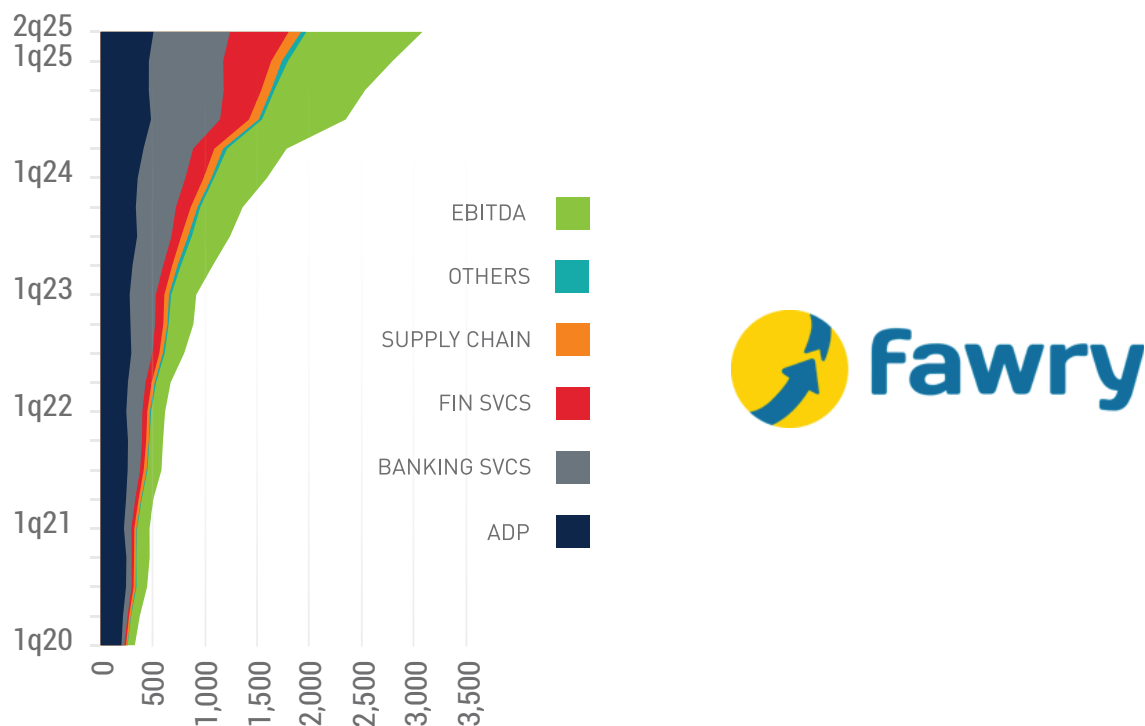


AFRICA FINTECH OVERVIEW

PUBLIC MARKETS: EXCEPTIONALLY STRONG Q2'S AS PROMISED!

Fawry - A great example of WIDTH and LENGTH of runway to visualize the GROWTH and PROFITABILITY prospects of our investments. To demonstrate the concept of long and wide runways, it would be hard to find a better example than Fawry, one of our key positions in the Egyptian fintech space. The chart below shows the evolution and contribution from 1q20 to 2q25 to revenues by the different streams, as well as the growth, in Green, of EBITDA. The Green line is critical, as we have long argued that these new revenues carry little incremental cost and therefore boost margins. **Over the period, EBITDA has grown a fantastic 16-fold.** Egypt's extremely low penetration of financial services will ensure that these growth rates will continue into the foreseeable future.

Fawry Revenue Streams and EBITDA (EGPm)



For the second quarter specifically, revenues grew 63%, EBITDA +95% and EPS a whopping 103%. Encouragingly, the original service, Alternative Digital Payments (ADP) is having a re-acceleration to +23%, as new products get put on the ADP platform. The newer services like Acceptance and Financial Services are growing at 73% and 176% respectively.

