EAST AFRICA FINANCIAL REVIEW

AUGUST 2025

IN THIS ISSUE

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Editor's Note

Deal activity in East Africa's capital markets increased in August, reaching 13 announced transactions (up from 12 in July), totaling approximately USD 85.9 million in disclosed value across 7 deals. M&A and DFIs emerged as the most active investor segments, recording 5 and 4 transactions, respectively. PE and VC followed with 2 transactions each. Investment activity spanned a broad range of key sectors, with healthcare leading with 3 transactions. Manufacturing and financial services each recorded 2 transactions. Automotive, Education, ICT, Professional and other services, real estate and mining concluded the list with 1 transaction each. Ethiopia accounted for the only deal outside of Kenya in the month of August where 12 of the 13 recorded deals occurred

Deal activity in East Africa during August brought the year-to-date transaction count to 72, representing a decline from the 84 deals recorded over the same period in 2024. However, the total disclosed deal value rose to USD 1.26 billion from USD1.1 billion during the same period last year, indicating a shift toward larger transaction sizes. Investor activity in the East African region has remained relatively stable compared to the same period in the previous year. The volume of deals involving Development Finance Institutions (DFI), commercial debt, and private equity (PE) exits has shown little variation, with only marginal fluctuations observed in mergers and acquisitions (M&A) and PE transactions. Of particular note is the significant increase in venture capital deals, which have grown by 50% this year, suggesting that investors are increasingly engaging at earlier stages of business development rather than at later phases. Furthermore, the prevailing trend of investors participating as consortia or jointly providing debt financing in transactions continues to be evident. Collaborative investor participation in these transactions underscores growing confidence in the market, as capital continues to target businesses and industries with strong long-term growth prospects.

The upward momentum of the foreign investor segment has played a significant role in lifting the Nairobi Securities Exchange (NSE) which closed August on a bullish note; one of its strongest performances in recent years. Improved sentiment among international investors, particularly toward large-cap, high-liquidity stocks with strong dividend potential, has supported this growth. Investor confidence was supported by the easing of global risks, including fading concerns over Trump-era tariffs and growing expectations that the U.S. Federal Reserve may soon cut interest rates. These factors have increased the appeal of emerging and frontier markets such as Kenya. Although foreign investors remained net sellers for most of the year, August recorded net inflows of USD 12.92 million, the highest monthly foreign purchase at the NSE in four years. This marked a significant turnaround from July, which saw renewed outflows, highlighting the volatility of cross-border capital movements. Heading into the final quarter of 2025, foreign investor behavior will remain a key driver of market direction. While signs of recovery in Kenya's capital markets are becoming more visible, sentiment remains fragile, and investment flows are likely to stay sensitive to both global monetary policy shifts and domestic market conditions.

IMBC's Deal of the Month highlights the successful completion of a USD 4.9 million seed funding round by HoneyCoin, a Nairobi-based fintech innovator leveraging cryptocurrency technologies. The round was led by Flourish Ventures, with participation from TLcom Capital, Stellar Development Foundation, Lava, Musha Ventures, 4DX Ventures, Antler, and Visa Ventures. HoneyCoin has developed a financial platform aimed at empowering content creators and consumers across Africa by facilitating the monetization of creative work. The platform enables users to earn income for their talents and seamlessly withdraw their earnings. This new capital will be directed toward expanding HoneyCoin's stablecoin-based payment infrastructure, with a focus on accelerating growth across emerging markets.

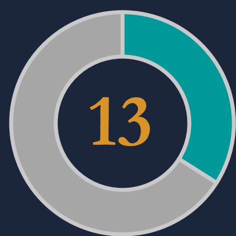
The listed equities recorded positive performance in August, with the NSE 20, NSE 25 and NSE All Share Index posting 11.2%, 7.5% and 7.7% in positive returns, respectively. Average daily turnover reduced to USD3.97 million, from USD4.34 million in July. Top gainers during the month included Sameer Africa and Eaagads which were up by 83.7% and 77.6%, respectively. Kenya Airways and Kakuzi recorded the largest losses ending the month down by 25.5% and 11.8% respectively.

