

AFRICA FINTECH OVERVIEW

PUBLIC MARKETS

The Imara African Opportunities Fund, investing in listed fintech and payment companies, is up 11.9% in April. May is off to a strong start, up 7.3%. And the Fund is up almost 70% for the last 12 months.

The speed and strength of the recovery is telling. Usually post crisis recoupment take months. We noted that our key markets were in the strongest shape going into the crisis and the draw-down in March really does look like a speed bump.

- FX reserves remained robust.
- FX Policy and Central Banks did what they were supposed to. Remain flexible and open, allowing market based price discovery and acting as a shock absorber. Remarkably, and POSITIVELY, currencies remained relatively stable.
- Liquidity remained strong – allowing more cautious investors to exit and long term investors to buy the dip.

Sentiment in, and toward, Africa is clearly positive....and for good reason. The growing wave of operating and financial investors continues unabated. As if on cue, the foreign passive flows are starting to dust themselves off and take Africa more seriously. The below two developments are about the biggest investing GREEN LIGHTS you can get.

- FTSE Russell has announced the reclassification of Nigeria from “Unclassified” to “Frontier market status,” ending a more than two-year hiatus that saw the country excluded from its indices. The move signals renewed investor confidence and is expected to open Nigeria’s stock market to increased foreign capital inflows.
- The yield on Nigerian Eurobonds (USD denominated, liquid) fell to just below 8%, their lowest in history. This trend is not surprising, given that recent issuances have been 4-5x oversubscribed!

Not to detract from the above, but the BEST IS YET TO COME. While foreign investor activity is important, a sustainable recovery and the coming multi-year rally, will be supported by domestic investors. People that know their market and are committed for the long term. We have talked at length about increased domestic institutional capital pools, but the retail story is also developing. Take Egypt for example, where the 164,230 new Egyptian Stock Exchange accounts registered in 1q26, rose 216% from 1q25. In Kenya, since the launch of Ziidi trader a few weeks ago, which allows MPESA users to trade shares, 500k users have signed up and over 300k have traded. Kenya alone has 35m MPESA users, so watch this space!

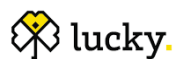
Look out for the bumper q1 earnings releases in our next report. Remember, as earnings go, so do stocks...

For more insights and developments, please our detailed country sections in the body of the report.

VENTURE CAPITAL AND PRIVATE EQUITY DEAL UPDATE



Swoop, an Eswatini-born startup, has raised \$7.3 million in seed funding to take a swing at Nigeria’s food delivery market and kick off broader super-app ambitions. The company, which recently entered Lagos, starting with Yaba, plans to begin with food delivery before expanding into groceries and mobility. Backed by a mix of global investors, Swoop is betting less on price wars and more on growing the market by converting new users.



Egypt’s Lucky raised \$23 million in a Series B as it pivots from a cashback app into a full-fledged neobank. The company, which already offers credit lines and payment cards, is now chasing a PSP license and expanding across North Africa. It also reported 3x growth in 2025 and hit profitability, a combo that’s getting rarer.



Zazu has partnered with Visa to launch digital business accounts in Morocco, bundling banking, payments, and expense management into one system. SMEs can open accounts, issue cards, and track spending in real time, no patchwork tools needed. It’s banking as a dashboard. And fewer headaches for founders.



Egypt's MNT-Halan has raised \$41.3 million through another securitisation, its fifth under a larger \$213 million programme. It bundles loans into bonds, sells them to investors, and recycles the capital into more lending. It's how the fintech scaled to unicorn status without giving up equity. Debt, but make it a growth engine.

ECONOMIC AND POLITICAL OVERVIEW

■ ■ NIGERIA

Nigeria's non-oil exports hit USD 6.1bn, reach 210 markets. Nigeria's non-oil export sector recorded a historic milestone in 2025, with export value hitting USD6.1 billion and market reach expanding to 210 countries.

