to a valuation based on Net Asset Value. The change resulted in a reduction in Sand Tech's fair value.

24 Peter Twesigye, Research Lead: Power Market Reforms and Regulation, University of Cape Town; The Conversation, Power Cuts are the new normal in Kenya-what went wrong and how to fix it. https://theconversation.com/power-cuts-are-the-new-normal-in-kenya-what-went-wrong-and-how-to-fix-it-276611.

25Bloomberg, March 31, 2025 is the date of valuation of Kenya Power.

26 Bloomberg

27 Anglogold Ashanti 2025 Annual Report, p.156

28 Anglogold Ashanti Q4 2025 and Full Year Earnings Release, p.7

29 Ibid, p.7.

30 Anglogold Ashanti 2025 Annual Report, p.159

31 Anglogold Ashanti Q4 2025 and Full Year Earnings Release, p.2

32 Anglogold Ashanti 2025 Mineral Resource and Mineral Reserve Report as of December 31, 2025, p.8

We shall strive to enhance the value of the Fund in this fog of doubts and uncertainty. We continue to believe that the Fund's holdings are undervalued.

Francis Daniels
Africa Opportunity Partners
April 2026

Investments exceeding 1% of net assets value

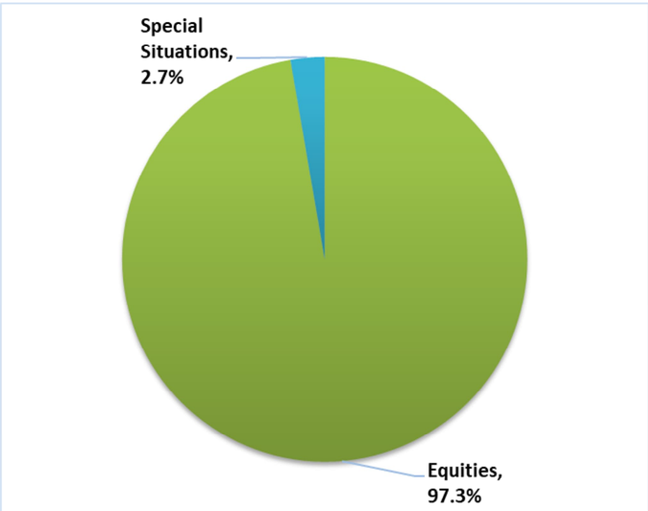
As at 31 December 2025

Securities	Market Value USD	% of NAV
Enterprise Group Ltd	5,642,765	32.6%
Mashonaland Holdings Ltd	5,319,323	30.7%
Kenya Power & Lighting Ltd	2,554,067	14.7%
First Mutual Properties Ltd	2,021,606	11.7%
Valterra Platinum Limited	821,345	4.7%
Anglogold Ashanti Ltd	576,342	3.3%
Sand Tech Holdings Limited	495,384	2.9%
Seplat Energy Plc	382,690	2.2%
Vanguard S/T Govt. Bond Index Fund	342,572	2.0%

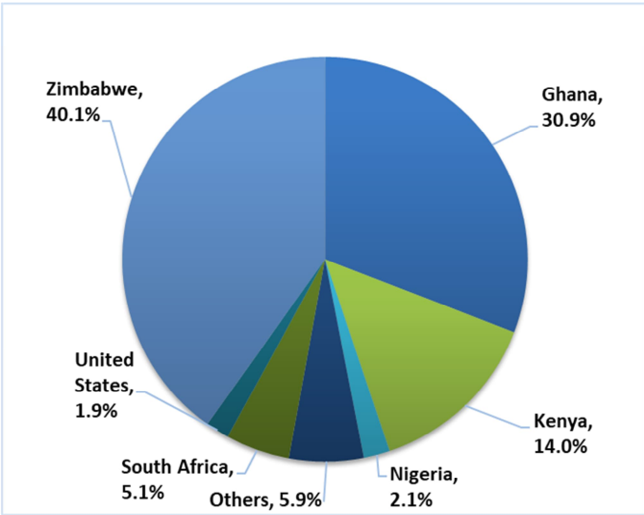
Strategy and geography graphs for the investment portfolio **(%'s of investment portfolio)**

As at 31 December 2025

Strategy

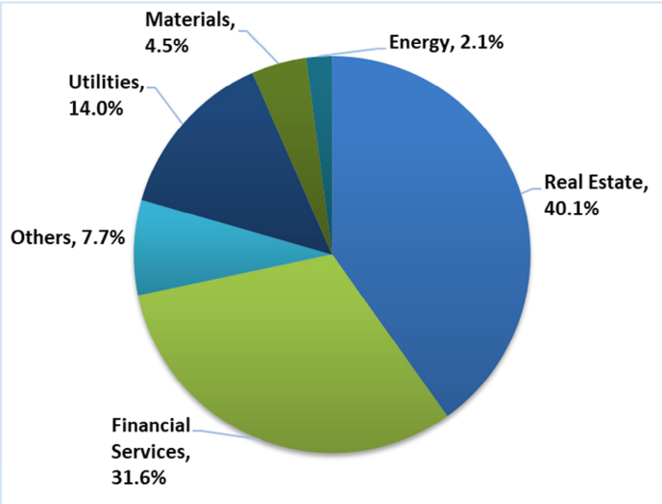


Geographic Exposure



Strategy and geography graphs for the investment portfolio **(%'s of investment portfolio) (continued)**

Equity by Sector



Investments exceeding 2% of portfolio – with cost and value information, as applicable

As at 31 December 2025

ENTERPRISE GROUP LTD
Instrument: Ordinary Shares
Listing: Ghana Stock Exchange
Symbol: EGL GN
Shares outstanding: 170.9 million
Market capitalization: 56.8 million USD
Website: www.enterprisegroup.net.gh
Cost of AOF's Shareholding: US$ 6,160,649
Value of AOF's Shareholding: US$ 5,642,765
Principal activity: Property and casualty insurance, life assurance, and ownership of commercial and mixed-use property.

MASHONALAND HOLDINGS LTD
Instrument: Ordinary Shares
Listing: Zimbabwe Stock Exchange
Symbol: MASH ZH
Shares outstanding: 1.7 billion
Market capitalization: 38.2 million USD
Website: www.masholdings.co.zw
Cost of AOF's Shareholding: US$ 2,641,122
Value of AOF's Shareholding: US$ 5,319,323
Principal activity: Mashonaland Holdings Limited owns commercial property in the retail and office sectors and undeveloped land, and is a property developer

KENYA POWER & LIGHTING LTD
Instrument: Ordinary Shares
Listing: Kenyan Stock Exchange
Symbol: KPLC KN
Shares outstanding: 2.0 billion
Market capitalization: 207.0 million USD
Website: www.kplc.co.ke
Cost of AOF's Shareholding: US$ 3,636,864
Value of AOF's Shareholding: US$ 2,554,067
Principal activity: The Kenya Power & Lighting Co. Plc engages in the transmission, distribution, and retail of electricity. It operates through the following geographical segments: Nairobi, West Kenya, Coast and Mount Kenya Region.

FIRST MUTUAL PROPERTIES LTD
Instrument: Ordinary Shares
Listing: Zimbabwe Stock Exchange
Symbol: FMP ZH
Shares outstanding: 1.2 billion
Market capitalization: 14.9 million USD
Website: www.firstmutualpropertiesinvestor.com
Cost of AOF's Shareholding: US$ 2,364,971
Value of AOF's Shareholding: US$2,021,606
Principal activity: First Mutual Properties owns commercial property in the retail and office sectors and undeveloped land and is a property developer.

VALTERRA PLATINUM LTD
Instrument: Ordinary Shares
Listing: Johannesburg Stock Exchange
Symbol: VAL SJ
Shares outstanding: 265.3 million
Market capitalization: 462.2 billion USD
Website: www.valterraplatinum.com
Cost of AOF's Shareholding: US$ 350,713
Value of AOF's Shareholding: US$ 821,345
Principal activity: Valterra is a leading global explorer and producer of platinum group metals, with mining operations in South Africa and Zimbabwe.

ANGLOGOLD ASHANTI PLC
Instrument: Ordinary Shares
Listing: New York Stock Exchange
Symbol: AU US
Shares outstanding: 504.7 million
Market capitalization: 43.7 billion USD
Website: www.anglogoldashanti.com
Cost of AOF's A Share holding: US$ 209,335
Value of AOF's A Share Shareholding: US$ 576,342
Principal activity: AngloGold is a global gold mining company with a diverse portfolio of producing assets across Africa, the Americas, and Australia.

SAND TECH HOLDINGS LTD
Instrument: Preference shares
Listing: Unlisted
Website: www.algroup.org
Cost of AOF's Shareholding: US$ 762,188
Value of AOF's Shareholding: US$ 495,384
Principal activity: Global artificial intelligence (AI) solutions company with expertise in enterprise and industrial AI.

SEPLAT ENERGY PLC
Instrument: Ordinary Shares
Listing: London Stock Exchange
Symbol: SEPL LN
Shares outstanding: 599.9 million
Market capitalization: 2.3 billion USD
Website: seplatpetroleum.com
Cost of AOF's A Share holding: US$ 359,396
Value of AOF's A Share Shareholding: US$ 382,690
Principal activity: Seplat is a leading Nigerian independent energy company with oil and gas assets in the Niger Delta area of Nigeria.

Introduction

Investment in Africa contains elements of risk. The qualitative risk disclosures section describes how the Company manages the risk of loss of capital of the Company. Loss of capital may arise from market risk, credit risk, liquidity risk, or operational risk. Market risk comprises the possibility of loss of capital arising from movements in interest rates, equity prices, or currencies against the US Dollar, the reporting currency of the Company. Credit risk, in turn, is the possibility of loss of capital of the Company arising from a failure of the issuer of a debt instrument to repay the principal or interest of that instrument in accordance with its contractual terms. Liquidity risk is the risk that the Company, even if it has adequate capital resources, does not have enough financial resources to meet its obligations as they fall due or can secure them at a high cost. Operational risk is the possibility of the Company suffering from inadequate or failed internal processes, people, systems or external events.

Market risk

African capital markets have suffered from high inflation, extreme depreciations (or appreciation) of African currencies against the US Dollar, the effects of huge changes in the gross domestic product of a country because of that country's dependence on the export of one or two commodities, adverse weather conditions, epidemics, pandemics, severe power outages, unpredictable regulatory frameworks, and political disasters. It is difficult for the Company to design systems to protect itself against such potential calamities. But caution, judgment, experience, and knowledge of the political economies of the different African countries can mitigate the susceptibility of the Company to those dangers.

Where possible the Company does seek to limit its market risk. However, the menu of options is limited, as foreign exchange controls, double digit nominal interest rates, small and illiquid stock markets, prohibitions on foreign participation in local government debt markets, and the illegal nature of short selling characterise several African economies. Consequently, the Company invests where possible in a variety of investment instruments and currencies spread across the continent, and focuses upon nominal high yielding debt instruments, preferably with a real inflation-adjusted return, and undervalued equities.

Although the Company seeks to create a concentrated investment portfolio, the Company has limits on the degree of concentration of the portfolio as part of its investment strategy. The limited number of investments by the Company may result in significant exposure to specific portfolio holdings from time to time. Greater concentration of investments may lead to greater volatility in the value of the Company's investments and consequently increased volatility in the returns.

Credit risk

The Company aims to minimize its credit risk. The Company, through the Manager, seeks to manage credit risk by ensuring that no single investment exceeds 15 percent of the net asset value of the Company without the prior approval of the Board. In addition, the Manager seeks to extend credit to either credit worthy issuers or issuers issuing instruments supported by adequate collateral. Currency derivatives designed to hedge the investment portfolio from adverse movements in foreign exchange rates may not perfectly hedge the cash flows of the underlying investments or may not be available. Hedging arrangements may be costly and may result in counterparty risk.

Liquidity risk

The Company considers its current liquidity risk to be modest because it has sufficient financial resources to meet any obligations and has not incurred any debt. Most African stock exchanges (excepting South Africa and Egypt) are classified as "frontier markets" by the MSCI Market classification team and are characterised by high levels of illiquidity. The Manager considers the liquidity of investment positions when constructing the investment portfolio.