KEY HIGHLIGHTS

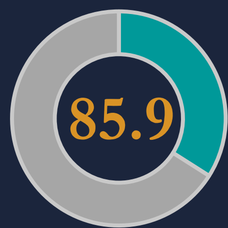
- *Total number of disclosed deals in the YTD is 72.*
- *Total disclosed deal values in the YTD now c. USD 1.26 billion.*
- *PE investment activity account for 28% of YTD deal activity, with M&A accounting for 25%, VC accounting for 21%, DFI accounting for 17%, PE exit accounting for 4%, Commercial Debt for 3% and Partnerships activities comprising 1% of total corporate deals each.*

AUGUST

In Numbers



The number of disclosed deals in EA



Disclosed deal value in USD million

IMBC Deal of the Month:

HoneyCoin's USD 4.9 million seed raise led by Flourish Ventures

The Editorial Team

KIRIGA KUNYIHA | ODEKE EKIRAPA
AAYUSH SHAH | JOAN MUIRURI



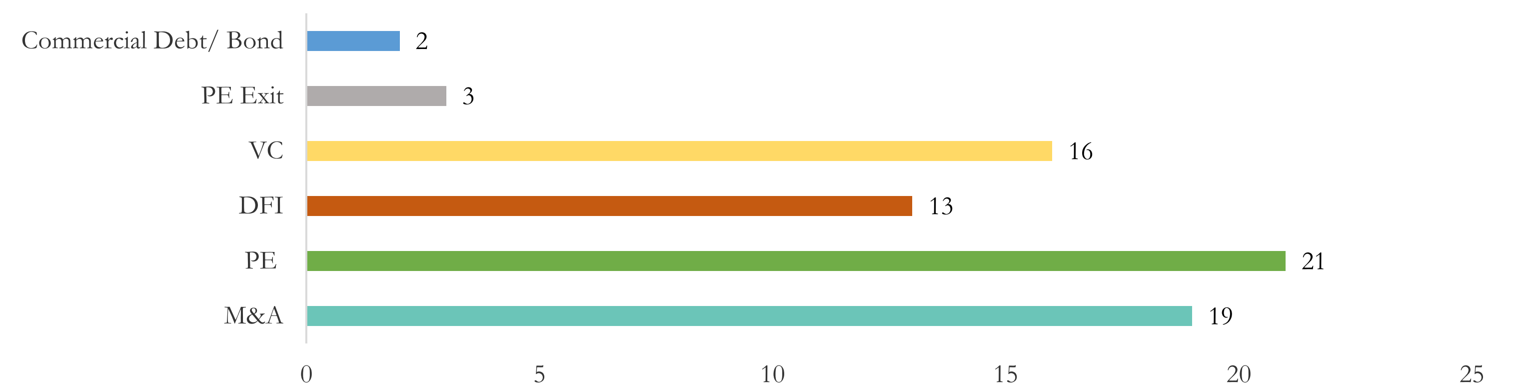

PART I : DEAL STATISTICS

Analysis by Sector

	Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
	Financial Services	11	68.1
	Healthcare	9	20.13
	Agribusiness	8	607.7
	Energy	8	379.6
	Automotive	7	17
	ICT and Telecommunication	5	10.9
	Hospitality	5	0.5
	Logistics	4	25
	Manufacturing	3	44.4
	Entertainment	3	26
	Real Estate	2	44.8
	Education	2	15.8
	Mining	1	3
	Professional and Other Services	2	Undisclosed

