INTELLIGENCE AFRICA
142B OLABODE GEORGE STREET
LAGOS, NIGERIA

INTELLIGENCE AFRICA
CREDIT RATING REPORT

PAYAZA AFRICA LIMITED

Scorecard

Factor	Weight	Ratio	Weight	Value*	Score	
Solvency	60%	Debt/EBITDA	30%	1.24	5.2	
		EBITDA Margin	30%	63%	7.4	
Liquidity	40%	Operating Cash flow/Current Liabilities	25%	81%	7.5	
		Current Ratio (Current Assets/Current Liabilities	15%	80%	4.0	
					SOL	LIQ
					3.8	2.5
		(ICS) Initial Credit Score (Out of 10):			**6.3**	
		(UCA) Unadjusted Credit Assessment			**aa-**	
		Factor Score Adjustment				
		Earnings Stability			+1.0	
		Interest coverage			-0.75	
		Foreign Currency Mismatch				-0.25
		Investment Portfolio Concentration				-0.5
		Funding Type				-0.5
		Adjusted Factor Scores			**4.05**	**1.25**
Adjustments		Industry Profile Adjustment			+0.5	
		ESG Profile Adjustment			0.0	
		Business Profile Adjustment			-0.25	
		Total Adjustments			**-0.75**	
		Standalone Credit Score			**5.55**	
		Support Profile Adjustment			0.0	
		Adjusted Credit Score (ACS)			**5.55**	
		Long-term Issuer Rating			**A-.NG**	
		Short-term Issuer Rating			**A2.NG**	
		Outlook			**Stable**	

***Year-end 2025**

MARCH 2026

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Rating Rationale

Payaza Africa Limited's (Payaza or the Company) **A-.NG** national scale long-term Issuer credit rating is underpinned by a Standalone Credit Score of 5.55. Payaza's credit rating reflects the following strengths:

1. Robust operating cashflow
2. Relatively high profitability margins
3. Well-diversified customer base

These strengths are partially offset by:

1. Relatively high interest expense versus EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)
2. Potential for concentrations in its investment portfolio
3. Structural reliance on confidence sensitive funding
4. Foreign currency exposure within operations

After all applicable adjustments, the Adjusted Credit Score (ACS) of 5.55 maps to A-.NG long-term credit rating.

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Outlook: Stable

The Stable Outlook reflects Intelligence Africa's expectation that Payaza will maintain its current credit profile over the near term, supported by strong profitability and adequate liquidity buffers.

Upgrade Triggers

An upgrade could arise from a sustained improvement in the funding profile, reflected in reduced reliance on confidence-sensitive funding and greater diversification into more stable and reliable funding sources.

Demonstration of a longer and more resilient operating track record, reflecting the Company's ability to sustain growth and profitability across varying economic conditions could improve the rating over the medium term.

Downgrade Triggers

Downward rating pressure could arise from a weakening in liquidity buffers, particularly if not sufficient to support rising leverage levels and meet the demands of its rapid settlement cycle.

A further increase in leverage from already elevated levels without a corresponding increase in earnings, could weaken the rating.

Issuer Background and Analytical Framework

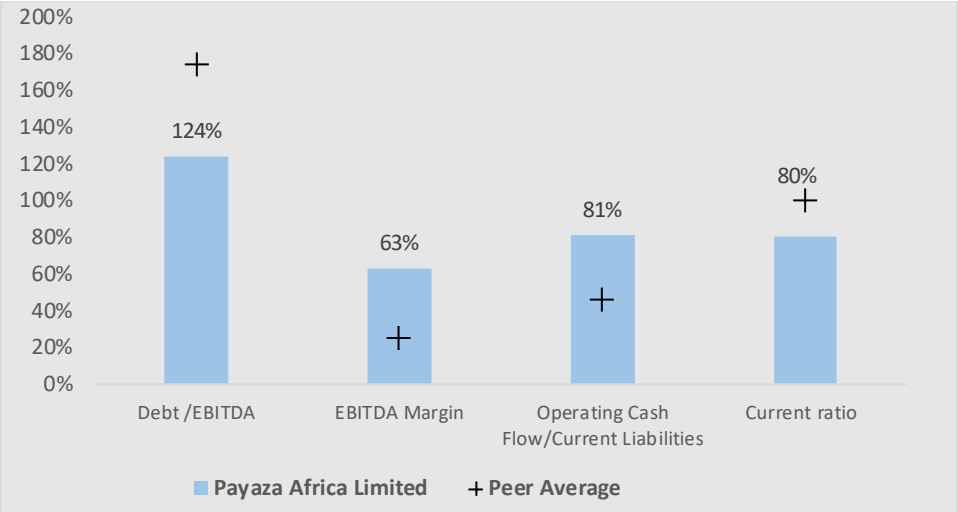
Payaza is a financial services provider founded in March 2022 and headquartered in Nigeria. The Company offers a digital platform for domestic and cross-border payment processing. The payment platform supports a broad and diversified client base including e-commerce platforms, travel and logistics companies, lending institutions, remittance providers, event organizers, real estate firms, churches, non-governmental organizations (NGOs), digital creators and SMEs. Payaza also partners with over 40 banks across multiple regions and provides API-based services to fintechs, enabling them to operate in markets where they do not hold licences. The Company operates across 25 countries including Nigeria, Ghana, United States of America, United Kingdom and New Zealand. It holds licenses in 18 markets, which includes Canada where it was recently licensed, enabling direct access to banks and service providers. In the remaining markets, operations are conducted through partnerships pending licence approvals. Payaza is also expanding into North Africa with a focus on Egypt, Morocco and Algeria, while strengthening its presence in Europe.

