

AFRICA FINTECH OVERVIEW

PUBLIC MARKETS

The Imara African Opportunities Fund, investing in listed fintech and payment companies, is up **3.7%** for October, **48.2%** YTD and **53.0%** for the last 12 months.

Despite this, valuations are cheap due to continued earnings growth. **Very importantly, people are starting to take notice.** In a massive development for catalyzing value in Africa, Elliott Investment Management LP, have taken a stake in Egyptian medical diagnostics business IDH. Elliott have made a name for themselves by buying stakes in listed businesses that trade at large discounts to their intrinsic value. **We know IDH and fully concur.**

People always ask us “but when will African markets turn?” or “whats the catalyst to release all this value?”. Our answer is always the same, we don’t know the exact time nor the catalyst, but **high quality, low value companies will always bounce.** It is very telling that a firm like Elliott that knows their knitting AND has numerous opportunities around the world, has come to Africa!. Time to get in now before this trickle turns into a flood.

Concerned you might have missed the boat? – I cant think of a better example than core holding, Equity Group Kenya. Its shares have rallied 33% YTD, plus holders collected a 10% dividend yield. You would be forgiven for thinking it might be a bit expensive now. Well guess what....following an exceptionally strong nine months to September, **full year earnings should come in 50-60% up and the Net Book Value (after dividends!) will be up 30%.** That means that on 1 January 2026, at today’s share price, Equity will be on a Price to Book of 0.7x and a PE of 3.2x and you are back where you started in 2025. As East Africa’s strongest financial services brand, in an under penetrated market of 250m people, 2026 can be even better than 2025.

Core holdings Fawry, Purple and MTN just hit the tapes with earnings numbers **up 63%, 143% and 41%** respectively. This freight train is accelerating, not slowing down. **VALUATIONS ARE GETTING CHEAPER NOT MORE EXPENSIVE.**

VENTURE CAPITAL AND PRIVATE EQUITY DEAL UPDATE



Moniepoint topped up its Series C round with \$90 million, bringing the total to \$200 million a year after hitting unicorn status. The round was led by Development Partners International and LeapFrog Investments, with backing from Google, Visa, IFC, and others. The fintech plans to use the cash to fuel its African expansion, including a Kenya acquisition and its new UK remittance product, MonieWorld.



Ivorian fintech Julaya just landed \$1.4 million from state-backed CDC-CI Capital to supercharge its expansion. The funding, structured as a convertible bond, will fuel product development and client growth as Julaya scales its digital payment platform for businesses. It follows the company’s regulatory greenlight from the Central Bank of West African States, marking another win for Côte d’Ivoire’s rising fintech scene.



Kuunda, the Tanzania-born B2B fintech that powers embedded credit for agents and merchants, just raised \$7.5M in pre-Series A funding to fuel expansion into the Middle East and North Africa, starting with Egypt. Backed by investors like Seedstars Africa Ventures, 4Di Capital, and Accion Ventures, the company plans to replicate its success in East Africa—where it’s already enabled over \$3B in loans—to reach new partners in e-commerce and PoS networks across MENA.



Moroccan startup Chari has pulled off a double milestone: closing a record \$12M Series A and securing a Central Bank license to operate as a payment institution. Backed by SPE Capital and Orange Ventures, Chari can now turn the thousands of corner shops on its platform into financial hubs offering money transfers, bill payments, and even micro-insurance. The YC-backed startup is building what it calls a “merchant super app” and quietly laying the rails for Morocco’s first Banking-as-a-Service play.



MNT-Halan, Egypt's fintech unicorn, has secured \$71.4 million via its seventh securitisation, signaling sustained investor confidence in its lending engine. Managed by CIB and CI Capital, the bond issue is part of a \$168M program fueling its credit expansion. Debt markets, not VCs, are funding this fintech's climb.

ECONOMIC AND POLITICAL OVERVIEW

■ ■ NIGERIA

The IMF has revised **Nigeria's economic growth outlook upward to 3.9%**, citing stronger domestic fundamentals and improving investor confidence, as well as moderated impact of global tariff war.

Nigeria's **current account surplus jumped to USD 5.3bn** in the second quarter of 2025, up from USD 2.9 bn recorded in the first quarter, reflecting stronger external resilience and improved foreign exchange inflows.

USD 25bn Nigeria-Morocco gas project company officially established. The ambitious Nigeria-Morocco Gas Pipeline project, estimated to cost USD 25bn, is advancing rapidly with the creation of a dedicated project company and the expansion of its international financial backing.

The latest report on internet subscribers' data released by the Nigerian Communications Commission (NCC), has revealed the total number of **internet subscribers in Nigeria, reached 140m** as at August 2025, up from 138m recorded in July 2025.