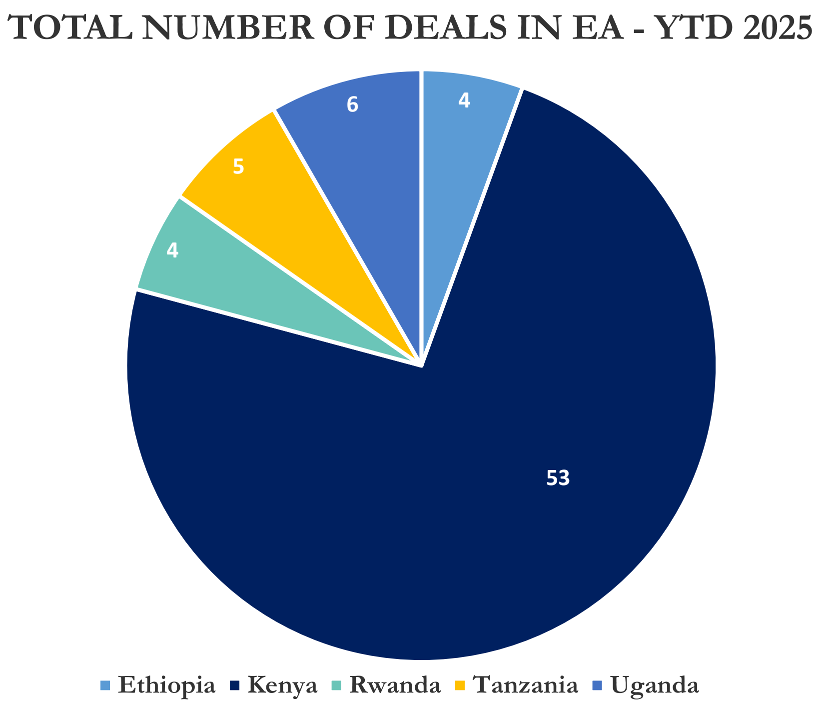
Analysis by Type of Transaction

TOTAL NUMBER OF DEALS IN EA - YTD 2025

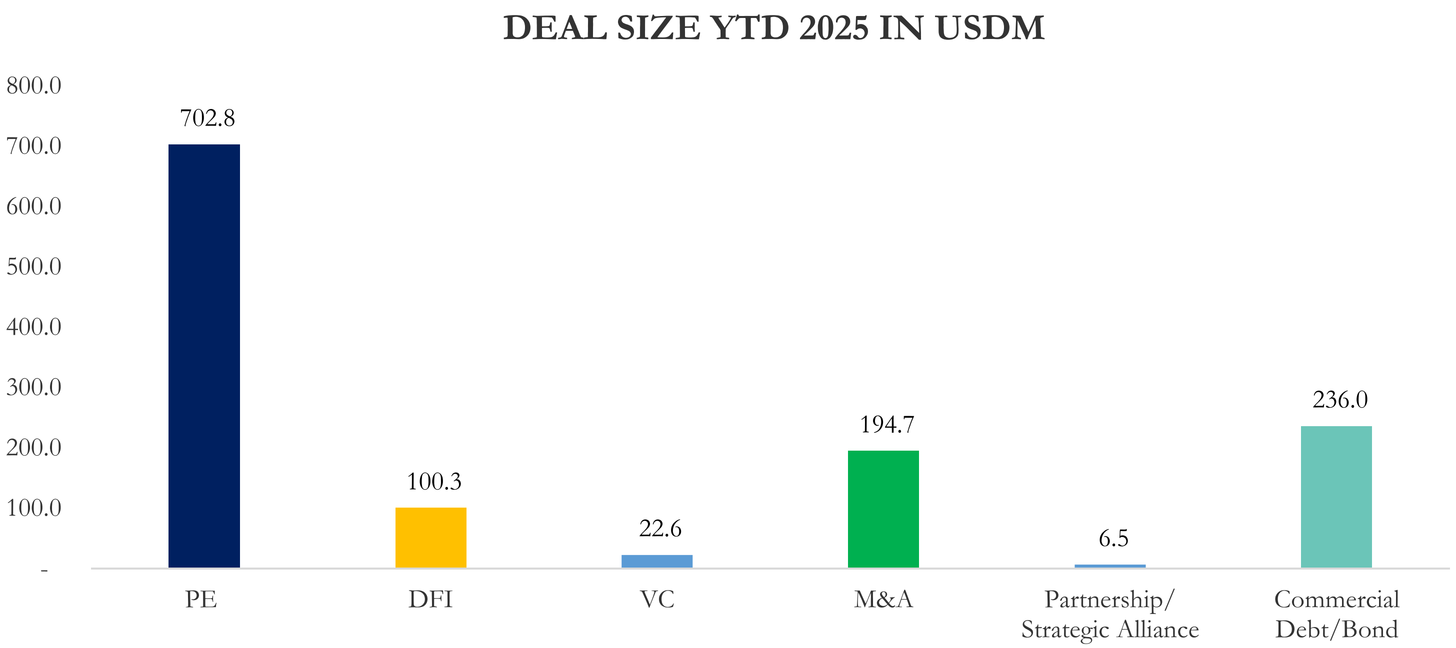


PART I : DEAL STATISTICS

Analysis by Country



*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.



PART II : KEY MARKET INDICATORS

(As at 30th August 2025)

Coupon Rate on Government Securities

Years	91-day	2 year	5 year	10 year
Kenya	7.99%	10.59%	10.69%	13.49%
Tanzania	7.33%	12.00%	12.75%	13.50%
Uganda	11.00%	15.75%	15.50%	17.10%

Source: Refinitive, respective Central Bank

LTM Inflation Rates

Years	Kenya	Tanzania	Uganda	Rwanda
2024 Actual Inflation	4.40%	3.10%	3.50%	5.00%
2025 Projected Inflation	4.50%	3.30%	3.80%	7.20%

Source: World Bank

Central Bank Rates

Country/Region	Rate as at August 2025	Rate as at July 2025
Central Bank of Kenya (Kenya)	9.75%	9.75%
Bank of Uganda (Uganda)	9.50%	9.75%
Bank of Tanzania (Tanzania)	5.75%	5.75%
National Bank of Rwanda (Rwanda)	6.75%	6.50%
National Bank of Ethiopia	15.00%	15.00%
South African Reserve Bank (RSA)	7.00%	7.00%
Central Bank of Nigeria (Nigeria)	27.50%	27.50%
Central Bank of Egypt (Egypt)	22.50%	24.00%
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
4-Aug-25	Marubeni Corporation	Phillips Healthcare Corporation	Undisclosed	Healthcare	M&A	Kenya	Marubeni Corporation expanded its pharmaceutical business in Africa by completing an investment in Phillips Healthcare Corporation (Phillips Pharma) on August 4, 2025, making it a Marubeni equity-method affiliate. With Phillips Pharma, Marubeni has extended its pharmaceutical strategic platform to cover Asia, the Middle East, and Africa.
5-Aug-25	Health Innovation Exchange	Thalia Psychotherapy	Undisclosed	Healthcare	VC	Kenya	Thalia Psychotherapy, a digital mental health startup, received investment from the Health Innovation Exchange to support the expansion of mental health services in Africa. HiEx, backed by the Reckitt Catalyst initiative, becomes Thalia's second institutional investor after Vilgro Africa. The investment signals growing confidence in Thalia's innovative approach, which blends technology, large-scale service delivery, and financing to tackle Africa's severe mental health access gaps.
6-Aug-25	Virtual Finance	Oneramp	Undisclosed	Financial Services	M&A	Kenya	The company was acquired by Virtual Finance for an undisclosed amount on August 6, 2025. This acquisition aims to expand its reach into high-growth markets in Africa and Latin America by integrating company's mobile money and banking infrastructure with ViFi's decentralized stablecoin and foreign exchange protocol.
8-Aug-25	ADvTECH	Regis Runda Academy	9.3	Education	M&A	Kenya	Regis Runda Academy proprietors—Peter Burugu and Mary Burugu—sold the school to South African multinational ADvTECH for Sh1.2 billion, marking one of the largest deals in Kenya's private education market. The transaction marks the latest expansion in Kenya by ADvTECH, which first acquired a 71% stake in Makini Schools from Mary Okelo at a cost of nearly Sh1 billion in 2018.
