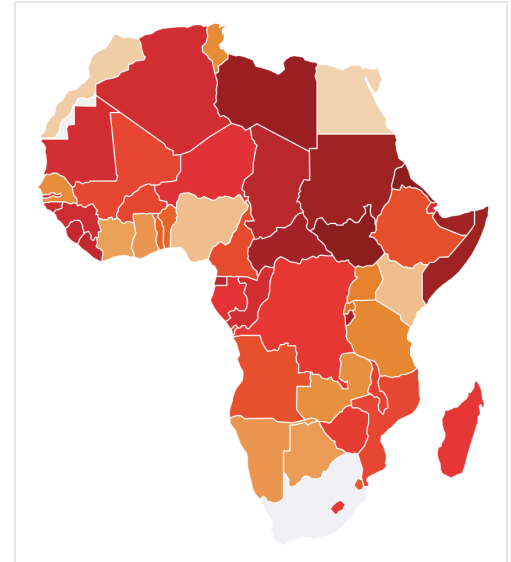


The Long Hold

Exit routes, the buyer pool, and the price of illiquidity across 54 African markets. Who bought, who left, who is buying now, and where the door actually opens.

The call. Africa's exit problem is arithmetic, not narrative: 0.13 exits per new investment in 2024 against 0.36 in the US, an average hold of 6.4 years, and a public door that contributes about 5% of exit volume. But 2025 broke the pattern in one direction the market has not priced: 81 exits, a record 26% sponsor-to-sponsor share, and 68% of acquisition liquidity now domestic. The buyer pool was not destroyed. It was swapped, and our Exit Liquidity Score maps where the new pool actually operates.



The Exit Liquidity map: working exit routes scored across all 54 markets. Higher = fewer credible doors.

0.13x

exits per investment in 2024, by count: 63 exits against 485 deals (AVCA). US: 0.36x. Europe: 0.42x

6.4yrs

average African PE holding period (AVCA via Bright Africa). The long hold is the base case, not the accident

71%

of LPs call the weak exit climate the biggest challenge to investing in Africa (BCG, 2025)

68%

of 2025 exit acquisition liquidity came from domestic African buyers. The swap, measured

27 of 54

markets score critical on our Exit Liquidity Score: no working route at any price

Three findings that move capital

- 1 Read the headline ratio precisely, because almost everyone misquotes it.** The 0.13x is a count ratio, exits per new deal, not cents recovered per dollar. Quoted wrong, it says capital dies here. Read right, it says entry outpaced exit machinery by 8 to 1, which is a pipeline problem with a datable repair, not a verdict.
- 2 The public door is one door, maybe two.** Four of 81 exits in 2025 were IPOs. Eight of twelve measured markets turn over less than 3% of market cap a year, and Zambia turns 0.2%. Outside Johannesburg and arguably Casablanca, the listed exit is a theory. Underwriting should assume the trade sale and price the IPO as optionality.
- 3 The sponsor door has opened, and it is the fastest-moving repair.** A record 26% of 2025 exits were sponsor-to-sponsor, and continuation vehicles have arrived. GPs becoming each other's buyers is how every young private market built its secondary layer. The fundraising crash, -34% to \$2.7bn, is the lagging cost of the old gap, not the leading indicator of the new one.

The model, in one table

Tier	Markets	What the tier means for capital
Critical	27 markets: South Sudan 96, Eritrea 96, Libya 93, Somalia 92, Sudan 92, CAR 90 and the thin-market majority	No working route at any price. Entry here is a hold-to-maturity decision, whatever the deal memo says
High	12 markets including Burkina Faso 69, Mali 69, Mozambique 69, Cameroon 68, Ethiopia 66	One conditional door, usually a strategic buyer with an FX question attached. Exits are events, not markets
Elevated	Uganda 52, Tanzania 51, Tunisia 50, Senegal 49, Zambia 48, Ghana 46, Namibia 46, Botswana 45, Cote d'Ivoire 44	Two doors on a good day. The sponsor-to-sponsor wave reaches these markets next, and the score will say when
Moderate	6 markets: South Africa 14, Egypt 28, Morocco 30, Mauritius 32, Kenya 35, Nigeria 35	Where the 81 exits actually happened. Multiple doors, domestic buyers, and the continent's only real IPO window

Kilwa ELS tiers: Critical at 70 and above, High 55 to 69, Elevated 40 to 54, Moderate below 40. A structured risk ranking, not a validated predictive model. Full methodology, all inputs with verified or estimate flags, re-weighting and 1,000-draw Monte Carlo tests in the flagship report's Appendix A.

