



2022 AFRICA TECH VENTURE CAPITAL

REPORT



It's quite an extraordinary achievement: the African Tech ecosystem has continued to grow in 2022, despite a global economic crisis and a dramatic slowdown in the venture capital landscape. Funding for the African sector grew **+8% to US\$6.5B, through 764 rounds**, with debt funding doubling in the year (**+102% to US\$1.5B in 71 rounds**) to compensate for a slight decline in equity rounds (**-6% to US\$4.9B in 693 rounds**). Clearly, the deep forces driving growth of the African Tech ecosystem have prevailed against the headwinds.

The African Tech sector was one of the very few, if not the only, VC markets to boast net growth funding in 2022. Globally, VC funding fell by 35% over the same period.

However, looking closely at the figures, this market was not left unscathed. We can see the slowdown began to seep into the African market in the first quarter of the year, with a 14% drop in activity compared to the last three months of 2021. Despite this, African start-ups still closed record funding in the first half of the year. In Q3, the slowdown really kicked in, with a year-on-year decrease in the number of deals and funding raised.

Still, looking back, we can only marvel at the dynamics of this market:

- The forces of growth driving the African Tech ecosystem were strong enough to compensate for the global crisis and leave us in 2022 with total numbers similar to those of 2021 (a year everybody will agree was an outlier).
- Early-stage activity was maintained with 600+ deals in Seed+ and Series A, building up the first stage of the rocket.
- A new milestone was set with more than 1,000 (1,149) unique investors investing in Africa, cementing the growing global interest in African start-ups. Even better, we saw more local investors dominating the charts at Seed and even at Series A stages.

The future, of course, is still unknown. Has the downturn impact reached its lowest point? What has the impact of the slowdown been on valuations? Will there be more consolidations?

Well, this report cannot answer these... yet. But what is reassuring are the strong fundamentals at play: a strong talent pool and resilient entrepreneurial environment, ubiquitous access and the digitization of key sectors.

The Partech Africa Team

2022 DEALS & VOLUMES

EQUITY FUNDING

\$4.9B
-6% YoY

693 DEALS
+2% YoY

7 MEGADEALS
-50% YoY

TOTAL FUNDING

\$6.5B
+8% YoY

764 DEALS
+6% YoY

DEBT FUNDING

\$1.5B
+102% YoY

71 DEALS
+65% YoY

4 MEGADEALS
x4 YoY

EQUITY BY COUNTRIES

NIGERIA

\$1.2B
189 DEALS

1

EGYPT

\$787M
144 DEALS

3

KENYA

\$758M
103 DEALS

4

SOUTH AFRICA

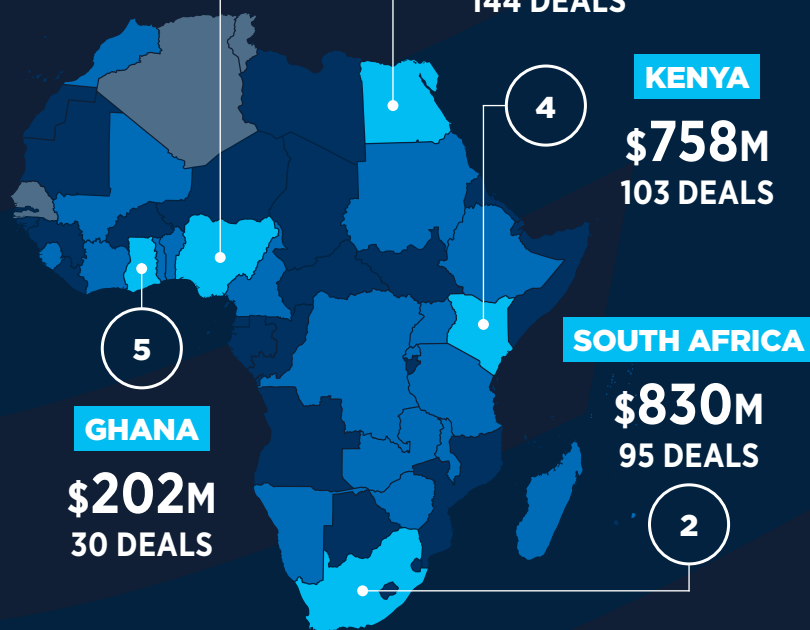
\$830M
95 DEALS

2

GHANA

\$202M
30 DEALS

5



US\$M | DEALS

6.	Algeria	150	1
7.	Tunisia	117	12
8.	Senegal	105	15
9.	Tanzania	54	5
10.	Uganda	48	15
11.	DRC	38	2
12.	Cote D'Ivoire	33	11
13.	Zambia	30	3
14.	Namibia	26	3
15.	Morocco	26	19
16.	Togo	20	1
17.	Malawi	16	1
18.	Cameroon	15	5
19.	Mali	10	4
20.	Rwanda	7	4
21.	Sudan	7	2
22.	Sierra Leone	4	1
23.	Ethiopia	4	3
24.	Zimbabwe	4	3
25.	Madagascar	4	2
26.	Mauritius	1	1
27.	Seychelles	1	1
28.	Benin	0,4	2

2022 AFRICA TECH VENTURE

CAPITAL REPORT

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01

METHODOLOGY & DATA

This report does not claim to be exhaustive. Our goal is to provide a practical picture of the state of the Africa Tech VC ecosystem and how it has evolved over time. Our methodology remains essentially unchanged since our first report: this allows us to be consistent and to spot evolutions and trends.

Scope: We report on fundraising for African tech and digital start-ups, specifically venture capital equity and debt deals above US\$200K.

1. Our numbers only include equity or debt rounds that amount to at least **US\$200K**. This means we focus on Late Seed (Seed+) to Growth stage equity & debt rounds. We omit Angel deals and smaller Seed deals below US\$200K (numerous on the continent).

Example:

ProXalys's round of US\$150K funding in Senegal is not counted.

2. We only cover **African start-ups. We define these as start-ups whose primary market (measured by operations and/or revenues) is in Africa.** When these companies grow and go global, we will still count them as African companies.

Example:

KuCoin's US\$150M Series A is not counted as an African deal as, although the HQ is in Seychelles, the majority of the business is not derived from Africa.

3. **We exclude everything else: grants, awards, prizes, Initial Coin Offerings (ICOs), non-equity/technical assistance, post-IPO, private investment in public equity (PIPE) and all M&A deals.**

Examples:

- SWVL's US\$21.5M of PIPE from European Bank for Reconstruction and Development ("EBRD"), Agility, Luxor Capital Group and Chimera, announced in February 2022, is not counted.

- Thrive Agric's US\$1.75M grant from USAID in March 2022 is not counted.



Public vs non-public data

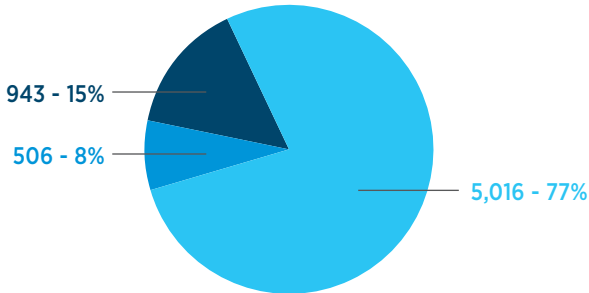
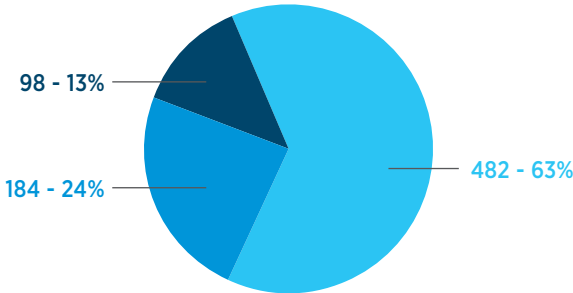
In this report, deals falls into three disclosure categories:

- **Fully disclosed:** these rounds are announced publicly or on professional platforms such as CrunchBase, Tracxn, PitchBook, etc. The major details of the round (Series, round size, investors) are also disclosed.
- **Partially disclosed:** the existence of the rounds is disclosed but some details, especially round size, are not public. Participating investors are often disclosed. In this case we complete the information by reaching out to entrepreneurs and investors, promising confidentiality in exchange for including the data in our aggregate numbers, providing a more accurate overall picture.
- **Confidential:** these deals are not disclosed in the press or on platforms. We collect this data through engaging directly with investors and founders, again pledging confidentiality.

The charts below show aggregate metadata on the level of disclosure in our database entries:

ALL DEALS

Looking at all equity and debt deals, the fully disclosed and partially disclosed deals represent 666 transactions out of 764 i.e. **87% of the total deal count** and US\$5.5B out of US\$6.5B i.e. **84% of the total funding**.





DISCLOSURE OF EQUITY DEALS

- **Fully disclosed: 62% of deals** were fully disclosed in 2022 (429 deals) - a significant increase from last year (50% in 2021). In terms of the amount of funding, this represents **78% of equity funding**, vs 85% in 2021.
- **Partially disclosed:** this category reached **25% of deals** in 2022 (171 deals), 2% less than in 2021. This represents **7% of equity funding** vs 4% in 2021. Some founders and investors chose to disclose the existence of the rounds but kept the details such as round size confidential.
- **Confidential: 13% of rounds were kept entirely confidential**, a bit lower than 2021 (23%).

Most of the undisclosed and partially disclosed deals are Seed rounds (52%).

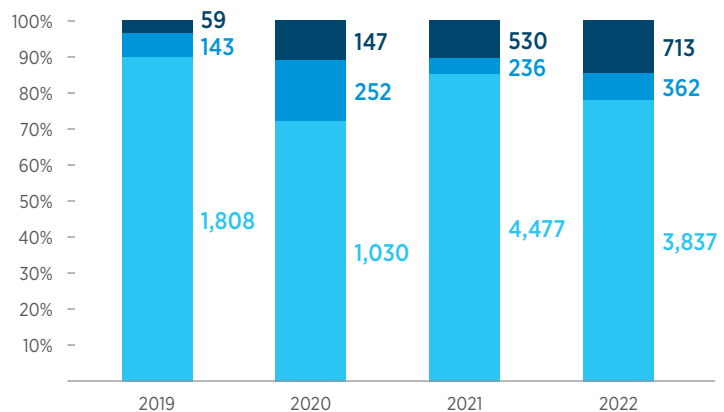
The fully publicly disclosed and partially disclosed deals represent 600 equity transactions out of 693 i.e. **87% of the total deal count** (vs.77% in 2021) and account for **US\$4.2B** i.e. **85% of the total equity funding** (vs. 90% in 2021).

