



Burbidge
Capital

EAST AFRICA FINANCIAL REVIEW

SEPTEMBER 2025

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EAST AFRICA FINANCIAL REVIEW

Editor's Note

Deal activity in East Africa's capital markets increased in September, reaching 15 announced transactions (up from 13 in August), totaling approximately USD 229 million in disclosed value across 8 deals. PE emerged as the most active investor segment, recording 9 transactions, followed by VC and M&A with 3 and 2 deals respectively. Commercial Debt recorded a single transaction. Investment activity spanned a diverse range of sectors, led by agribusiness with 4 transactions. Financial services and healthcare followed with 3 deals each, while ICT registered 2 deals. Mining, energy, and automotive sectors each saw one transaction. Kenya accounted for the majority of activity with 9 deals, while Tanzania and Uganda each recorded 3 transactions each.

Deal activity in East Africa during September brought the year-to-date transaction count to 87, representing a decline from the 95 deals recorded over the same period in 2024. However, the total disclosed deal value rose to USD 1.49 billion from USD1.14 billion during the same period last year, indicating a shift toward larger transaction sizes. East Africa saw an uptick in private capital deals in September, supported by a more favorable macroeconomic environment compared to August. Inflation eased and Treasury-bill yields stabilized, improving real interest rates and boosting valuation confidence. Foreign exchange conditions across East Africa's main currencies improved with calmer markets, tighter spreads, and stronger USD liquidity, lowering hedging costs. However, the Kenyan shilling depreciated about 7.5% against the British pound since December 2024.

In Kenya, the National Treasury successfully raised USD 1.5 billion alongside a simultaneous buyback of USD 1.0 billion of the 2028 Eurobond reducing default risk and enhancing creditworthiness thereby enhancing investor confidence. Progress under the IMF program, combined with timely multilateral disbursements, further alleviated sovereign risk concerns and provided clarity on fiscal financing strategies. This environment has facilitated smoother approvals from investment committees and lenders. Whilst we do not expect the last quarter of the year to change the trend drastically, we do believe that enthusiasm is coming back to the market on account of two significant emerging tailwinds. These are positive trends in bank lending to the private sector and broad money supply (M2) growth, that have improved the availability and cost of acquisition finance and working capital, contributing to tighter bid-ask spreads.

There has been a noticeable trend of private equity investors in East Africa increasingly opting for debt instruments, over traditional equity. This shift reflects a preference for greater downside protection, faster and more predictable returns, and control without equity dilution. Amid ongoing macro uncertainty and limited exit pathways, debt has become a more attractive option. At the same time, global capital constraints and rising return expectations have made equity harder to deploy, particularly for early-stage or smaller-scale opportunities. With investor activity expected to remain steady into the final quarter, this shift may push up valuations, but primarily for high-quality, scarce assets. For more average or higher-risk opportunities, weaker equity demand may continue to keep valuation multiples flat or subdued. This month's Review includes key insights from the recently concluded EAVCA Conference, where leaders examined the role of private capital in advancing East Africa's development. The discussions underscored a collective commitment to leveraging investment for inclusive and sustainable growth across sectors spanning from regulation and gender to infrastructure and innovation.

IMBC's Deal of the Month features SunCulture's USD 5 million equity raise from WaterEquity to expand its solar-powered irrigation and water access solutions for smallholder farmers across rural Africa. SunCulture, a green tech company, provides solar-powered water pumps as a sustainable alternative to diesel and manual systems, supporting both agricultural and household water needs. This investment will help SunCulture grow its footprint and improve access to groundwater in underserved communities. It follows the company's oversubscribed USD 27.5 million Series B round in 2024. The funding comes from WaterEquity's Water & Climate Resilience Fund, backed by global investors including Microsoft, Starbucks, Xylem, Ecolab, Reckitt, and Gap Inc., aimed at improving water access for Africa's rural population.

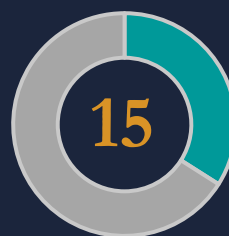
The listed equities recorded an increase in performance in September, with the NSE 20, NSE 25 and NSE All Share Index posting 4.5%, 7.5% and 7.7% in positive returns, respectively. Average daily turnover increased however, to USD8.37 million, from USD3.97 million in August. Top gainers during the month included Home Africa and Uchumi Supermarket which were up by 40.9% and 46.7%, respectively.