Operational risk

The Company seeks to limit operational risks by dispersing oversight and control of its assets among different institutions with a contractual duty to check each other. The records of the Company are maintained by an administrator independent of the Manager, each director of the Manager, and each director of the Company. The assets of the Company are entrusted to custodians that are independent of the Manager and the Company's administrator. Instructions to the custodian must be in writing or via a secured portal and signed or approved by a representative of the Manager. Invoices or trade confirmations are provided to the administrator with the instructions for the disbursement of funds, in the case of expenses, by service providers to the Company or trade instructions in the case of investments. Authorised trade instructions implemented by the Manager and the custodian lead to either the receipt of securities by a custodian or the receipt of cash by a custodian when the Company sells a security. The custodian and key service providers have backup plans and offsite places to ensure an ability to conduct operations in the event of a disaster.

Myma Adwowa Belo-Osagie (73 years) (Non-executive chair).

Dr Belo-Osagie is a member of the New York, Ghana and Nigeria Bars. She is a practicing attorney and the former managing partner in Udo, Udoma & Belo-Osagie, a leading Nigerian corporate law firm. Dr. Belo-Osagie is a director of FSDH Merchant Bank Limited, Boston Investments Limited and several other African companies including African Fabrics BV and Ghana Airport City Development Limited. Dr. Belo-Osagie graduated from the University of Ghana with a LLB degree. Dr Belo-Osagie obtained a LLM degree and a SJD degree from Harvard Law School.

Robert C. Knapp (60 years) (Non-independent, non-executive director).

Mr. Knapp is the CIO of Ironsides Partners LLC, an investment firm he founded in 2007. Ironsides specializes in closed-end funds, natural resources, and discounted assets generally. Mr. Knapp is a director of Africa Opportunity Partners LLC, the investment manager of AOF. He is also a director of Barings BDC and Okeanis Eco Tankers, both of which are companies listed on the NYSE, as well as several other companies including Pacific Alliance Asia Opportunity Fund and Pacific Alliance Group Asset Management, based in Hong Kong. Mr. Knapp previously worked for over 10 years as a managing director at Millennium Partners LP in New York. He holds a BSC in Electrical Engineering from Princeton University and a BA degree in Philosophy, Politics, and Economics from New College, Oxford University.

Shingayi Mutasa (67 years) (Non-executive director).

Mr. Mutasa is the CEO of Masawara PLC, an investment company focused on acquiring interests in companies and projects based in Zimbabwe and the southern Africa region. Mr Mutasa was previously the chairman of TA Holdings, a Zimbabwean stock-exchange listed company and is a member of the board of directors of Masawara PLC. TA Holdings is a holding company with insurance, insurance brokerage, hotels, and fertilizer operations. Mr. Mutasa graduated from University College London with a B.Sc degree in Economics.

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

Principal activity

The principal activity of the Company is that of an investment company. A review of the business of the Company is set forth in the Manager's Report.

Results and dividend

The net increase in assets for the period was US$3.5 million (2024: US$3.9 million). The results of the Company for the year ended 31 December 2025 are set forth on page 29. Subject to market conditions, and in compliance with the Companies Law, the Company intends to calculate and notify the shareholders of the following dividend on the Ordinary Shares: an amount equal to the total comprehensive income of the Company as that expression is used in international accounting standards (excluding net capital gains (losses) in accordance with the Association of Investment Corporations Statement of Recognised Practice), such amount is not anticipated to be paid in the upcoming year.

As a Reporting Fund, the Company has an annual requirement to calculate and report to the UK investors and HMRC the reportable income per share and distributions made for each share class. The Company, as detailed in the new investment strategy, is not currently anticipating paying the dividend equal to the total reported income per share. Based on these calculations, excess reported income of $0.000 per share was calculated for 2024. No dividends related to the 2024 calendar year were distributed in 2025 to the Ordinary Shareholders. The 2025 calculation and disclosure will occur prior to 30 June 2026.

Status

The Company was incorporated with limited liability on 21 June 2007 and is registered in the Cayman Islands as an exempted company, under registration number MC-188243. As a closed-ended investment company, the Company is not regulated as a mutual fund in the Cayman Islands and is not otherwise subject to regulatory review in its place of incorporation. However, the Company is subject to the London Stock Exchange Prospectus Rules and the Disclosure and Transparency Rules as published by the London Stock Exchange from time to time.

Effective as at 31 December 2025, the total number of ordinary shares is 11,468,907 (31 December 2024: 11,468,907).

Subsidiary companies and affiliates

The Company is the ultimate holding company of Africa Opportunity Fund (GP) Limited, a company incorporated in the Cayman Islands on 25 June 2007 under registration number MC-189739, and is the principal limited partner of the Africa Opportunity Fund L.P., an exempted limited partnership registered in the Cayman Islands on 25 June 2007 under registration number MC-20466 ("the Limited Partnership").

Share interests

Save as set out below, pursuant to notices delivered to us by such persons, the Directors are not aware of any person, directly or indirectly, jointly or severally, interested in ten percent or more of the issued share capital of the Company:

Name	Number of Shares	Percentage
1. Robert Knapp	6,453,386	56.27%
2. Metage Capital	1,551,443	13.53%

Directors

The present members of the board of directors are listed on page 13.

The interests (all beneficial) of the current Directors and their connected persons in the shares of the Company on 31 December 2025 are set out below:

Name	Number of Ordinary Shares	Percentage
Robert Knapp	6,453,386	56.27%
Francis Daniels	531,401	4.63%
Myma Belo-Osagie	15,234	0.13%

Mr. Daniels is a director of the Manager. Robert Knapp and Francis Daniels hold shares via their ownership of Africa Opportunity Partners LLC's investment in the Africa Opportunity Cayman Limited fund. Robert Knapp's interest above reflects both the individually held shares, as well as those held via the Africa Opportunity Cayman Limited fund.

The Manager

Africa Opportunity Partners LLC is the Company's manager. It has been engaged under the terms of a management agreement (the "Management Agreement"), effective from 18 July 2007. Robert Knapp and Francis Daniels (the "Executive Team") are directors of the Manager and are beneficially interested in the Manager. The Management Agreement is terminable by either party on a minimum of one year's notice expiring on or at any time after the fourth anniversary of the effective date of the Management Agreement.

Effective 15 July 2024, the Company and the Investment Manager have, upon the approval of the proposal for adoption of New Investment Policy at the EGM, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

Management fees

A fixed management fee equal to USD$350,000 per annum.

Realisation fees

The Investment Manager's entitlement to future performance fees (through CarryCo) was cancelled as part of the 2019 EGM Circular. No performance fees were charged during the 2025 calendar year nor has a provision for performance fees been included as part of the amended and restated investment management agreement dated 21 June 2024 and ratified at the July 2024 EGM.

The revisions to the arrangements with the Investment Manager, constitute a related party transaction under the Company's related party policy, and in accordance with that policy, the Company was required to obtain: (i) the approval of a majority of the Directors who are independent of the Investment Manager; and (ii) a fairness opinion or third-party valuation in respect of such related party transaction from an appropriately qualified independent adviser.

Details of fees paid and payable can be found in Note 12 in the Notes to the Financial Statements.

Corporate Governance

Corporate Governance Statement

The Company is not required to comply with the UK Corporate Governance Code (the "UK Code") published by the Financial Reporting Council as it is listed on the Specialist Fund Segment ("SFS") of the LSE, and SFS listings are not deemed premium LSE listings requiring compliance. The Board has considered the principles and recommendations of the Association of Investment Companies' Code of Corporate Governance (the "AIC Code").

The AIC Code addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The Board recognises that reporting the principles of the AIC Code (which incorporates the Corporate Governance Code), will provide better information to the Shareholders.

There is no applicable regime of corporate governance which directors of a Cayman Island company must adhere to over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Cayman Island law. However, the directors recognise the value of both the AIC Code and the UK Code issued by the Financial Reporting Council and will take appropriate measures to ensure that the Company complies with policies and procedures which reflect those principles of Good Governance and Code of Best Practice as far as is practicable and to the extent appropriate given the Company's size, assets, liabilities, and other relevant information.

The UK Code includes provisions relating to:

- The role of the Chief Executive;
- Remuneration of Executive Directors;
- Annual re-election of Directors with tenure in excess of nine years; and
- The necessity for an internal audit function.

As an externally managed investment company, the Board considers these provisions to not be relevant to the Company, particularly as the day-to-day management and administration functions are outsourced to third parties. As such, the Company has not reported further on these provisions.

Since all Directors are non-executive, the principles of the UK Code in respect of executive directors' remuneration are not applicable. Additionally, as there are no direct employees, the Board has no necessity to develop a policy for executive compensation. Accordingly, the Board of Directors of the Company has not appointed a Remuneration Committee to date. The Board will consider appointing a Remuneration Committee to develop a policy and to determine changes to the remuneration packages of individual directors. Previously, the board remuneration was determined collectively by the Board after an analysis of comparable remuneration packages for Boards of companies of similar size and type. This analysis was conducted by the Investment Manager and presented to the Board for their review and consideration.

The Company, due to the recent investment strategy change and termination of the prior liquidation strategy, believes that the shareholders are best served by having experienced and knowledgeable Directors who have been part of the operations of the Company during the realisation process, and who can provide insight and knowledge as the Company incorporates the new investment strategy. As such, the Board has deemed the continuance of re-electing non-executive Directors on a three-year term more appropriate than following Provision 18, which recommends annual re-election for Directors with nine or more years of tenure. Dr. Belo-Osagie, Mr. Mutasa and Mr. Knapp were all submitted for re-election in 2025.

The Fund has a traditional Board structure consisting of a non-executive Chair, a non-independent non-executive director and a non-executive director. Audit and Management Engagement committees are chaired and composed of non-executive directors, and report directly to the Board. Each of the Audit Committee and a Management Engagement Committee, as established by the Company, has formally delegated duties and responsibilities.

The Role of the Board

The Board is accountable to AOF's shareholders for the conduct of the operations of the fund as well as the long-term direction and success of the fund. The Board is responsible for the governance of the Fund, including but not limited to its operations, strategy, performance and compliance with the UK Code. The Board's responsibilities are separate from the day-to-day operations of the Fund. Certain responsibilities of the Board have been delegated to the Audit committee and to the Management Engagement Committee. The Board has authorised these committees to operate on behalf of the Board, and to provide recommendations to the Board, but retains the final authority for all decisions.

The Board's areas of accountability include, but are not limited to: approval of interim and annual financial statements including the assurance that the accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance; the continuation of the investment management team and its related remuneration; operations and major business and strategy decisions of the Fund; review of Investment Manager transactions and actions on behalf of the Fund including the staffing and resources committed to the fund by the Investment Manager; analysis of the Investment Manager as it relates to performance in comparison with its peers; and, any major decisions made by the Investment Manager on behalf of the Fund that materially impacts the shareholders of the Fund. The Board has viewed these responsibilities on the basis that the Company, as dictated by the June 2024 EGM, will continue to be operated as a going concern.

The Board composition

The Board currently consists of three members; a non-executive independent Chair, a non-executive non-independent director, and a non-executive independent director. The Chair is responsible for the leadership of the board and ensuring its effectiveness on all aspects of its role.

The Chair and the non-executive independent directors are independent of the Company's Investment Manager. Biographies of the Directors appear on page 12, demonstrating the wide range of skills and experience they bring to the Board. The Board meets at least four times a year for regular, scheduled meetings, and should the activity of the Company require it, additional meetings may be held. At each meeting the Board follows a formal agenda and receives full details of the Company's assets, liabilities, and other relevant information in advance of meetings. The primary focus of the Board meetings is a review of investment performance and associated matters such as asset allocation, investor relations, industry issues and principal risks. Directors may seek independent professional advice on any matter that concerns them, at the expense of the Company, in furtherance of their duties.