11-Aug-25	EIB	International Housing Solutions (HIS)	24.8	Real Estate	DFI	Kenya	The European Investment Bank (EIB) made an equity investment of Sh3.2 billion (EUR 21.5 million) in local developer International Housing Solutions (IHS) Kenya to help it deliver more than 3,000 affordable housing units in prime neighbourhoods of Nairobi and Kiambu. The European institution says its investment is meant to aid the construction and acquisition of energy-efficient affordable housing units in the country.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	**Sector**	Type	Country	Synopsis
14-Aug-25	Ajua	Rate My Service	Undisclosed	Professional and Other Services	M&A	Kenya	Ajua, a leading African customer experience platform, acquired Rate My Service (RMS), a Kenyan platform specialising in customer and employee experience. The acquisition enhances Ajua's local expertise, positioning it as the largest and most comprehensive CX platform on the continent.
14-Aug-25	Flourish Ventures and Other Investors	Honeycoin	4.9	Financial Services	VC	Kenya	HoneyCoin, a Kenyan fintech company providing stablecoin-powered cross-border payment solutions, closed a USD 4.9 million funding round led by Flourish Ventures with participation from Visa Ventures, Lava, TLCom Capital, Antler, Musha Ventures, 4DX Ventures, Stellar Development Foundation, and others.
14-Aug-25	Ethiopian Investment Holdings (EIH)	Akobo Minerals	3	Mining	PE	Ethiopia	Akobo Minerals, a Scandinavian-based gold producer operating in Ethiopia, secured an investment from Ethiopian Investment Holdings (EIH), the country's sovereign wealth fund. EIH will take a 7.4% stake through the private placement of 15 million new shares at USD 0.20 each, raising USD 3 million.
14-Aug-25	BII and Other Investors	Ampersand	Undisclosed	Automotive	PE - DFI	Kenya	Electric motorbike company Ampersand closed a funding round to expand across East Africa, securing fresh working capital from British International Investment (BII), the UK's development finance institution. The round also brought in new equity from Seedstars Africa Ventures, Gaia Impact, the Rwanda Green Fund and Raspberry Syndicate, alongside increased commitments from existing backers including Ecosystem Integrity Fund, AHL Ventures, Acumen, HEHF and TotalEnergies.
20-Aug-25	Africinvest	HewaTele	10.5	Healthcare	PE	Kenya	AfricInvest, through its blended-finance impact vehicle Transform Health Fund, invested USD 10.5 million in HewaTele, a Kenyan medical oxygen provider. Access to medical oxygen remains one of the most pressing but under-addressed challenges in East Africa's health systems. In Kenya alone, over 70% of existing pressure swing adsorption oxygen plants are either non-operational or producing oxygen at purity levels far below the World Health Organisation's 90% minimum standard.

