

## AFRICA FINTECH OVERVIEW

### PUBLIC MARKETS

The Imara African Opportunities Fund, investing in listed fintech and payment companies, is up 4.9% in May. The Fund is up 17.2% YTD.

One of the key assertions underpinning our conviction in a sustainable rally, in our portfolio of listed African equities, is continued earnings growth. One of the two pillars in the long only equity sweet spot of growing earnings and expanding multiples, is certainly delivering.

It was a bumper q1 26 results season, following closely on the heels of an excellent set of FY25 and q4 25 earnings releases. Here are the highlights for some of our key positions:



Safaricom  
EPS +37%



MTN Nigeria  
EPS +166%



MTN Ghana  
EPS +47%



Equity Bank  
EPS +24%

In our webinar we spoke about a company that is digitizing, and enabling payment and receipt, of civil servant salaries, tax returns, VAT returns, customs payments, property tax payments and a growing list of other services. This company, now a core holding in our portfolio, grew q1 26 EPS by 42%.

Every single one of our portfolio holdings is growing comfortably above inflation and GDP growth.

**As earnings go, so do stocks...We continue to keep banging the table, that the time to invest in Africa is NOW!**

### VENTURE CAPITAL AND PRIVATE EQUITY DEAL UPDATE



Yoco acquired restaurant AI startup Dyner, whose software helps businesses manage inventory, supplier orders, and margins. The deal signals Yoco's ambition to become a broader commerce platform, one that helps merchants run their businesses, not just get paid.

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.



Nala has secured up to \$50 million in credit financing to expand its stablecoin-powered payments network. Rather than raising more equity, the Tanzanian fintech is using debt to fund the liquidity needed for larger cross-border transactions and enterprise customers. Debt, but make it a growth engine.



Tether is backing African fintech LemFi to bring stablecoins further into cross-border payments, with plans to integrate USD₯ into its remittance infrastructure across Africa and Asia. The plan is to replace slow SWIFT chains with near-instant settlements for the millions of people sending money home.



Africa Finance Cooperation is putting \$100 million behind African VC funds as institutional investors slowly warm up to startup investing on the continent. The first bets include Future Africa Fund III and Lightrock Africa Fund II, with AFC framing the move as part of Africa's "digital industrialisation."

## ECONOMIC AND POLITICAL OVERVIEW

### ■ ■ NIGERIA

The Nigerian Ports Authority has recorded a 19.5% increase in vessel traffic in the first quarter of 2026, with Gross Registered Tonnage for ocean-going vessels rising to 46.75 million, as cargo throughput reached 32.38 million metric tons.

#### Macro releases included (April Stats):

- Inflation increased to 15.7% y/y (Mar: 15.4%).
- FX reserves increased to USD 49.6bn (Mar: USD 49.4bn).
- PMI was 52.4 (Mar: 51.9).

**15.7% y/y**

INFLATION  
RATE

**US\$ 49.6bn**

FX  
RESERVES

**52.4**

PMI

### ■ ■ EGYPT

Egypt's Italian hydrocarbon company Eni aims to add 120mn cubic feet per day (mcf/d) of new gas and 160 barrels per day (bpd) of condensate to production at the Zohr gas field in the Mediterranean Sea by next Jun. This will be achieved by completing the USD20mn project to isolate the water-producing layers in two wells in the field, following the influx of water into the producing layers, according to a gov't official. The official stated that restarting the two wells will help offset some of the decline in gas production from the country's largest field, which has fallen below its previous peak levels.

The news is a positive one, given that Zohr is the largest gas field in the country and has seen its production drop by nearly two thirds to 1.2 bcf/d as of late. The suggested production of gas, though, is relatively small, accounting for only 6% of the drop in the field's production and c3% of current production levels.

The IMF announced on Thursday that its staff is currently in Cairo to conduct the seventh review of Egypt's Extended Fund Facility (EFF) programme and the second review under the Resilience and Sustainability Facility (RSF), with the process potentially unlocking around USD1.6bn in new financing for Egypt. Head of the IMF's Communication Department Julie Kozack said IMF staff are holding discussions with Egyptian authorities to assess the impact of the ongoing war in the Middle East on the Egyptian economy and review policies needed to advance Egypt's reform programme. Kozack said the regional conflict's impact on the Egyptian economy has so far remained "relatively contained", attributing this to "decisive policy actions taken by the authorities", which she said helped ease external and fiscal pressures. "We do expect growth to remain resilient," Kozack said. Commenting on recent meeting between the Egyptian President and IMF's Managing Director, Kozack confirmed the meeting was very constructive, saying discussions covered both the global implications of the war in the Middle East and ways the IMF could continue to support Egypt's reform efforts amidst heightened regional uncertainty.

