

AFRICA FINTECH OVERVIEW

The Imara African Opportunities Fund, investing in listed fintech and payment companies, is up 9.7% for September, 42.9% YTD and 54.6% for the last 12 months.

After navigating a challenging few years, we're now seeing powerful tailwinds - portfolio fundamentals remain robust, valuations are still low, and earnings are rising. With 2Q results coming through, we're already revising our earnings forecasts upward. **In short, we believe we're at the early stages of a sustained rally.**

PUBLIC MARKETS: EGYPT AND NIGERIA FX RESERVES HIT CYCLE AND ALL-TIME HIGHS!

For those of you that read our monthly reports in entirety, you will know that we diligently record key Macro data, every month, for each of our main markets. What these have been showing is steady improvement over the last 12 months, particularly in two of our largest markets, Egypt and Nigeria. This has been driven by:

- Good economic policy from Ministry of Finance and Central Bank.
- Paving the way for local private investors.
- Increased confidence and positive foreign investor sentiment.
- Specific projects or initiatives like Ras el Hekma in Egypt, the Dangote refinery in Nigeria and the massive capacity boosting equity raises in Nigerian banks.

A key and critical measure for African countries is the ability to accumulate FX reserves. These provide a buffer against shocks, fund necessary imports for infrastructure projects and give foreign investors the comfort and green light they need to come in and take advantage of the high quality, high growth opportunities. The time to invest is **NOW!**

VENTURE MARKETS: AFRICA VC AND PE DEAL UPDATE



Moroccan superapp startup Ora Technologies has acquired Cathedis, a Casablanca-based last-mile delivery company, for an undisclosed sum. By bringing its logistics in-house, Ora aims to gain a competitive edge by controlling the entire e-commerce journey from payment to delivery. This acquisition is part of a growing trend in the Moroccan startup scene where well-funded local players are consolidating the market through strategic mergers and acquisitions.



African fintech company LemFi has partnered with GCash, the largest mobile wallet in the Philippines with 94 million users, to power remittances to the country. This new partnership allows Filipinos in North America and Europe to send money directly to GCash wallets with zero fees and near-instant delivery.



African fintech startup Kredete has raised \$22 million in Series A funding to expand its credit-building and stablecoin infrastructure. The company aims to use the funds to scale its stablecoin-powered money transfer services, allowing for faster and cheaper cross-border payments. The funding, led by AfricInvest Group and other contributors, will help Kredete expand its services to over 40 African countries.



Paga Group has officially expanded into the US market with a new digital banking service tailored for the African diaspora, starting with Nigerians. In partnership with a US-regulated bank, the fintech now offers customers a fully regulated US-domiciled bank account that comes with physical and virtual Visa debit cards and integrates with platforms like Apple Pay and Google Pay.



MNT-Halan, a leading fintech in Egypt and the MENA region, has launched Egypt's first secured digital lending solution for investors from a non-banking financial institution. The new feature allows customers to instantly access up to 80% of their investment fund value as credit via the Halan App, without having to liquidate their investments.

ECONOMIC AND POLITICAL OVERVIEW

■ ■ NIGERIA

Nigeria's economy **expanded by 4.23% in real terms** in the second quarter of 2025, outpacing the 3.48% recorded in the same period of 2024, according to the National Bureau of Statistics. This is a healthy uptick from the anaemic 2-3% over the last few years.

Nigeria recorded an upswing in its external trade position in the second quarter of 2025, as the country's **trade surplus widened by 44.3%** to N7.46 trillion, up from N5.17 trillion in the previous quarter.

The Federal Inland Revenue Service (FIRS), yesterday highlighted the benefits of the new tax law put in place by the Federal Government listing the inherent gain to include strengthening of tax compliance and a boost to the revenue generation of the President Bola Ahmed Tinubu administration.

Nigeria has attracted USD 20bn worth of investments in the second quarter of 2025, indicating a sharp increase of 277% compared to USD 5bn recorded in the previous quarter (Q1'25), which brings the total value of investments to USD 25bn in the first half of the year (H1'25).

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has stated that the country has the capacity to produce 2 million crude oil barrels per day (bpd). It is critical that this target is achieved, as the current 1.4m bpd is keeping Nigeria back from the 6-7% GDP growth it could achieve.

Macro releases included (August Stats):

- Inflation decreased to 20.1% y/y (July: 21.9%).
- FX reserves increased to USD 41.3bn (July: USD 39.3bn).
- PMI was 54.2 (July: 54.0).

20.1% y/y

INFLATION
RATE

US\$ 41.3bn

FX
RESERVES

54.2

PMI

■ ■ EGYPT

Italian energy giant Eni plans to **invest USD 8bn in Egypt over the next five years**, with a focus on enhancing natural gas and oil production through short-cycle exploration, field redevelopment and integration with the East Mediterranean gas hub. The announcement followed a meeting in Cairo on Thursday between Prime Minister Mostafa Madbouly and Guido Brusco, Eni's Chief Operating Officer for Global Natural Resources. Brusco outlined Eni's ongoing and future activities in Egypt, highlighting plans to extend production from mature onshore fields using advanced subsurface technologies and launch new drilling under the recently extended Tamsah concession. The company also reiterated its commitment to supporting Egypt's ambition to grow as a regional gas hub.

Remittances from Egyptian expatriates sustained their strong trend, **rising 26.3% y/y to USD 3.8bn in July**, according to the Central Bank of Egypt (CBE). July's number is a new high, beating Jun's record of USD 3.6bn and May's USD 3.4bn. Cumulatively, remittances are up a strong 50% y/y at USD 23.2bn in 7M25.

The number of tourists visiting **Egypt increased 22% y/y in 7M25**, according to a statement issued by the Ministry of Tourism and Antiquities.

Macro releases included (August Stats):

- Inflation was 12.0% y/y (July: 13.9%).
- FX reserves were USD 49.3bn (July: USD 49bn).
- PMI decreased to 49.2 (July: 49.5).

12.0% y/y

INFLATION
RATE

US\$ 49.3bn

FX
RESERVES

49.2

PMI

KENYA

Macro releases included (August Stats):

- Inflation was 4.5% y/y (July: 4.2%).
- PMI rose to 49.4 (July: 46.8).
- 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%.

4.5% y/y

INFLATION
RATE

5.7%

GDP
GROWTH

49.7

PMI

MOROCCO

Bank Al-Maghrib (BAM), Morocco's Central Bank, kept its discount rate unchanged at 2.25%, citing a combination of uncertainty around the global economy, **stable domestic inflation and strong economic momentum**. Inflation averaged 1.1% in 8M25, with BAM expecting the average to stand at 1.0%, unchanged from last year and citing anchored inflation expectations. BAM does, though, expect inflation to accelerate to 1.9% in 2026. In parallel, economic growth continued to show favourable trends with large-scale projects supporting the medium-term outlook. On growth, the bank expects overall **GDP growth to accelerate from 3.8% in 2024 to 4.6%** this year before moderating slightly to 4.4% in 2026. More broadly, the bank expects a rather stable current account deficit around the 2% of GDP mark, thanks to rising inflows from exports, tourism and remittances. Meanwhile, the budget deficit is set to remain stable this year at 3.9% of GDP before narrowing to 3.4% in 2026.

Macro releases included (August Stats):

- Inflation was 0.5% y/y (July: 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\$ 33.0bn

FX
RESERVES

-3.1%

GROSS
INVESTMENT

MAURITIUS

Macro releases included (August Stats):

- Inflation was 4.8% y/y (July: 5.2%).
- Bank of Mauritius (BoM) moved the interest rate to 4.5%.

4.8% 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.