

Introduction – Harry Wulsohn (Imara Group co-CEO)

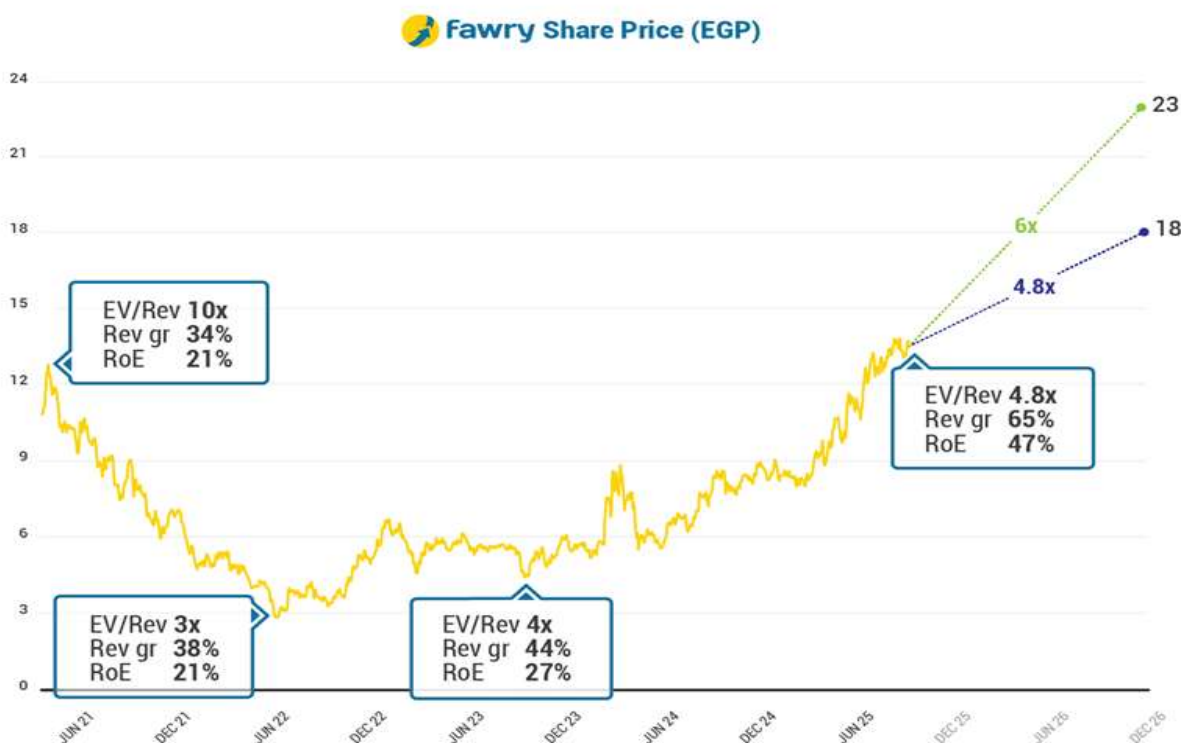
I believe Imara is unique in that we give you access to this booming African fintech sector through investments in listed companies. Most investors approach this space via venture capital, which certainly offers significant opportunities—and we do also participate. However, as you will hear shortly, the opportunity in the listed African fintech sector today is especially attractive. It has the potential to deliver you returns comparable to venture capital, but without the corresponding risks of early-stage illiquid investing.

Our Imara African Opportunities Fund, focused on listed fintech and payment companies across Africa, has delivered a +30% return YTD and +46% over the past 12 months. After navigating a challenging few years, we're now seeing powerful tailwinds - portfolio fundamentals remain robust, earnings continue to rise strongly, and even after this recent rally, valuations are still extremely low - all this pointing to a compelling entry point. In short, we believe we're at the early stages of a sustained rally and this is now an opportune moment to invest.

I will now handover to Tony Schroenn our fund portfolio manager and partner in Imara Asset Management.

Tony Schroenn: opening Salvo – Fawry Teaser Chart

Thanks Harry, I want to dive straight into a powerful chart and one that has two important messages to convey. This chart is the share price, in Egyptian Pounds, of one of our key picks and heaviest weighting in our Fund, **FAWRY**.



