

MARKET ANALYSIS

This Market Analysis develops to provide entrepreneurs in the digital payment solutions in the Fintech industry with the opportunities in the African economies. LIBSEIB Management believes this analysis will provide with entrepreneurs in the Fintech industry a better understanding of the size and specific segments of the Africa Fintech market, as well as an evaluation to determine if the target market will support their business growth plans. This Market Analysis is a critical part of our business model created to inform our potential business partners or to communicate to potential investors the size of the opportunity in our target market in Africa.

This analysis documents an overview of the industry that our business will participate in as we narrow this sector down to our ideal customer based on our business strategy. We will define our target market. A detailed description and sizing of our target market will help you understand the market value we are pursuing.

In defining our target market, we will identify elements such as geographic location, demographics, buyer characteristics, target market needs, and how these needs are currently. If there are any direct competitors, these should be, compared to how our offering will give us a competitive edge in the future.

This section may also include a SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis that is necessarily better assess our business's position against the competition.

Industry Type: Instant payment solutions in the African economies are gaining momentum in the African financial space. Africa's payment landscape is becoming more integrated with deliberate and concentrated efforts toward the modernization of various payment infrastructures, according to the KPMG Africa office.

Our focus industry in this market analysis is the instant payment solution, otherwise "Switch. The focus industry is on the payment solution that will allow cross borders and multiple currencies transactions within the African markets.

The African financial space is divided into banks, e-commerce houses, Micro institutions, hotel chains, and five-star restaurants that are open to using the modernized instant and secure payment solutions in the African economies.

Our focus industry is geographically in the sub-Sahara region of Africa, with the demographic of young, banked public and private business owners across the continent. To start with, the niche market of West Africa, which will serve as our regional target market in Sub-Sahara Africa.

- **Industry Category:** Ecosystem payment services are the category of the industry our management is currently positioning in its regional market. We opt to penetrate the West Africa region market with an end-to-end payment solution with smart and secure payment methods.

Our management works with APIs companies with secure payment environments to enter the West African economies. We help to position our partner's companies' products and services in our target markets across the region.

- **Industry Characteristics:** The ecosystem payment industry functions to provide end-to-end encrypted payments method between business to business, business to consumers, banks to banks, private individuals to online platform payment, and e-commerce vendors.

These industry players are individual consumers, commercial banks, and merchants in the regional economies.

The main characteristics of this industry category are,

- To provide safe and smart transactions among all stakeholders in the financial space in the region.
- To provide cross borders transactions with free of fraud
- To boost end-to-end business transactions with multiple currencies

- **Trends:** The integration of mobile payment solution in recent years has doubled and continue to rise steeply across the African markets. The growth in this industry expects to continue in the next 20 years as governments across the continent are putting regulatory guidance to protect the financial space in the continent economies to create cashless economies across borders.

New industrial participants are the startups and innovative companies from the European Fintech industries partnering with African consulting companies, startup Fintech companies in the African economies, international financial institutions, and Central banks in the different African economies. New products like mobile money, mobile wallet, or Switch payments have currently launched in most African economies.

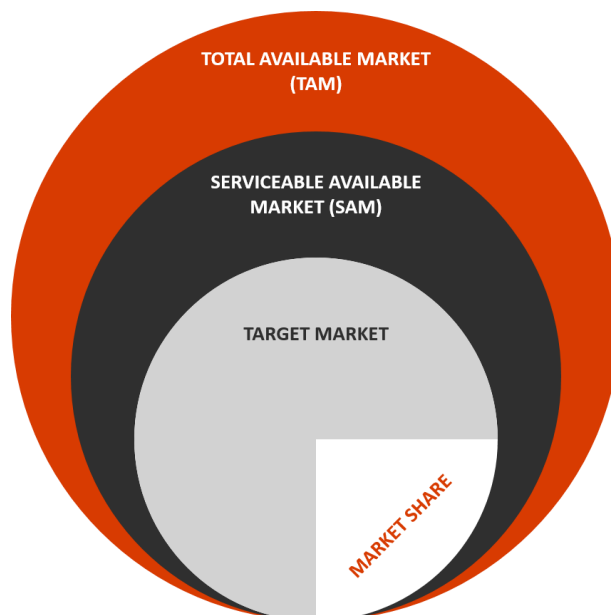
- **Stability:** The mobile payment, or ecosystem payment method in the African economies is at its evolutionary stage. It expects to remain stable in the continent economies for the next century as the continent is moving towards industrialization.