Macro releases included (September Stats):

- Inflation decreased to 18.0% y/y (Aug: 20.1%).
- FX reserves increased to USD 42.3bn (Aug: USD 41.3bn).
- PMI was 51.4 (Aug: 54.2).

18.0% y/y
INFLATION
RATE

US\$ 42.3bn
FX
RESERVES

51.4
PMI

■ ■ EGYPT

Egyptian remittances **continued their uptrend, rising 33% y/y to USD 3.5bn in August**, according to a press release by the Central Bank of Egypt (CBE). Remittances are up 47% y/y August YTD to USD 27bn, according to the CBE.

The government is considering exempting holders of investment funds of all types from dividend taxes, with the aim of **encouraging individual and institutional participation in the market**. Investment funds in Egypt are currently subject to a 5% dividend tax for individual holders and a 15% tax for institutions and companies. The potential tax exemption will be part of a planned comprehensive legislative amendments to be submitted to Parliament by early next year.

Egypt welcomed 15m tourists up to 30 September 2025, **up 21% y/y**, bringing it closer to its year-end target of 18m visitors. Arrival numbers reached 8.7m in the first six months, then rose to 12.8m by the end of August, reaching 15m by the end of September.

Egypt's economy is showing stronger-than-expected momentum heading into 2026, prompting the **IMF to revise its growth forecasts upwards to 4.3% for 2025 and 4.5% for 2026**, due to notable improvements in Egypt's non-oil manufacturing, tourism and telecommunication sectors. The buoyancy in these sectors has more than offset declines in Suez Canal activity and mining and extraction. Egypt's inflation rate fell to its lowest in 40 months in August, due to tight monetary and fiscal policies, easing foreign exchange shortages and the fading impact of currency depreciation. These factors have helped anchor inflation expectations and support macroeconomic stability.

Macro releases included (September Stats):

- Inflation was 11.7% y/y (Aug: 12.0%).
- FX reserves were USD 49.5bn (Aug: USD 449.39bn).
- PMI decreased to 48.8 (Aug: 49.2).

11.7% y/y
INFLATION
RATE

US\$ 49.5bn
FX
RESERVES

48.8
PMI

KENYA

Kenya is set to embark on one of its biggest road development projects after the government approved the construction of the Nairobi–Nakuru–Mau Summit and Nairobi–Maaui Mahiu highways under a Public–Private Partnership (PPP) framework.

Kenya's economy continues to draw quiet strength from its citizens abroad, with new data showing that diaspora remittances rose slightly in September even as global markets remained uncertain. YTD remittances are up 8% to just over USD 5bn.

The Central Bank of Kenya (CBK) has lowered the Central Bank Rate (CBR) by 25 basis points to 9.25%, its lowest level since January 2023, marking an unprecedented eighth consecutive cut since February 2024, when the benchmark stood at 13%.

NSE's Next Listing Expected to be Marula Mining. Marula Mining (AQSE: MARU), a London-listed African mining and exploration company, has announced that it is moving forward with its planned dual listing on the Nairobi and Johannesburg securities exchanges.

Macro releases included (September Stats):

- Inflation was 4.6% y/y (Aug: 4.5%).
- PMI rose to 51.9 (Aug: 49.4).
- 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%.

4.6% y/y

INFLATION
RATE

5.7%

GDP
GROWTH

51.9

PMI

MOROCCO

French aerospace group Safran signed deals with Morocco to set up a new engine assembly line for Airbus jets and a new maintenance and repair plant near Casablanca. Safran will invest EUR 200m to build the assembly line, which will supply 25% of the company's Airbus-related output or 350 LEAP-1A engines annually. Morocco, where Safran already has several facilities, has a workforce with ample skills and the expansion is part of efforts to increase the resilience of Safran's supplies, he added. The investment further establishes Morocco as a hub for aerospace manufacturing, with the sector comprising 150 firms and employing 25k people. Moreover, it reached USD 2.8bn in exports in 2024, accounting for c7% of the country's exports.

The Consumer Price Index increased by 0.2% in September 2025 as compared to August 2025, translating a 0.2% increase in the food consumer price index and the non-food consumer price index. CPI recorded a 0.4% increase as compared to September 2024. As for the underlying inflation indicator, which excludes volatile price products and regulated ones, it remained flat as compared to August 2025, and increased by 0.3% as compared to September 2024.

Macro releases included (September Stats):

- Inflation was 0.4% y/y (Aug: 0.3%).
- FX reserves were USD 33.0bn (Jan: USD 32.8bn).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

0.4% y/y

INFLATION
RATE

US\$ 33.0bn

FX
RESERVES

-3.1%

GROSS
INVESTMENT

MAURITIUS

Macro releases included (September Stats):

- Inflation was 4.4% y/y (Aug: 4.8%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

4.4% 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.