The Company generates revenue primarily from service fees earned on transactions processed through its gateway which has grown by 2.2x from inception to 2025. Payaza operates a T+0 settlement model, enabling a rapid settlement of transactions which provides a competitive advantage through faster processing and immediate liquidity to customers. For the purpose of this rating, Intelligence Africa applies its Financial Service Provider Rating Framework (which assesses the credit risk profile of payment firms, advisory firms, asset managers and non-deposit taking financial intermediaries).

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Exhibit 1: Key Ratios vs Peers



Rating factors

Solvency Profile

Payaza's debt to EBITDA ratio of 124% is stronger than the peer average of ~174%. However, IA notes the Company's use of debt to support its operations and facilitate its rapid settlement cycle which represents a competitive advantage. Payaza has issued four tranches under its ₦50 billion commercial paper programme, with an outstanding balance of ₦22 billion as at December 2025. Given the Company's current growth and expansion strategy, leverage is likely to grow over the near term. Profitability, as measured by the EBITDA margin, is strong at 63% compared to a peer average of 25%. This performance is supported by the Company's operating model, where it holds licenses in 18 of its 25 markets, enabling direct access to banking partners, reduced reliance on intermediaries, and lower transaction costs. In markets where licenses are not yet in place, the Company operates through partnerships at relatively lower margins while progressing towards full licensing. This blended model remains cost-efficient and supports structurally strong profitability, with further license expansion expected to sustain this advantage. In addition, the integration of AI-driven tools and automation in processing transactions should enhance operational efficiency, with potential benefits for margin efficiency over time.

Liquidity Profile

The operating cash flow to current liabilities ratio of 81% as of year-end 2025 is notably stronger than the peer average of 46%, indicating strong liquidity coverage. This is largely driven by increases in merchant funds held on behalf of customers, which are short-term in nature and reflect the Company's rapid transaction and settlement cycle.

Excluding Payaza's investment portfolio, the current ratio of 80% is below the peer average, reflecting the structure of Payaza's operating model, which relies on short-term funding such as commercial papers and bank overdrafts. In addition, the high volume of transactions processed results in substantial merchant funds, further increasing current liabilities. However, when including the Company's investment portfolio, largely composed of liquid, cash-like securities, the liquidity profile is more robust, with adequate coverage of short-term obligations. Notwithstanding this, the strength is moderated by the very short-term nature of the Company's liabilities, particularly merchant balances and commercial paper, and therefore does not warrant a positive adjustment.

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Solvency Adjustments

Earnings Stability: +1.0

Revenue is primarily generated from transaction-based services provided through Payaza's gateway platform, increasing from ₦9 billion in 2023 to ₦29 billion in 2025. The Company's platform enables merchants, fintechs, and other organizations to access payment infrastructure through direct integrations and API tools. Revenue base is diversified across multiple industries and geographies, reducing reliance on any single customer or sector. In addition, partnerships with over 40 banks provide broad network access and mitigate payment network concentration risk, while API integrations enable fintech clients to operate across markets where they may not hold licenses. Revenue stability is supported by long-term customer contracts, with tenors of up to four years and early termination penalties. The combination of diversified customer base, contractual income, and scalable platform access supports stable earnings with lower volatility. In addition, the business model supports earnings resilience, as payment volumes tend to remain relatively stable even during economic downturns, thereby supporting the solvency profile. Ongoing geographic expansion into North Africa, further contributes to a positive earnings trajectory. Accordingly, IA applies a +1.0 adjustment to reflect strong earnings quality.

Exhibit 2: Sector Distribution

Customer Segment	Core Business areas
Non-governmental organisations	Global religious organizations and international non-profits organisations
Corporate & Enterprise	Airlines (XE Jet), logistics firms, and global retailers (Adidas, Reebok).
Financial Services	Lending institutions, remittance providers (MoneyGram, Western Union), and asset management firms.
Emerging Economy	Digital creators, SMEs, event management companies, and community organizations.