The First Message - while it was an extremely tough three years from mid 2021 to 2024, Fawry's underlying operational and financial performance has remained strong, regardless of the multitude of crises and negative factors affecting capital markets globally. Our theory of robust consumption, driven by Africa's three megatrends; Economic formalization, Urbanization and Financial Inclusion, **has held true**. Particularly Financial Inclusion, which Fawry and our Fund tap into, has marched on at a relentless pace. If you look at the annotations on the chart at the share price trough, there was **a total disconnect between share price and financial performance**. Fawry's **revenue growth was accelerating as was its Return on Equity (RoE)**. For those of you that follow us, we have been pounding the table on this the whole way through!

The Second Message - is where to from here? While one would have liked to have bought at the very bottom, conventional investing wisdom says a sustained bounce AND on continued strong financial performance, is a healthier entry point. **That point is NOW!** As the chart shows, we have certainly seen a sustained bounce AND strong operating and financial performance. The purple dotted line shows where the share price should in go in 2026 if the revenue multiple simply stays at 4.8x where it is now. However, we believe, substantially improved profit margins and a +50% RoE, justify expansion of the multiple. If the multiple rises to just 6x, the green dotted line shows **share price can double from here**.

Why is Fawry doing so well? Fawry is enabling and benefitting from financial inclusion and the so-called cash to non-cash revolution in Africa. Our fund is invested in the high quality companies in Africa, driving and benefitting from financial inclusion and this cash to non cash revolution on the continent.

The Cash to non-Cash Revolution

Lets take a step back, what is the cash to non-cash revolution. I want you to personally identify with this concept by simply looking at your daily lives. We never use cash any more! If you want to see it manifested in the numbers, just Google credit and debit card usage in the US and EU or ask ChatGPT to do a pie chart of cash as percentage of payments in 2000 vs 2025. take a minute to do it after the call, as, if I show it to you it will just be another chart. What these charts will show you is that in the developed world the non-cash revolution has happened and is not slowing down.

Lets break it down a bit, what tools made it happen....So, you the consumer/user had to have a card or phone linked to a card, BUT, just as importantly, the place you buy from ie the merchant had to be able to accept your card or phone. Then there had to be sufficient convenience and utility for you and your fellow consumer to use this method, to buy more things, more often, from more and more merchants who were similarly incentivised and enabled to accept your card or phone.

The opportunity in Africa is that the tools to pay non-cash by African consumers are fewer, and particularly, the tools for merchants to accept non-cash, are even fewer. With the bulk of payments in Africa still with cash, the opportunity for companies giving the tools to both the consumer and the merchant, to move away from cash, is MASSIVE. To quantify the opportunity, On the individual/consumer side between 80-95% of transactions are still in cash v DM at under 20%. On the merchant side, the number of Point of Sale devices ranges from 100-500 devices per 100k population vs 2,500 in Brazil and closer to 5,000 in the EU.

We are invested in innovative companies: banks, telcos and payments that are rapidly tooling up, and enabling, their individual and merchant customers. We are also invested in Fintechs whose software enables these companies.

- To the sceptics who say it sounds all good and wellbut can it really happen in Africa... I would say, its already happening and this trend will continue despite any macro volatility.
- To those wondering how far it can go and can it really follow Developed Markets, I would say look at cellphone adoption in Africa and how rapidly that caught up.
- To those concerned with technology risk, this is proven technology being rolled out to greener pastures.
- To those worried about individual company/corporate governance....we are invested in high-quality, listed, regulated, well-governed and high ROE companies.
- To those worried about political, macro or liquidity risk, we are diversified across Africa's larger markets, where massive growth offsets this risk. Importantly, Africa has changed materially with improving politics and central banks plus a growing educated urbanizing youth eager to consume. The game changer is that they all now have a mobile phone. This 'rising tide of Africa' is the momentum that supports the business strategies of our quality companies, and the vision that this cashless revolution is now a reality. We are hitting mass adoption with the steepest part of the curve now.

The Investment Case

Ok, so bringing this back to an investment level. In this exciting space, what type of companies do we like and why do we like them. Put simply, we like companies that generate a steadily increasing return, that is higher than their cost of capital. A sustained, high return on capital tells you alot of what you need to know about **QUALITY**.