AFRICA TECH VC AMOUNTS DISCLOSED 2019-2022

Partech Analysis 2022

LEGEND

- FULLY DISCLOSED
- PARTIALLY DISCLOSED
- CONFIDENTIAL

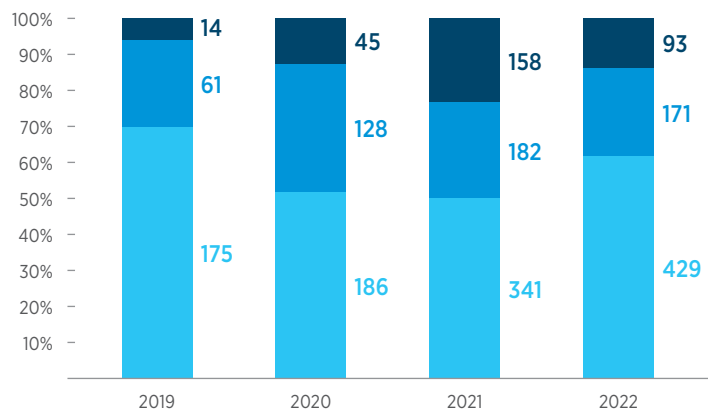


AFRICA TECH VC EQUITY DEALS DISCLOSED 2019-2022

Partech Analysis 2022

LEGEND

- FULLY DISCLOSED
- PARTIALLY DISCLOSED
- CONFIDENTIAL



DISCLOSURE OF DEBT DEALS

- **Fully disclosed: 75% of the debt deals** were fully disclosed in 2022. This represents **76% of debt funding**.
- **Partially disclosed:** this category reached **18%** in 2022 - **9% of debt funding**.
- **Confidential: 7% of rounds were kept entirely confidential.** This represents **15% of debt funding**.

The fully and partially disclosed debt deals represent 66 debt transactions out of 71 i.e. 93% of the total deal count and make up US\$1.3B i.e. 85% of total debt funding.





02

SUMMARY OF TRENDS

DEALS & VOLUME



African tech start-ups raised a total of US\$6.5B (+8% YoY) in 764 deals (+6% YoY) thanks to solid debt funding growth (+102% YoY, 24% of total funding) and resilient equity funding (almost flat at -6% YoY). Despite the global VC slowdown, this ecosystem is still growing.

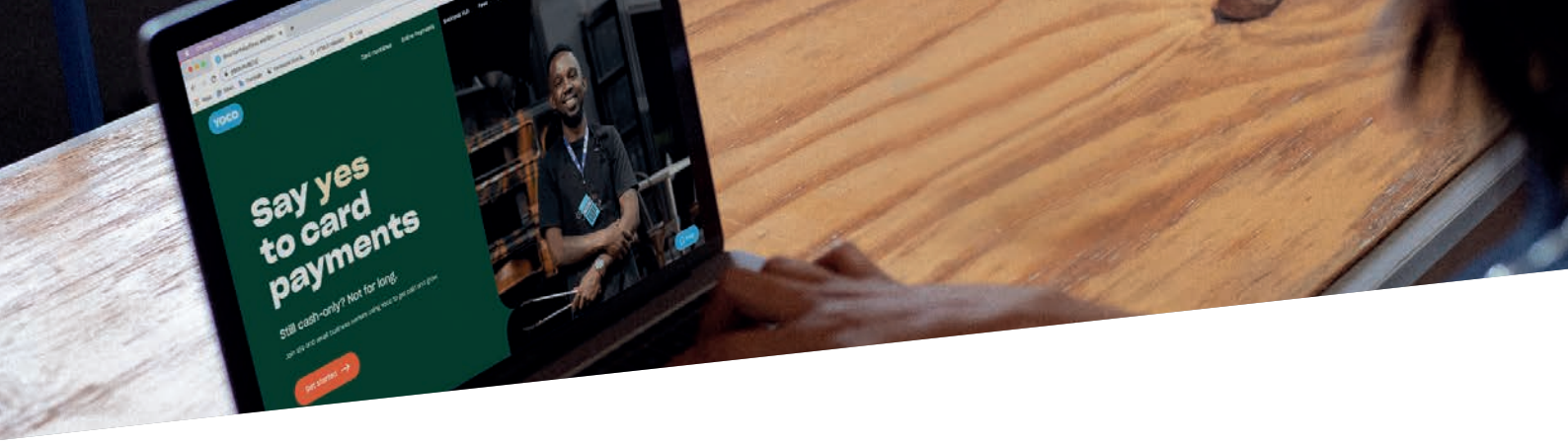
2022 was a particularly tumultuous year for the VC ecosystem, with global funding down -35% vs 2021¹. By comparison, Africa's performance was fairly strong. Total funding (equity and debt) increased by **8% YoY to US\$6.5B**, and **764 deals** were completed this year, representing a **6% increase YoY**.

As 2021 was an outlier, we were watching for a correction in 2022 – and how any correction would affect the growth of the African ecosystem. It turns out the deeper growth trends, essential for Africa, were just strong enough to prevail.

One particular trend was key: African tech start-ups' growing access to debt funding, which doubled in volume to US\$1.5B, nearly a quarter of the total. It is another sign of growth and maturity for African start-ups.

Looking back over the last few years, we can see how the activity (deal counts) kept growing even during COVID in 2020 and the downturn of 2022. This points to a strong, early stage deal-flow that builds on fundamentals (e.g. talent pool, entrepreneurial environment, ubiquitous access and digitization of key sectors etc.). The result has been a **Compound Annual Growth Rate (CAGR) of 42% in activity since 2018**.

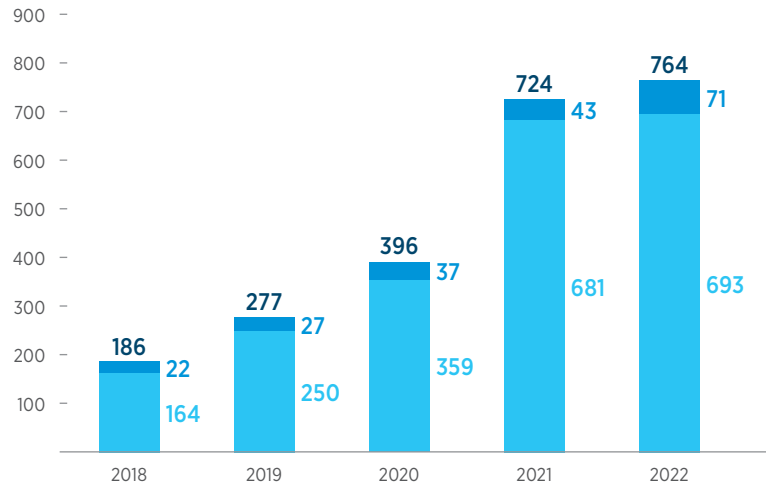
¹ Crunchbase, January 2023 - <https://news.crunchbase.com/venture/global-vc-funding-slide-q4-2022/>



AFRICA TECH VC NUMBER OF DEALS (EQUITY & DEBT) 2018 TO 2022

Partech Analysis 2022

LEGEND
● EQUITY
● DEBT
● TOTAL

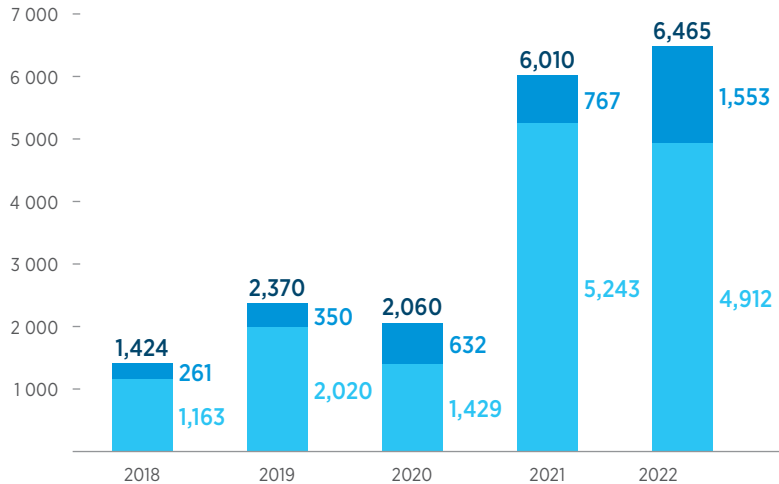


A similar perspective on total funding amounts rather than deal counts still confirms this consistent growth. Despite a dip in 2020 during COVID, the ecosystem has not stopped growing, with a **CAGR of 46% in funding volume since 2018: a 4.5x multiple over four years.**

AFRICA TECH VC TOTAL FUNDING (EQUITY & DEBT) 2018 TO 2022 (IN US\$M)

Partech Analysis 2022

LEGEND
● EQUITY
● DEBT
● TOTAL



It's too early to tell how this strong overall growth in the African tech ecosystem will hold as the downturn is still unfolding, but the sector's strong fundamentals are likely to maintain the progress made in recent years.



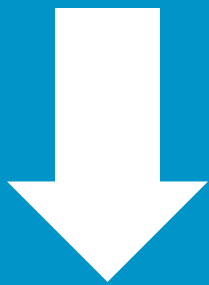

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03

EQUITY BREAKDOWN

DEALS & VOLUME



\$4.9B

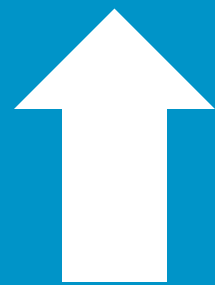
-6% YoY

**TOTAL FUNDING
OF AFRICAN VC TECH
EQUITY DEALS, 2022**

693 DEALS

+2% YoY

**NUMBER
OF AFRICAN VC TECH
EQUITY DEALS, 2022**

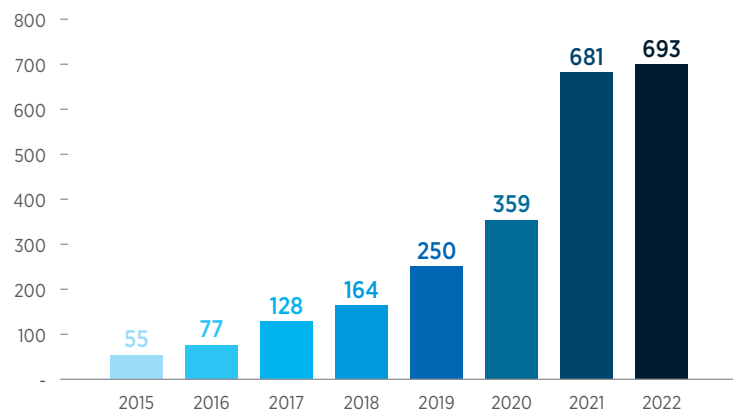


In 2022, 653 African tech start-ups raised a total of US\$4.9B (-6% YoY) in 693 equity rounds (+2% YoY). A solid year for the world's most resilient VC ecosystem compared to the drastic pullback of -35% YoY in global VC funding².

1. In 2022, we tracked a total of **693 equity rounds** raised by **653 start-ups**, compared to 681 rounds by 640 start-ups last year, representing **+2% growth YoY** in activity.

AFRICA TECH VC TOTAL NUMBER OF EQUITY ROUNDS 2015 TO 2022

Partech Analysis 2022



Despite the unprecedented global VC pull back, the Africa Tech ecosystem continues to record strong performance, with a total of **693 equity rounds above US\$200K**, with almost 3 deals closed every weekday, and **+2% YoY growth**. More equity rounds were closed by African start-ups in 2022 than during the craze of 2021. In fact, the number of deals has increased every year since we started reporting the data in 2014.

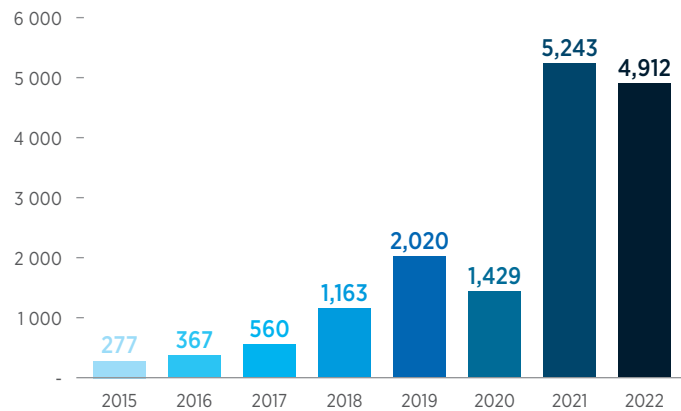
By these counts, African tech remains one of the fastest growing VC ecosystems in the world.