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Insurance industry records 47.3% growth in premium to NGN 2.3trn. The insurance industry recorded a 47.3% y/y growth in gross premiums written to NGN 2.301trn in 2025 from NGN 1.558trn recorded in 2024.

Macro releases included (March Stats):

- Inflation increased to 15.4% y/y (Feb: 15.1%).
- FX reserves decreased to USD 49.4bn (Feb: USD 49.5bn).
- PMI was 51.9 (Feb: 53.2).

15.4% y/y
INFLATION
RATE

US\$ 49.4bn
FX
RESERVES

51.9
PMI

■ ■ EGYPT

Egypt's government pushes hard on asset sale steps. The Egyptian government is pressing ahead with measures to meet its plan of asset sales. In one new progress, the government is said to plan the temporary listing of 10 petroleum companies on the stock exchange within two months. The list includes the General Petroleum Company, Engineering for Petroleum and Chemical Industries (ENPPI), Petroleum Projects and Technical Consultations (Petrojet), San Misr, Alexandria Petroleum Maintenance (Petromaint), and Marine Petroleum Services, in addition to Egyptian Drilling, according to sources cited by Asharq Business. A final decision is expected during a meeting scheduled before the end of the week between the SOE Unit of the Cabinet and the Ministry of Petroleum. A gov't official anticipated the first company to be listed by 3q26, with the stakes offered ranging between 10% and 20%. In parallel, the SOE unit is considering expanding the list of companies targeted for temporary listing to 30. Finally, the government received proposals from four investment banks presented to the SOE unit for the upcoming IPO mandates.

IMF says inflation, structural reforms top Egypt's priorities amidst energy price pressures. A senior IMF official urged Egypt to monitor the impact of rising energy prices on inflation and to press ahead with structural reforms to make the economy more resilient, after swift measures taken by the authorities have so far contained the impact of the Iran war. Jihad Azour, the IMF's Middle East and Central Asia Director, said the repercussions of the conflict on Egypt's economy remain limited, thanks to the use of the exchange rate as a first line of defence against shocks, the authorities' decision to raise energy prices and the government's focus of subsidies on the most vulnerable segments of society. Azour stated that the next phase of crisis management requires monitoring the impact of rising energy prices on inflation, adding, "If price pressures persist, then, like any other country, they will have to activate monetary policy tools." Azour also urged Egyptian authorities to expedite the implementation of structural reforms deemed necessary by the IMF, including strengthening the private sector's role in the economy through the implementation of the public offering programme and managing public debt, in light of "the high level of debt and the escalating cost of servicing it."

Central Bank of Egypt (CBE) Governor Hassan Abdhallah asserted that reforms since 2024 have positively impacted the economy's performance, with the inflation rate declining from its peak of 38% to 11% in Jan and record rise in international reserves to USD53bn by Mar. In remarks made through video conference in participation of the IMF/WB Spring meetings, the Governor addressed the impact of regional conflicts on inflation, the balance of payments and

capital flows, emphasising the CBE’s commitment to a flexible FX policy, which allows it to absorb external shocks. He noted that the EGP has recovered c50% of its previous losses in a short period, supported by improved capital inflows and stabilisation scenarios. Abdullah affirmed that these indicators reflect the improved resilience of the Egyptian economy and bolster confidence in the long-term reform process. He indicated that the CBE’s readiness to take all necessary measures to maintain stable inflation expectations. He also stressed the importance of strengthening international cooperation and the role of international financial institutions in providing the necessary liquidity to address shocks, emphasising that the IMF remains a pivotal player in this regard, especially if pressures persist for extended periods.

Macro releases included (March Stats):

- Inflation was 15.2% y/y (Feb: 13.4%).
- FX reserves were USD 52.8bn (Feb: USD 52.8bn).
- PMI decreased to 48.0. (Feb: 48.9).



 **KENYA**

Kenya has officially launched the Kenya International Investment Conference (KIICO) 2026, a flagship investment forum expected to mobilise more than Sh260 billion (USD2 billion) in new investment commitments, as the country steps up efforts to position itself as a regional investment hub.