PART III : SELECTED DEALS

Date	Buyer	Seller	Deal size (M USD)	**Sector**	Type	Country	Synopsis
26-Aug-25	Norfund	Kinetic Holdings (Kensta Group)	Undisclosed	Manufacturing	DFI	Kenya	Norfund, Norway's development finance institution, acquired a minority stake in Kinetic Holdings, known in East Africa as Kensta Group, a manufacturer and distributor of stationery products. Kensta supplies raw materials to the printing and packaging industry and manufactures everyday essential paper-based products. The investment will support the construction of a new production facility in Uganda dedicated to the manufacturing of sanitary pads.
27-Aug-25	Savannah Cement 2025 Limited	Savannah Cement	29.4	Manufacturing	M&A	Kenya	A group of flour mill tycoons and associates of the makers of Super Loaf bread acquired bankrupt Savannah Cement for Sh3.8 billion, ending a two-year search for suitors after KCB and Absa Bank placed the firm under receivership due to a Sh14.1 billion debt. The wealthy investors linked to Mombasa Maize Millers, Kitui Flour Millers, and Eldoret Grains Limited closed the deal through a newly registered company, Savannah Cement 2025 Limited.
28-Aug-25	Finnfund	Poa Internet	4	ICT	DFI - Debt	Kenya	Finnfund made a USD 4 million debt investment in Poa Internet, a Kenyan internet service provider. The funding is intended to help Poa extend affordable broadband to underserved communities in Kenya.

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Originating and structuring Equity and Debt capital raising, IPOs, M&A transactions, Strategic Options advisory, PE advisory, Tax Advisory and other Corporate Finance Services.

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