This new method of payment is the world's new generation of payment technology to create cashless and safe transactions across the globe, which has been acquired by all regions and nations globally.

Market Segmentation: The instant payment, or otherwise the Switch payment method in the African market, has different segments in the financial industry across the continent.

The financial space in the continent economies is segmented among bank institutions, micro-financial institutions, e-commerce, telecommunication service providers, and small-medium size business owners.

The continent market segmented into regional and subregional markets composed of countries and territories.



Our segment market in this industry will be in the West Africa regional economy. We opt to position the switch payment solution across the ECOWAS market to include territories bordering this market.

Our go-to-market strategy is to target bankable populations, mobile users, hotel chains, restaurants, and small-medium size business owners.

- **Total Available Market (TAM):** The aggregated market for instant payment solutions in the West Africa regional market is 366 million inhabitants, both young and old. This market is divided into sub-regional markets, with Nigeria, Ghana, and Côte d'Ivoire as the major markets in the region.

The top three regional players in the banking and micro-financial institutions statistics are listed below with the strength of categories.

Nigeria: Nigeria is the leading economy in the sub-regional economy of West Africa and has 22 commercial banks in its market. Nigeria's e-commerce also amounts to the US \$ 4.942 M 2020 in revenue. The revenue generated in this industry was mainly from purchasing on international websites instead of local websites in Nigeria because of unsecured online transactions in the state economy from local digital payment solutions. The growth in the e-commerce sector will continue to rise by 2024 to the US \$ 8,917 M. The largest segment in the Nigerian e-commerce sector is the fashion industry, with a market value of US \$ 1,823 M in 2020.

Ghana: Ghana is one of the players in the e-commerce and ecosystem payment solutions in the regional economies. Ghana has 21 commercial banks at a total of 146 e-commerce websites and online stores in its economy. The Ghana commercial bank, which is the largest bank in Ghana in terms of total operating assets and share of industry deposits, has 14,2% of total industry deposits in the country's economy. The report on Ghana was made possible from the WOPEDIGITAL Website.

Côte d'Ivoire: Côte d'Ivoire is a francophone country in West Africa with the leading revenue share in the WMARMU Zone. It has a total of 21 commercial banks with higher rates of e-commerce transactions in the West Africa regional economies.

- **Serviceable Available Market (SAM):** We will position our potential partners' solutions in the commercial banking sector, e-commerce business, and Hotel chains in the West African economies. We have a direct connection with the Central bank of Liberia that regulates the financial space of Liberia, which would be one of the initial clients in the region. Liberia has nine commercial banks with a chain of international hotels and e-commerce businesses across the nation. We are also strongly present in the Ghanaian and Nigerian economies with our associate companies that will roll out our solutions and provide after installation maintenance services to all our local clients in the region. We shall expand our services in the regional economy upon the successful deployment of our partners' solutions in the first three economies mentioned above.

Market Segments: The regional market is segmented into the following segments,

- Commercial banks
- e-commerce business houses
- Hotel chains
- Telecommunication service providers
- Micro-financial institutions, and
- Clearinghouses with public services.

Our services will cover all the above segments in the regional financial space.

Target Market: Our target markets are the Liberian, Ghanaian, and Nigerian banking, and commercial sectors. In these markets, we will leverage our resources in the following business segments below.

- Commercial banks
- e-commerce business houses
- Hotel chains
- Telecommunication service providers
- Micro-financial institutions, and
- Clearinghouses with public services.

We expect to expand our target market in the future in other sectors and economies in the region.