² Crunchbase, January 2023 - <https://news.crunchbase.com/venture/global-vc-funding-slide-q4-2022/>

2. The total amount of **equity funding raised by African start-ups in 2022 is US\$4.9B, down 6%** compared to US\$5.2B in 2021.

**AFRICA TECH VC
TOTAL EQUITY FUNDING
2015 TO 2022 (IN US\$M)**

Partech Analysis 2022



The total equity capital raised by African start-ups in 2022 only registers a slight dip (-6%) compared to last year, an extraordinary achievement compared to the rest of the world.

Global VC funding is reported to have decreased -35% in 2022³ from the heights of 2021. To add some perspective, the global VC decline is steeper than what was experienced after the dot com crash and the 2008 financial crisis. In this context, the African tech ecosystem is holding extraordinarily well.

A better understanding of what happened here may be gained by looking at the stage breakdown in the next section.

³ Crunchbase, January 2023 - <https://news.crunchbase.com/venture/global-vc-funding-slide-q4-2022/>

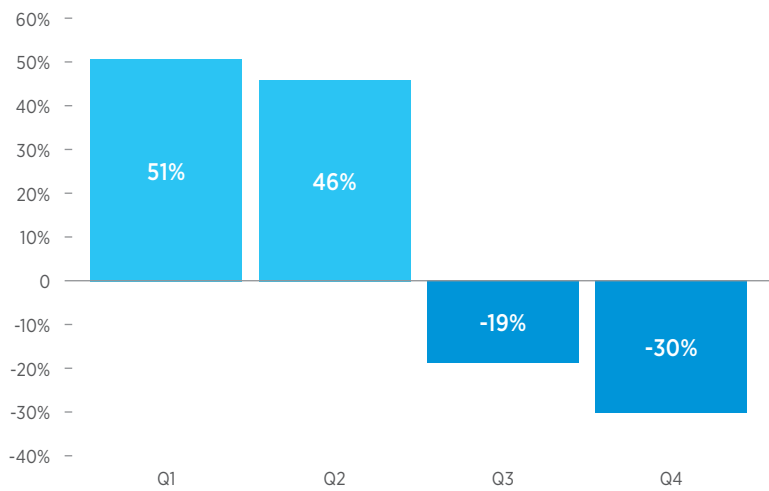




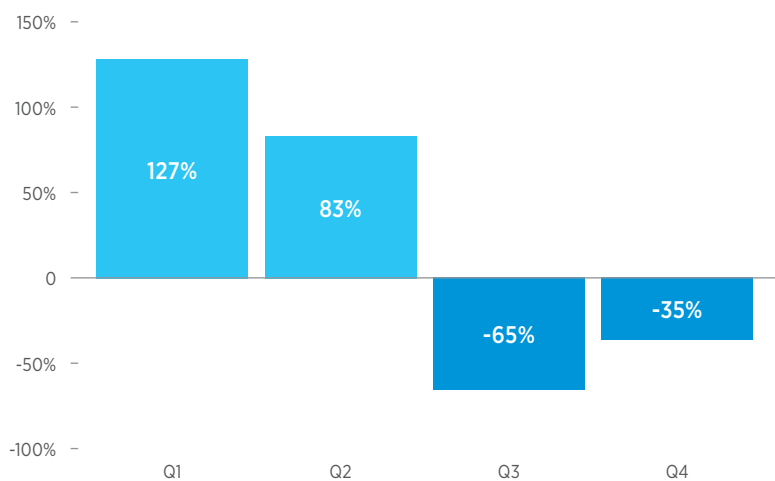
- 3. The ecosystem was still accelerating during Q1 and Q2 2022, compared to the previous year. The activity slowdown hit in the 2nd second semester with in the worst impact felt during Q3.

2022 started off with a strong acceleration compared to 2021, with YoY comparison showing **Q1 and Q2 at +127% and +83% YoY respectively**. However, the global VC slowdown erased all this growth in activity in **Q3 (-65% YoY) and Q4 (-35% YoY)**.

2022 AFRICA TECH YOY GROWTH OF DEAL COUNT PER QUARTER
Partech Analysis 2022



2022 AFRICA TECH YOY GROWTH OF EQUITY FUNDING PER QUARTER
Partech Analysis 2022



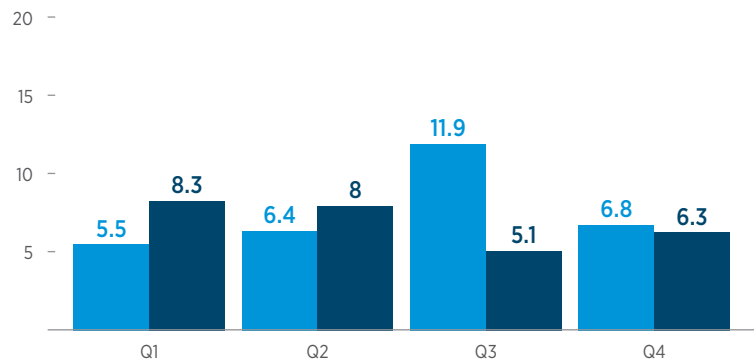
The slowdown was also visible in terms of how average ticket sizes evolved month over month. They were above the 2021 average for the first half of 2022 and then dipped below average until December. The question remains as to whether we've seen the nadir of this slowdown.



AFRICA TECH VC QUARTERLY AVERAGE TICKET SIZE (IN US\$M) IN 2022 VS 2021

Partech Analysis 2022

LEGEND
● 2021
● 2022



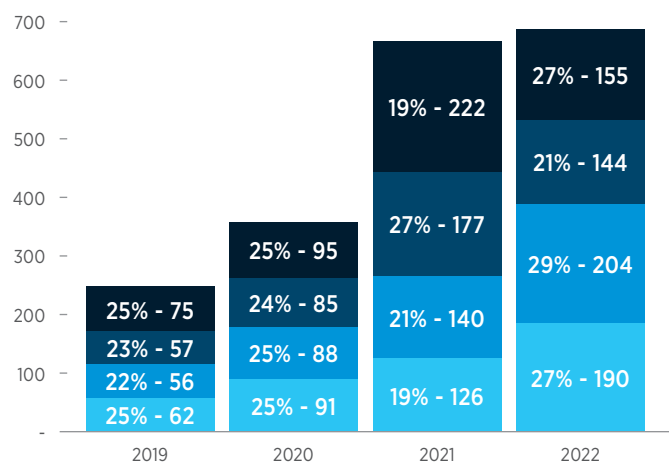
Q2 was the strongest performing quarter in 2022 both in terms of equity and deal count. Of the US\$4.9B raised in 2022, **US\$1.6B (33% of total funding)** was closed in the second quarter. Q2 also accounted for 29% of deals closed in 2022 (204).

Q3 was the weakest quarter in 2022 by equity raised at **US\$734M (15% of total funding)** and deal count at 144 deals (21% of total deals). Funding activity rebounded slightly in Q4 to US\$975M, with a relatively strong December at US\$446M in equity funding. There was also a slight uptick to 155 deals, 37% of which occurred in December (57 deals).

AFRICA TECH VC DEAL COUNT DISTRIBUTION PER QUARTER 2019-2022

Partech Analysis 2022

LEGEND
● Q1
● Q2
● Q3
● Q4

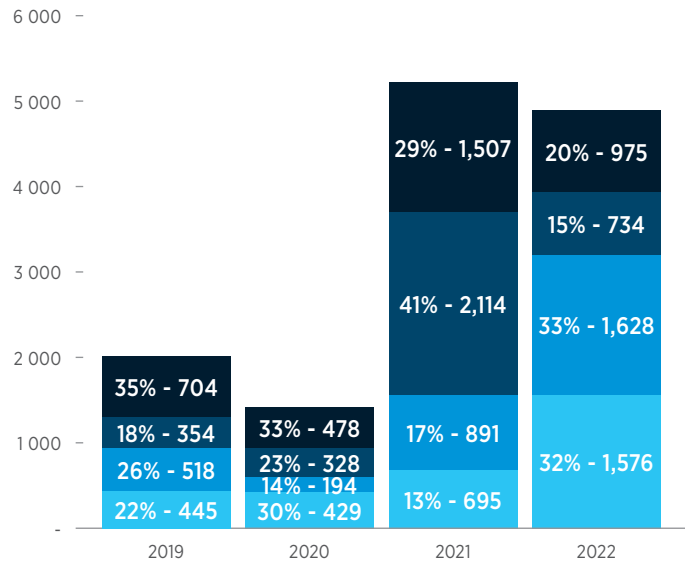


AFRICA TECH VC DEAL AMOUNT DISTRIBUTION PER QUARTER 2019-2022

Partech Analysis 2022

LEGEND

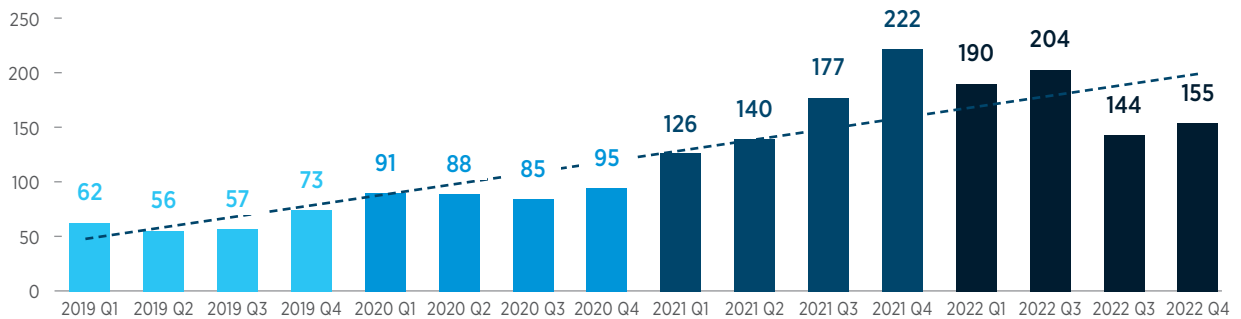
- Q1
- Q2
- Q3
- Q4



It's important to note that 2022 is the first break from consistent QoQ growth in the last few years (see graph below). This shows how the downturn was registered as early as Q1 2022.

AFRICA TECH VC EQUITY DEALS COUNT PER QUARTER

Partech Analysis 2022



4. A more granular look at monthly numbers confirms the same trends.

Activity fluctuated throughout the year. It peaked in **February (US\$720M) by equity** and **June (78) by deal count**. In addition, **65% of the funding amount was closed during the first half of the year**.

