# AFRICA FINTECH OVERVIEW

### PUBLIC MARKETS : WIZZIT PARTNERS WITH JAZZCASH (MPESA OF PAKISTAN)

Wizzit, the African FinTech spearheading the rollout of mobile-based point-of-sale software for banks & telcos, has partnered with JazzCash to launch a secure and efficient payment acceptance platform tailored to boost the Pakistani market. This collaboration empowers over 350k businesses across Pakistan, enabling them to accept card payments seamlessly through their Android devices (phones, tablets).

Jazzcash was established by Mobilink (now called Jazz), similar to the way Safaricom established MPESA in Kenya. Like MPESA, Jazzcash has been extremely successful, boasting 48m users and driving financial inclusion in Pakistan. As in Kenya, Africa and indeed most of the developing world, individuals increasingly have many tools to pay other than cash ie mobile money, virtual card, card, QR code etc. However, they have nowhere to use these, as merchants do not have PoS devices to accept these non-cash methods.

Why?...Well because the incumbent technology, the hard PoS, was too expensive for mass adoption amongst Africa's c100m underserved merchants. SoftPoS or Software on mobile phone, like the fixed line to mobile phone revolution, is changing that. Jazzcash, rolling out SoftPoS to its 350k (and growing) merchant base, is proof and the the physical manifestation of this change! Jazzcash's (as well as many other leading banks and telcos) choice of Wizzit, as their solution and software provider, is excellent validation of Wizzit's team, software, global capability and business model.


### VENTURE MARKETS : AFRICA VC AND PE DEAL UPDATE

**In other VC news**

- 16 venture capital firms in Africa actively funding startups in 2025
- Moroccan fintech PayTic has raised $4 million in a funding round led by AfricInvest. The investment will support its expansion into North and Sub-Saharan Africa and boost its payment automation tools
- Egyptian fintech Valu plans to list up to 25% of its shares on the Egyptian Exchange (EGX) within a year. The IPO aims to strengthen its capital, expand its market reach, and support growth.
- Nairobi-based digital banking startup Umba raised $5 Million in debt financing from Star Strong Capital
- Tanzania based Swahilies received $100K in non-dilutive capital to expand financial services to SMEs.
- PalmPay rolled out Verve debit cards as Nigerian fintechs shift to local providers.

- Paystack, the Stripe-owned Nigerian fintech, launched Zap to facilitate rapid and secure bank transfers within 30 seconds.
- Ivorian fintech Djamo has raised $17 million, the largest ever for an Ivorian startup. The funding will support its expansion and help it offer better financial services to more unbanked people in Francophone Africa.
- South African fintech Peach Payments is acquiring Senegalese payment platform PayDunya, marking its entry into Francophone Africa. The deal is expected to close in the coming months.
- South African fintech Stitch has secured $55 million in funding to improve its end-to-end payment solutions for businesses across Africa. Raba Partnership contributed $4.2 million to the round.
- South African fintech Trade Shield has secured $820,000 in funding from Vumela Enterprise Development Fund, in partnership with Edge Growth. The funds will support growth opportunities in South Africa and globally

## ECONOMIC AND POLITICAL OVERVIEW

### NIGERIA

The latest statistics released by the Nigerian Communications Commission (NCC), has revealed that the total number of **active data internet users reached 142,161,409** as at January 2025, with GSM technology maintaining the market lead with 141,655,587.

Open Access Data Centres (OADC), plans to build a USD240m, 24MW hyperscale data centre in Lagos. The project will be completed in two 12MW phases, with the first phase expected within 18 months. **This initiative will significantly boost Africa's digital infrastructure**, reinforcing OADC's commitment to open-access, hyperscale data centers for connectivity, cloud integration, and digital transformation.

The Nigerian National Petroleum Company Limited has revealed that reforms in the oil and gas sector, driven by the enactment of the Petroleum Industry Act 2021 and Executive Orders issued by President Bola Tinubu, **attracted about USD17bn in foreign investment in 2024**.

The Federal Inland Revenue Service (FIRS) has said its electronic invoicing (e-invoicing) system will be instrumental in increasing Nigeria's tax-to-GDP ratio by improving tax compliance, enhancing transparency, and curbing revenue losses.

**Nigerian economy experienced its fastest growth in productivity since January 2024** in February 2025 when the PMI headline figure rose to 53.7 from 52.0 it recorded in January 2025, the Stanbic IBTC Bank's Purchasing Manager's Index (PMI) report has revealed.

Dubai-based DP World, operator of the Port of Dubai, has proposed establishing an industrial park at Nigerian ports to enhance export processing. The proposal was announced during a delegation meeting in Abuja, where Minister of Marine and Blue Economy Adegboyega Oyetola expressed robust government support for initiatives that modernize port infrastructure and attract strategic foreign investment.