KEY HIGHLIGHTS

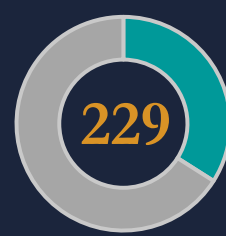
- Total number of disclosed deals in the YTD is 87.
- Total disclosed deal values in the YTD now c. USD 1.49 billion.
- PE investment activity account for 33% of YTD deal activity, with M&A accounting for 23%, VC accounting for 21%, DFI accounting for 14%, PE exit and Commercial Debt accounting for 3% respectively, and Partnerships activities comprising 1% of total corporate deals.

SEPTEMBER

In Numbers



The number of disclosed deals in EA



Disclosed deal value in USD million



IMBC Deal of the Month:

SunCulture's USD5 million equity raise from Water Equity

The Editorial Team

KIRIGA KUNYIHA | ODEKE EKIRAPA
AAYUSH SHAH | JOAN MUIRURI



9th ANNUAL EAVCA CONFERENCE

East Africa Rising: Balancing Risk, Return, and Impact



Deeper public-private collaboration is needed to accelerate Kenya's economic transformation, with investors encouraged to enhance private sector capitalization and partner with government on infrastructure through PPPs.

Hon. FCPA John Mbadi
Treasury Cabinet Secretary



Private sector investment drives sustainable growth by taking on risks, channeling funds into sectors like manufacturing, technology, logistics, education, and healthcare. Such investments complement government efforts by creating employment.

David Owino
Chairman EAVCA



Economic growth cannot rely solely on formal employment, as the informal sector remains a major driver of the economy. While transaction sizes in this sector are small, the ideas and innovations behind them are often substantial and high-impact.

Tom Gitongo
CEO Britam

PANEL SESSIONS HIGHLIGHTS

The VC Panel (Turning Potential into Performance)

This session examined East Africa's dynamic startup ecosystem, emphasizing the need for strong governance, committed founders, and greater local capital to sustain growth.

Discussion highlights:

- Focus on governance discipline and founder resilience to improve survival rates.
- Technology remains central to achieving scale.
- Alignment between GPs and LPs is key for investor confidence.
- Increased local capital will reduce dependence on foreign funding

The Real Economy Panel (Infrastructure): This session addressed East Africa's USD 100 billion annual infrastructure gap, emphasizing the need to unlock private capital through innovative financing tools.

Discussion highlights:

- Pension funds, REITs, and infrastructure bonds identified as key vehicles for capital mobilization.
- Guarantee-backed instruments, such as Dhamana's model, can unlock local liquidity.
- Forestry and natural assets present emerging infrastructure opportunities.



PANEL SESSIONS HIGHLIGHTS

The DFI panel (PE in Motion)

This session explored how fund managers and DFIs are adapting to slower fundraising and geopolitical uncertainty, emphasizing strategic consistency and authentic ESG integration as key to resilience and investor confidence.

Discussion highlights:

- Adapting investment strategies to current market and geopolitical shifts.
- Maintaining strategic discipline to build long-term investor trust.
- Integrating ESG authentically to strengthen portfolio resilience and attract capital.
- Using blended finance models and continuation vehicles to enhance liquidity.
- Balancing ESG commitments with investment capacity and value creation goals.



Private Debt Panel

This session highlighted the growing role of private credit as a preferred financing tool in East Africa, particularly for SMEs and the agriculture sector, driven by strong risk-adjusted returns and rising institutional appetite.

Discussion highlights:

- Private credit is increasingly viewed as a strategic alternative to equity financing.
- Sector-focused credit facilities, such as healthcare funds, pair capital with technical assistance.
- DFIs and investors are expanding allocations amid superior returns and portfolio stability.
- Clear regulatory frameworks and stronger collaboration between DFIs and commercial lenders were identified as critical to sustaining growth.



Please find the comprehensive EAVCA Conference Proceedings report [here](#).