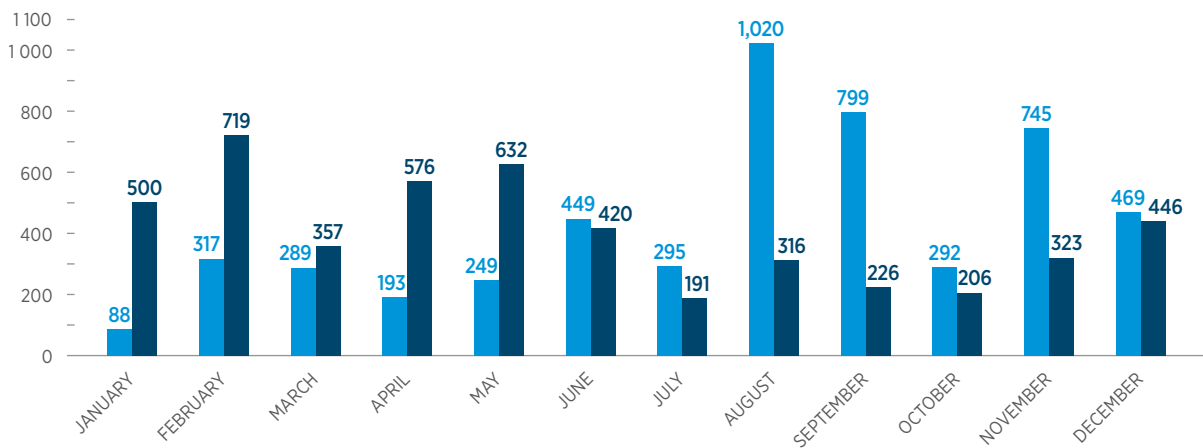
Deal counts decreased over the year from 72 in January to 57 in December, with a **low of 38 deals in September**. Equity funding also decreased over the year from US\$500M in January to US\$446M in December, with a **low of US\$191M in July**.

AFRICA TECH VC TOTAL EQUITY FUNDING PER MONTH 2019-2022 (IN US\$M)

Partech Analysis 2022

LEGEND

● 2021 ● 2022

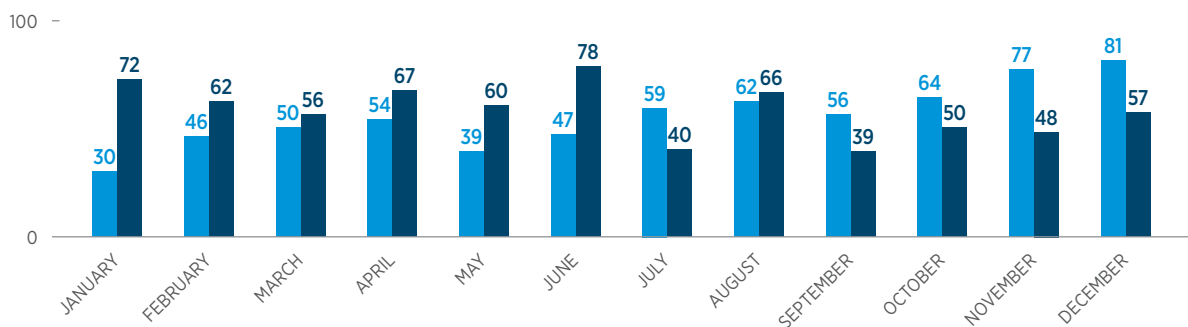


AFRICA TECH VC EQUITY DEAL COUNT PER MONTH 2021 VS 2022

Partech Analysis 2022

LEGEND

● 2021 ● 2022



STAGES

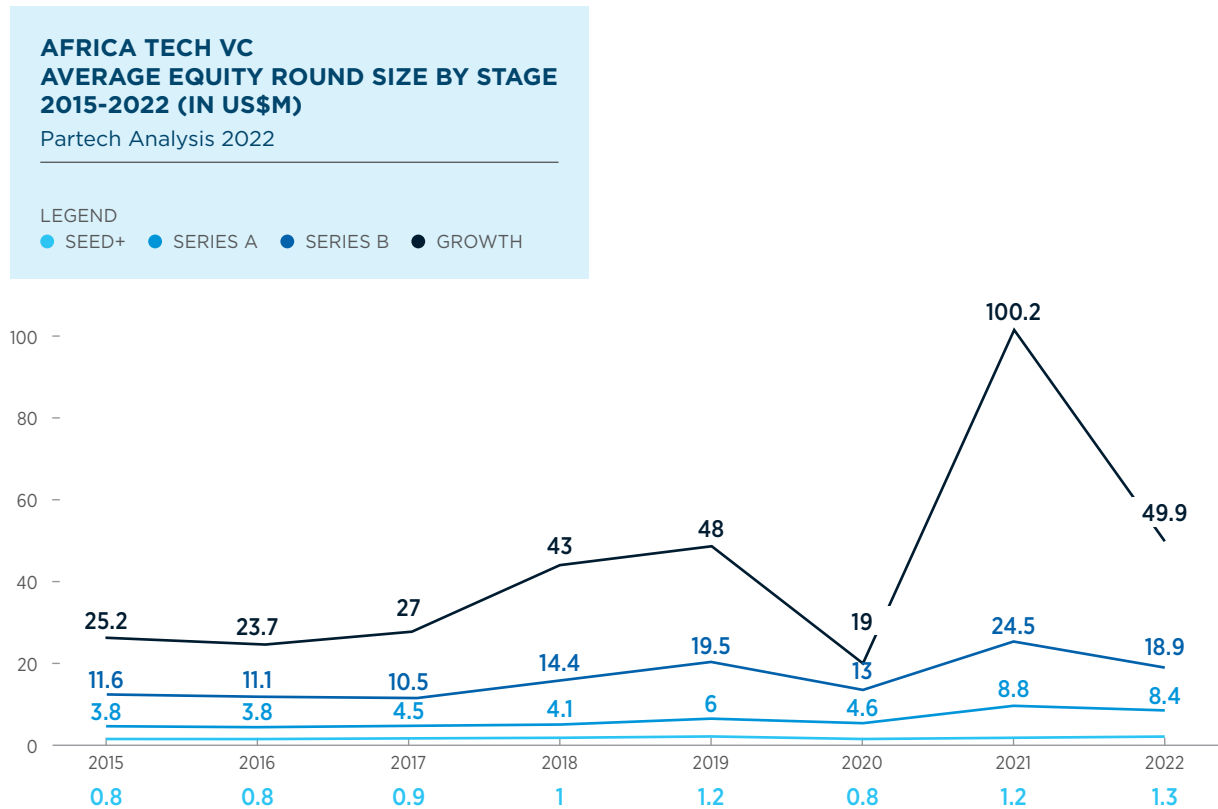
SEED+	SERIES A	SERIES B	GROWTH STAGE
\$1.4M	\$8.4M	\$18.9M	\$49.9M
+12% YoY	-4% YoY	-23% YoY	-50% YoY

Note: All numbers are average round sizes without outliers, 2022.
All averages are calculated by trimming 10% highest and 10% lowest values to exclude outliers.
This applies for all average deal sizes mentioned throughout this report unless explicitly stated otherwise.

In 2022, fundraising activity remained flat across all stages, except a 33% increase in Series B deals. At the same time, larger round sizes (B and Growth) were significantly reduced in size, seeing a -23% and -50% drop in average sizes respectively. This translates into a normalization of funding rounds after the bull market, while the early stage continues to deepen, driven by fundamental trends.



1. As expected, in a challenging environment, larger round sizes have drastically reduced, with **Series B and Growth stage** seeing a **-23% and -50%** drop in average sizes respectively.



The difficult market conditions seem to have had a very different impact on earlier stages than later stages.

At **US\$1.4M**, **Seed+** ticket sizes average slightly higher in 2022 than in 2021 (**+12% YoY**) while **Series A** remains essentially the same at **US\$8.5M**.

However, it was clearly a year where start-ups at Series B and later stages closed smaller rounds than usual. While last year the influx of investors on the continent resulted in a drastic increase of round sizes across stages, 2022 saw global Growth investors significantly pull back from the African market. As a result, later stage round sizes took the biggest hit: **Series B round sizes** dropped by **-23% YoY** and **Growth round sizes** were slashed by half (**-50% YoY**). Later stage round sizes are now back to 2019 levels.

This also translates into a significant reduction in the number of **megadeals** (i.e. >US\$100M), with only **7 deals above US\$100M** compared to 14 in 2021, representing a decrease of **-50% YoY**.





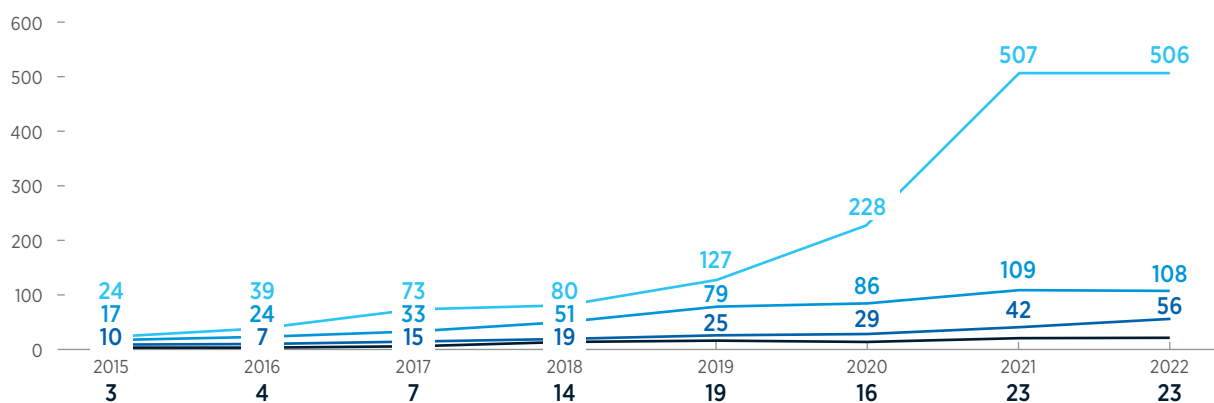
2. Activity was flat at all stages in 2022 except for Series B, where we saw a significant increase in deal count (+33%).

AFRICA TECH VC EQUITY DEAL COUNT BY STAGE 2015-2022

Partech Analysis 2022

LEGEND

● SEED+ ● SERIES A ● SERIES B ● GROWTH



Across **Seed, Series A and Growth Stages**, the deal count remains exactly flat compared to last year, with **506 deals at Seed Stage** (vs. 507 in 2021), **108 deals at Series A** (vs. 109 in 2021) and **23 Growth deals (same as 2021)**.

Remarkably, the only segment of the market that kept growing in terms of number of deals was the **Series B stage**, with **56 deals (+33% YoY)**, driving Series B total funding to **US\$1.4B (+46% YoY)**. We expect this reflects the strong dealflow of Series A over the last two years graduating to Series B, despite the downturn: another sign of a growing and maturing ecosystem.