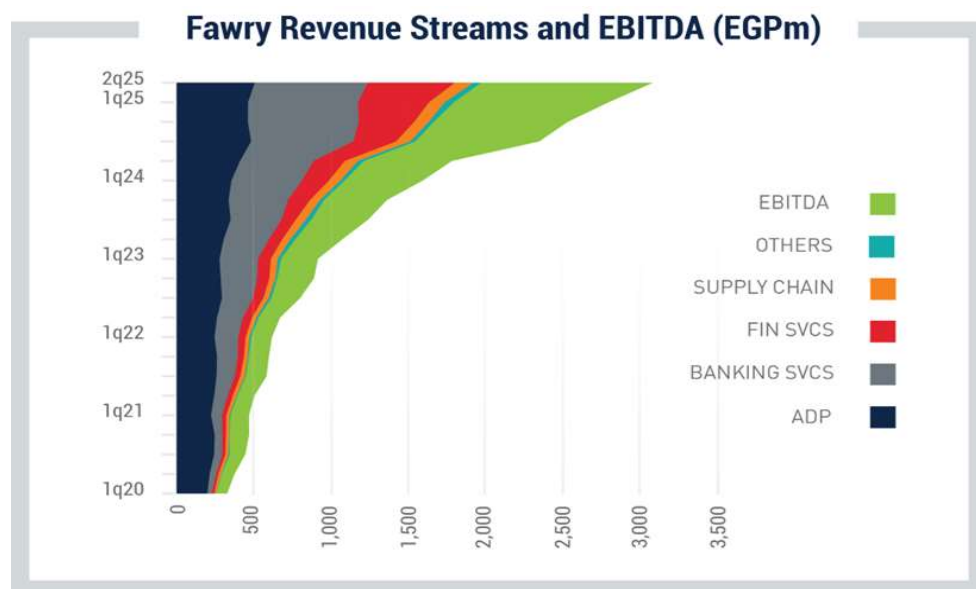
- Quality of management.
- Quality of the business model.
- Quality of the competitive moat.
- Our 20 years' experience has shown that Quality companies consistently outperform and grow market share through the difficult times, and remain the dominant provider during booming markets.

Thats the easy part, thats Finance 101. The hard work we do, at the desk and traipsing around Africa, is to understand **Firstly, the components that drive return** and **Secondly, what characteristics of the business model repeatedly give the best component scores**. If you understand the components and the characteristics that drive them, you have a winning formula. We use an in-house system, that scores our designated components...consistently, repeatedly and have been doing so every quarter for the last 15 years.

Ok, that's all good and well, but what have we learned over these 15 years, what has our system told us and importantly, how does that benefit you as an investor looking at Africa. Our key learning is that Africa has large populations, however low incomes, so volume and market share is key. Companies that tend to do well in our QVG system, are those that are able to access the whole income pyramid,

- Thereby generating small, but high volume, repeatable purchases.
- Secondly by leveraging scaleable technology, large distribution networks and brand loyalty.
- Thirdly by offering additional products, for extra revenue at low marginal cost.

This is why we like Fintech and the Payments space in Africa, good companies in this sector, exhibit all these characteristics and it should be no surprise that they score highly on our system and generate high return on capital. in tough times they actually gain market share and get stronger.



Take a look at the slide on the screen, this is Fawry again. Using the analogy of a runway, we like companies with a long and wide runway for growth. The length of the runway is the Total Addressable Market (TAM) for its core product and the width of runway refers to the ability to offer additional, low marginal cost services over the same platform. This chart is a perfect demonstration of a long and wide runway generating higher returns. The dark blue line is the core revenue, which grows at a healthy clip, but look at the other revenue streams coming in. Notice how EBITDA grows. **BUT MOST IMPORTANTLY**, Return on capital grew from the mid teens to the mid forties....way, way higher than its cost of capital.

Moving on from Fawry, I would like to touch on two other key holdings in our portfolio.

Equity Group – Kenya’s Financial Inclusion Champion!