**Macro releases included (February stats):**

- Inflation accelerated to 24.5% y/y (Jan: 24.5%).
- FX reserves slide to USD 38.5 mn (Jan: USD 39.8mn).
- PMI was 53.7(Dec: 52.0).

| 24.5% y/y | US$ 38.5bn | 53.7 |
|---|---|---|
| INFLATION RATE | FX RESERVES | PMI |

### EGYPT

Egypt's economy grew at its **fastest quarterly pace in more than two years**, driven by a strong recovery in manufacturing and strong growth in tourism with both counterbalancing a sharp contraction (70%) in Suez Canal activity and oil and gas production (which registered 19.9% contraction). Egypt's GDP expanded 4.3% Y-o-Y in 4Q24, up from 2.3% in the year before.

Egypt's Net International Reserves (NIRs) inched up in Feb, sustaining a rising trend. NIR rose by USD129m in Feb to USD47.4bn, a **new all-time high**, according to data released by the Central Bank of Egypt (CBE). The rise was driven by a USD435mn rise in value of gold holdings, with the holdings rising by 18k ounces, outweighing a USD297m drop in balance of foreign currencies. Meanwhile, tier-II reserves also increased by USD499mn to USD10.7bn. As a result, total FX reserves (NIR + tier-II reserves) jumped by USD628mn during the month to a balance of USD58.1bn, equivalent to 7.9 months of import cover.

**Macro releases (February stats):**

- Inflation was 24.0% y/y (Jan: 24.0%).
- FX reserves were USD 47.3mn (Jan: USD 47.3mn).
- PMI slip to 50.1(Jan: 50.7).

| 24.0% y/y | US$ 47.3bn | 50.1 |
|---|---|---|
| INFLATION RATE | FX RESERVES | PMI |

## KENYA

KCB Group has posted a 66% rise in its full year profit for 2024 to Sh60bn from Sh36.1bn a year earlier on higher income, helping it reinstate a final dividend to shareholders at Sh1.50 per share.

**Macro releases (February stats):**

- Inflation was 3.5% y/y (Jan: 3.3%).
- PMI slide to 50.6(Jan: 50.5).
- 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%.

| 3.5% y/y | 50.6 |
|---|---|
| INFLATION RATE | PMI |
| USD 920m | 5.7% |
| ACCOUNT DEFICIT | GDP GROWTH |

## MOROCCO

**Cement deliveries up 12.6% by the end February 2025:** The Ministry of National Land Planning, Urban Development, Housing and Urban Policy published the evolution of cement deliveries by the end of February 2025. As such, cement deliveries stood at 1,200kT in February 2025, up 11.5% as compared with February 2024. Cumulatively, cement deliveries rose by 12.6% to 2,485kT over the first 2 months of the current year.

Morocco's tourism sector is sustaining its latest **strong growth trends with arrivals growing 24% Y-o-Y** (equivalent to 521k additional arrivals) in 2M25 to 2.7m tourists, according to the Ministry of Tourism. Arrivals were up 22% Y-o-Y to 1.4m in Feb, driven by foreign tourists, which were up 18% Y-o-Y, as well as Moroccans living abroad (+26% Y-o-Y), according to the Tourism Ministry.

Bank Al-Maghrib's Board decided to **decrease the key interest rate by 25 bps to 2.25%**, taking into account the following elements: **An easing of inflationary pressures, with inflation averaging 0.9% in 2024**. In 2025E and 2026E inflation should establish around 2%; A GDP growth expected at 3.9% and 4.2% in 2025E and 2026E respectively (vs. 3.2% in 2024). In fact, agricultural value added should increase by 2.5% in 2025E, taking into account a cereal harvest of 35mQx, according to a preliminary estimate, and the expected improvement in non-cereal production. In 2026E, the Central Bank expects agricultural value added to rise by 6.1%.

In a welcome development for Morocco's water resources, several dams across the country have recorded substantial increases in their water levels following recent rainfall. Data from the Ministry of Equipment and Water revealed that several dam reservoirs gained over 30mn cubic metres of water in just 24 hours, providing much-needed relief amidst ongoing water scarcity challenges. The improved reservoir levels are expected to enhance water security in regions dependent on these dams, helping to mitigate the effects of water scarcity that has affected various parts of the country.

**Macro releases included (February stats):**

- Inflation was 2.6% y/y (Jan: 2.0%).
- FX reserves was USD 33.0bn (Jan: USD 32.8bn).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

| 2.6% y/y | US$ 33.0bn | -3.1% |
|---|---|---|
| INFLATION RATE | FX RESERVES | GROSS INVESTMENT |

## MAURITIUS

**Macro releases (February stats):**

- Inflation was 0.1% y/y (Jan: 1.9%).
- Bank of Mauritius (BoM) kept the interest rate moved to 4.5%.

| 0.1% y/y | 4.5% |
|---|---|
| INFLATION RATE | 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.