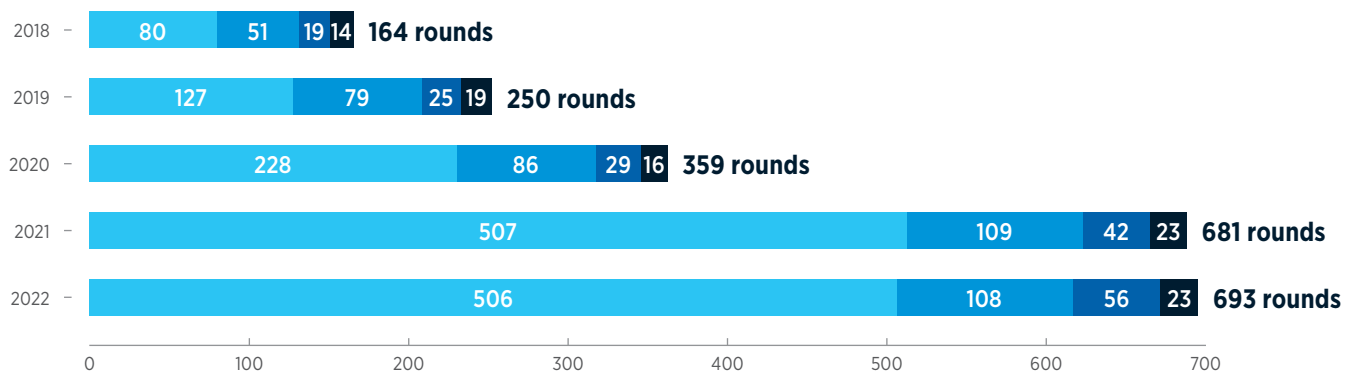
STAGE	2015	2016	2017	2018	2019	2020	2021	2022	YOY	CAGR
SEED+	24	39	73	80	127	228	507	506	0%	55%
SERIES A	17	24	33	51	79	86	109	108	-1%	30%
SERIES B	10	7	15	19	25	29	42	56	33%	28%
GROWTH	3	4	7	14	19	16	23	23	0%	34%
	54	74	128	164	250	359	681	693	2%	53%

AFRICA TECH VC NUMBER OF EQUITY ROUND PER STAGE 2018 TO 2022

Partech Analysis

LEGEND

● SEED+ ● SERIES A ● SERIES B ● GROWTH



3. In 2022, the total amount of equity invested on the continent declined slightly, but funding evolution is quite disparate across stages: **Series A and Growth funding are getting slashed**, but **Seed and Series B volumes are growing well** despite the crisis.

- **Seed** funding continues to rise and totals **US\$958M (+55% YoY)**
- **Series A** investments shrink, with companies raising **US\$1.08B (-18% YoY)**
- **Series B** amounts grow to **US\$1.4B (+46% YoY)** in total
- **Growth** funding experiences a sharp decline, with **US\$1.5B** raised **(-37% YoY)**

STAGE	2015	2016	2017	2018	2019	2020	2021	2022	GROWTH	CAGR
SEED+	18	32	67	79	151	220	617	958	55%	76%
SERIES A	65	90	147	208	469	447	1,321	1,085	-18%	49%
SERIES B	56	78	157	274	488	449	960	1,401	46%	59%
GROWTH	37	166	189	602	912	313	2,344	1,468	-37%	69%
TOTAL	177	365	560	1,163	2,020	1,429	5,242	4,912	-6%	76%

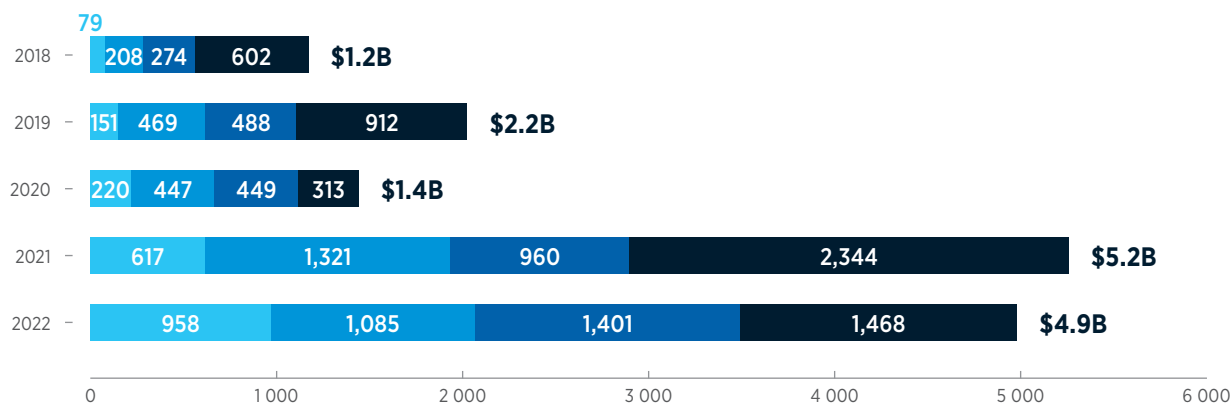


AFRICA TECH VC TOTAL EQUITY FUNDING PER STAGE 2018 TO 2022 (IN US\$M)

Partech Analysis 2022

LEGEND

● SEED+ ● SERIES A ● SERIES B ● GROWTH



2021 was certainly an outlier, but looking at the growth rate of equity funding since 2016, which was mainly driven by the spectacular explosion of Growth deals, 2022 performance does not negate the growth of the African tech ecosystem over the past seven years. **The compounded annual growth rate of the amount invested at each stage is still well above 40% annually. Seed funding leads the way at +76% CAGR, which we expect to create a pipeline for Venture and later stage rounds in the coming years. The amount invested in Growth deals has been growing at nearly +70% CAGR, which indicates a continuously maturing tech ecosystem.**

4. We see acceleration in most brackets, with **US\$5 to US\$10M rounds leading the pack at 53% YoY growth** in the number of deals year over year.

2022 AFRICA TECH VC TABLE - EQUITY DEAL COUNT PER SIZE BRACKET

Partech Analysis 2022

BRACKET	DEALS	YOY	FUNDING	YOY
M\$ 0,2 TO \$1	215	-20%	88	-15%
M\$ 1 TO \$5	301	9%	613	18%
M\$ 5 TO \$10	69	53%	460	58%
M\$ 10 TO \$20	48	17%	650	22%
M\$ 20 TO \$50	39	39%	1,086	27%
ABOVE \$50M	21	0%	2,015	-31%

The larger growth tickets (US\$20M to US\$50M) also increased by 39% year over year with 39 deals in 2022. Notably the US\$0.2M to US\$1M bracket was the only one that experienced a decrease of -20% year over year, to 215 deals. However, they represent the second highest bracket by deal count. The number of large rounds above US\$50M+ was flat year over year, however the total equity funded in the bracket decreased by -31% to approximately US\$2B.

COUNTRIES

NIGERIA #1

BOTH IN FUNDING & DEALS



IN EQUITY FUNDING

\$1.2B / 23% of total

IN NUMBER OF EQUITY DEALS

189 / 27% of total

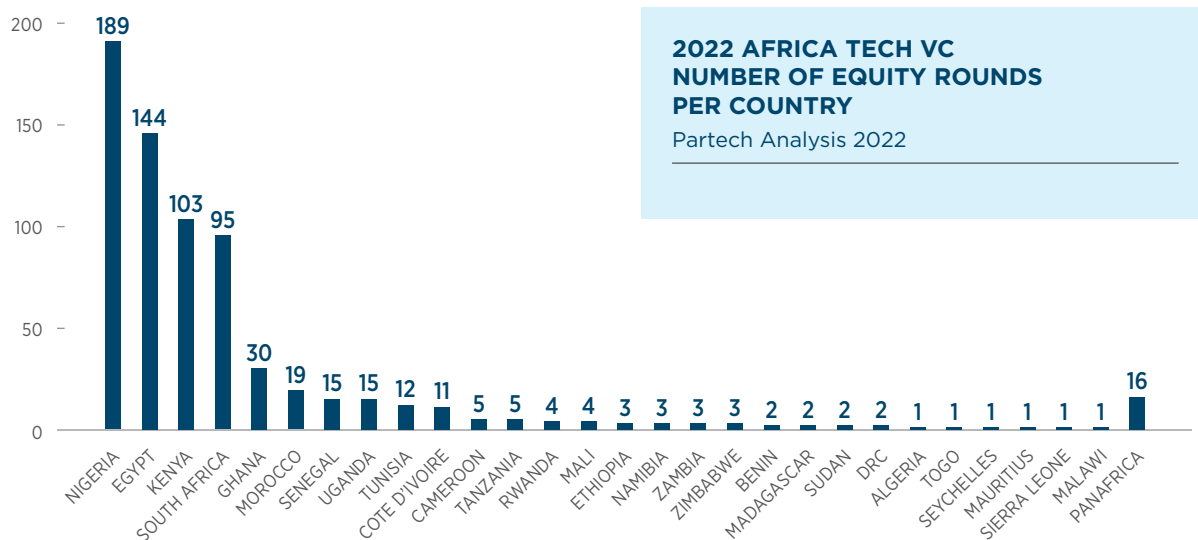
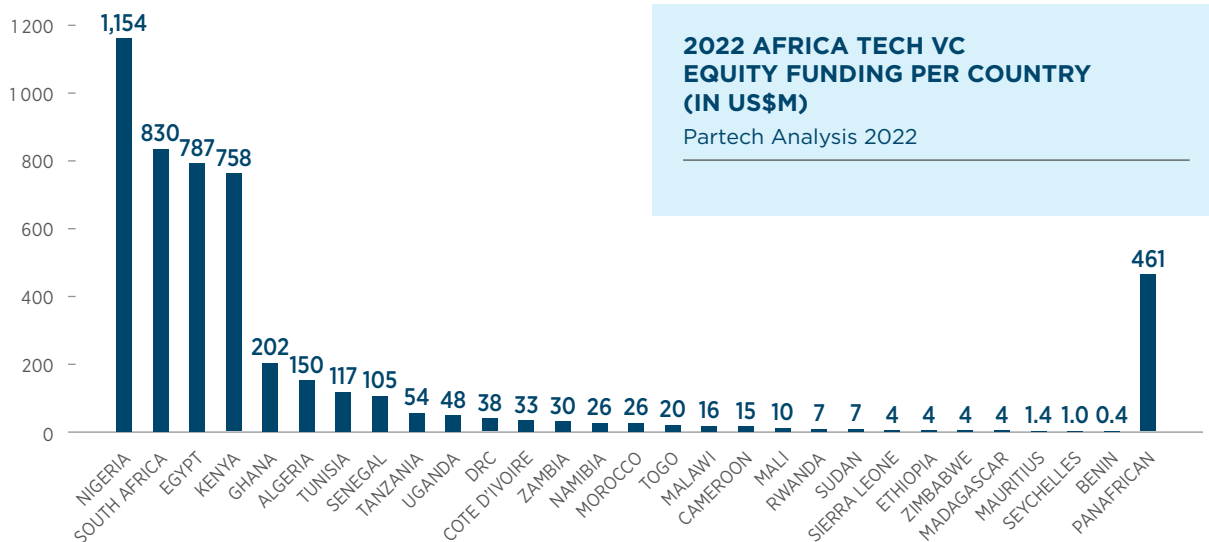
72% of total funding went to the top 4 countries

28 African countries attracted tech equity funding, **46%** of which being Francophone countries

49% of total deals outside top 4 markets came from Francophone African countries

Despite seeing a -36% YoY decline in the total invested amount, Nigeria retained the #1 spot with US\$1.2B. South Africa, Egypt, and Kenya each attracted over US\$0.7B in funding while Ghana completes the top 5 with just over US\$0.2B.

1. **Nigeria remains the #1 VC investment destination in Africa**, leading in both funding and number of equity rounds. However, Nigeria saw a **-36% YoY decline** with **\$US1.2B** invested in **189 equity deals**, representing just **23% of all equity** funding and **27% of all rounds**.
2. **Nigeria, South Africa, Egypt and Kenya are still the hotspots for African VC investment**. In 2022, their contribution to the total volume was relatively flat at **72%**.
3. **South Africa's funding remained flat** while **Egypt and Kenya saw their total funding rise** by **+21%** and **+33% YoY** respectively, despite the market downturn.
4. Outside of the top 4 countries, **Ghana** (US\$202M), **Algeria** (US\$150M), **Tunisia** (US\$117M) and **Senegal** (US\$105M) were the only other countries that broke **the US\$100M funding mark**.
5. Outside of the top 4 countries, **in the Rest of Africa (ROA), Francophone countries took 49% of ROA deals and 38% of ROA funding** (vs. 59% and 37% in 2021). Excluding pan-African deals (i.e. deals that can't be attributed to any specific country), the share of Francophone countries in ROA deals rose to 54%.



