OLANIWUN AJAYI

Fintech Roundtable 2026

THEME

Exploring Alternative Capital Raising Strategies for Nigerian Tech Companies

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INTRODUCTION

For over a decade, venture capital (**VC**) has been one of the defining forces behind the growth of Nigeria's technology ecosystem. It funded growth, accelerated innovation, and enabled Nigerian technology companies to scale across Africa and beyond.

However, as market conditions tighten and investor expectations evolve, a pertinent question is now emerging across the ecosystem: what happens when VC funding is no longer sufficient to sustain the growth of the ecosystem?

This question formed the basis of discussions at the second edition of the *Olaniwun Ajayi Fintech Roundtable 2026* (the **Roundtable**), themed *"Exploring Alternative Capital Raising Strategies for Nigerian Tech Companies,"* held on 12 May 2026. One message resonated clearly throughout the discussions: Nigerian fintech companies are entering a new funding era that requires more than equity-driven growth strategies, a more disciplined and sophisticated funding environment.

This article highlights the key insights from the Roundtable and considers its implications for the next phase of capital raising within the Nigerian technology ecosystem. It is intended to help fintech and technology companies better understand how to future-proof their operations and adopt more structured, diversified, and sustainable approaches to capital raising.

BEYOND EQUITY
THE SHIFT IN CAPITAL THINKING

One of the central themes that arose from the Roundtable was the need for Nigerian fintech and technology companies to move beyond their singular dependence on equity financing and adopt more deliberate, diversified approaches to capital raising. While VC remains an important component of the ecosystem, speakers and participants emphasised that sustainable growth will increasingly depend on a company's ability to access and manage multiple forms of capital, including debt financing and other structured finance arrangements.

Speaking on capital positioning for payment companies and digital banks, Seyi Ebenezer, the Chief Executive Officer of PayAza Africa Limited, captured a critical distinction succinctly:

> ***"Equity creates indiscipline, whereas debt creates discipline."***

Seyi Ebenezer
Chief Executive Officer of PayAza Africa Limited,

The point was not to diminish the importance of equity financing, but rather to highlight the different behavioural traits created by the different forms of capital. Equity financing can, in some circumstances, encourage unsustainable expansion habits without corresponding operational discipline, particularly where growth expectations outpace sustainable revenue generation. Debt financing, by contrast, imposes repayment obligations and often requires businesses to adopt clearer accountability, stronger governance, and more deliberate financial management.

As the ecosystem matures, founders and investors are increasingly focused on core business fundamentals, including:

- The profitability of the business, or whether it is on a credible path to profitability;
- Revenue stability or predictability;
- Alignment between the funding model and the stage of the company's growth; and
- Governance structure and compliance maturity.

The broader implication is clear: the era of "growth at all costs" is gradually fading, giving way to a stronger emphasis on sustainability, accountability, and disciplined capital deployment.

CAPITAL READINESS
AND THE RIGHT FUNDING FIT

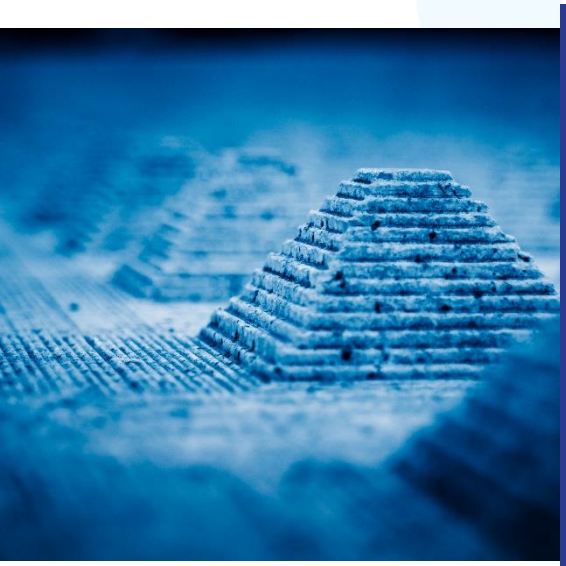
Another area of focus during the Roundtable was the importance of capital readiness. Access to sophisticated pools of institutional capital increasingly depends not only on the attractiveness of a business model, but also on key corporate structures and factors. The key indicators mentioned during the discussions include:

- Strong corporate governance
- Credible financial reporting and forecasting;
- Creditworthiness and repayment readiness
- Strategic investor and institutional relationships

Oluwatoyin Olubake, the Chief Investment Officer of Catalyst Fund, highlighted operational misalignment as a recurring concern amongst investors. He noted particularly that issues such as weak documentation, inadequate compliance frameworks, and a limited understanding of investor expectations continue to impede access to larger pools of capital, even for otherwise promising businesses.

Importantly, the discussions also reinforced that capital raising is no longer simply about securing funding. More than ever, founders must determine whether their capital choices match their business model and stage of development.