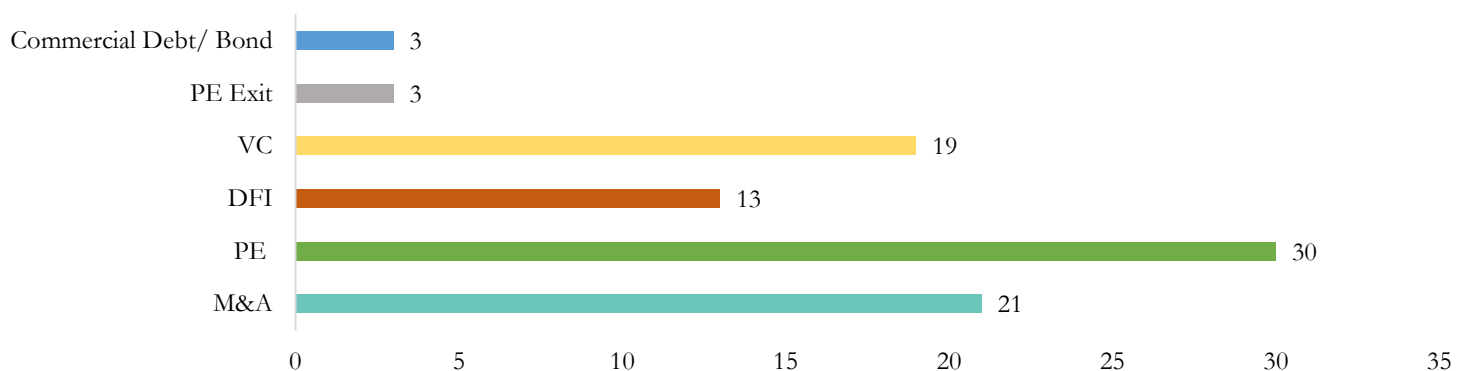
PART I : DEAL STATISTICS

Analysis by Sector

	Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
	Financial Services	14	69.6
	Agribusiness	12	621.4
	Healthcare	12	22.13
	Energy	9	381.4
	Automotive	8	27
	ICT and Telecommunication	7	210.9
	Hospitality	5	0.5
	Logistics	4	25
	Manufacturing	3	44.4
	Entertainment	3	26
	Real Estate	2	44.8
	Education	2	15.8
	Mining	2	3
	Professional and Other Services	2	Undisclosed