Here are the highlights from each market:

Nigeria - US\$1.2B (-36% YoY) - 189 deals (+2% YoY)

- Nigeria is once again in the lead, securing the **#1** spot and accounting for **23%** of equity funding and **27%** of the total deal count, with **US\$1.2B** raised in 2022 across **190** deals.
- Nigeria saw the largest decline out of the top 4 markets with a **-36%** YoY drop in equity funding.

South Africa - US\$830M (0% YoY) - 95 deals (-22% YoY)

- South Africa is **#2 in equity funding** and **#4 in deal count**, with **US\$830M** raised in 2022 across 95 rounds, representing **17%** of the funding raised and **14%** of the total deal count.

Egypt - US\$787M (+21% YoY) - 144 deals (+3% YoY)

- Egypt is **#3** in funding amount and **#2** in deal count with **US\$787M** equity raised, representing **16%** of all funding and **21%** of the total deal count on the continent.

Kenya - US\$758M (+33% YoY) - 103 deals (+11% YoY)

- Kenya is **#4** in total equity raised and **#3** in total deal count with **US\$758M** raised, representing **15%** of equity funding and **15%** of the total deal count.

Rest of Africa (ROA) - 24 markets, US\$1.38B (0% YoY) - 162 deals (+15% YoY)

- The geographical reach of VC funding has remained similar to 2021 with a total of **28 countries**, compared to 29 countries in 2021. This brings the total number of countries that have raised an equity tech deal above US\$ 200K over the last 4 years to **37 countries**.
- **Francophone Africa** activity remained relatively flat compared to last year in terms of funding raised but saw a small drop in the total deal count - **13 countries totaling US\$527M (+2% YoY) in equity funding across 79 deals (-5% YoY)**:
 - **46%** of the countries that have seen a transaction this year in ROA are Francophone countries, i.e. **13 countries** (vs. 14 in 2021)
 - **49%** of the ROA deals happened in Francophone countries, 79 deals, representing **11%** of all deals in Africa (vs. 12% in 2021).
 - **38%** of the ROA funding volume happened in Francophone countries, at US\$ 527M it represents **11% of the total funding in Africa** (vs 10% in 2021).
 - North Africa with Algeria (leading), Morocco and Tunisia continued to flex their muscles with **\$US293.4M** of total funding (**+170% YoY**) in **32 deals** (vs 31 in 2021).

Pan-African - US\$461M (-21% YoY) - 16 deals (+220% YoY)

- Some of the deals could not be categorized in one specific country. This includes companies like Sun King or Virunga Power.



SECTORS

FINTECH #1

BOTH IN FUNDING & DEALS



IN EQUITY FUNDING

\$1.9B / 39% of total

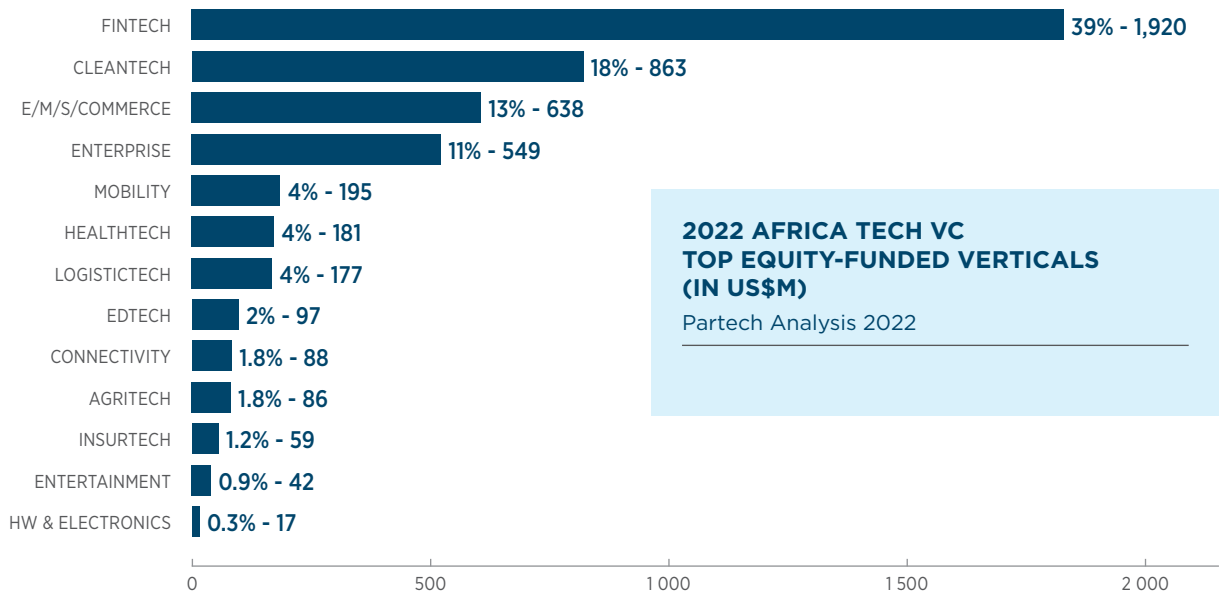
IN NUMBER OF EQUITY DEALS

217 / 31% of total

+51% YoY

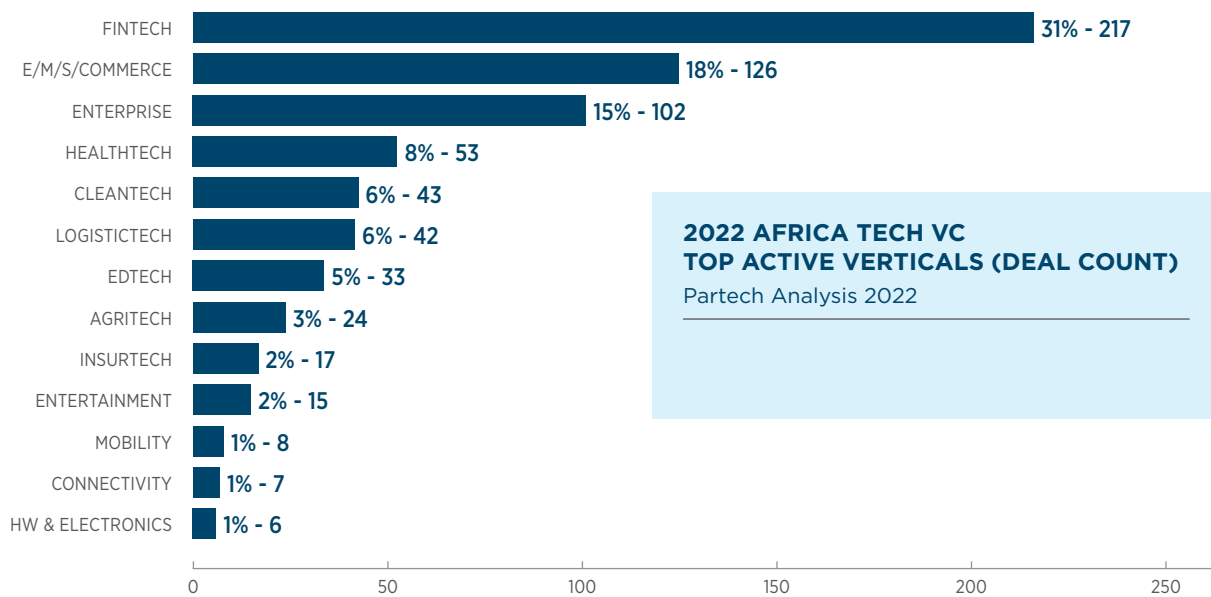
**NON-FINTECH FUNDING
INCREASE**

Despite a slowdown in the number of Fintech megadeals, Fintech remains the #1 funded sector in Africa. Still, other sectors have experienced strong growth (+51% growth in volume) and gained a meaningful share of the equity funding activity this year.





1. **While Fintech remained #1, the total amount invested in the sector decreased by -41% YoY to US\$1.9B in 2022. The number of deals was fairly flat year over the year at 217 deals (31% of all deals).** Despite the decrease in megarounds, the sector remained resilient and a significant number of companies raised Seed, series A and B rounds.
2. **Cleantech claimed the #2 spot and made a big comeback in 2022 with over US\$863M in equity raised (18% of total raised).** This represents an unprecedented increase of +347% YoY. While this performance is largely due to some large Cleantech rounds, the deal count notably increased to 43 in 2022 vs 26 last year (+65%).
3. **E/M/S-Commerce #3, and Enterprise #4** complete the list of most funded sectors, reaching more than US\$500M.
4. **Mobility #5, Healthtech #6, and Logistics #7 follow behind with 4% of the total funding each.**
5. From a deal count perspective, out of the 693 deals this year, the ranking among sectors largely remains in line with amount invested. There are two major exceptions: Cleantech comes in at #5 (43) and Mobility is #11 (8). This is largely as a result of significant later stage investments in those sectors.

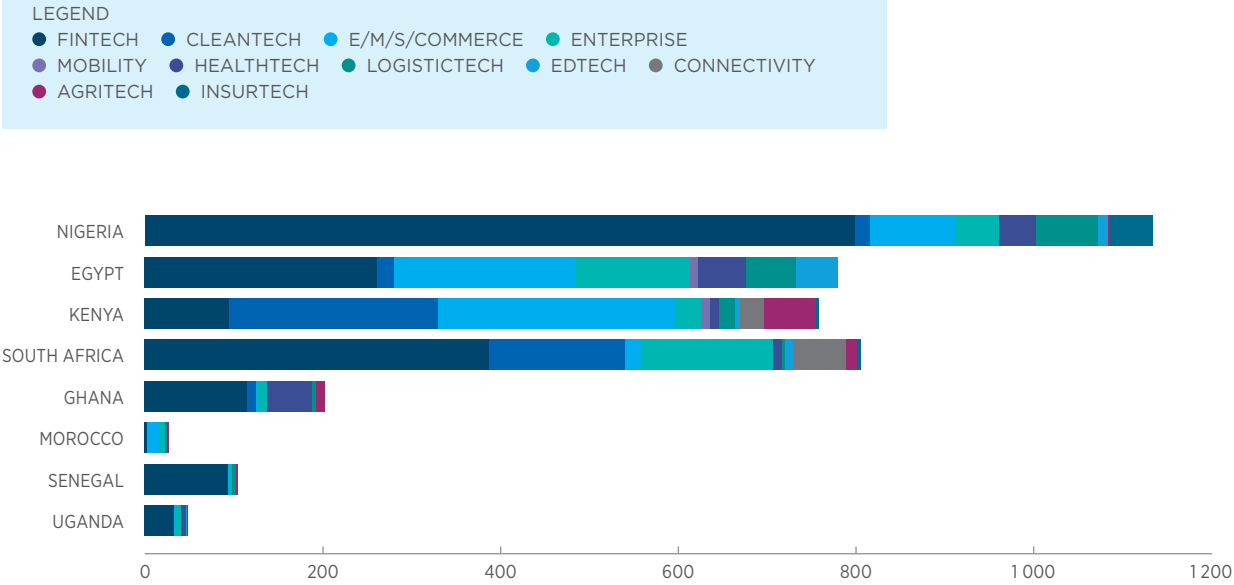


**2022 AFRICA TECH VC
TOP ACTIVE VERTICALS (DEAL COUNT)**
Partech Analysis 2022

6 . Fintech dominates in the top 8 countries, excepting Kenya and Morocco.