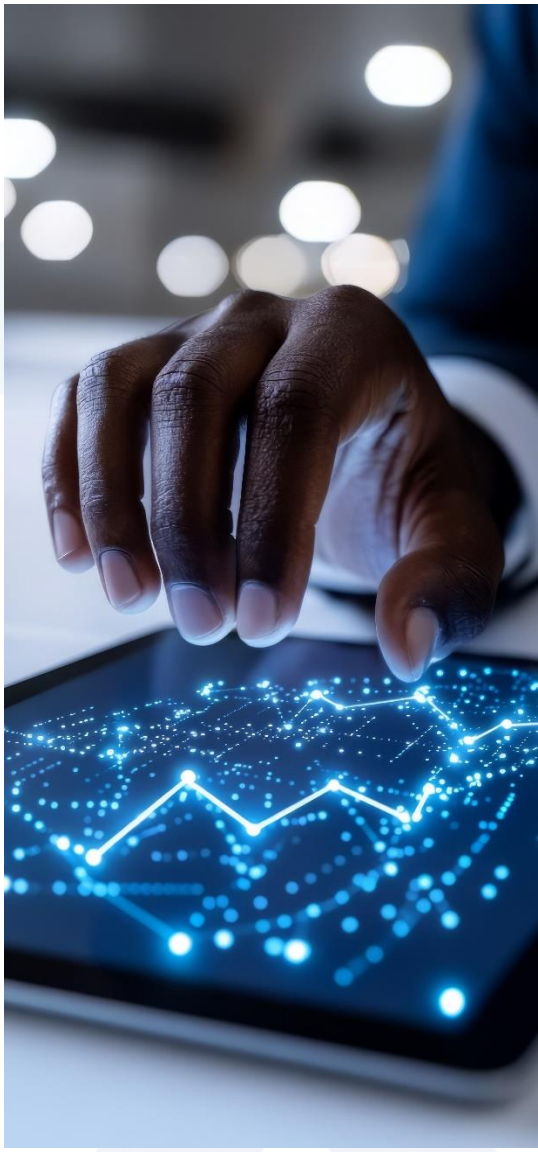
Different funding instruments serve different business purposes, risk profiles, and stages of maturity. Determining the appropriate funding structure, therefore requires careful consideration of several factors such as:



- Business Maturity
- Revenue Stability
- Operational Risk
- Investor Mandate and Expectations
- Repayment or Liquidity Expectations
- Exit Structures

Ultimately, capital strategy is becoming as important as capital access itself.

THE CASE FOR LOCAL CURRENCY AND MARKET MATURITY



The Roundtable underscored the importance of local currency financing within the Nigerian technology ecosystem. For many Nigerian businesses, reliance on foreign currency-denominated funding creates significant exposure to exchange rate volatility, particularly where the revenues are primarily generated in local currency. Local currency financing therefore offers a potential mechanism for reducing currency mismatch risk and improving long-term financial stability.

Zooming out, the discussions pointed to the need for deeper and more sophisticated capital markets capable of supporting the financing needs of high-growth technology companies. Henry Obiekea, the Managing Director of Fairmoney, observed that ecosystem maturity will ultimately depend on stronger public and private sector participation, deeper debt markets, and a wider range of capital instruments tailored to local realities. This reflects a wider shift in thinking across African capital markets: sustainable ecosystem growth cannot depend exclusively on foreign venture funding. Long-term market resilience will require stronger domestic participation and more diversified sources of capital.

TELLING A STRONGER AFRICAN CAPITAL STORY

Beyond funding structures, the Roundtable also explored the role of market narrative in shaping investor confidence and capital flow. A recurring point raised by the speakers was the fragmented storytelling across African markets continues to limit the scale and type of capital flow into the continent. Investors do not only evaluate individual companies; they also assess the coherence, stability, and long-term credibility of the broader market ecosystem.

Accordingly, a stronger, more unified narrative about African innovation, institutional maturity, and market potential could play a critical role in attracting more patient and larger-scale capital inflows.

FIRM'S COMMENTARY

THE NEXT PHASE OF STARTUP FINANCING

The discussions at the Roundtable reflect a clear transition within Nigeria's technology financing landscape. Capital raising is becoming more selective, more structured, and increasingly tied to demonstrable business fundamentals.

Going forward, the ecosystem is expected to rely on a more blended financing environment comprising venture capital, debt financing, revenue-based financing, strategic partnerships, and local currency instruments. At the same time, this evolution will place greater demands on companies to demonstrate profitability, corporate governance quality, operational maturity, and disciplined capital deployment. While these factors have always been relevant to institutional investors, they are now becoming focal points in the determination of access to funding.

The decline in abundant venture funding should therefore not be interpreted as a contraction of the Nigerian technology ecosystem. Rather, it may signal a transition toward a more disciplined and mature capital environment, where fundamentals, sustainability, and long-term value creation increasingly take precedence over growth alone.