Kenyan farmers are set to gain full access to the Chinese market after China agreed to remove tariffs on agricultural imports from Kenya beginning May 1, 2026.

The Central Bank of Kenya (CBK) and the National Bank of Rwanda (NBR) have signed a Memorandum of Understanding (MoU) to simplify licensing procedures and expand cross-border payment services between Kenya and Rwanda.

Macro releases included (March Stats):

- Inflation was 4.4% y/y (Feb: 4.3%).
- PMI slide to 47.7 (Feb: 50.4).
- 2q23 current account deficit widened to KES 138.7bn (USD 920m).
- The Central Bank of Kenya (CBK) anticipates GDP growth for 2023 at 5.7%.



 **MOROCCO**

Morocco's annual headline inflation rose to 0.9% in March, from a deflation of 0.6% in February in the first reading post the outbreak of the US-Iran war, according to data released by the country’s statistics agency on Wednesday. Food inflation stood at 0.6%, rising from a 2% deflation, while non-food also accelerated to 1.1% from 0.4%. On a monthly basis, inflation jumped by 1.2% the highest pace in nearly three years, reflecting the rising cost of food and transport.

The inflationary pressures are a mix of seasonal factors, associated with Ramadan, as well as rising global oil prices, due to the regional war. We note, though, that underlying inflationary pressures were rather tame, with core inflation rising only 0.1% m/m. In this respect, the reading shows a limited impact of the war in its first month. This is partially due to the government’s shielding some segments of the population from rising fuel prices, including taxis, buses and trucks. We expect the inflationary impact of the war to feed through the economy over the coming few months, though, we do not anticipate any major acceleration in the country’s inflation readings.

Macro releases included (March Stats):

- Inflation was 0.9% y/y (Feb: -0.6%).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).



 **MAURITIUS**

Macro releases included (March Stats):

- Inflation was 2.7% y/y (Feb: 3.5%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.



COMPANY UPDATES

Key to brackets: (Country | Industry)

MARKET OUTLOOK

Africa is expected to outperform the rest of the world with an improved outlook in 2026. We continue to allocate to high quality businesses; those that score highly on our internally developed, Likert Q-scoring system, both currently and over time. We have two additional quantitative overlays, valuation and growth. We also have two qualitative overlays being management and ESG. What is particularly exciting is that we have a number of businesses across Africa that fit these criteria. The key transformational trends of financial inclusion, urbanisation and economic formalisation underpin a robust African consumer story that is taking shape regardless of global volatility. We allocate to the best companies in the sectors that tap into this transformation. At the moment, we have a bias towards financial inclusion and fintech themes as they do particularly well on our growth metrics.

Nigeria

The new President is taking reforms seriously, a hugely positive signal to the markets. The communications, fintech and banking sectors are growing strongly, yet high quality companies exploiting these, are at all time low valuation multiples.

Egypt

The short term outlook for Egypt is extremely positive on the back of the UAE real estate deal, the IMF and the World Bank deals. The tourism outlook has improved, wheat prices have halved, and strong remittance growth has returned. With the bulk of household consumption in cash, the investment opportunity for us in fintech is immense in this 100m population country and it will also drive economic formalisation and increased government revenue through widening of the tax net.

Kenya

Continued recovery in tourism, lower soft commodity import prices and a rebound in food exports should provide tailwinds. Corporate expansion into neighbouring countries such as the DRC and Ethiopia, provide significant opportunities for Kenya. Safaricom and Equity Group are the two main drivers. IMF and World Bank support will also allow the country to maintain a strong growth trajectory.

Morocco

Morocco's key economic drivers are mining, agriculture and tourism. Tourism is rebounding with positive indicators for 2026. In terms of outlook, it remains a stable, mid-growth country with excellent opportunities in retail, manufacturing and fintech.

Mauritius

Tourism rebounded and growth prospects are positive.