

AFRICA FINTECH OVERVIEW

PUBLIC MARKETS

The Imara African Opportunities Fund, investing in listed fintech and payment companies, is down -2% in September. The Fund is up 23% YTD, notably higher than the Nasdaq at 15.6% and the S&P 500 at 12.8%.

As we brace ourselves for Nigeria's, and Africa's landmark IPO of the Dangote Refinery in November, it is worth stopping to take stock of how far Nigeria has come in the last year.

- The Naira has appreciated 12% vs the USD and the FX market liquid and self-funding.
- Nigeria's Eurobond issuances were multiple times oversubscribed and yields broke below 8% in a historical first.
- Inflation and interest rates (albeit from elevated levels) are down substantially.
- FX reserves are at all-time highs AND climbing.
- Nigeria has flipped from refined fuels importer to net exporter.
- Oil production has increased, with still more room to go to fulfil their OPEC quota.
- Various international bond and equity indices set to include Nigeria.

Back to the IPO. There will be much debate about size and valuation of the offering, but at the end of the day it will be a massive victory for Nigerian and African capital markets. It will bring new interest, new capital and new trading opportunities into Nigeria. At a valuation of cUSD50bn (2.5x the largest Frontier Index stock), it will literally force itself onto the global investment radar screen.

The upcoming OPay IPO in the USA, with a dual-listing in Lagos will further reinforce this trend. As mentioned repeatedly, we expect this to increase liquidity on the Nigerian Stock Exchange and help close the massive valuation gap in listed equities.

Talking of valuation gap, Nigeria has a number of high quality listed banks. Two of these reported first half 2026 numbers recently:

- Stanbic IBTC – RoE 40%, CAR 25% and PAT +38%. 2026 PE of 5x and 2027 PE of 3.5x.
- GT Bank – RoE 25%, CAR 35%. 2026 PE 4.5x and 2027 PE of 3x.

Following the Nigeria banks recapitalization, both banks (and indeed the whole banks sector) are well capitalized to fund and drive the enormous economic growth that we expect in Nigeria over the next decade. **Get in NOW! While they are still cheap!**

VENTURE CAPITAL AND PRIVATE EQUITY DEAL UPDATE



Luno acquired Kenyan fintech company GTXN for an undisclosed sum. GTXN's cross-border payments and treasury infrastructure will become Luno's payments arm, giving businesses a regulated way to make and receive payments across developed and emerging markets.



Egyptian fintech Paymob raised \$35 million in a pre-Series C round led by Mubadala and the EBRD. The payments company, which serves more than 390,000 merchants across four markets, plans to use the money to expand in the Gulf and build new tools for SMEs.



South African fintech Mission Mobile has secured up to R500 million (\$30.9 million) in growth capital from DN Invest to expand smartphone financing through mobile network operators. Its platform uses alternative data to assess customers who may not qualify for traditional credit.



Nigerian fintech CreditChek acquired Ugandan core-banking startup Algosys in its first move into East Africa. Algosys already serves 22 financial institutions in Uganda, giving CreditChek an instant customer base for its lending infrastructure.



Ghanaian remittance startup Seevcash raised \$333,000 through the Stellar Community Fund and related programmes. Alongside the funding, it has launched a Visa card that lets users spend their Seevcash balances anywhere Visa is accepted.

ECONOMIC AND POLITICAL OVERVIEW

■ ■ NIGERIA

Nigeria's GDP grew by 4.43% year-on-year in real terms in the second quarter of 2026, up from 4.23% recorded in the corresponding quarter of 2025, according to the National Bureau of Statistics.

Moody's has revised Nigeria's sovereign outlook to "positive" from "stable", citing stronger foreign exchange reserves and better-than-expected economic growth as factors improving the country's ability to withstand external shocks.

Nigeria's external reserves rose by USD9.3bn in the first nine months of 2026 (9M '26) to USD54.9bn as of September 24, more than seven times the increase recorded during the corresponding period of 2025, according to data from the CBN.

MTN Nigeria clears FX debt, unlocks new investment phase: Nigeria's biggest telecom operator, MTN Nigeria, has completed a major balance sheet turnaround, eliminated foreign currency loans and created room for a fresh investment cycle in network expansion and digital infrastructure.

NAICOM completes recapitalisation, clears 43 insurers: The National Insurance Commission (NAICOM) has announced the successful completion of the insurance industry's 12-month recapitalisation exercise, revealing that 43 insurance and reinsurance companies have met the new minimum capital requirements introduced under the Nigerian Insurance Industry Reform Act (NIIRA) 2025.