- Nigerian Fintech alone represents a higher amount raised than Egypt, Kenya and South Africa combined.
- South Africa is another powerhouse in Fintech with nearly US\$390M raised.

2022 AFRICA TECH VC EQUITY FUNDING BY VERTICAL IN TOP MARKET (IN US\$M)
Partech Analysis 2022



7. Similar to prior years, **Egypt and Kenya remain the markets with the most balanced sector diversification.**

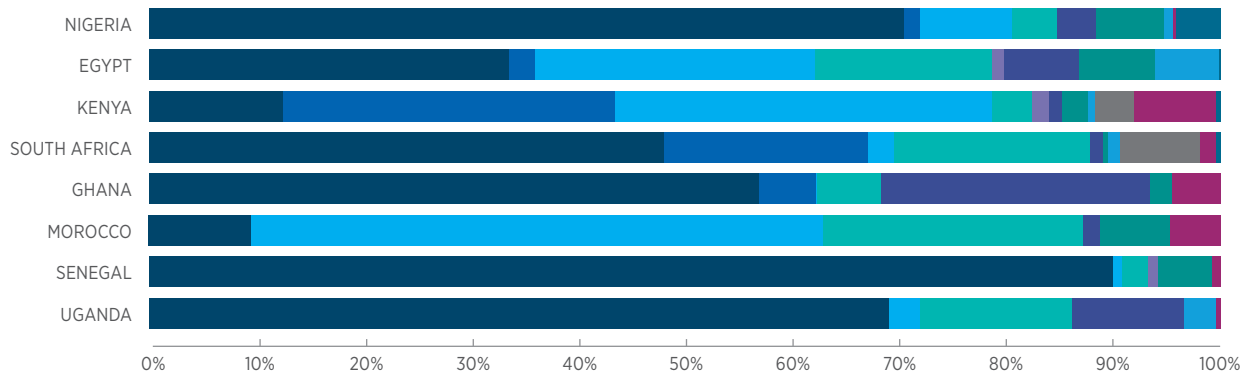
- **Egypt's funding activity** was led by **Fintech (33%)** and **E/M/S-Commerce (26%)**. Enterprise came in third, representing 16% of funding.
- **Kenya's funding activity** is heavily skewed towards **E/M/S-Commerce (35%)** and **Cleantech (31%)**. Fintech came in third, representing 13% of all funding in Kenya.

2022 AFRICA TECH VC EQUITY FUNDING BY VERTICAL IN TOP MARKET (IN %)

Partech Analysis 2022

LEGEND

- FINTECH ● CLEANTECH ● E/M/S/COMMERCE ● ENTERPRISE
- MOBILITY ● HEALTHTECH ● LOGISTICTECH ● EDTECH ● CONNECTIVITY
- AGRITECH ● INSURTECH



8. Here are our **findings by vertical**.

PRIMARY MARKET	NIGERIA	EGYPT	KENYA	SOUTH AFRICA	GHANA	MOROCCO	SENEGAL	UGANDA	OTHER	TOTAL
FINTECH	798.2	261.6	94.8	387.7	115.0	2.5	94.0	33.1	133.6	1,920.4
CLEANTECH	17.4	19.5	234.5	152.1	10.7	-	-	-	428.5	862.7
E/M/S/COMMERCE	96.9	204.0	266.7	20.0	0.3	14.1	0.9	1.3	33.4	637.6
ENTERPRISE	48.0	128.5	28.7	147.2	12.1	6.4	2.5	6.8	169.2	549.3
MOBILITY	-	9.0	11.9	-	-	-	1.0	-	173.4	195.3
HEALTHTECH	41.3	53.9	9.8	10.1	50.8	0.5	-	5.0	9.9	181.3
LOGISTICTECH	71.4	55.6	17.6	3.4	4.2	1.7	5.3	-	17.3	176.6
EDTECH	10.1	46.6	4.8	9.1	-	-	-	1.4	24.6	96.5
CONNECTIVITY	-	-	28.0	59.9	-	-	-	-	-	87.9
AGRITECH	2.8	-	57.5	12.3	9.1	1.3	0.9	0.3	2.3	86.4
INSURTECH	47.6	1.2	3.7	3.7	-	-	-	-	3.0	59.2
ENTERTAINMENT	10.2	4.7	-	22.7	-	-	0.8	-	3.7	42.1
HW & ELECTRONICS	10.0	2.2	-	1.5	-	-	-	-	3.4	17.1
	1,153.8	786.8	758.1	829.6	202.1	26.4	105.3	47.9	1,002.3	4,912.3

- **Fintech #1 - US\$1,920M**, -40% YoY, 39% of total funding, **217 deals**, flat YoY, 31% of deals.

In light of the market downturn, Fintech, which has historically attracted sizable investments, is the most impacted by the slowdown in large rounds.

The sector remains largely dominated by Nigeria (US\$798M) followed by South Africa (US\$388M) and Egypt in third position (US\$262M). Ghana, Kenya and Senegal follow with US\$115M, US\$95M and US\$94M respectively. Those six countries account for 91% of the amount raised by fintechs.

- **Cleantech #2 - US\$863M**, +347% YoY, 18% of total funding, **43 deals**, +65% YoY, 6% of deals.

Cleantech makes a big comeback this year with a strong push in Kenya and other markets. In addition, there has been growing global VC interest for climate tech and clean energy solutions.

- **E/M/S-Commerce #3 - US\$638M**, +124% YoY, 13% of total funding, **126 deals**, +34% YoY, 18% of deals, #2 by the number of deals.

- **Enterprise #4 - US\$549M**, +87% YoY, 11% of total funding, **102 deals**, flat YoY, 15% of deals.

- **Mobility #5 - US\$195M**, +86% YoY, 4% of total funding, **8 deals**, -56% YoY, 1% of deals.

- **Healthtech #6 - US\$181M**, -21% YoY, 4% of total funding, **53 deals**, -20% YoY, 8% of deals.

GENDERS

13%

OF TOTAL EQUITY FUNDING
GOING TO FEMALE-FOUNDED*
START-UPS (-23% YOY)

22%

OF EQUITY DEALS
CLOSED BY FEMALE-FOUNDED*
START-UPS (+12% YOY)

* At least one of the co-founders is female.

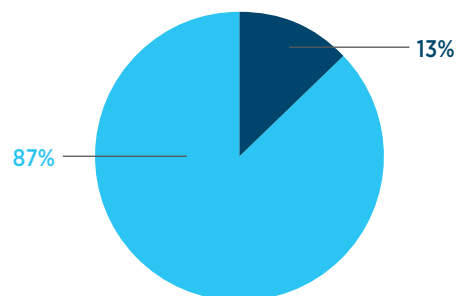
Female-founder start-ups raised 22% of all rounds in 2022, up 2% from 2021. Additionally, they accounted for US\$644M or 13% of the total equity funding, down 3% from 2021.

2022 AFRICA TECH VC EQUITY FUNDING TO FEMALE FOUNDERS

Partech Analysis 2022

LEGEND

- MALE-FUNDED START-UPS
- FEMALE-FUNDED START-UPS

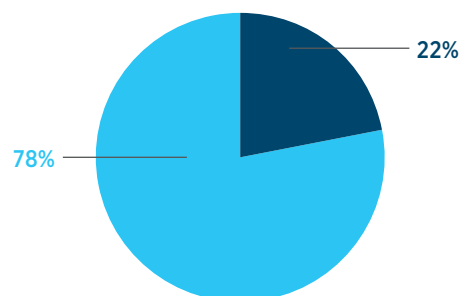


2022 AFRICA TECH VC NUMBER OF ROUNDS LED BY FEMALE FOUNDERS

Partech Analysis 2022

LEGEND

- MALE-FUNDED START-UPS
- FEMALE-FUNDED START-UPS

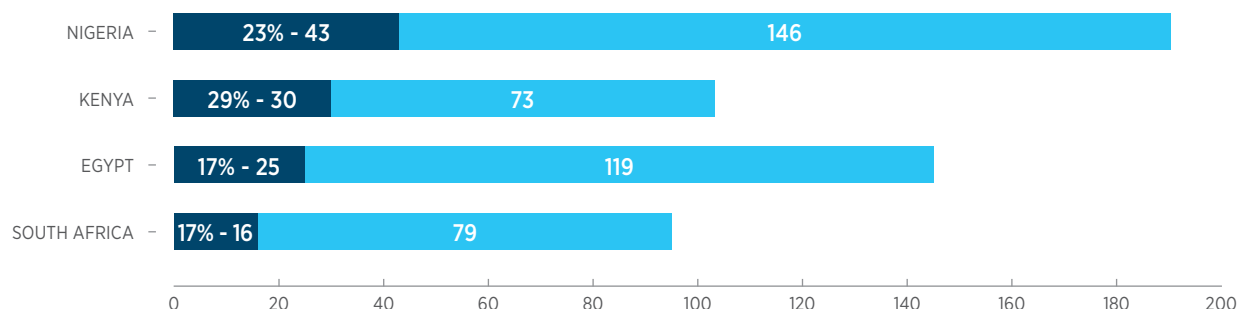


2022 AFRICA TECH VC NUMBER OF ROUNDS LED BY FEMALE FOUNDERS IN TOP COUNTRIES

Partech Analysis 2022

LEGEND

● INC. FEMALE FOUNDER ● MALE ONLY TEAMS



- Number of deals:** 150 deal rounds were raised by female-founded start-ups in 2022, an increase of 12% from 2021 (134 deals), and accounting for 22% of deals.

 - Nigeria topped the list for the second year in a row, accounting for 29% of female-founded start-up rounds, followed by Kenya with 20%.
 - Seed stage rounds accounted for over 79% of all female-founded deals, a slight increase from 2021 where 78% of the deals were at Seed stage. This is in line with the general trend as Seed deals were 73% of all deals this year. Series A rounds accounted for 15% of total female-founded deals, a significant increase from 8% last year.
- Amount raised:** Female-founded start-ups raised **US\$644M** in equity funding, a **-23% decrease** from last year

 - Kenyan female-founded start-ups raised the largest amount of any country at **US\$146M (23% of total)**, followed by Nigeria at US\$127M (20%).
 - Female-founded start-ups raised a total of **US\$212M at Seed+** (22% of all Seed+), US\$184M at Series A (17% of Series A), US\$179M at Series B (13% of Series B), and US\$69M at Growth (only 5%). This points to the frustrating fact that female founders are not breaking into the larger stages and bigger tickets.



INVESTORS

1,149

UNIQUE EQUITY INVESTORS IN 2022 (+29% YOY)

335

INVESTORS
HAVE PARTICIPATED
IN 2 DEALS OR MORE
(+27% YOY)

89

INVESTORS
HAVE PARTICIPATED
IN 5 DEALS OR MORE
(+37% YOY)

20

INVESTORS
HAVE PARTICIPATED
IN 10 DEALS OR MORE
(+11% YOY)

8

INVESTORS
HAVE PARTICIPATED
IN 15 DEALS OR MORE
(-27% YOY)

Despite a slowdown in the growth rate of equity investors (+29% YoY compared to +101% YoY in 2021), Africa's tech ecosystem attracted more than 1,000 unique investors for the first time (1,149). Almost one third (335) of them were involved in 2 or more deals (+27% YoY) and 89 were involved with 5+ deals (+37% YoY).