Analysis by Type of Transaction

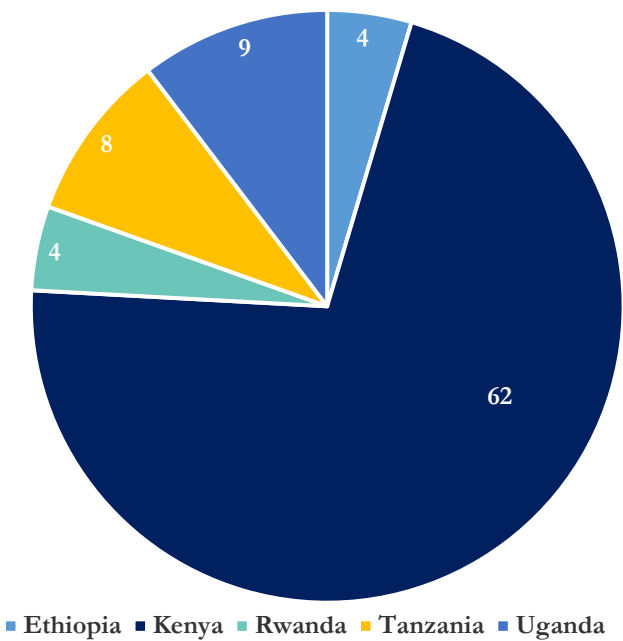
TOTAL NUMBER OF DEALS IN EA - YTD 2025



PART I : DEAL STATISTICS

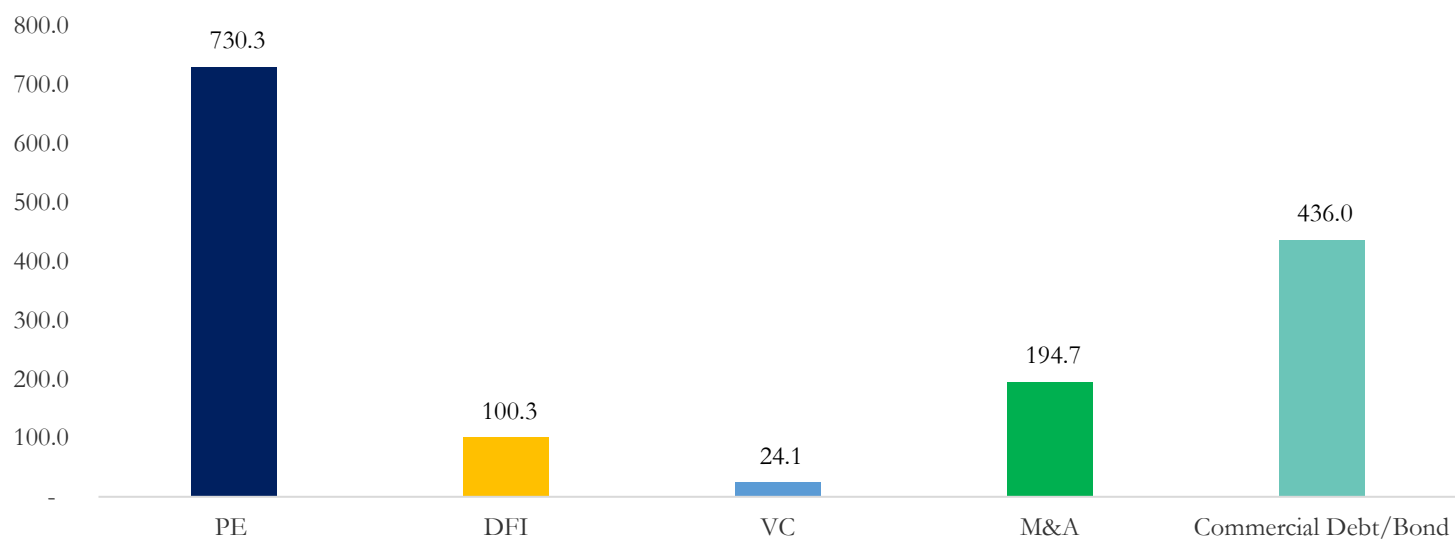
Analysis by Country

TOTAL NUMBER OF DEALS IN EA - YTD 2025



*Deals in the “Sector Analysis” table that have an impact on a company’s operations in more than one country have been treated as a single deal. In the “Analysis by Country” chart above, each country operation has been considered as a separate deal. There may therefore be a mismatch between the “Sector Analysis” and “Analysis by Country” deal numbers.

DEAL SIZE YTD 2025 IN USDM



PART II : KEY MARKET INDICATORS

(As at 31st September 2025)

Coupon Rate on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	7.91%	10.22%	10.42%	13.46%
Tanzania	6.80%	12.00%	12.75%	13.50%
Uganda	11.37%	15.40%	16.03%	16.78%

Source: Refinitive, respective Central Bank

LTM Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2024 Actual Inflation	3.60%	3.10%	3.00%	5.70%
2025 Projected Inflation	4.60%	3.40%	4.00%	7.30%

Source: World Bank

Central Bank Rates

Country/Region	Rate as at September 2025	Rate as at August 2025
Central Bank of Kenya (Kenya)	9.25%	9.75%
Bank of Uganda (Uganda)	9.75%	9.50%
Bank of Tanzania (Tanzania)	5.75%	5.75%
National Bank of Rwanda (Rwanda)	6.75%	6.75%
National Bank of Ethiopia	15.00%	15.00%
South African Reserve Bank (RSA)	7.00%	7.00%
Central Bank of Nigeria (Nigeria)	27.00%	27.50%
Central Bank of Egypt (Egypt)	21.00%	22.50%
Bank of England (UK)	4.00%	4.00%
Federal Reserve Bank (USA)	4.37%	4.37%
European Central Bank (EU)	2.00%	2.00%