From a valuation perspective, **Fawry trades at a forward EV/EBITDA of 9x and an EV/Revs of 4.9x, with a PE of 15x.** This is extremely cheap for a company growing this fast and with a **RoE of 47%!**



MTN - For the six months to 30 June 2025, MTN delivered an excellent performance with group revenue +23% and Fintech revenues coming in +35%. EBITDA came in +42%, while adjusted EPS jumped 77%. RoE came in at 22%, which puts their year end target of 25%, well within reach. Within the Fintech division, the strong operating metrics continue to show robust growth, with 63m users, transaction volume of +15% to 11bn and transaction value +45% to USD 212bn for the six months. MTN trades at a forward PE of 12x, EV/EBITDA of 3x and a dividend yield of 3%. This is incredibly cheap for a company with an RoE of 25% and growing at a healthy clip.



MM Group (MTI) - Reported strong results with revenues +77%, EBITDA +42% and EPS +28%. The company is making significant investments in growth, causing EPS growth to lag revenue growth in the near term. This should unwind and the company remains attractively valued at a forward PE of 10x, EV/EBITDA of 4.9x and with a RoIC of 60%.

VENTURE MARKETS: AFRICA VC AND PE DEAL UPDATE



A growing number of Nigerian retail investors are tapping into the country's stock market, with trading volume jumping 88% month-on-month to ₦516.50 billion (\$336 million) in July. This surge is being driven by fintech and brokerage firms that are making investing more accessible by lowering minimum investment thresholds. As a result, the Nigerian Exchange (NGX) is seeing a rise in new brokerage accounts, especially from younger, tech-savvy Nigerians looking for alternatives to traditional savings.



VEA Capital Partners has made a strategic investment in StraTech, a South Africa-based fintech that builds deeply integrated financial infrastructure for high-volume industries like gaming and logistics. Unlike typical fintech platforms, StraTech's platform helps large enterprises manage complex payments, automate reconciliation, and gain real-time oversight of their cash flow. The new capital will be used to expand into new industries and African markets.



MTN MoMo South Africa has rolled out a rent-to-own smartphone service, giving customers access to 4G and 5G devices from just R10 (\$0.55) per day with no credit checks or paperwork required.



In more news from SA, its central bank, the SARB, is now allowing fintechs, and not just traditional banks, to access the country's main system for moving money—the National Payment System (NPS). This change is meant to encourage new ideas and help more people use financial services, especially in communities that banks don't fully serve. To keep everything safe, the central bank has put strict rules in place to protect both the system and consumers' money.

ECONOMIC AND POLITICAL OVERVIEW

■ ■ NIGERIA

Nigeria is preparing to revisit its pension investment regulations that will allow a greater share of the country's USD17bn pension assets to flow into infrastructure and private equity, two sectors seen as critical to driving higher returns for retirees and fueling national development.

Nigeria's FX reserves climbed to their highest level in more than seven months, reaching USD40bn as of August 8, 2025, according to the latest Central Bank of Nigeria data.

Against the back drop of strains in the Nigerian economy arising from dependence on oil for government revenue, Nigeria's **non-oil exports rose 19.6% to USD3.3bn** in the first half of 2025, from USD2.7bn recorded in the corresponding period of 2024.

President Bola Ahmed Tinubu has **signed into law the Nigerian Insurance Industry Reform Act 2025**, a transformative piece of legislation aimed at modernizing Nigeria's insurance sector and accelerating the country's journey toward a USD1 trillion economy. This is an important development, across the board, Africa and particularly Nigeria, has plenty of demand for services, however one of the major obstacles to growth is often the presence of outdated regulation in critical sectors.

Macro releases included (July Stats):

- Inflation decreased to 21.9% y/y (June: 22.2%).
- FX reserves increased to USD 39.3bn (June: USD 37.2bn).
- PMI was 54.0 (June: 51.6).