The Directors are submitted for re-election every three years on a rotating basis. Dr. Belo-Osagie and Mr. Mutasa were submitted for re-election in 2025. Mr. Knapp, as a non-independent director, is submitted for re-election on an annual basis. Dr. Belo-Osagie, Mr. Mutasa and Mr. Knapp were all re-elected to the Board at the 2025 AGM. The Board has reviewed Provision 23 of the AIC Code and Provision 18 of the UK Code, which states that all directors should be subject to annual election by Shareholders. The Board has considered this position, and continues to consider this inappropriate for the Company as it places an inordinate emphasis on short-term composition and would interfere with the Board's ability to act as a cohesive and efficient board. The long-term familiarity with the Company has been deemed to continue to be of particular importance due to the investment policy and distribution changes enacted at the 2019, 2022 and 2024 EGMs. Additionally, the new investment strategy of the Company requires specific knowledge of the markets and specific issues with regard to trading within those markets. The composition of the Board has been carefully considered to ensure that the necessary knowledge and skills specific to the amended Investment Strategy remain inherent within the Board.

The Company does not have a current nominating committee. Due to the necessity to reduce the Board in 2019 in consideration of the new investment policy and distribution policy, a nominating committee is not currently a necessity. The existing Board, in consultation with the Investment Manager thoroughly evaluated the requirements of the Board, and required skill sets, to ensure it was constituted appropriately to ensure oversight of the amended polices. The Board does not currently have a continuing education program in place. As demonstrated by the biographies on page 12, the Board consists of a diverse group of highly skilled individuals with complementary knowledge specific to the investment strategy and operations of the Company.

Dr. Myma Belo-Osagie was nominated and elected as the Chair of the Board in April 2014. Dr. Belo-Osagie has been a director since 2007 and her appointment to Chair was in consideration of her past efforts on behalf of the Board and the prior demonstration of her effectiveness as a member of the Board. The Chair is responsible for the leadership of the Board and ensuring its effectiveness on all aspects of its role.

Division of responsibilities

In accordance with the Code there is a clear division of responsibilities between the Board and the members of the Investment Manager.

Statement of Directors' responsibilities

The financial statements are required by law and IFRS to present fairly the financial position of the Company and the financial performance and cash-flows of the Company for the relevant period.

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

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates which are reasonable and prudent;
- State whether the financial statements have been prepared in compliance with IFRS, subject to any material departures disclosed and explained therein;
- Present information, including accounting policies, in a manner which provides relevant, reliable, comparable, and understandable information;
- Provide additional disclosures where compliance with the specific requirements of IFRS are considered to be insufficient to enable users to understand the impact of particular transactions, events and conditions on the financial position and performance; and
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with IFRS and all applicable company law. The Directors also have a general responsibility for taking such steps as are reasonably available to them, and for ensuring their third-party service providers take similar reasonable steps, to safeguard the assets of the Company and to prevent or detect fraud and other irregularities.

Internal Control and Financial Reporting

The Board is responsible for establishing and maintaining the Company's system of internal controls which are reviewed for effectiveness on an annual basis. These systems have been in place for the year under review, and up to the date of approval of the annual report and accounts. The Board reviews not just internal financial controls but all controls including operations, compliance and risk management. Internal control systems are designed to meet the particular needs of the Company and manage the risks to which it is exposed, and by their very nature provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which have been established to provide effective internal control are as follows:

- Investment management is provided by Africa Opportunity Partners LLC under the Investment Management Agreement. The Board is responsible for ensuring the Investment Manager adheres to the overall investment policy and monitors the actions of the Investment Manager at regular Board meetings. To this end the Investment Manager, at each Board meeting, provides the Board with a comprehensive portfolio review as well as a detailing of all investment transactions and management visits since the prior board meeting.
- Administration and company secretarial duties for the Company are performed by NAV Fund Services Inc, of Chicago, Illinois.
- Custody of assets is undertaken by Standard Chartered Bank (Mauritius) as the primary custodian and FBC Bank (Zimbabwe) as custodian of the Zimbabwe holdings. FBC was added in 2024 as Standard Chartered Bank exited the Zimbabwe market. There is no prime broker as Credit Suisse Securities (USA) LLC exited the prime brokerage business during 2022 and has not been replaced.
- There is a segregation of duties related to investment management, accounting and the custody of assets. The procedures and processes of the individual parties have been designed to complement one another, and reconciliations have been developed to ensure compliance.
- The Directors of the Company clearly define the duties and responsibilities of their agents and advisers. The appointment of agents and advisers is conducted by the Board after consideration of the quality of the parties involved; the Board monitors their on-going performance and contractual arrangements.
- The Directors of the Company regularly review the performance and contractual arrangements with the Investment Manager, other agents and advisers as appropriate.

The Board holds regular scheduled meetings throughout the year. Additional meetings are held when necessary for urgent or time-sensitive decisions. Resolutions may also be distributed electronically as required to meet time demands for non-routine business. The Board papers are circulated electronically in advance of each meeting.

At each meeting certain regular reports are presented which are:

- The Investment Manager delivers an update on the performance of the Fund including details of the Investment Manager's visits to current or prospective investments, a schedule of transactions made during the period from the previous board meeting and an analysis of market data and comparables;
- The Investment Manager provides calculations supporting the net asset value calculations and the Investment Managers projections of the appraisal value of the portfolio;
- The Board reviews specific investment updates and valuations, income and expense calculations, and the level of discount or premium between the net asset value and the market share price;
- The Board reviews Administrator reports detailing quarterly AUM and returns, and confirming the veracity of valuation inputs utilised;
- The Board reviews and discusses shareholder communications with the Investment Manager and the Company's broker;
- The Board reviews and discusses other matters as appropriate to the ongoing operations and investment strategy of the Fund, and

The Investment Manager provides financial statements and supporting schedules as appropriate for the Board to approve the release of annual and interim financial statements to the market as appropriate.

Certain responsibilities of the Board have been delegated to the Audit committee and to the Management Engagement Committee. The Board has authorised these committees to operate on behalf of the board, and to provide recommendations to the Board, but retains the final authority for all decisions.

Audit Committee

The Audit Committee comprises all the members of the Board other than Robert Knapp. Shingayi Mutasa has been appointed the chair of the audit committee. Mr. Mutasa and the other members have specific industry knowledge and financial experience which allows them to competently meet the requirements of the committee. The Audit Committee meets at least two times in each twelve-month period. The Audit Committee determines and monitors the terms of engagement of the Company's auditors and the scope of the audit. The Audit Committee has unrestricted access to, and oversees the relationship with, the Company's auditors. This includes the evaluation of the auditors, including, but not limited to; i) an evaluation of the performance of the audit team including its skills, knowledge and continuity, and the quality and timeliness of audit planning and execution; ii) the extent of the quality controls, audit communication and knowledge of relevant accounting and regulatory developments; and iii) the reasonableness of the audit fees. The Audit Committee has primary responsibility for making a recommendation to the board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of the engagement of the external auditor. The Audit Committee receives, and reviews reports from the Investment Manager and the Company's auditors relating to the interim and annual accounts, and the accounting and internal control systems.

The Audit Committee evaluates the interim and annual financial statements of the Company. This review includes a comprehensive review of the financial statements with the Chief Financial Officer of the Investment Manager. Supportive schedules are provided as necessary to verify the veracity of the financials, including the valuation and existence of investments. The Audit Committee confirms the veracity of the portfolio valuation with emphasis on adherence to the valuation policy. This comprehensive review allows the Directors to confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and that each Director has taken steps to assure themselves that any and all relevant information has been relayed to the auditors.

The Audit Committee also monitors the independence and objectivity of the external auditors. The Audit Committee is required to approve any use of the external auditor for non-audit services. The current auditor has been the auditor since inception of the fund in 2007. The Audit Committee recognises that the UK Code and AIC Code provisions for companies to put the external audit contract out to tender at least every 10 years. Though the Committee considers this to be a best practice, the Committee has deemed it prudent to retain the current auditor, in part due to their familiarity with the Fund. As part of the normal engagement, the audit partner of the external auditor is changed at least once every five years, with the current audit partner being in his second year of engagement with the Company. The Audit Committee also considers the effectiveness of the administrative and secretarial services provided by external vendors as well as the performance of the Investment Manager in monitoring the effectiveness and efficiency of these vendors.

For 2025, the material issues addressed by the audit committee include the continued evaluation of the impact, if any, of the new investment strategy on the audited financial statements, as well as the valuations of Sand Technologies and investments denominated in the Zimbabwean Dollar. These items are further detailed in the audited financial statements to follow.

Management Committee

The Company has established a Management Engagement Committee (the "MEC") which meets formally at least on an annual basis to consider the performance and the remuneration of the Investment Manager. The MEC comprises all the members of the Board other than Robert Knapp. No employee of the Investment Manager is present during the discussions of the MEC.

Board and Committee Meeting Attendance

The Board meets on a regular basis at least four times per year. The following table sets out the number of Board, Audit Committee and Management Engagement Committee during the year and the number of meetings attended by each Director.

Meetings	Board	Audit Committee	Management Committee
Meetings Held	5	1	1
Meeting Attended:			
Myma Belo-Osagie	5	1	1
Robert Knapp [(1)]	4	-	-
Shingai Mutasa	5	1	1

(1) Includes June 2025 AGM. Not a member of the Audit Committee or Management Committee

Board Evaluation

For the year there was no evaluation process of the Board and its Committees.

Board Tenure

The Board has considered, but has no adverse findings, as related to issues regarding long tenure. In accordance with the AIC Code, when and if any director shall have been in office (or on re-election would at the end of that term of office) for more than nine years, the Company and the Board will consider further whether there is a risk that such a director might reasonably be deemed to have lost independence through such long service.

Prior to the changes to the composition of the board due to the results of the 2019 EGM and AGM, discussions were held to discuss the board candidates and the changes to the leadership positions. During these discussions, the overall conclusion was that individual Board members were satisfied that the Board works well and operates effectively in an environment where there are constructive discussions and challenges from the non-executive directors. They are also satisfied with the contribution made by their colleagues and that Board Committees operate properly and efficiently. Further, the Board, as evaluated by the Management Engagement Committee believes each Director has continued to demonstrate their independence, effectiveness and commitment to the Company.

Commitment

The directors allocate sufficient time to the Company to discharge their responsibilities effectively.

Directors' Confirmation

The Directors listed on page 13, being the persons responsible within the Company, hereby confirm to the best of their knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Chairman's Statement and Investment Manager Report, and Condensed Notes to the Financial Statements include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

AFRICA OPPORTUNITY FUND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

			Appointed on
CHAIRPERSON	:	Myma Belo-Osagie	4 March 2014
NON-EXECUTIVE DIRECTORS	:	Robert Knapp	25 June 2007
		Shingayi Mutasa	25 June 2007

REGISTERED OFFICE : PO Box 309 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

REGISTRAR : JTC Group
PO Box 156, Ground Floor
Dorey Court
Admiral Park St
St Peter Port
Guernsey
Channel Islands GY1 4EU

CORPORATE BROKER : Shore Capital
Cassini House
57 St. James's Street
London SW1A 1LD
United Kingdom

ADMINISTRATOR : NAV Fund Services (Cayman) Ltd.
(Through 1 January 2025)
5th Floor, Harbour Place
PO Box 30464
Grand Cayman KY1-1202
Cayman Islands

SS&C Technologies, Inc. (till 31 December 2024)
80 Lamberton Road
Windsor, Connecticut
United States

INVESTMENT MANAGER : Africa Opportunity Partners LLC
c/o Corporate Service Company
251 Little Falls Drive
Wilmington, Delaware 19808
United States

AUDITOR	**:**	Ernst & Young 6th Floor, IconEbene Rue de L'Institut, Ebene Mauritius
CUSTODIANS	**:**	Standard Chartered Bank (Mauritius) Ltd 6th Floor, Standard Chartered Tower 19th Bank Street Cyber City, Ebene Mauritius FBC Bank Limited AUSQ Building 68 Nelson Mandela Avenue Harare, Zimbabwe
LEGAL ADVISER *(as to English Law)*	**:**	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
LEGAL ADVISER *(as to Cayman Islands Law)*	**:**	Maples & Calder P.O. Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
TAX ADVISER	**:**	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP United Kingdom