Source: CB Rates

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
1-Sep-25	TLG Capital	Undisclosed	2	Healthcare	PE - Debt	Uganda	TLG Capital, an Africa-focused private credit fund manager, completed a senior secured debt facility of up to USD 2 million for a Ugandan healthcare distributor. The deal represents TLG's eighth investment into African healthcare, with previous investments spanning across Liberia, Nigeria, Uganda, Benin, Togo, Niger, Burkina Faso, Mali and Côte d'Ivoire. The firm's track record in Uganda began in 2009, with an investment in Quality Chemicals Industries.
5-Sep-25	Rand Merchant Bank	IX Data Africa	200	ICT	Commercial Debt	Kenya	Kenya's iXAfrica secured financing for a 20MW expansion to a data center in Nairobi, the country's capital. South African lender Rand Merchant Bank (RMB) will offer a multi-tranche funding package of an unspecified amount to iXAfrica, which will be used to add 20MW to the existing NBOX1 facility.
5-Sep-25	AgDevCo	EFAfrica Group	7.2	Agribusiness	PE	Kenya	Specialist agricultural investor AgDevCo announced a USD 7.2 million follow-on investment into its longstanding portfolio company, EFAfrica Group (EFAG). EFAG is an equipment leasing company focused on small and medium-sized enterprises and farmers in Africa. The company serves over 1,500 entrepreneurs across Kenya, Tanzania and Zambia.
9-Sep-25	WaterEquity	SunCulture	5	Agribusiness	PE	Kenya	The company raised USD 5 million of venture funding from WaterEquity on September 9, 2025. The funds will be used to scale the company's operations and deepen its impact, aiming to expand water access to millions of farmers and their families in rural Africa.
9-Sep-25	HOSTAFRICA	Zesha	Undisclosed	ICT	M&A	Tanzania	HosttAfrica, a leading provider of web hosting, domains, and VPS services for the African continent, announced that it has entered into an agreement to acquire the Tanzanian web hosting company, Zesha (T) Limited ("Zesha").
10-Sep-25	Marula Mining	Takela Mining Tanzania	Undisclosed	Mining	M&A	Tanzania	The company was acquired by Marula Mining through an LBO on September 10, 2025 for an undisclosed amount.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
12-Sep-25	Centum	Akiira Geothermal Partners	1.8	Energy	PE	Kenya	Centum paid Sh194 million to buy a 37.5% stake from Danish private fund DI Frontier and Sh39 million to buy out American RAM Energy. The purchases saw Centum's stake in the power generating company rise to 85%, from 37.5%, giving it control of the company whose balance sheet is at Sh3.5 billion.
18-Sep-25	Enabling Qapital	Premier Credit Uganda	1.5	Financial Services	PE	Uganda	Premier Credit Uganda, a subsidiary of The Platcorp Group, secured USD 1.5 million in investment from Enabling Qapital, a Swiss-based impact asset manager. This investment will enable Premier Credit Uganda to scale operations, innovate its services, and extend access to finance to underserved communities across Uganda.
18-Sep-25	Metier	Watu	Undisclosed	Financial Services	PE	Kenya	Metier, through its Capital Growth Fund III (MCGF III), invested in Watu, a microfinance institution focused on financing income-generating assets for underserved communities across sub-Saharan Africa. Founded in 2015, Watu has a strong presence in Kenya, Uganda, and Tanzania, and expanding operations in Rwanda, Sierra Leone, the Democratic Republic of Congo, Nigeria, and South Africa.
19-Sep-25	Triple Jump	Pyramidia Ventures	1.5	Agribusiness	VC	Kenya	Kenyan agri-tech venture studio Pyramidia Ventures raised USD 1.5m in funding to expand its model of building and scaling climate-focused startups. Founded in 2021 by Ruth Bertens, a former McKinsey consultant, and Joseph Rehmann, the founder of aquaculture company Victory Farms, Pyramidia Ventures aims to create a pipeline of investable companies designed to make Africa's agri-food systems more resilient and lower-carbon.
22-Sep-25	Mirova	ARC Ride	10	Automotive	PE - Debt	Kenya	Mirova, an affiliate of Natixis Investment Managers, committed up to USD 10 million in senior secured debt to ARC Ride, an electric mobility company in Kenya. This transaction marks the Mirova Gigaton Fund's first electric vehicle investment in sub-Saharan Africa. The USD 10 million facility will fund over 600 battery-swapping cabinets and 25,000 batteries.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
22-Sep-25	Yango Ventures	Zanifu	Undisclosed	Financial Services	PE	Kenya	Yango Ventures, the Dubai-based corporate venture capital arm of global tech conglomerate Yango, announced a strategic investment in Zanifu, a Kenyan fintech specializing in working capital solutions for small and medium-sized enterprises. This marks the fund's second major investment in Kenya this year, solidifying the country as a critical beachhead for Yango's ambitious African expansion strategy.
24-Sep-25	DOB Equity	Mazao Hub	Undisclosed	Agribusiness	PE	Tanzania	DOB Equity invested in MazaoHub Precision Agriculture. The Tanzanian agritech company seeks to transform smallholder farm productivity through precision farming using a hybrid of hands-on agronomic support blended with technology. MazaoHub offers soil testing, specialised agronomy services, input distribution and market links to aggregators. The approach supports climate-smart practices, higher yields and the use of organic fertiliser, to improve farmer incomes.
24-Sep-25	Impact Ventures	Signalytic	Undisclosed	Healthcare	VC	Kenya	The company raised an undisclosed amount of venture funding from Johnson & Johnson Services on September 24, 2025. The funds will be used to support the company's growth and deepen its impact in strengthening primary care systems.
25-Sep-25	Health Innovation Exchange and Reckitt Benckiser Group	Denebola Technologies	Undisclosed	Healthcare	VC	Uganda	Denebola Technologies, a Ugandan social enterprise, announced a significant strategic investment from the Women Innovation Fund (WiNFUND), cofounded by the Health Innovation Exchange (HEIX), and global health and Hygiene leader Reckitt. The new funding will accelerate the company's mission to provide accessible and affordable healthcare to underserved women across the country.
22-Sep-25	Yango Ventures	Zanifu	Undisclosed	Financial Services	PE	Kenya	Yango Ventures, the Dubai-based corporate venture capital arm of global tech conglomerate Yango, announced a strategic investment in Zanifu, a Kenyan fintech specializing in working capital solutions for small and medium-sized enterprises. This marks the fund's second major investment in Kenya this year, solidifying the country as a critical beachhead for Yango's ambitious African expansion strategy.

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