Macro releases included (August Stats):

- Inflation decreased to 15.39% y/y (July: 15.43%).
- FX reserves increased to USD 53.3bn (July: USD 51.9bn).
- PMI was 54.3 (July: 52.5).

15.39% y/y
INFLATION
RATE

US\$ 53.3bn
FX
RESERVES

54.3
PMI

■ ■ EGYPT

Tourism revenues in Egypt grew 30% y/y in 9M26. The number of tourists visiting Egypt stood at 13.6mn during the period. The country needs 420k additional hotel rooms to reach its target of attracting 30mn tourists annually. These growth levels put revenues at USD17.5bn in 9M26, equivalent to last full-year's number in a vote of confidence for growth in the sector. Having dipped in Mar-May at the outbreak of the regional conflict, the numbers suggest a strong rebound during the summer season, in line with anecdotal evidence. Together with strong inflows of remittances and a recovery in Suez Canal revenues, the sector has partially balanced the recent rise in the energy bill.

Egypt's food exports reached a new record of USD5.13bn in 8M26, rising 10.8% y/y, the Food Export Council (FEC) announced on Sunday. Arab countries remained the main destination for Egyptian food exports, rising 8.9% y/y to USD2.42bn (47% of total food exports). The EU came in second at USD1.2bn (22% of total) and rising 16% y/y. The US came third with USD334mn (7% of total), up 9% y/y.

Egypt is developing a new operating model for The Sovereign Fund of Egypt (TSFE) and its subsidiary funds to expand partnerships with the private sector and mobilise investment in priority sectors. The funds could take minority stakes of between 10% and 20% in select investments to reduce entry risks and encourage private investors to participate, stressing that their role is to support and attract private capital rather than manage projects on behalf of the private sector.

Macro releases included (August Stats):

- Inflation was 14.5% y/y (July: 14.9%).
- FX reserves were USD 57.2bn (July: USD 56.3bn).
- PMI increased to 49.6 (July: 46.8).

14.5% y/y

INFLATION
RATE

US\$ 57.2bn

FX
RESERVES

49.6

PMI

KENYA

Kenya's inflation rose to 6.6% year-on-year in August from 6.5% in July, the statistics office said on Monday. On a monthly basis, inflation was 0.4% from 0.2% in July.

The Central Bank of Kenya (CBK) has approved Nedbank Group's acquisition of up to 66% of NCBA Group, clearing a major regulatory hurdle in one of Kenya's largest banking transaction.

Macro releases included (August Stats):

- Inflation was 6.6% y/y (July: 6.5%).
- PMI decreased to 49.7 (July: 51.3).
- 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%.

6.6% y/y

INFLATION
RATE

5.7%

GDP
GROWTH

49.7

PMI

MOROCCO

The Board of Bank Al-Maghrib held its quarterly meeting on Tuesday September 22nd, 2026. During this meeting, the Board examined recent economic, monetary and financial developments, as well as, inflation forecasts.

Bank Al-Maghrib's Board decided to maintain the key interest rate at 2.25%, taking into account the following elements:

- A continuation of moderate inflation, with an estimated average rate of 0.7% in 2026E and 1.5% in 2027E.
- A GDP growth expected at 4.4% and 2.9% in 2026E and 2027E respectively (vs. 4.9% in 2025).

Agricultural value added should increase by 16% in 2026E, taking into account a cereal harvest of 93mQx. In 2027E, the Central Bank expects agricultural value added to decrease by 7.6% (assuming an average cereal harvest of 50mQx). According to Bank Al-Maghrib's forecasts, non-agricultural value added growth should stand at 3.1% in 2026E and at 4% in 2027E.

To conclude, regarding the country's public finances, the budget deficit should establish at 3.4% of GDP in 2026E and 3.5% in 2027E, according to Bank Al-Maghrib's estimates..

Macro releases included (August Stats):

- Inflation was -0.3% y/y (July: -0.6%).
- Gross investments into Morocco slowed, down -3.1% in 2q23 (2q22: -8.4%).

-0.3% y/y

INFLATION
RATE

-3.1%

GROSS
INVESTMENT

MAURITIUS

Macro releases included (August Stats):

- Inflation was 4.9% y/y (July: 4.4%).
- Bank of Mauritius (BoM) moved the interest rate to 4.75%.

4.9% y/y

INFLATION
RATE

4.75%

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.