21.9% y/y

INFLATION
RATE

US\$ 39.3bn

FX
RESERVES

54.0

PMI

EGYPT

Egyptian Finance Minister **hails falling debt ratio, tax packages**. Egypt's public external debt declined by cUSD500m by the end of last June, reaching USD79bn. Preliminary indicators show a decline in the budget debt ratio from 89% in June 2023 to 86% of GDP last June. On another note, the results of the tax reform package over the past six months have been encouraging, prompting the govt to continue the process and launch similar packages. Approximately 402k taxpayers have requested the settlement of tax disputes, and 107k have voluntarily joined the simplified system so far. Moreover, c650k new and amended tax returns were voluntarily submitted, representing an additional EGP78bn (USD1.6bn).

Bookings for 4Q25 revealed an increase in the number of tourists arriving in Egypt is expected, ranging between 10% to 15% Y-o-Y, according to a number of local operators. The Red Sea Tourism Investment Association said that inbound tourism to Egypt is progressing very well in all tourist cities during the summer season, with occupancy rates in most Red Sea hotels exceeding 80%, with some seeing more than 90% occupancy. Tourist arrivals are expected to rise 10 to 15% in 2025, reaching more than 17m by the end of the year. **This is extremely positive for Egypt, as tourism is one of the strongest drivers of employment and FX generation.**

Egypt signed four agreements with international firms worth more than USD340m to explore gas and oil in the Mediterranean and Nile Delta. They include a USD120m deal with Shell and a USD100m deal with Italy's Eni, the statement said. In another development, the Petroleum Ministry said Friday that two new wells in the deep water West Delta have gone online, adding c60m cubic feet per day (mcf) of natural gas to the country's output. The new output from the West Delta includes 50mcf from the Sapphire South Central DP well, the third drilled under phase 11 of the West Delta Deep Marine development with investment from Shell, and 10mcf from the Scarab D4 well, which was restored after years offline.

Macro releases included (July Stats):

- Inflation was 13.9% y/y (June: 14.9%).
- FX reserves were USD 49bn (June: USD 48.7bn).
- PMI increased to 49.5 (June: 48.8).

13.9% y/y

INFLATION
RATE

US\$ 49bn

FX
RESERVES

49.5

PMI

KENYA

Macro releases included (July Stats):

- Inflation was 4.2% y/y (June: 3.8%).
- PMI slide to 46.8 (June: 48.6).
- 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%.

4.2% y/y

INFLATION
RATE

5.7%

GDP
GROWTH

46.8

PMI

MOROCCO

Inflation by the end of July 2025: The Consumer Price Index decreased by 0.1% in July 2025 as compared to June 2025, translating a 0.5% decrease in the food consumer price index, as well as a 0.2% increase in the non-food consumer price index. CPI recorded a 0.5% increase as compared to July 2024. As for the underlying inflation indicator, which excludes volatile price products and regulated ones, it decreased by 0.1% as compared to June 2025, and 0.9% as compared to July 2024.

Macro releases included (July Stats):

- Inflation was 0.5% y/y (June: 0.4%).
- FX reserves were USD 33.0bn (Jan: USD 32.8bn).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

0.5% y/y
INFLATION
RATE

US\$ 32.8bn
FX
RESERVES

-3.1
GROSS
INVESTMENT

MAURITIUS

Macro releases included (July Stats):

- Inflation was 5.2% y/y (June: 5.4%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

5.2% y/y
INFLATION
RATE

4.5%
INTEREST
RATE

COMPANY UPDATES

Key to brackets: (Country | Industry)

MARKET OUTLOOK

Africa is expected to outperform the rest of the world with an improved outlook in 2025. 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, collapsing all rates to a single I&E window; a hugely positive signal to the markets. This, as new bills have been signed into law coupled with other positive moves, including the removal of fuel subsidies. The road to full recovery will take committed policy change and will be bumpy. 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.

Morocco – Morocco's key economic drivers are mining, agriculture and tourism. Tourism is rebounding with positive indicators for 2025. 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.

Kenya – Peaceful elections and a new, business-friendly President bode well for the country in the foreseeable future. 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.

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