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Africa Opportunity Fund Limited (the "Company") set out on pages 29 to 68 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of, the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of financial assets at fair value through profit or loss **Investments listed on the Zimbabwe Stock Exchange** The Company is a Feeder Fund which invests in Africa Opportunity Fund L.P. (the "Master Fund"). The total carrying value of listed investments held by the Master Fund amounted to USD 17,792,191 as at 31 December 2025 (note 6 (b)), out of which USD 7,340,929 represents investments listed on the Zimbabwe Stock Exchange. Based on quoted price on the Zimbabwe stock exchange, these investments would have been valued at USD 9,324,255. However, owing to the ongoing market instability, a discount has been applied to the market price to arrive at the fair value of USD 7,340,929. The fair value measurement of the investments listed in the Zimbabwe market required management to determine exchange rates as at the valuation date in circumstances involving limited observable market data and the application of judgment. Management's determination involved selecting appropriate exchange rates to reflect prevailing market conditions and currency restrictions. The determination of the discount involves judgement and estimation uncertainties and has a material impact on the fair value of the investment. Accordingly, the valuation of investments listed in the Zimbabwe market is considered to be a key audit matter.	Our procedures in relation to the valuation of the investments listed on the Zimbabwe Stock Exchange are described below: • Checked the accuracy of the closing share price of the investments in local currency provided by management to an independent official source. • Obtained management's assessment and evaluated the appropriateness of the valuation methodology and model applied, considering as to whether it adequately reflected current market conditions in Zimbabwe and inflationary dynamics. • Assessed the appropriateness of the exchange rates applied by management by benchmarking them against observable indicators, including official exchange rates published by the Reserve Bank of Zimbabwe and other external sources, with the support of our internal valuation specialist. • Discussed with management and challenged the key valuation assumption, being the discount rate applied, by comparing it to available data from external sources. • Evaluated the reasonableness of the exchange rates at the reporting date as determined by management against the range of outcomes from our independent calculations. • Ensured the mathematical accuracy of management figures to calculate the fair value of the financial assets (i.e. number of shares at year end X closing share price in Zimbabwe X discount rate X exchange rate) • Assessed the appropriateness and completeness of the related disclosures in the management judgments and estimates paragraph in the financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (Continued)

Key audit matter	How the matter was addressed in the audit
Valuation of financial assets at fair value through profit or loss (Continued) **Unquoted investment in Sand Tech Holdings Limited** The Master Fund holds investment in Sand Tech Holdings Limited, an unquoted entity, which is measured at fair value and classified as Level 3 in the fair value hierarchy. As at 31 December 2025, the fair value of the investment in Sand Tech Holdings Limited amounted to USD 495,384 (note 6(d)). During the current year, management reassessed the valuation approach, resulting in fair value being determined using a net asset value ("NAV") methodology. The use of an NAV-based valuation reflects an increased degree of judgement, as the approach depends on entity-specific assumptions and information relating to Sand Tech Holdings Limited's current operations and financial position. Significant judgement is required in determining whether the assets and liabilities included in the NAV appropriately reflect the value of the business at the valuation date. We considered this matter to be a key audit matter given the subjective nature of the valuation, the use of unobservable inputs and the judgement involved in selecting and applying an appropriate valuation approach.	Our procedures in relation to the valuation of the unquoted investment are described below: • Evaluated, with the help of our internal valuation specialist, the appropriateness of the valuation methodology applied by management and whether it is consistent with generally accepted valuation principles and guidelines. • Reviewed the nature and composition of all assets and liabilities reported in Sand Tech Holdings Limited's statement of financial position as at valuation date to evaluate the appropriateness of a Net Asset Value ("NAV") approach for fair value determination and to identify any necessary adjustments, with the involvement of our internal valuation specialist. • Verified the mathematical accuracy of the NAV per share. • Ensured the mathematical accuracy of management figures to calculate the fair value of the financial assets (i.e. number of shares at year end X NAV per share). • Assessed the appropriateness and completeness of the disclosures in the management judgments and estimates paragraph in the financial statements and ensured that all the relevant disclosures are in accordance with IFRS 13 Fair Value Measurements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 69 pages document titled "Africa Opportunity Fund Limited Annual Report for the year ended 31 December 2025", which includes the Chairperson's statement, the Manager's Report, the Portfolio Review, the Qualitative Risk disclosures for the Company, the Directors' Details, the Report of the Directors, the Corporate Data and Shareholder Information.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information (Continued)

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

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Standards Accounting Standards as issued by the International Accounting Standards Board and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

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

Building a better working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AFRICA OPPORTUNITY FUND LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have no relationship with or interests in the Company other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Ernst & Young
ERNST & YOUNG
Ebène, Mauritius

LECKRAJ GYA, A.C.C.A.
Licensed by FRC

Date: 30 April 2026

	Notes	**2025**	2024
		USD	USD
Income			
Net gains on investment in subsidiaries at fair value through profit or loss	6(a)	**4,151,033**	4,428,175
		4,151,033	4,428,175
Expenses			
Management fees	5(a)	**350,000**	131,963
Other operating expenses		**62,205**	104,657
Directors' fees	12	**69,999**	70,001
Audit and professional fees		**124,609**	220,419
		606,813	527,040
Income for the year attributable to equity holders*		**3,544,220**	3,901,135
Earnings per share attributable to equity holders**	11	0.309	0.340

* There is no other comprehensive income for the year.
** The Earnings per share attributable to equity holders have been calculated based on the weighted average number of shares in accordance with IAS 33.

The notes on pages 33 to 68 form an integral part of these financial statements.
Independent Auditor’s report is on page 23 to 28.

AFRICA OPPORTUNITY FUND LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025	2024
		USD	USD
ASSETS			
Cash and cash equivalents	8	**8,838**	205,356
Other receivables and prepayments	7	**20,952**	9,507
Investment in subsidiaries at fair value through profit or loss*	6(a)	**17,387,935**	13,686,902
Total assets		**17,417,725**	13,901,765
EQUITY AND LIABILITIES			
LIABILITIES			
Other payables	10	**94,323**	122,583
Total liabilities		**94,323**	122,583
Net assets attributable to shareholders		**17,323,402**	13,779,182
Ordinary share capital	9 (a), 9(b)	114,689	114,689
Share premium	9(b)	5,810,553	5,810,553
Retained earnings		11,398,160	7,853,940
Total equity		**17,323,402**	13,779,182
Net assets value per share:			
- Ordinary shares		**1.510**	1.201

*The investment in subsidiaries at fair value through profit or loss include the investment in the Master Fund - Africa Opportunity Fund L.P.

Approved by the Board on 30 April 2026 and signed on its behalf by:

Director

The notes on pages 33 to 68 form an integral part of these financial statements.
Independent Auditor's report is on page 23 to 28.

	Share Capital USD	Share Premium USD	Retained Earnings USD	Total USD
At 1 January 2024	114,689	5,810,553	3,952,805	9,878,047
OPERATIONS:				
Income/total comprehensive income for the year	-	-	3,901,135	3,901,135
At 31 December 2024	114,689	5,810,553	7,853,940	13,779,182

	Share Capital USD	Share Premium USD	Retained Earnings USD	Total USD
At 1 January 2025	**114,689**	**5,810,553**	**7,853,940**	**13,779,182**
OPERATIONS:				
Income/total comprehensive income for the year	-	-	**3,544,220**	**3,544,220**
At 31 December 2025	**114,689**	**5,810,553**	**11,398,160**	**17,323,402**

The notes on pages 33 to 68 form an integral part of these financial statements.
Independent Auditor’s report is on page 23 to 28.

	Notes	2025	2024
		USD	USD
Operating activities			
Income for the year		**3,544,220**	3,901,135
Adjustment for non-cash items:			
Net (gains) on investment in subsidiaries at fair value through profit or loss	6(a)	**(4,151,033)**	(4,428,175)
Cash used in operating activities		**(606,813)**	(527,040)
Net changes in operating assets and liabilities			
Reduction in investments in subsidiaries at fair value through profit or loss	6(a)	**450,000**	740,000
(Increase)/decrease in other receivables and prepayments		**(11,445)**	1,531
Decrease in other payables		**(28,260)**	(38,102)
Net cash generated from operating activities		**410,295**	703,429
Net (decrease)/increase in cash and cash equivalents		**(196,518)**	176,389
Cash and cash equivalents at 1 January		**205,356**	28,967
Cash and cash equivalents at 31 December		**8,838**	205,356

The notes on pages 33 to 68 form an integral part of these financial statements.
Independent Auditor's report is on page 23 to 28.

1. GENERAL INFORMATION

Africa Opportunity Fund Limited (the "Company") was launched with an Alternative Market Listing "AIM" in July 2007 and moved to the Specialist Funds Segment "SFS" in April 2014.

Africa Opportunity Fund Limited is a closed-ended fund incorporated with limited liability and registered in Cayman Islands under the Companies Law on 21 June 2007, with registered number MC-188243. The Company is exempted from registering with CIMA under the Private Funds Act of the Cayman Islands given that it is listed on the Specialist Funds Segment of the London Stock Exchange which is approved by CIMA.

The Company had a limited life, and was not deemed a going concern, for the 2024 period through 14 July 2024. The Company has been deemed a going concern for the period from 15 July 2024 through 31 December 2025. Shareholders ratified the adoption of the New Investment Policy at a 15 July 2024 EGM, as the Directors and shareholders considered it to be in the best interests of the Company and its shareholders to terminate the liquidation strategy previously adopted effective 1 July 2019. The shareholders also ratified the removal of the continuation vote policy at the EGM. This ratification, and the transition from a liquidation strategy to a continuing investment policy, dictated that the Company be deemed to have an indefinite life and be considered a going concern. See Note 4 for additional details regarding the going concern status.

The Company aims to earn superior returns by investing in businesses that it believes can flourish in Africa and, in doing so, aiding capital formation and the mobilisation of savings with the intention of growing wealth and productivity in Africa's economies. The Company has the ability to invest in a wide range of asset classes including real estate interests, equity, quasi-equity or debt instruments and debt issued by African sovereign states and government entities.

The Company's investment activities are managed by Africa Opportunity Partners LLC, a limited liability company incorporated in Delaware, United States and acting as the investment manager pursuant to an Amended and Restated Investment Management Agreement dated 21 June 2024.

To ensure that investments to be made by the Company and the returns generated on the realisation of investments are both effected in the most tax efficient manner, the Company has established Africa Opportunity Fund L.P. ("the Master Fund") as an exempted limited partnership in the Cayman Islands. All investments made by the Company are made through the limited partnership. The limited partners of the limited partnership are the Company and AOF CarryCo Limited. The general partner of the limited partnership is Africa Opportunity Fund (GP) Limited. Africa Opportunity Fund Limited holds 100% of Africa Opportunity Fund (GP) Limited.

The financial statements for the Company for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2026.

Presentation currency

The financial statements are presented in United States dollars ("USD"). All figures are presented to the nearest dollar.

2. SUMMARY OF 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 from the prior year to the current year for items which are considered material in relation to the financial statements.

Statement of compliance

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis of preparation

The Company satisfied the criteria of an investment entity under IFRS 10: Consolidated Financial Statements. As such, its interest in the subsidiaries has been classified as financial assets at fair value through profit or loss, and measured at fair value. This consolidation exemption has been applied and more details of this assessment are provided in Note 4 "critical accounting judgements, estimates and assumptions." The financial statements have been prepared under the historical cost convention except for financial assets and financial liabilities measured at fair value through profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (Continued)

Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 4.

The Company presents its statement of financial position in order of liquidity. An analysis regarding recovery within 12 months (current) and more than 12 months after the reporting date (non-current) is presented in Note 14.

The Company's financial statements include disclosure notes on the Master Fund, Africa Opportunity Fund L.P., given that the net asset value of the Master Fund is a significant component of the Investment in subsidiaries at fair value through profit or loss, of the Company. These additional disclosures are made in order to provide the users of the financial statements within an overview of the Master Fund performance.

Please refer to Note 1 and Note 4 for additional details regarding the going concern status of the Company.

Foreign currency translation

(i) Functional and presentation currency

The Company's financial statements are presented in USD which is the functional currency, being the currency of the primary economic environment in which the Company operates. The Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is USD. The Company chooses USD as the presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of the exchange ruling at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

(i) Financial assets at fair value through profit or loss

For the Company, financial assets classified at fair value through profit or loss upon initial recognition include investment in subsidiaries.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification (Continued)

(i) Financial assets at fair value through profit or loss (Continued)

Investment in subsidiaries

In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Company does not consolidate subsidiaries in the financial statements. Investments in subsidiaries are accounted for as financial instruments at fair value through profit or loss in accordance with IFRS 9 – Financial Instruments.