1. African tech has seen **1,149 active investors** this year compared to 891 in 2021.
This list of investors includes a diverse set of players from global or local accelerators, ranging from Seed to Growth Equity level. 2022 stands out because, for the first time, we saw over 1,000 unique investors cementing the growing global interest in African start-ups.
2. African tech has seen more committed investors, with **89 participating in 5 or more deals** (compared to 65 investors in 2021).
Investors in Africa have ramped up their activity, establishing themselves as key players in the African Tech ecosystem. At 5+ deals per year, it's very likely the investors require a team focused on African deals and an allocation from a larger fund, if not a dedicated fund.
3. The small group of the most active investors has shrunk.
While more investors are getting very active with **+11% investors doing 10+ deals**, the exclusive club of hyperactive investors closing 15+ deals has shrunk in 2022. Even more noticeably, of the 10 investors in that group last year, only 2 have maintained the same level of activity or increased it: Launch Africa and Y Combinator. The other 8 have decreased the activity by an average of -36%.

At **Seed+** stage, the **top 10** equity investors are all doing more than **10 Seed+ deals** (above US\$200K). It's worth mentioning that **the top 5 each closed 20+ deals**. They are, in alphabetical order:

- DFS Lab / • Future Africa / • Ingressive Capital / • Launch Africa
- LoftyInc Capital Management / • Plug and Play / • RaliCap / Ventures Platform
- Voltron Capital / • Y Combinator

It's worth noting the strong prevalence of local teams in the above list.

4 . At **Venture** stage (**Series A + Series B**), the **top 10** most active equity investors have each closed **6+ deals**. They are, in alphabetical order:

- 4DX Ventures / • British International Investment / • Endeavor
- Global Ventures / • LoftyInc Capital Management / • Novastar Ventures
- P1 Ventures / • Partech Africa / • Proparco / • Uncovered Fund





04

DEBT BREAKDOWN

DEBT BREAKDOWN

\$1.55B

+106% YOY
TOTAL DEBT
FUNDING, 2022

71 DEALS

+65% YOY
NUMBER OF DEBT
DEALS, 2022

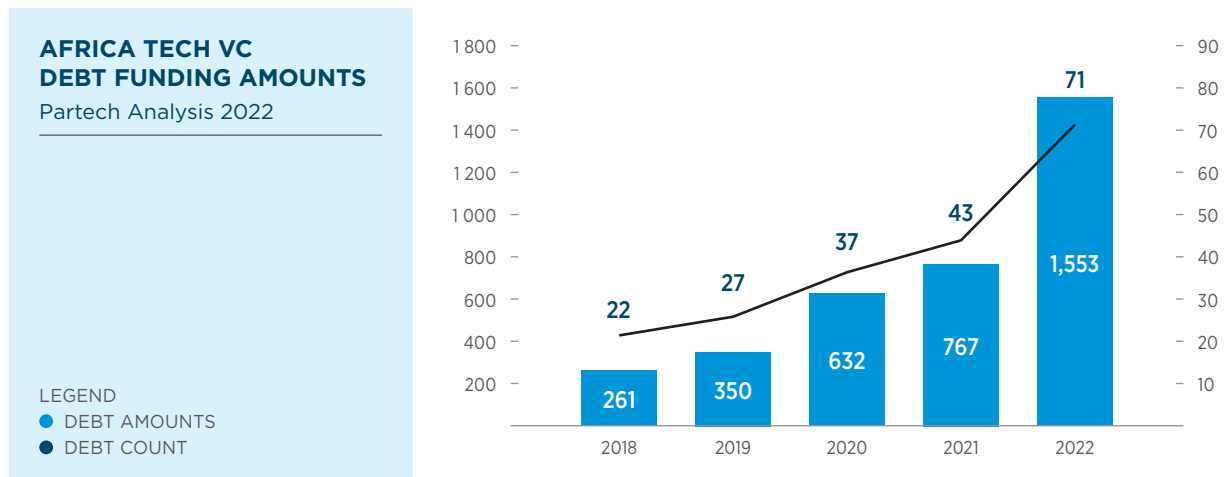
85

UNIQUE DEBT
INVESTORS
IN 2022

39%

KENYA'S PROPORTION
OF ALL DEBT
FUNDING

With 71 debt deals (+65% YoY) accounting for US\$1.55B (+106% YoY) in total funding, 2022 confirms the growing impact of debt as a driving asset class for the African tech ecosystem.



In 2022, the environment for equity funding was challenging, and the current economic downturn makes the equity capital route to be even more expensive and unsustainable over the long term. Last year we saw an increased appetite for debt financing from start-ups that needed to fuel their growth and develop. Market segments such as **Cleantech and Fintech** have built deep and advanced operations, attracting a new generation of debt capital providers with creative structures. **Debt has become a solid alternative source of capital** for African tech start-ups in 2022, representing **24% of the total US\$6.5B**.

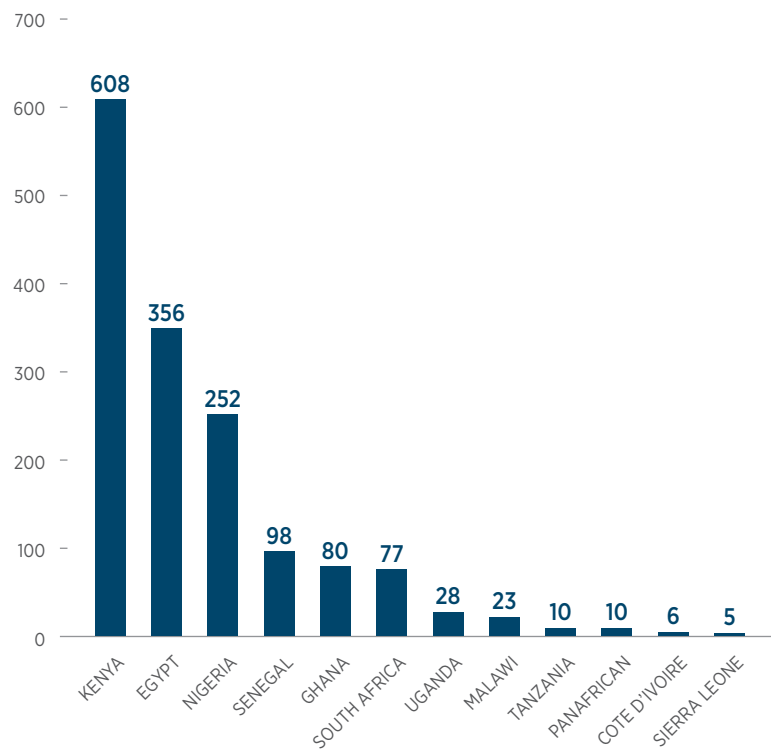
As a result, despite macroeconomic challenges and currency instability, the volume of debt raised doubled last year (**+106% YoY**), with a total of **US\$1.5B debt raised in 71 separate deals (+65% YoY)**.

The number of active **debt investors** on the continent is growing **2.5x YoY**, with a good mix of local debt institutions, international lenders with emerging market vehicles and Development Finance Institutions.

- Similar to the initial equity funding trends, debt funding sees at this stage of maturity a strong country concentration with **83% of the total debt funding going to the 4 major tech hubs** - Kenya, Nigeria, Egypt and South Africa - that also aggregate **69% of all debt deals** (i.e. 49 deals). Ghana (8 deals) and Senegal (thanks to Wave) following closely.
- With two mega debt deals over US\$200M, **Kenya has attracted more debt than any other African country (US\$608M in total)**, taking almost 40% of the total amount raised through 15 debt deals.
- **Egypt is #2** in debt financing with US\$350M raised across 10 rounds, representing 23% of all debt raised.
- **Nigeria is #3** in debt financing behind Kenya and Egypt, with US\$252M gathered across 16 rounds, representing 16% of all debt raised.
- **South Africa is #6** in debt financing with US\$77M raised across 8 rounds.

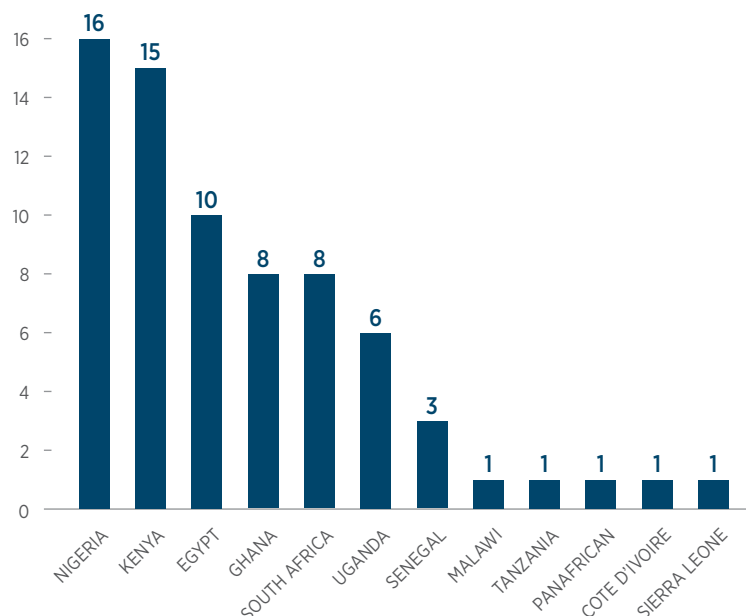
2022 AFRICA TECH VC DEBT FUNDING PER COUNTRY (IN US\$M)

Partech Analysis 2022



2022 AFRICA TECH VC NUMBER OF DEBT DEALS PER COUNTRY

Partech Analysis 2022



- Debt funding is largely captured by two sectors with:
 - **Fintech #1** totaling **US\$691M**, i.e. **45% of debt funding**, through **32 deals representing 45% of the total deal count**.
 - Another **39% went into Cleantech** start-ups with **US\$605M** through **16 deals**, i.e. **23% of the total deals**.

VERTICAL	FUNDING (US\$M)	FUNDING %	DEAL COUNT	DEAL COUNT %
FINTECH	691.3	45%	32	45%
CLEANTECH	605.4	39%	16	23%
E/M/S/COMMERCE	184.5	12%	6	8%
AGRITECH	24.8	1,6%	5	7%
LOGISTICTECH	23.0	1,5%	5	7%
ENTERPRISE	11.4	0,7%	3	4%
HEALTHTECH	9.0	0,6%	2	3%
INSURTECH	3.0	0,2%	1	1,4%
MOBILITY	0.3	0,0%	1	1,4%
TOTAL	1,552.6	100%	71	100%

- **9 companies raised a total of US\$1B**, with single transactions ranging from US\$40M with Moove.Africa to US\$238M with D.Light, representing **66% of total debt raised** over the year.
- 4 transactions were megadeals (>US\$100M\$) vs. 1 transaction only in 2021
- Most active debt investors
 - The **top-2** most active debt investors with **7+ debt deals** each are listed by alphabetical order:
 - Lendable / • Symbiotics
 - Another **5 debt investors** have done **3+ deals** each and are listed by alphabetical order:
 - Cauris / • Contact Financial / • FMO / • Oikocredit / • Verdant Capital



AFRICA IS ON!

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