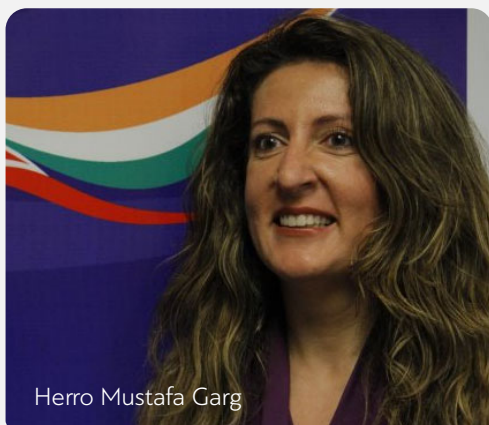


AFRICA FINTECH OVERVIEW

PUBLIC MARKETS: EGYPT CLOSE TO SEALING HISTORIC TRADE DEAL WITH THE USA



Egypt is our largest single country exposure. US Ambassador to Egypt Herro Mustafa Garg said the US and Egypt are poised to sign a historic customs mutual assistance agreement and remove long-standing non-tariff barriers to American exports, a move hailed as a 'win-win' for both nations' economies. Garg made her remarks at Sunday's opening session of the US-Egypt Policy Leaders Forum in Cairo. Garg said the anticipated customs deal would represent a "significant milestone" in unlocking new opportunities for American companies and fostering greater trade transparency and cooperation. "The (Egyptian) government has taken bold steps to remove long-standing non-tariff market barriers to American exports. This represents a significant win for both our countries, for our companies, and for our people," she added.

VENTURE MARKETS: AFRICA VC AND PE DEAL UPDATE



African startups raised \$1 billion between January and May 2025, a 40% jump from the same period last year. Egypt attracted the most funding, pulling in \$330 million across 16 deals and making up 31% of all disclosed investment so far.



Uruguayan fintech dLocal (Nasdaq listed) plans to acquire AZA Finance in a deal worth around \$150 million. The move aims to deepen dLocal's presence in Africa and is still subject to regulatory approval.



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Egyptian fintech Valu has received approval from the Egyptian Exchange (EGX) to list its shares, following a \$27 million raise from Saudi investors. The company plans to use the funding to expand its services and strengthen its digital offerings.



Egypt's Qardy has been acquired by Catalyst Partners Middle East in a \$23.15 million deal, the country's first SPAC merger. The move makes Qardy the first fintech in Egypt to go public through this structure, with Catalyst issuing shares in exchange for Qardy's equity.

ECONOMIC AND POLITICAL OVERVIEW

NIGERIA

Macro releases included (April Stats):

- Inflation accelerated to 23.7% y/y (Mar: 24.2%)
- FX reserves slide to USD 37.9mn (Mar: USD 38.3mn)
- PMI was 54.2(Mar: 54.3).

23.7% y/y

INFLATION
RATE

US\$ 37.9bn

FX
RESERVES

54.3

PMI

EGYPT

Macro releases included (April Stats):

- Inflation was 13.9% y/y (Mar: 13.6%).
- FX reserves were USD 48.1mn (Mar: USD 47.8mn).
- PMI slip to 48.5(Mar: 49.2).

24.2% y/y

INFLATION
RATE

US\$ 48.1m

FX
RESERVES

48.5

PMI

KENYA

Macro releases included (April Stats):

- Inflation was 4.1% y/y (Mar: 3.6%).
- PMI slide to 52.0(Mar: 51.7).
- 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%.

4.1% y/y

INFLATION
RATE

52.0

PMI

US\$ 920m

ACCOUNT DEFICIT

5.7%

GDP GROWTH

MOROCCO

Macro releases included (April Stats):

- Inflation was 0.7 % y/y (Mar: 1.6%).
- FX reserves were USD 33.0bn (Jan: USD 32.8bn).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

0.7% y/y

INFLATION
RATE

US\$ 33.0bn

FX
RESERVES

-3.1%

GROSS
INVESTMENT

MAURITIUS

Macro releases included (April Stats):

- Inflation was 3.8% y/y (Mar: 1.8%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

3.8% 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.