Management concluded that the Company meets the definition of an investment entity as it invests solely for returns from capital appreciations, investment income or both, and measures and evaluates the performance of its investments on a fair value basis. Accordingly, consolidated financial statements have not been prepared.

The Company measures the investment in subsidiaries at fair value through profit or loss at fair value. Subsequent changes in the fair value of these investments are recorded in ‘Net gain or loss on investment in subsidiaries at fair value through profit or loss.

(ii) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

(iii) Other financial assets and liabilities

This category includes all financial assets and liabilities, which are carried at amortised cost. The Company includes in this category amounts relating to other receivables and other payables.

(a) *Initial recognition*

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised directly on the trade date, i.e., the date that the Master Fund commits to purchase or sell the asset.

(b) Initial measurement

Financial assets and liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

(c) Subsequent measurement

Financial assets and liabilities at amortised costs are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Classification (Continued)

(iii) Other financial assets and liabilities (Continued)

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the entity would expect to receive, taking into account cash flows from credit enhancements. The Company considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At the reporting date, there was no receivable from related party. As a result, no ECL has been recognised.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Determination of fair value

The Company, at the feeder level, measures its investments in subsidiaries at net asset value (NAV) at each reporting date. Please refer to Note 6 for additional details.

For investments at the master fund level, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measured is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments at the master level that are not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible. An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 6.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2: valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.

Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets held for trading or ‘at fair value through profit or loss’ and excludes expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior year’s unrealised gains and losses for financial instruments which were realised in the reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Classification of financial instruments, liabilities and equity.

The shares are classified as equity if those shares have all the following features:

(a) It entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation.

The Company's net assets are those assets that remain after deducting all other claims on its assets. A pro rata share is determined by:

(i) dividing the net assets of the Company on liquidation into units of equal amount; and
(ii) multiplying that amount by the number of the shares held by the shareholder.

(b) The shares are in the class of instruments that is subordinate to all other classes of instruments. To be in such a class the instrument:

(i) has no priority over other claims to the assets of the Company on liquidation, and
(ii) does not need to be converted into another instrument before it is in the class of instruments that is subordinate to all other classes of instruments.

(c) All shares in the class of instruments that is subordinate to all other classes of instruments must have an identical contractual obligation for the issuing Company to deliver a pro rata share of its net assets on liquidation.

In addition to the above, the Company must have no other financial instrument or contract that has:

(a) 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 Company (excluding any effects of such instrument or contract) and

(b) the effect of substantially restricting or fixing the residual return to the shareholders.

The shares satisfy the above conditions and thus meet the requirements to be classified as equity. Movement in fair value is shown in the Statement of Profit or Loss and Other Comprehensive Income as an ‘income/(loss) for the year attributable to equity holders’.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash and cash equivalents are measured at amortised cost. The statement of cash flows presents cash and cash equivalents as at the bank balances of the reporting date.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Company applied for the first-time the below standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. A number of new and amended standards became effective during the financial year. Management has concluded that none of these standards were relevant to the Company.

3.1 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following relevant standards, amendments to existing standards and interpretations were in issue but not yet effective. The Company will adopt these standards, if applicable, when they become effective. No early adoption of these standards and interpretations is intended by the Board of directors.

	Effective for accounting period
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027

The Company is currently assessing and identifying the aspects of these amendments that will impact the financial statements and notes to the financial statements. The Directors are of opinion that the above standards are not expected to have an impact on the Company's financial statements.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

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

Going concern

The Company had a limited life, and was not deemed a going concern, for 2024 period through 14 July 2024. The Company has been deemed a going concern for the period from 15 July 2024 through 31 December 2025. At the Extraordinary General Meeting ("EGM") of the Company held on 15 July 2024, the shareholders voted in favor of a New Investment Policy which ended the liquidation strategy and the process of periodic shareholder continuation votes. The shareholders also ratified the removal of the continuation vote policy at the EGM. This ratification, and the transition from a liquidation strategy to a continuing investment policy, dictated that the Company be deemed to have an indefinite life and be considered a going concern.

Below is a brief synopsis of the investment strategy as approved with the adoption of the New Investment Policy and consistent with the Company's Circular dated 24 June 2024:

The Investment Manager, relying on the extensive experience of the management team, selects a limited number of investment opportunities. In selecting those investment opportunities, the Investment Manager will adhere to an analytical process, elements of which include: classifying each investment opportunity in the appropriate categories of an asset-based equity opportunity, an earnings-based equity opportunity, distressed debt, corporate debt, African sovereign debt, arbitrage, or special situations.

4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements (Continued)

Going Concern (Continued)

The Company will screen potential investee companies according to its value investing principles. It will seek to invest in investee companies valued at substantial discounts to their intrinsic value. In terms of industries, the Company's search will include companies with a record of profitable exports from Africa, catalysts for productivity growth in Africa, companies participating in the growth of long-term real savings, companies managing the growth, and operations, of African infrastructure and networks, and companies able to lower profitably the real prices of goods and services consumed by African consumers.

The assessment of equity investment opportunities involves:

- in the case of an asset-based equity opportunity, determining whether the equity securities of the company or entity under consideration commands a valuation which is materially lower than the Investment Manager's estimate of that company's or entity's intrinsic value. The determination of a company's or entity's intrinsic value is based on a variety of standards such as comparing the book value of the assets of the company or entity against the price the Investment Manager believes would be paid for a similar asset in a private transaction, or the valuations of listed peers of that company or entity;

- in the case of an earnings-based equity opportunity, determining whether the equity securities of the company or entity under consideration possesses both a high real return on assets and earnings yield higher than the local currency denominated government debt of the country in which the assets of that company are located;

- comparing the valuation of the company or entity in question against valuations of its listed and private peers (where possible) in different parts of Africa, non-African emerging markets and developed markets;

- understanding the industry in which the company or entity under consideration operates, the prospects of that industry and the prospects of competitors of the company or entity in question. This aspect will frequently require discussions with industry participants;

- comparing each security issued by the relevant company or entity against its other classes of issued securities to determine which security offers the best risk-reward ratio to the Group; and

- estimating the product of the probability of loss and the quantum of loss of an investment opportunity to set off against the product of the probability of gain and the quantum of gain of that investment to determine the risk-adjusted potential return on that investment opportunity. As a general proposition, the higher the anticipated probability of loss of an investment, the smaller the likely investment.

Provided the investment opportunity falls within the investment policy of the Group, the Investment Manager will have, on behalf of the Group, the discretion to make and dispose of investments. However, in the event that an investment will constitute more than 20% of Net Asset Value at the time of investment the prior approval of the Board will be required. Before any investment is undertaken by the Group, all appropriate due diligence will be undertaken, and this will include checking the United States's sanctions list. Special consideration will also be given to money laundering and terrorist financing risks and any and all politically exposed persons who may be a part of, or have close links with, any target company.

4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Judgements (Continued)

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

Assessment for an investment entity

An investment entity is an entity that:

(a) Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
(b) Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) Measures and evaluates the performance of substantially all of its investments on a fair value basis.

An investment entity must demonstrate that fair value is the primary measurement attribute used. The fair value information must be used internally by key management personnel and must be provided to the entity's investors. In order to meet this requirement, an investment entity would:

- Elect to account for investment property using the fair value model in IAS 40 Investment Property
- Elect the exemption from applying the equity method in IAS 28 for investments in associates and joint ventures, and
- Measure financial assets at fair value in accordance with IFRS 9.

In addition, an investment entity should consider whether it has the following typical characteristics:

- It has more than one investment, to diversify the risk portfolio and maximise returns;
- It has multiple investors, who pool their funds to maximise investment opportunities;
- It has investors that are not related parties of the entity; and
- It has ownership interests in the form of equity or similar interests.

The Board considers that the Company continues to meet the definition of an investment entity as it invests solely for returns from capital appreciations, investment income or both, and measures and evaluates the performance of its investments in subsidiaries on a fair value basis. In addition, the Company has more than one investor and the major investors are not related parties of the Company. Accordingly, consolidated financial statements have not been prepared. IFRS 10 Consolidated Financial Statements provides "investment entities' an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measures the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments.

Assumptions and Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of mathematical models.

4. MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Assumptions and Estimates (Continued)

Fair value of financial instruments

The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence, to ensure they are reasonable and appropriate. The NAV of the subsidiary is used to measure fair value. In measuring this fair value, the NAV of the subsidiary is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the subsidiary and Investment Manager. Given that the Company controls the Master Fund, no adjustment has been deemed necessary to the NAV of the Master Fund to reflect any restrictions that may have been applicable had the Company held a minority stake in the Master Fund. Moreover, given that the Master Fund invests more than 95% in quoted securities, the Company has classified its investments in subsidiary as level 2.

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is material to the fair value measurement in its entirety as provided in Note 6. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. To assess the significance of a particular input to the entire measurement, the Company performs sensitivity analysis or stress testing techniques.

5a. AGREEMENTS

Investment Management Agreement

Effective 15 July 2024, the Company and the Investment Manager have, upon the approval of the Reorganisation Resolution at the EGM in July 2024, entered into the Amended and Restated Investment Management Agreement which amends the fees payable to the Investment Manager as follows:

Management fees

A fixed management fee equal to USD 350,000 per annum. The management fee charged during 2025 was USD 350,000 per annum (2024: USD 163,013).

5a. AGREEMENTS (CONTINUED)

Investment Management Agreement (continued)

Realisation fees

The Investment Manager was entitled to the following realisation fees during the period of 1 January 2024 to 15 July 2024 from the net proceeds of all portfolio realisations (including any cash returned by way of a Compulsory Redemption):

On distributions of cash to Shareholders: 1 per cent of the net amounts realised.

Effective 15 July 2024, with the adoption of the New Investment Policy at the July 2024 EGM, the realisation fee was terminated.

The revisions to the arrangements with the Investment Manager, constitute a related party transaction under the Company's related party policy, and in accordance with that policy, the Company was required to obtain: (i) the approval of a majority of the Directors who are independent of the Investment Manager; and (ii) a fairness opinion or third-party valuation in respect of such related party transaction from an appropriately qualified independent adviser.

The aggregate realisation, management and performance fees for the financial year ended 31 December 2025 amounted to USD 350,000. For 31 December 2024, the management fees amounted to USD 131,963 and realisation fees of USD 31,050.

Administrative Agreement

Effective 01 January 2025, NAV Fund Services (Cayman) Ltd. was appointed to serve as the Administrator for the Company. Prior to 01 January 2025, SS&C Technologies Inc. served as the Administrator for the Company. Administrative fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

Custodian Agreements

A Custodian Agreement has been entered into by the Master Fund and Standard Chartered Bank (Mauritius) Ltd, whereby Standard Chartered Bank (Mauritius) Ltd (“SCB”) would provide custodian services to the Master Fund and would be entitled to a custody fee of between 18 and 25 basis points per annum of the value of the assets held by the custodian and a tariff of between 10 and 45 basis points per annum of the value of assets held by the custodian. The custodian fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

Following the exit of SCB from the Zimbabwe market in 2024, Custodial Agreements were entered into by the Master Fund and FBC Bank Limited (“FBC”), whereby FBC would provide custodian services and hold direct custody of Zimbabwe securities and would be entitled to a custody fee of 10 basis points per annum on the market value of the assets held by the custodian. The custodian fees are expensed at the Master Fund level and have been included in the NAV of the subsidiary.

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL

Africa Opportunity Fund LP (the “Master Fund”) is incorporated in the Cayman Islands and is not subject to regulatory review. Management has voluntarily disclosed all the policies and notes to the accounts of the Master Fund to provide shareholders of the Company with a better insight.

The primary accounting policies are similar as in Note 2. Those policies which only relate to the Master Fund’s financial statements are set out below. These policies have been consistently applied from the prior year to the current year for items which are considered material in relation to the financial statements.