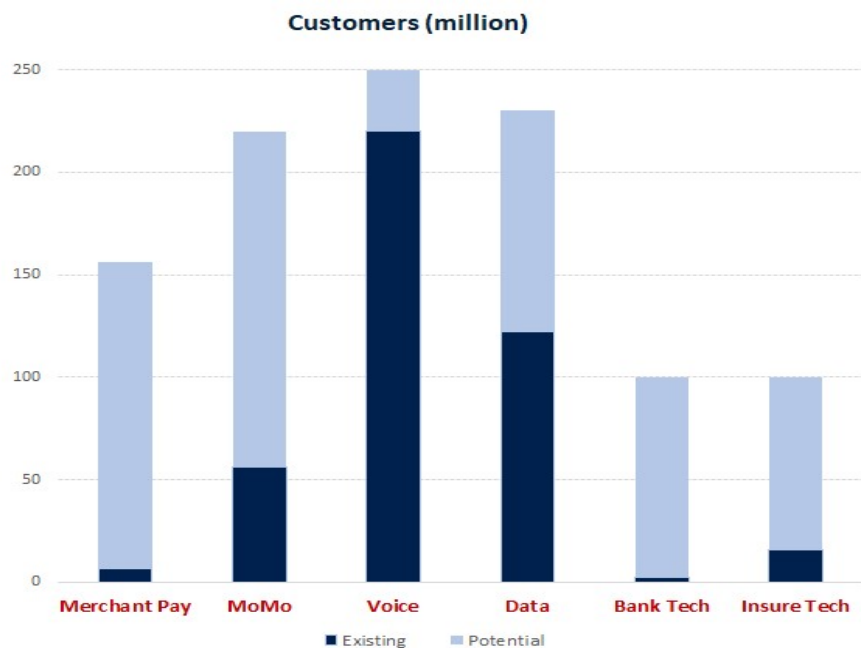
Equity pioneered agency and then mobile banking in East Africa, becoming the region (and Africa’s) largest bank by customers. Having more than 20 million individual (or retail in industry parlance) has given Equity a sustained competitive edge in cost of deposits and liquidity. They have also been able to leverage the customer base to provide a host of additional services for low marginal cost revenue streams. These two factors generated higher margins and allowed them to generate and sustain a high RoE. The high RoE has in turn allowed them to retain capital for growth (two thirds), while paying out a healthy dividend to shareholders (one third).

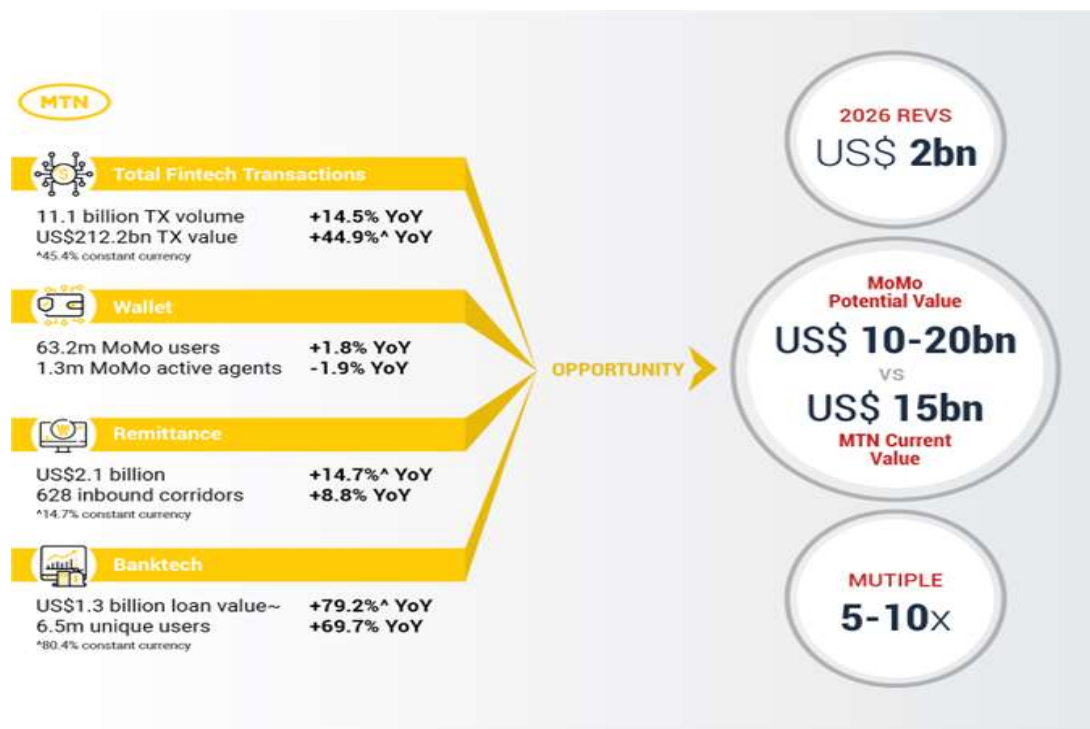
There has been a complete disconnect between financial performance and the share price. Despite a bounce and sustained rally, Equity is at a ridiculous valuation of 0.7x Book value. Our conservative fair multiple of 1.3x would see this **share price almost triple** by the end of next year. **ADDED to that, over that period you will pick up two healthy dividend cheques of 10% and 12% yield!**



