



Nanyuki Real Estate Investment Opportunity, 2019, & Cytonn Weekly #23/2019

Private Equity

In Fintech, Velocity Capital Fintech Ventures, a Netherlands-based private equity firm investing in Fintech companies in Europe, Africa and North America, announced the launch of its USD 120.0 mn (Kshs 12.2 bn) venture fund aimed at investing in early-stage companies focusing on banking, payments, credit and other Fintech areas. Through this fund, Velocity has already invested in two companies. On June 3rd 2019, it announced its investment of USD 3.4 bn (Kshs 344.1 bn) in Owlin, a technology company based in Amsterdam and had previously in May 2019 made an investment of GBP 4.0 mn (Kshs 459.2 mn) in Twisto, a credit and payment solutions provider based in Prague.

In Africa, Velocity Capital has invested in three Fintech companies namely Yoco, a South African point-of-sale provider, Mines, a digital Credit-as-a-Service platform for domestic banks, mobile operators, retailers, and payment processors, and, Cellulant, a leading Pan-African digital payments service provider. With the creation of the fund, we expect increased investment in fintech companies across Africa and the resultant growth of Africa's Fintech segment due to increased access to capital.

We maintain a positive outlook on private equity investments in Africa as evidenced by the increasing investor interest, which is attributed to; (i) economic growth, which is projected to improve in Africa's most developed PE markets, (ii) attractive valuations in Sub Saharan Africa's private markets compared to its public markets, and (iii) attractive valuations in Sub Saharan Africa's markets compared to global markets.