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Classification

The Master Fund classifies its financial assets and liabilities in accordance with IFRS 9 into the following categories:

(i) Financial assets at fair value through profit or loss

These include equity securities that are not held for trading. These financial assets are classified at FVTPL on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company, as set out in each of their offering documents. The financial information about the financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors.

Derivatives - Options

Derivatives are classified as held for trading (and hence measured at fair value through profit or loss) unless they are designated as effective hedging instruments (however the Company does not apply any hedge accounting). The Master Fund's derivatives relate to option contracts.

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specific amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

The Master Fund purchases and sells put and call options through regulated exchanges and OTC markets. Options purchased by the Master Fund provide the Master Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Master Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Options written by the Master Fund provide the purchaser the opportunity to purchase from or sell to the Master Fund the underlying asset at an agreed-upon value either on or before the expiration of the option.

Options are generally settled on a net basis.

Derivatives relating to options are recorded at the level of the Master Fund. The financial statements of the Company do not reflect the derivatives as they form part of the net asset value (NAV) of the Master Fund which is fair valued.

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)

Financial instruments (Continued)

(a) Classification (Continued)

(ii) Financial assets at amortised cost

The Master Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. The Master Fund's financial assets at amortised cost comprise 'trade and other receivables' and 'cash and cash equivalents in the statement of financial position.

(iii) Other financial assets and liabilities

This category includes all financial assets and liabilities, which are carried at amortised cost. The Master Fund includes in this category amounts relating to trade and other payables.

(b) *Recognition*

The Master Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised directly on the trade date, i.e., the date that the Master Fund commits to purchase or sell the asset.

(c) Initial measurement

Financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets at amortised cost and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(d) Subsequent measurement

The Master Fund measures financial instruments which are classified at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at fair value through profit or loss. Interest earned elements of such instruments are recorded separately in 'Interest revenue'. Dividend expenses related to short positions are recognised in 'Dividends on securities sold not yet purchased'. Dividend income/distributions received on investments at FVTPL is recorded in "Net gain or loss on financial assets at fair value through profit or loss".

Financial assets and liabilities at amortised costs are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)

Financial instruments (Continued)

(iii) Other financial assets and liabilities (continued)

(d) Subsequent measurement

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Master Fund estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Company 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 Master Fund has transferred substantially all the risks and rewards of the asset, or (b) the Master Fund has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. When the Master Fund has transferred its rights to receive cash flows from an asset (or has entered a pass-through arrangement) and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Master Fund’s continuing involvement in the asset.

The Master Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Determination of fair value

The Master Fund measures its investments in financial instruments, specifically equities, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measured is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Master Fund. The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible. An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 6.

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)

Financial instruments (Continued)

Determination of fair value (Continued)

The Master Fund uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2: valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.

Impairment of financial assets

The Master Fund recognises an allowance for expected credit losses (ECLs) for all financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Master Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised either on a 12-month or lifetime basis. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Master Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Master Fund may also consider a financial asset to be in default when internal or external information indicates that the Master Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Master Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables, the Master Fund applies a simplified approach in calculating ECLs. Therefore, the Master Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. At the reporting date, the assessment of the Master Fund's debt instruments which include other receivables and cash and cash equivalents were considered as de minimis. As a result, no ECL has been recognised as any amount would have been insignificant.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and expenses. At the Master Fund Level, the fair value gains and losses exclude interest and dividend income.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the year and from reversal of prior year's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the Average Cost (AVCO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

5b. SUMMARY OF MATERIAL ACCOUNTING POLICIES AT THE MASTER FUND LEVEL (CONTINUED)

Due to and due from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date at the Master Fund level. Refer to the accounting policy for financial liabilities, other than those classified at fair value through profit or loss for recognition and measurement.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to accounting policy for financial assets at amortised cost for recognition and measurement.

Interest revenue and expense

Interest revenue and expense are recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

Dividend revenue

Dividend revenue is recognised when the Master Fund’s right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss of the Master Fund.

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

6(a). Investment in subsidiaries at fair value

The Company has established Africa Opportunity Fund L.P., an exempted limited partnership in the Cayman Islands to ensure that the investments made and returns generated on the realisation of the investments made and returns generated on the realisation of the investments are both effected in the most tax efficient manner. All investments made by the Company are made through the limited partner which acts as the master fund. At 31 December 2025, the limited partners of the limited partnership are the Company (96%) and AOF CarryCo Limited (4%). The general partner of the limited partnership is Africa Opportunity Fund (GP) Limited. Africa Opportunity Fund Limited holds 100% of Africa Opportunity Fund (GP) Limited.

	2025	2024
	USD	USD
Investment in Africa Opportunity Fund L.P.	**17,381,745**	13,682,218
Investment in Africa Opportunity Fund (GP) Limited	**6,190**	4,684
Total investment in subsidiaries at fair value	**17,387,935**	13,686,902
Fair value at 01 January	**13,686,902**	9,998,727
Reduction in investment in subsidiaries*	**(450,000)**	(740,000)
Net gain on investment in subsidiaries at fair value	**4,151,033**	4,428,175
Fair value at 31 December	**17,387,935**	13,686,902

***** The reduction in investment in subsidiaries relates to capital withdrawn from the Master Fund by the Company.

6(b). Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) market prices in active markets for identical assets and liabilities.
Level 2: valuation techniques for which the lowest level input that is material to the fair value measurement is directly or indirectly observable.
Level 3: valuation techniques for which the lowest level input that is material to the fair value measurement is unobservable.

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

6(b). Fair value hierarchy (Continued)

Note: The assets and liabilities of the Master Fund have been presented but do not represent the assets and liabilities of the Company as the Master Fund has not been consolidated.

- **Fair value hierarchy of the Company**

COMPANY	**31 December 2025 USD**	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**
Investment in subsidiaries	**17,387,935**	**-**	**17,387,935**	**-**

COMPANY	31 December 2024 USD	Level 1 USD	Level 2 USD	Level 3 USD
Investment in subsidiaries	13,686,902	-	13,686,902	-

- **Fair value hierarchy of the Master Fund**

The Company has investment in Africa Opportunity Fund L.P., the Master Fund, amounting to USD 17,387,935. The underlying investments of the Master Fund amounts to USD 18,287,575. Details on the financial assets of the Master Fund and fair value hierarchy are as follows:

MASTER FUND	**31 December 2025**	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**
Financial assets at fair value through profit or loss				
Equity securities	**18,287,575**	**10,451,253**	**7,340,938**	**495,384**
	18,287,575	**10,451,253**	**7,340,938**	**495,384**

MASTER FUND	31 December 2024	Level 1 USD	Level 2 USD	Level 3 USD
Financial assets at fair value through profit or loss				
Equity securities	13,031,893	3,302,361	9,729,532	-
	13,031,893	3,302,361	9,729,532	-

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

6(c). The valuation technique of the investment in subsidiaries at Company level is as follows:

The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence, to ensure they are reasonable and appropriate. The NAV of the subsidiary is used to measure fair value. In measuring this fair value, the NAV of the subsidiary is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the subsidiary and Investment Manager. Given that the Company controls the Master Fund, no adjustment has been deemed necessary to the NAV of the Master Fund to reflect any restrictions that may have been applicable had the Company held a minority stake in the Master Fund. Moreover, given that the Master Fund invests more than 95% in quoted securities, the Company has classified its investments in subsidiary as level 2.

6(d). The valuation techniques of the investments at Master Fund level are as follows:

Equity investments

These pertain to equity investments which are quoted for which there is a market price. As a result, they are classified within level 1 of the hierarchy except for the valuation of listed on the Zimbabwe Stock Exchange which have been classified as level 2 given that their quoted share price has been discounted as at 31 December 2025 as follows:

Valuation of investments listed on the Zimbabwe Stock Exchange

The total carrying value of the investments held by the Master Fund amounted to USD 18,287,575 as at 31 December 2025 (Note 6(b)), out of which USD 17,792,191 are listed. The listed investments include USD 7,340,929 (2024: USD 7,603,652) representing equity securities listed on the Zimbabwe Stock Exchange. Based on quoted prices on the Zimbabwe Stock Exchange, these investments would have been valued at USD 9,324,255 (2024: USD 12,170,608). However, owing to the ongoing market instability and difficulty repatriating ZiG currency to USD, a discount has been applied to the market price to arrive at the fair value of USD 7,340,929 (2024: USD 7,603,652).

In April 2024, the Governor of the Reserve Bank of Zimbabwe introduced the Zimbabwe Gold Notes and Coins ("ZiG") as the new currency of Zimbabwe. The intent of the recalibrated monetary policy is to address the state of price and exchange rate instability in the economy. The structured currency introduced is anchored by a composite basket of foreign currency and precious metals (primarily gold) held as reserves by the Reserve Bank. The starting exchange rate was determined by the prevailing closing interbank exchange rate as at 5 April and the London PM Fix price of gold as at 4 April 2024. The intervening exchange rate is determined by the inflation differential between ZiG and the USD inflation rates and the movement in the price of the basket of precious minerals held as reserves. In prior years, the Company discounted the ZiG, as it had previously done with the ZWL, due to the perceived inability to repatriate funds at, or close to, the official rate. The Company adjusted the official exchange rate by utilising the inflation differential with the US Dollar. The Company adjusted its model to reflect a 20% surrender requirement on the basis that the reported CPI captured only 80% of actual inflation, as it had done with the previous ZWL discount. This discount factor changes every month.

As at reporting date, an alternate valuation procedure has been performed, and it was concluded that the utilisation of the parallel rate is more representative of market conditions. The Company weighed a potential inability to access investment proceeds in USD, to experience a foreign exchange loss while awaiting repatriation or of being tendered Zimbabwe T-Bills in lieu of USD as more significant a risk. Based on quoted price on the Zimbabwe stock exchange, these investments would have been valued at USD 9,324,255. After much deliberation and consideration of the inherent subjectivity of these risks, management acquiesced to the utilisation of the parallel rate which was 33 at the reporting date (the official rate was 25.98), reducing the discount to 21.3%. The value of the Zimbabwe investments recorded in the books of the Company, after applying this revised discount factor, was USD 7,340,929.

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

6(d). The valuation techniques of the investments at Master Fund level (Continued)

Unquoted equity investments

Sand Tech Holdings Limited ("Sand Tech") (formerly known as African Leadership University) is a global solutions company with expertise in enterprise and industrial artificial intelligence. The Investment Manager valued Sand Tech on the basis of an observable arms-length transaction between existing shareholders selling a portion of their shares and an unaffiliated third party. The transactions were agreed via an omnibus share purchase agreement dated 28 September 2022 with dates of the agreements evidencing the first, second, third, and fourth tranches, respectively, 30 September 2022, 5 December 2022, 6 March 2023 and 5 June 2023 (the fourth tranche was converted to partial purchases in June and September 2023, the overall number of shares remaining consistent), and thus were utilised as the basis of the valuation as at 31 December 2024. During the year, the directors have re-assessed the valuation approach and determined that a Net Asset Value ("NAV") approach would be used to determine fair value, which resulted in a write down of approximately $1.6 million. The NAV approach relies on company-specific financial information and the determination of fair value does not apply market multiples.

	2025	2024
	USD	USD
Investment in Sand Tech Holdings	**495,384**	2,125,800

Financial asset and liabilities at fair value at fair value through profit or loss

	2025	2024
	USD	USD
Investment in Sand Tech Holdings:		
At 1 January	**2,125,800**	2,125,800
Change in unrealised loss	**(1,630,416)**	-
At 31 December	**495,384**	2,125,800
Total loss included in the statement of profit or loss and other comprehensive income of Africa Opportunity Fund L.P. for asset held at the end of the reporting period.	**(1,630,416)**	-

Valuation techniques

The Company invests in a private company which is not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Company uses the net asset value technique for these positions.

Valuation Process

Valuations are the responsibility of the Board of Directors of the Company. The valuation workings are based on the business plans received from the portfolio companies, with adjustments made if deemed necessary. The assumptions in the business plan are reviewed for reasonableness, to the extent possible with available market information. The appropriateness of the valuation methodology used is also considered.

Changes in valuation techniques

There was a change in valuation technique during the year and it was determined that NAV is the basis to be used to measure fair value.