Egypt's unemployment rate fell to 6% of the total labour force in 1Q26, down from 6.2% in 4Q25, according to data released by CAPMAS. The country's labour force rose 1.7% q/q to 35.4mn people during the quarter, with the number of employed individuals rising 1.9% q/q to 33.3mn. Meanwhile, the number of unemployed declined to 2.2mn, falling by 26k people after a drop of 77k in the previous quarter. By educational level, unemployment amongst individuals with below-intermediate education or lower increased to 20.4%, up from 17.9% in 4Q25. For university graduates and holders of postgraduate qualifications, the unemployment rate declined to 41.5%, from 45% in 4Q25.

The Financial Regulatory Authority (FRA) revealed that net assets of investment funds rose 30% q/q to EGP410bn (USD7.7bn) in 1Q26, driven by the launch of new funds and growth in the investor base. The report indicated that the number of investment funds operating in the market increased to 9% Q-o-Q to 187 in 1Q26, with the number of investment certificates growing 55% Q-o-Q to 31.4bn, indicating growing investment awareness and a widening investor base. Individuals continued to account for the largest share of investment fund certificates at 74.34%, while legal entities represented 15.98%. In terms of asset distribution, EGP-denominated money market funds had the lion's share with EGP277bn (67%), followed by equity funds with net assets of EGP56bn (14%). Precious metal funds also posted strong growth, with net assets doubling sequentially to more than EGP10bn.

Egypt's real GDP grew 5% in 3QFY25/26 (1Q26), Prime Minister Mostafa Madbouly announced on Wednesday during a press briefing following the weekly Cabinet meeting. GDP growth was expected to ease to 4.8%, in light of the

regional conflict, the PM said, maintaining growth projection for the year at 5.2%.

### Macro releases included (April Stats):

- Inflation was 14.9% y/y (Mar: 15.2%).
- FX reserves were USD 53.0bn (Mar: USD 52.8bn).
- PMI decreased to 46.6 (Mar: 48.0).

<b>14.9% y/y</b>	<b>US\$ 53.0bn</b>	<b>46.6</b>
INFLATION RATE	FX RESERVES	PMI

## KENYA

Kenya's external trade in 2025 revealed a notable reconfiguration of demand, with resilient African and European markets offsetting a sharp downturn in Asian markets, while import dependence deepened and the current account deficit widened despite stronger financial inflows.

### Macro releases included (April Stats):

- Inflation was 5.6% y/y (Mar: 4.4%).
- PMI increased to 49.4 (Mar: 47.7).
- 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%.

<b>5.6% y/y</b>	<b>5.7%</b>	<b>49.4</b>
INFLATION RATE	GDP GROWTH	PMI

## MOROCCO

Morocco priced a dual-tranche Euro-denominated bond worth EUR2.25bn, tightening spreads from initial guidance after attracting strong investor demand across both maturities. The sovereign sold EUR1.25bn of eight-year notes at a spread of 170bps over mid-swaps, alongside EUR1bn of 12-year bonds at 200bps over mid-swaps. Demand was robust, with order books exceeding EUR3bn for the eight-year notes and EUR2.2bn for the 12-year tranche, excluding joint lead manager interest.

The issuance avails financing for the year, which is expected to see additional financing needs amidst the latest spike in global energy prices. We expect Morocco to be in a good position to manage its rising financing needs thanks to proven access to international capital markets in addition to credit lines from multilateral institutions..

### Macro releases included (April Stats):

- Inflation was 1.7% y/y (Mar: 0.9%).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

<b>1.7% y/y</b>	<b>-3.1%</b>
INFLATION RATE	GROSS INVESTMENT

## MAURITIUS

### Macro releases included (April Stats):

- Inflation was 3.6% y/y (Mar: 2.7%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

<b>3.6% y/y</b>	<b>4.5%</b>
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 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.