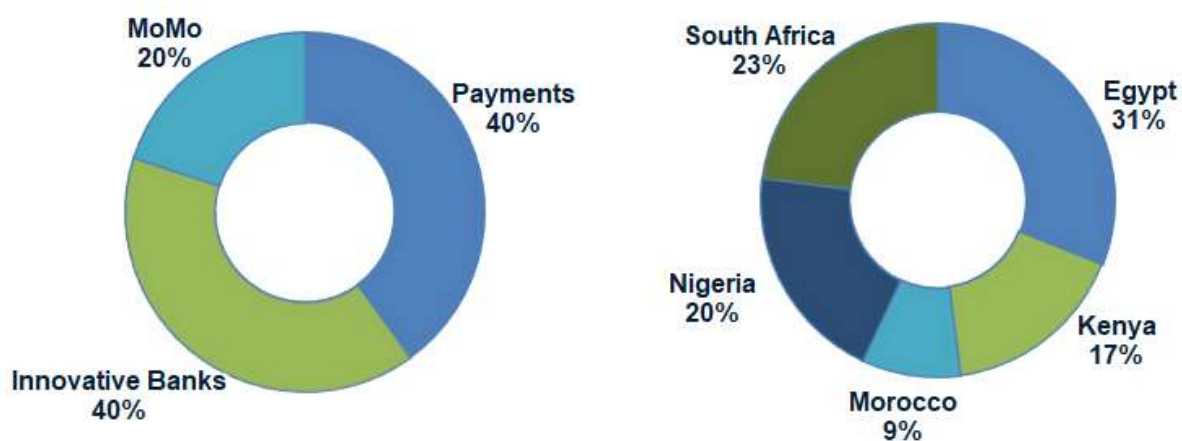
MTN – Real potential for MASSIVE value release

The chart below is another demonstration of a LONG and WIDE runway for growth. The slide following shows the potential for massive value release from the spin off of MTN's MoMo division.





The Portfolio – Sector and Geographic Exposure



Conclusion

To conclude, the Fund is invested in a concentrated number of high conviction, high quality, high growth companies.

We are extremely bullish on the return prospects for the Fund. While there is no doubt risk attached, it is mitigated by:

- Proven technology/no technology risk, with already strong uptake.

- High quality AND high return companies, with downside risk further mitigated by investing at these historical low valuations
- Geographic diversity in Africa's largest markets.

Q&A

1. **As a US Dollar investor how do you manage currency risk?** - all our companies are growing revenues significantly higher than Nominal GDP – ie higher than real GDP growth AND inflation! The “AND inflation” part is critical, as currency depreciation (Economics 101 and PPP theory) is a function of inflation. Also, and most importantly, RoE is higher than the local cost of capital. Fawry's rev growth is +60% vs Egypt's forward inflation of 12%, while ROE is +50% compared to Egypt's cost of capital hurdle of 18%.
2. **We have heard for 20 years that Africa is the next 'big opportunity'. Why do you think that this rally is sustainable?** - Firstly, Africa's main economies where we invest have materially changed, as mentioned above; 'the rising tide of Africa'. This improving domestic governance is driving a new domestic pension fund and local asset management community. This recent rally is largely driven by these local more long term investors rather than the previous rallies driven by much more fickle foreign investors. Domestic investors are driving domestic markets. Lastly, our fund is investing in the 5 biggest economies in Africa backing a single theme, the shift from cash to cashless, which will happen despite any potential macro or political turmoil.
3. **Isn't this current rally a function of dollar weakness?** - historically dollar weakness has been the momentum for EM & FM. Certainly it is a contributor to this rally, but as we have discussed a growing domestic investment community, the 'rising tide of Africa' and our focus on this payment theme which has momentum despite any global or local macro headwinds, gives us confidence in this rally despite US Dollar volatility.