Interest Coverage: -0.75

IA applies a -0.75 risk factor adjustment on account of Payaza's current level of interest coverage (EBITDA/Interest coverage) of ~3.6x which is lower than the peer average range of ~5-6x, which moderates the otherwise strong positioning implied by its debt to EBITDA metric.

Foreign Currency Mismatch: -0.25

Payaza operates a cross-border payments platform, with revenues and bank balances exposed to foreign exchange movements, mainly in USD. In 2025, this exposure resulted in a relatively modest loss of ₦1.7 billion following the appreciation of the Naira against the USD. As such, the overall foreign exchange risk is assessed via a modest negative adjustment of -0.25.

Liquidity Adjustments

Investment Portfolio Concentration: –0.5

IA applies a -0.5 adjustment to reflect the potential for counterparty concentration within the Company's investment portfolio. Payaza maintains liquid positions to support its T+0 settlement cycle, which previously included a ₦32 billion placement with PAC Capital as at FY 2025, representing approximately 28% of total assets and indicating a material concentration at that point in time. IA notes that this position has subsequently been diluted across other institutions, which is credit positive. However, the historical occurrence of such concentration, even if transient, highlights a degree of flexibility in liquidity management that could give rise to similar exposures in the future.

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Funding Type: -0.5

Payaza primarily relies on commercial papers to meet its immediate liquidity needs, driven by its rapid settlement cycle and high transaction volumes, that require continuous availability of funds to support same-day settlements. Unlike more stable funding sources, access to commercial papers depends on market conditions and willingness. While they are typically available under normal conditions, their reliability can weaken during periods of stress where funding costs may increase significantly. Although Payaza plans to utilise longer-term bond issuances going forward, it remains exposed to confidence-sensitive funding. As a result, this reliance creates refinancing and funding volatility risk captured through a -0.5 adjustment.

1. Industry Profile Adjustment: +0.5

Exhibit 3: Industry Profile Adjustments (See IA Framework)

	ESG	Regulatory and legal environment	Structure (competition, barriers to entry)	Cyclicality	Market risk	Other (e.g. opacity and complexity)	**Total**
Financial Service Providers		+1	-0.25			-0.25	**+0.5**

IA applies an industry risk adjustment of +0.5 on financial service providers. This includes a score of 1.00 to reflect the regulatory oversight exercised by either Central Bank of Nigeria or Security and Exchange Commission over the industry. While regulatory initiatives aimed at promoting financial inclusion have supported market expansion, they have also resulted in moderately low barriers to entry, leading to a growing number of new entrants and intensifying competitive pressures, thereby attracting a -0.25 adjustment. The sector is particularly exposed to information technology vulnerabilities and cyber fraud risks because it mostly runs on digital platforms. This risk could materialise in form of system breaches, identity fraud, often leading to financial losses, downtime, regulatory penalties, and reputational damage hence a -0.25 adjustment for 'Other' factors.

2. ESG Profile Adjustment (No Adjustment)

IA applies no ESG adjustment. Payaza demonstrates adequate governance, supported by a board of twelve directors (inclusive of 2 independent members) and relevant board committees. The company also maintains a stable and experienced management team with a demonstrated track record. From a social perspective, Payaza contributes to financial inclusion by enabling small and medium scale enterprises, non-governmental organisations and digital businesses to access payment infrastructure across multiple markets. In line with IA's methodology, effective governance is considered a baseline requirement while other ESG factors are viewed as credit-neutral in this case.

3. Business Profile Adjustment: -0.25

Payaza commenced operations in 2022 and has rapidly expanded its footprint across 25 countries, supporting a 2.2x increase in revenue from inception to 2025. The Company holds licences in 18 markets and is actively pursuing licences in the remaining seven markets to further strengthen its operating footprint. Further planned expansion into North Africa supports a strong growth trajectory over the rating horizon. While this rapid scale-up reflects strong execution and market demand for its services, IA notes that the operating track record remains limited, with resilience yet to be tested across different economic cycles. This introduces relatively higher operational risk compared to more established peers. However, the Company leverages its rapid settlement cycle as a competitive advantage, enabling same-day transaction settlement. This enhances the efficiency of its platform and supports client demand for timely payment processing, strengthening its competitive positioning relative to peers. This strength partially mitigates the risk associated with its short operating history hence IA applies a slight negative adjustment of -0.25.

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5. Support Profile Adjustment (No Adjustment)

IA applies no support uplift. While the Company has received a non-interest-bearing shareholder loan to support the development of its infrastructure, the facility is repayable on demand and has reduced from ₦6.9 billion in 2023 to ₦2.5 billion in 2025.

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