Quantitative information of significant unobservable inputs – Level 3

Description	**Fair Value 2025**	Fair Value 2024	**Valuation techniques**		**Unobservable inputs**		**Sensitivity analysis (+5%/-5%)**	
	USD	USD	**2025**	2024	**2025**	2024	**2025**	2024
Sand Tech Holdings Limited	**495,384**	2,125,800	**NAV**	Recent Price	**NAV per share**	N/A	**24,769/ (24,769)**	N/A

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

6(e). Statement of profit or loss and other comprehensive income of the Master Fund for the year ended 31 December 2025.

The net gain on financial assets at fair value through profit or loss amounting to **USD 4,151,033** (2024: net gain of USD 4,428,175) is due to the gains arising at the Master Fund level and can be analysed as follows:

	2025	2024
	USD	USD
Income		
Dividend revenue	**480,709**	257,104
Interest revenue	**369**	-
Net gains on financial assets and liabilities at fair value through profit or loss	**4,032,573**	4,550,614
	4,513,651	4,807,718
Expenses		
Net foreign exchange loss	**16,438**	10,654
Custodian fees, brokerage fees, commission and administration	**97,446**	167,905
Professional fees	**3,132**	-
Other operating expenses	**2,245**	9,433
	119,261	187,992
Operating profit before tax	**4,394,390**	4,619,726
Less withholding tax	**(51,354)**	(9,840)
Total Comprehensive profit for the year	**4,343,036**	4,609,886
Attributable to:		
AOF Limited (direct interests)	**4,149,528**	4,426,751
AOF Limited (indirect interests through AOF (GP) Ltd)	**1,505**	1,424
	4,151,033	4,428,175
AOF CarryCo Limited (NCI)	**192,003**	181,711
	4,343,036	4,609,886

6. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

6(e). Statement of profit or loss and other comprehensive Income of the Master Fund for the year ended 31 December 2025 (Continued)

The financial assets and liabilities of the Master Fund are analysed as follows:

(i) Net gains on financial assets and liabilities at fair value through profit or loss held by Africa Opportunity Fund L.P.

	2025	2024
	USD	USD
Net gains on fair value of financial assets at fair value through profit or loss	**4,032,573**	4,550,614
Net gains	**4,032,573**	4,550,614

(ii) Financial asset and liabilities at fair value through profit or loss held by Africa Opportunity Fund L.P.

	2025	**2024**
	USD	USD
Held for trading assets:		
At 1 January	**13,031,893**	8,727,712
Additions	**1,623,596**	1,475
Disposals	**(400,487)**	(247,908)
Net gains on financial assets at fair value through profit or loss	**4,032,573**	4,550,614
At 31 December (at fair value)	**18,287,575**	13,031,893
Analysed as follows:		
- Listed equity securities	**17,792,191**	10,906,093
- Unquoted equity securities	**495,384**	2,125,800
	18,287,575	13,031,893

(iii) Net changes on fair value of financial assets at fair value through profit or loss

	2025	2024
	USD	USD
Realised	**34,759**	88,877
Unrealised	**3,997,814**	4,461,737
Total gains	**4,032,573**	4,550,614

7. OTHER RECEIVABLES AND PREPAYMENTS

	2025	2024
	USD	USD
Other receivables and prepayments	**20,952**	9,507
	20,952	9,507

8. CASH AND CASH EQUIVALENTS

	2025	2024
	USD	USD
Cash at bank	**8,838**	205,356

9(a). ORDINARY SHARE CAPITAL

Company

	2025	**2025**	2024	2024
	Number	**USD**	Number	USD
Authorised share capital				
Ordinary shares with a par value of USD 0.01	**1,000,000,000**	**10,000,000**	1,000,000,000	10,000,000
Issued share capital				
Ordinary shares with a par value of USD 0.01	**11,468,907**	**114,689**	11,468,907	114,689

The directors have the general authority to repurchase the ordinary shares in issue subject to the Company having funds lawfully available for the purpose. However, if the market price of the ordinary shares falls below the Net Asset Value, the directors will consult with the Investment Manager as to whether it is appropriate to instigate a repurchase of the ordinary shares.

The Company intends to report or pay dividends in order to remain an UK Reporting Fund, however, there is no assurance that the Company will be able to pay dividends. In compliance with the current investment strategy, which does not anticipate the payment of dividends, Directors retain the right to return cash through compulsory redemptions, by way of dividend or any other distribution as permitted by the Listing Rules.

9(b). SHARE CAPITAL AND SHARE PREMIUM

	Share Capital	Share Premium	Ordinary Shares
	USD	USD	Number
At 1 January 2024	114,689	5,810,553	11,468,907
Changes during the period:			
Redemption of ordinary shares	-	-	-
At 31 December 2024	114,689	5,810,553	11,468,907
Changes during the period:			
Redemption of ordinary shares	-	-	-
At 31 December 2025	114,689	5,810,553	11,468,907

Mandatory Redemption

The Directors, at their sole discretion, can effect a compulsory redemption of the Ordinary Shares on an ongoing basis and can therefore undertake a staged return of capital to shareholders. During the years ended 31 December 2025, and 31 December 2024, there were no redemptions. As at 31 December 2025 and 31 December 2024 the Company had 11,468,907 Ordinary Shares in issue.

Ordinary and C share Merger, Issuance of Contingent Value Rights

In 2014, AOF closed a Placing of 29.2 million C shares of US$0.10 each, at a placing price of US$1.00 per C share, raising a total of $29.2 million before the expenses of the Issue. The placing was closed on 11 April 2014 with the shares commencing trading on 17 April 2014. AOF's Ordinary Shares and the C Shares from the April placing were admitted to trading on the LSE's Specialist Fund Segment ("SFS") effective 17 April 2014.

The Fund merged the C share class and the ordinary shares as contemplated in the April 2014 issuance of the C share class, and with the consent of the Board of Directors, on 23 August 2017. The C Class shares were converted into ordinary shares.

The Shoprite arbitral award issued in 2016. The arbitral award resulted in AOF not being considered legal owner of the specific Shoprite Holdings, therefore, the Shoprite investment was written off. To effectuate this merger, Contingent Value Rights certificates for any residual rights with respect to Shoprite shares listed on the Lusaka Stock Exchange were issued to the ordinary shareholders of record on 21 August 2017. Information regarding the merger was distributed and released to the market prior to, and upon execution of, the merger. This information and information relative to the CVRs can be found on the Fund's website.

10. OTHER PAYABLES

	Notes	2025	2024
		USD	USD
Management Fee Payable		**241**	241
Directors Fees Payable	12	**17,500**	17,501
Other Payables		**76,582**	104,841
		94,323	122,583

Other payables are non-interest bearing and have an average term of six months. The carrying amounts of other payables approximates their fair value.

11. EARNINGS PER SHARE

The earnings per share (EPS) is calculated by dividing the increase or decrease in net assets attributable to shareholders by the number of ordinary shares. The EPS for 2025 and 2024 represent both the basic and diluted EPS.

		2025	2024
		Ordinary shares	Ordinary shares
Earnings per share attributable to equity holders	USD	3,544,220	3,901,135
Number of shares in issue		11,468,907	11,468,907
Change in net assets attributable to shareholders per share	USD	0.309	0.340
Weighted Average number of shares in issue		11,468,907	11,468,907
Change in net assets attributable to shareholders per share	USD	0.309	0.340

12. RELATED PARTY DISCLOSURES

The Directors consider Africa Opportunity Fund Limited (the “Company”) as the ultimate holding company of Africa Opportunity Fund (GP) Limited and Africa Opportunity Fund L.P.

Name	Country of incorporation	% equity interest 2025	% equity interest 2024
Africa Opportunity Fund (GP) Limited	Cayman Islands	**100.00**	**100.00**
Africa Opportunity Fund L.P.	Cayman Islands	**95.66**	**96.00**

12. RELATED PARTY DISCLOSURES (CONTINUED)

Name of related parties	**Type of relationship**	**Nature of transaction**	**Volume USD**	**Balance at 31 Dec 2025**
				USD
Africa Opportunity Partners LLC	Investment Manager	Management fee expense	350,000	241
NAV Consulting Inc.	Administrator	Administration fees	15,881	2,500
Directors	Directors	Directors' fees	69,999	17,500

Name of related parties	Type of relationship	Nature of transaction	Volume USD	Balance at 31 Dec 2024
				USD
Africa Opportunity Partners LLC	Investment Manager	Management fee expense	131,963	-
SS&C Technologies	Administrator	Administration fees	75,413	-
Directors	Directors	Directors' fees	70,001	17,501

The terms and conditions of the amount with related parties are as follows:

(i) Unsecured interest free and settlement occurs in cash;
(ii) No guarantees have been given or received on these balances

Key Management Personnel (Directors' fee)

Except for Robert Knapp who has waived his fees, each director has been paid a fee of USD 35,000 per annum plus reimbursement for out-of pocket expenses during both 2025 and 2024.

Robert Knapp, who is a director of the Company, also forms part of the executive team of the Investment Manager. Details of the agreement with the Investment Manager are disclosed in Note 5a. He has a beneficiary interest in AOF CarryCo Limited.

Details of investments in the Company by the Directors are set out below:

	No of shares held	Direct interest held %
2025	6,453,386	56.27
2024	6,254,094	54.53

13. TAXATION

Under the current laws of Cayman Islands, there is no income, estate, transfer sales or other Cayman Islands taxes payable by the Company. As a result, no provision for income taxes has been made in the financial statements.

Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income for the Master Fund (see footnote 6(e)). Withholding taxes are not separately disclosed in the statement of cash flows as they are deducted at the source of the income.

13. TAXATION (CONTINUED)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	2025	2024
	USD	USD
Total comprehensive gain	3,544,220	3,901,135
Income tax expense calculated at 0%	-	-
Withholding tax suffered outside Cayman Islands	-	-
Income tax expense recognized in profit or loss	-	-

* Withholding taxes are borne at the master fund level and amounted to **USD 51,354** (2024: USD 9,840). These have been included in the NAV of the subsidiary.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

14(a). AT THE COMPANY'S LEVEL

Introduction

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities. It is managed through a process of ongoing identification, measurement, and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

Risk management structure

The Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach of the Company.

Fair value

The carrying amount of financial assets and liabilities at fair value through profit or loss are measured at fair value at the reporting date. The carrying amount of cash and cash equivalents and other payables approximates their fair value due to their short-term nature.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes interest rate risk, foreign currency risk and equity price risk. The Company is not directly exposed to market risk. The Company holds investments in subsidiaries, Africa Opportunity Fund L.P. (Master Fund) and Africa Opportunity Fund (G.P.) Limited which are valued at their net asset value. The Company is thus exposed to market risk indirectly through investments held by the Master Fund.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(a). AT THE COMPANY'S LEVEL (CONTINUED)

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of the equity indices and the values of individual stocks. The equity price risk of the Company arises from the net asset value (NAV) of the underlying funds, the Master Fund and AOF G.P. The effect on equity would have the same impact on the profit for the year. The equity price risk at Company level is analysed as follows:

Company	Change in NAV price	Effect on Equity 2025
		USD
Investment in subsidiaries at fair value through profit or loss	10%	**1,738,794**
	-10%	**(1,738,794)**

Company	Change in NAV price	Effect on Equity 2024
		USD
Investment in subsidiaries at fair value through profit or loss	10%	1,368,690
	-10%	(1,368,690)

Currency risk

All of the Company's financial assets and financial liabilities are denominated in its functional currency and, accordingly, the Company is not directly exposed to currency risk.

The Company is indirectly exposed to currency risk through its investment in the Master Fund. The Master Fund's investments are denominated in various currencies. The effect of a change in USD against other currencies at the Master Fund level will have the same impact at the Company level and will form part of the NAV of the subsidiary (refer to note 14(b)).

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(a). AT THE COMPANY'S LEVEL (CONTINUED)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's financial assets and liabilities are non-interest bearing; therefore, the Company is not exposed to interest rate risk and thus, no sensitivity analysis has been presented.