- **Competition:** Our competitors in the instant payment solution sector in our regional market are the Mobile money service providers, such as Orange Mobile money, Airtel Mobile money, and MTN Mobile Money. There are other switches instant payment agencies that are currently entering the regional financial space with a lower secured cybersecurity defense system. Included in this rank are Paysatck in Nigeria and Interswitch in the Nigerian, Kenyan, and Ugandan markets, and GTPay with a regional Switch company managed by one of the regions commercial banks.

Other indirect competitors are POS servers with different banks and Commercial institutions in the region.

We will differentiate our services from our competitors in the region by integrating our solution with a strong backing of one of our partner companies' support in the Cybersecurity network. COVR Security AB solutions serve as one of the world-leading ecosystem solutions providers with expertise in the Cyber Defense system. Our management is connected directly with this internationally known

Bank-ID cybersecurity provider and would integrate our solutions with its platform for cybersecurity in the region.

- **Direct Competitors:** Our competitors in this industry are GTPay, ZeePay, Paystake, e-money such as Orange mobile money, and MTN mobile money.

These competitors' competitive advantages in the region are they have been in the economies and positioned their services to local vendors and commercial institutions from the introduction of the digital payment solutions in the economies to the local business communities.

They are also continuing their positioning strategies to gain more industry shares and customers' loyalty.

- **Status Quo:** Our solutions will be the game changers in our target markets. We opt to be backed up by a cybersecurity defense system that is one of the world-leading cyber defense security systems worldwide. Our management will leverage its cordial relationship with one of the best Swedish cybersecurity companies to protect its products and services to its local clients.
- **Messaging:** We forecast to capture the larger share of the market in this industry because of our modern technology that will be safe for the regional merchants, bankers, and individual end-users. We will integrate our solutions with advanced cybersecurity platforms that will trigger every transaction to identify end-users as you are who you proclaimed you are strategy on biometric principles. With this strategy, our services will be differentiated from our competitors in the industry
- **Uniqueness:** Our products and services will capture the market share because of its uniqueness, and we will expand to niche markets that are considered insecure in the regional economy because of a lack of strong cyber defense security. Our professional technical associated companies across the region will provide after installation support regularly to our clients in the regional markets. We have experts in IT engineering companies that are partnering with us to deploy our partner's solutions in our target markets.

SWOT

- Advantage
- Capabilities
- Assets, people
- Experience
- Financial reserves
- Value proposition
- Price, value, quality

- Areas to improve
- New segments
- Competitor weakness
- Industry trends
- New products
- New innovations
- Key partnerships



Analysis:

- Disadvantages
- Gap in capabilities
- Cash Flow
- Suppliers
- Experience
- Areas to improve
- Causes of lose sales

- Economy movement
- Obstacles faced
- Competitor actions
- Political impacts
- Environmental effects
- Loss of key staff
- Market demand

- **Strengths:** Our strengths in this industry are,
 - qualified labor force to execute the technical works to meet customer satisfaction.
 - A secure Cybersecurity defense system to be connected directly to a partner's company API that has long term experience in the Cyber Security industry.
 - A proven regional connection with commercial banks and Central banks' executives.
 - Advanced engineers with associated companies in the IT industry to deploy the solution any time necessary.
- **Weaknesses:** Our weaknesses are,
 - Positioning and formulating a new pricing strategy to meet customer demands in the newly established markets.
 - Market penetration to acquire more market shares for the first six months to one year in business could be a challenge.
 - Brand positioning in the minds of local customers in the different markets for customer loyalty could post a challenge for the first six months to one year.

- **Opportunities:** The opportunities in this industry and the regional economies are,
 - The right time to penetrate the market with fewer competitions and less advanced payment solutions.
 - The possibility of exponential growth and acquiring a larger market share and becoming the industry leader before the markets open to more competitors.
 - It is easy to obtain brand loyalty in a shorter period of operation in the region with lesser and advanced competitors.
- **Threats:** The possible threats for launching our products and services in the region are,
 - Economic instability
 - less financial inclusion with larger unbanked populations.
 - Political instability
 - Less electricity and internet connectivity in the region

These threats expect to end in the region soon, as regional governments are taking every necessary step toward region infrastructure development and financial inclusion.

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