CAPITAL RISK RESEARCH · FIVE FLAGSHIPS, ONE SCORED CONTINENT · JULY 2026

CURRENCY

The Missing Market

POLICY

The Price of Surprise

EXITS

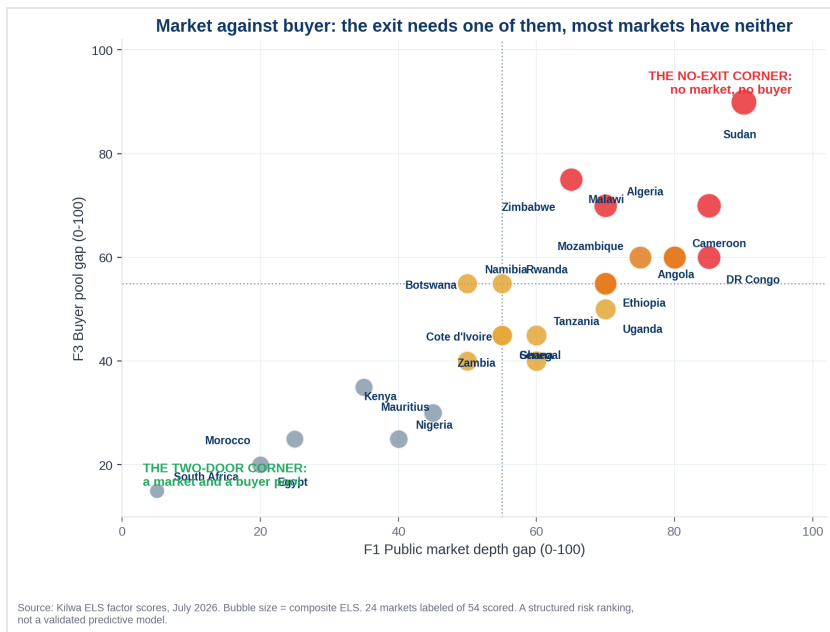
The Long Hold

PIPELINE

Ready Money, Unready Deals

ALLOCATION

The Allocation Gate



Routes against buyers: the committee chart. Exits recur where multiple doors exist and the domestic buyer pool is real, which is six markets.

The checks behind the score

95%

of tier assignments hold when every estimate-flagged input moves up to ten points across 1,000 Monte Carlo draws

100%

of markets stay within one tier in every one of those draws

23%

of draws return the same top eight, churn confined to the near-tied collapse states

0.98

highest pairwise factor correlation (F2 and F3), disclosed rather than hidden

Positioning in one line each

PE and growth funds

Underwrite 7-year holds in the elevated tier, pay for the moderate six's optionality, and build the CV toolkit now

LPs and allocators

The exit drought priced everyone as if they held the critical 27. The moderate six deserve their own math

Corporates and strategics

You are 68% of the liquidity now. The seller's discount for certainty is the acquisition currency of the cycle

DFIs

First-loss positions in secondary and continuation vehicles multiply the exit machinery fastest per dollar

Why Kilwa is the desk for this risk. We rebuilt the exit ledger from AVCA's restated base, separated the count ratio from the value myth, scored all 54 markets on working routes with published inputs and Monte Carlo stress, and dated the calls for July 2027 grading. No other desk prices African exit risk at market resolution.

The next step. The full 27-page flagship carries the three-door framework, the buyer-pool swap analysis, and the 54-market table. For the report, the data, or a committee briefing: research@kilwa.io · www.kilwa.io