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial assets that potentially expose the Company to credit risk consist principally of cash and cash equivalent balances. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

		2025	2024
		Company	Company
		Carrying amount	Carrying amount
	Notes	**USD**	USD
Cash and cash equivalents	8	**8,838**	205,356

The cash and cash equivalents assets of the Company are maintained with Standard Chartered Bank (Mauritius) Ltd. Standard Chartered Bank has an A3 Senior Unsecured Debt issuer rating from Moody's rating agency, a Baa2 Subordinated Debt rating from Moody's rating agency, a BBB+ long-term issuer credit rating from Standard and Poor's rating agency, and an A-2 short-term credit rating from Standard and Poor's rating agency.

Concentration risk

The Company does not have any concentration risk as at 31 December 2025. Given that the Company has invested in Africa Opportunity Fund L.P (the Master Fund) which holds investments in various countries in Africa, the concentration risk therefore arises primarily at the Master Fund Level.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to 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 Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows. The table below illustrates the maturity profile of the Company's financial liabilities based on undiscounted payments.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(a). AT THE COMPANY'S LEVEL (CONTINUED)

Liquidity risk (Continued)

Year 2025	**Due on demand**	**Due within 3 Months**	**Due Between 3 and 12 Months**	**Due Between 1 and 5 years**	**Due greater than 5 years**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**
Financial liabilities						
Other payables	-	**94,323**	-	-	-	**94,323**
Total liabilities	-	**94,323**	-	-	-	**94,323**

Year 2024	Due on demand	Due within 3 Months	Due Between 3 and 12 Months	Due Between 1 and 5 years	Due greater than 5 years	Total
	USD	USD	USD	USD	USD	USD
Financial liabilities						
Other payables	-	122,583	-	-	-	122,583
Total liabilities	-	122,583	-	-	-	122,583

Capital Management

Total capital is considered to be the total equity as shown in the statement of financial position.

The Company is a closed-end fund and repurchase of shares in issue can be done with the consent of the Board of Directors. The Company is not subject to externally imposed capital requirements.

The objectives for managing capital are:

- To invest the capital in investment meeting the description, risk exposure and expected return indicated in the admission document.
- To achieve consistent capital growth and income through investment in value, arbitrage and special situations opportunities derived from the African continent.
- To maintain sufficient size to make the operation of the Company cost effective.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

14(b). AT THE MASTER FUND'S LEVEL

The financial risks at Master Fund Level are described as follows:

Fair value

The carrying amount of financial assets and liabilities at fair value through profit or loss held at Master Fund level are measured at fair value at the reporting date. The carrying amount of other receivables, cash and cash equivalents, trade and other payables and amount payable to related party at Master Fund levels approximates their fair value due to their short-term nature.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Market risk

The market risk lies primarily at the Master Fund level. Short selling involves borrowing securities and selling them to a broker-dealer. The Master Fund has an obligation to replace the borrowed securities at a later date. Short selling allows the Master Fund to profit from a decline in market price to the extent that such decline exceeds the transaction costs and the costs of borrowing the securities, while the gain is limited to the price at which the Fund sold the security short. Possible losses from short sales may be unlimited as the Master Fund has an obligation to repurchase the security in the market at prevailing prices at the date of acquisition.

With written options, the Master Fund bears the market risk of an unfavourable change in the price of the security underlying the option. Exercise of an option written by the Master Fund could result in the Master Fund selling or buying a security at a price significantly different from its fair value.

A contract for difference creates, as its name suggests, a contract between two parties speculating on the movement of an asset price. The term 'CFD' which stands for 'contract for difference' consists of an agreement (contract) to exchange the difference in value of a particular currency, commodity share or index between the time at which a contract is opened and the time at which it is closed. The contract payout will amount to the difference in the price of the asset between the time the contract is opened and the time it is closed. If the asset rises in price, the buyer receives cash from the seller, and vice versa. The Master Fund bears the risk of an unfavourable change on the fair value of the CFD. The risk arises mainly from changes in the equity and foreign exchange rates of the underlying security.

The Master Fund's financial assets are susceptible to market risk arising from uncertainties about future prices of the instruments. Since all securities investments present a risk of loss of capital, the Investment Manager moderates this risk through a careful selection of securities and other financial instruments. The Master Fund's overall market positions are monitored on a daily basis by the Investment Manager.

The directors have based themselves on past and current performance of the investments and future economic conditions in determining the best estimate of the effect of a reasonable change in equity prices, currency rate and interest rate.

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of the equity indices and the values of individual stocks.

The equity price risk exposure arises from the Master Fund's investments in equity securities, from equity securities sold short and from equity-linked derivatives (the written options). The Master Fund manages this risk by investing in a variety of stock exchanges and by generally limiting exposure to single investments and to industry sectors, as possible.

Management's best estimate of the effect on the profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. There is no effect on 'other comprehensive income' as the Master Fund have no assets classified as 'available-for-sale' or designated hedging instruments.

In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite impact.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Equity price risk (Continued)

Master Fund	**Change in NAV price**	**Effect on net assets attributable to Shareholders 2025**
		USD
Financial assets at fair value through profit or loss	10%	**1,828,758**
	-10%	**(1,828,758)**

Master Fund	**Change in NAV price**	**Effect on net assets attributable to Shareholders 2024**
		USD
Financial assets at fair value through profit or loss	10%	**1,303,189**
	-10%	**(1,303,189)**

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Currency risk

The Master Fund's investments are denominated in various currencies as shown in the currency profile below. Consequently, the Company is exposed to the risk that the exchange rate of the United States Dollar (USD) relative to these various currencies may change in a manner which has a material effect on the reported values of its assets denominated in those currencies. To manage its risks, the Master Fund may enter into currency arrangements to hedge currency risk if such arrangements are desirable and practicable.

The following table details the Master Fund's sensitivity to a possible change in the USD against other currencies. The percentage applied as sensitivity represents management's assessment of a reasonably possible change in foreign currency denominated monetary items by adjusting the translation at the year-end for the change in currency rates at the Master Fund level. A positive number below indicates an increase in profit where the USD weakens against the other currencies. In practice, actual results may differ from estimates and the difference can be material. The effect of a change in USD against other currencies at the Master Fund level as per the table below will have the same impact at the company level and will form part of the NAV of the subsidiary.

The sensitivity analysis shows how the value of a financial instrument will fluctuate due to changes in foreign exchange rates against the US Dollar, the functional currency of the Company.

Currency Risk - Year 2025

	Currency	Effect on net assets attributable to shareholders in (USD)	
Master Fund			
Change:		**30%**	**-30%**
	Ghana Cedi	(1,693,588)	1,693,588
	Kenyan Shilling	(766,220)	766,220
	South African Rand	(280,434)	280,434
	Zimbabwe Zig	(444)	444
Change:		**5%**	**-5%**
	Great British Pound	(19,857)	19,857

Currency Risk - Year 2024

	Currency	Effect on net assets attributable to shareholders in (USD)	
Master Fund			
Change:		**30%**	**-30%**
	Ghana Cedi	(686,086)	686,086
	Kenyan Shilling	(268,720)	268,720
	South African Rand	(31,530)	31,530
Change:		**5%**	**-5%**
	Great British Pound	(565)	565

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The fair values of the Master Fund's debt securities fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments.

The investments in debt securities have fixed interest rate and the income and operating cash flows are not exposed to interest rate risk. The change in fair value of investments based on a change in market interest rate (a 50 basis points change) is not material and has not been disclosed.

Credit risk

Financial assets that potentially expose the Master Fund to credit risk consist principally of cash balances and interest receivable. The extent of the Master Fund's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Master Fund's statement of financial position (note 15). The Master Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2025	2024
	Master Fund	Master Fund
	Carrying amount	Carrying amount
	USD	USD
Other receivables, excluding prepayments	**178,939**	159,056
Cash and cash equivalents	**135,626**	1,522,662

Concentration risk

At 31 December 2025 the Master Fund held investments in Africa which involves certain considerations and risks not typically associated with investments in other developed countries. Future economic and political developments in Africa could affect the operations of the investee companies.

Analysed by geographical distribution of underlying assets:

	Master Fund	Master Fund
	2025	2024
	USD	USD
Equity Securities		
Ghana	**5,645,289**	2,288,751
Zimbabwe	**7,342,411**	7,605,127
Kenya	**2,554,067**	895,734
Other	**1,414,298**	2,125,800
South Africa	**948,820**	116,481
Nigeria	**382,690**	-
Total	**18,287,575**	**13,031,893**

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Concentration risk (Continued)

Analysed by industry of underlying assets:

	Master Fund 2025	Master Fund 2024
	USD	USD
Equity Securities		
Real Estate	**7,340,929**	7,603,651
Financial Services	**5,772,764**	2,406,708
Utilities	**2,554,067**	895,734
Other	**1,415,780**	2,125,800
Materials	**821,345**	-
Energy	**382,690**	-
Total	**18,287,575**	13,031,893

Maturity Analysis

All figures are expressed in USD.

As at 31 December 2025	**Within 12 Months**	**After 12 Months**	**Total**
ASSETS			
Cash and cash equivalents	135,626	-	135,626
Other receivables	184,072	-	184,072
Equity securities	17,792,191	-	17,792,191
Unquoted equity securities	-	495,384	495,384
Total assets	**18,111,889**	**495,384**	**18,607,273**
LIABILITIES			
Other payables	429,530	-	429,530
Total liabilities	**429,530**	**-**	**429,530**

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

14(b). AT THE MASTER FUND'S LEVEL (CONTINUED)

Maturity Analysis (Continued)

All figures are expressed in USD.

As at 31 December 2024	Within 12 Months	After 12 Months	Total
ASSETS			
Cash and cash equivalents	1,522,662	-	1,522,662
Other receivables	159,056	-	159,056
Equity securities	10,906,093	-	10,906,093
Unquoted equity securities	-	2,125,800	2,125,800
Total assets	**12,587,811**	**2,125,800**	**14,713,611**
LIABILITIES			
Other payables	428,904	-	428,904
Total liabilities	**428,904**	**-**	**428,904**

15. ANALYSIS OF NAV OF MASTER FUND ATTRIBUTABLE TO ORDINARY SHARES

	2025	2024
	USD	USD
ASSETS		
Cash and cash equivalents	135,626	1,522,662
Other receivables	184,072	159,056
Financial assets at fair value through profit or loss	18,287,575	13,031,893
Total assets	18,607,273	14,713,611
EQUITY AND LIABILITIES		
Liabilities		
Other payables	429,530	428,904
Total liabilities	429,530	428,904
Net assets attributable to members' account	**18,177,743**	14,284,707

16. SEGMENT INFORMATION

For management purposes, the Company is organised in one main operating segment, which invests in equity securities, principally via the Master Fund. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all material operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

For geographical segmentation at the Master Fund level, please refer to Note 14.

17. PERSONNEL

The Company did not employ any personnel during the year (2024: nil).

18. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies at the reporting date.

19. EVENTS AFTER REPORTING DATE

As at the date of the approval of these financial statements, the directors are aware of the recent geopolitical tensions and armed conflicts in the Middle East and do not underestimate the seriousness of these events and the impact this will have on the global economy. The directors continue to assess the impact on the Company, as the impact on global energy markets, the increased burden on African consumers from an inflationary environment and the impact on countries with significant sovereign indebtedness, are all areas for analysis and concern. While the Company does not have any transactions with countries in the affected regions, the ongoing conflict has global implications. At this time, the directors have determined that the events do not have a material impact on the financial statements. Nevertheless, due to the uncertainty surrounding the duration and extent of the conflict and the potential for broader economic impacts, management will continue to monitor the situation closely.

Other than the above, the directors are not aware of any material event since the end of the reporting date which would require additional disclosure or adjustment to the financial statements for the year ended 31 December 2025.

SHARE PRICE

Prices of Africa Opportunity Fund Limited are published daily in the Daily Official List of the London Stock Exchange. The shares trade under Reuters symbol "AOF.L" and Bloomberg symbol "AOF LN".

MANAGER

Africa Opportunity Partners LLC.

COMPANY INFORMATION

Africa Opportunity Fund Limited is a Cayman Islands incorporated closed-end investment company admitted to trading on the SFS operated by the London Stock Exchange.

CAPITAL STRUCTURE

The Company has an authorized share capital of 1,000,000,000 ordinary shares of US$0.01 each of which 11,468,907 are issued and fully paid.

REGISTERED NUMBER

Registered in the Cayman Islands number MC-188243.

Website

www.africaopportunityfund.com