

January 2021

Africa's Investment Report 2020

Funding activity across
the continent's tech and
innovative scene.



BRITER BRIDGES

Authors

Briter Bridges is a data-driven research firm founded in October 2018, headquartered in London, and focused on building a digital knowledge infrastructure to inform business and investment activities across underserved markets. With a presence in Europe, United Kingdom, and Kenya, Briter Bridges provides private and public organisations with market insights, with a client portfolio which includes the World Bank, the Foreign, Commonwealth, and Development Office, the GIZ, London Business School, Amazon, and several corporates, private funds, and research institutions.

In 2020, Briter launched Intelligence, a fast-growing business intelligence and analytics platform which is used by thousands of entrepreneurs, investors, and researchers to explore underserved markets and provides an interactive source of data about business, investment, and technology information.

Written and edited by

Dario Giuliani
Joshua Haro Murima

Demographic data by:

Lisa Hannah With
Allegra Mulas

Interactive data by:

Clara Onkware

Data Platform Management (Briter Intelligence)

Clara Onkware

Briter Bridges Ltd.

London | Nairobi

briterbridges.com
briterintelligence.com

Please direct all inquiries to hello@briterbridges.com

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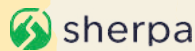
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AFRICA'S INVESTOR COMMUNITY



The investors listed contributed to this Africa Investment Report 2020 by providing data about their funding activity. The information is not meant to be used as a comprehensive mapping of investors on the continent.



Executive Summary

Building reliable and comprehensive knowledge banks is a crucial first step in the process of value creation, in arts as well as in business. As many African economies experience a historical awakening, which includes the recent establishment of the African Continental Free Trade Area (AfCFTA), a better supply of objective, analytical, and non-partisan information is key. **Africa's Investment Report 2020** aims to be a reference document for any individuals and organisations engaging, or planning to engage, in business and funding activities across the continent. The report puts a particular emphasis on the digital and green economy and also analyses the demographic origins of capital flows by highlighting the headquarters' locations of the most funded companies across Africa.

Written in collaboration with Africa's investor community and boasting the participation of over **70 funds, institutions, and syndicates** who provided insights into their theses, portfolios, and pipeline, this report aims to showcase a detailed overview of the volumes and composition of investment into ventures across Africa in 2020, as well as provide a perspective as to how the funding activity compares with the previous three to five years, based on primary and secondary data collected, curated, and visualised by our team.

\$2.4 billion in capital deployed and acquisition value across Africa were recorded by our investment activity tracking in 2020. Our report estimates:

- a minimum of **\$1.07 billion** in disclosed funding, which includes a variety of investment vehicles such as equity, debt, grants, mezzanine financing, convertible and SAFE notes;
- **\$1.12 billion** in disclosed M&A market, and
- at least **\$243 million** in non-publicly disclosed deals according to the information made available to Briter Bridges by 70+ investors who directly contributed to the report.

Despite its steady growth over the past decade investment, activity remains significantly skewed towards a selected few sectors and geographies. **Fintechs** accounted for over nine tenths of total M&A volumes, with high profile acquisitions such as Paystack, DPO Group, and Wave, and over a third of all non-acquisition funds deployed, followed by **cleantech** and **healthcare**.

The top 10 deals by size in 2020 accounted for over 50% of the **\$1.3 billion** deployed into ventures across the continent in 2020 (including disclosed and undisclosed deals), while over 30% of companies funded are incorporated in the United States.

COVID-19 was expectedly welcomed with fear due to the negative impact on several industries as well as the looming market uncertainty it triggered. As a result, forecasts anticipated significant slow-downs in the investment activity across the continent. By forcing businesses to pivot and see their model drastically adjusted in order to survive, the pandemic created the conditions for a generalised questioning of risk frameworks. Yet, the many conversations with private and institutional investors, which our team enjoyed throughout 2020, highlighted that funding mandates and activities hardly ever ceased but, if ever, they were temporarily paused to allow investors to focus on existing portfolios or adjust due diligence procedures to 'the new normal'. In addition, the blossoming early-stage support ecosystem, made of accelerators, venture builders, angel investor syndicates, and emerging seed funds continued bridging the persisting early stage funding gap.

Figures presented in this report are based on a combination of the availability of data through online sources and information provided by investors themselves. However, it is recognised that the data might not capture the entirety of the funding landscape in historical terms. Ultimately, as ecosystems and funding resources across Africa still remain at a relatively nascent stage, year-on-year growth calculations are based on scarce historical data, which can result in drawing inaccurate conclusions about the nature and trajectory of their growth.

The findings are nonetheless promising. As markets keep growing steadily, propelled by an increasing interest from investors, corporates, academia, and public institutions, the diversity and energy which have been defining Africa's innovative ecosystems throughout the 2010s seem to suggest that a gradual path to sophistication and maturity is laid ahead.



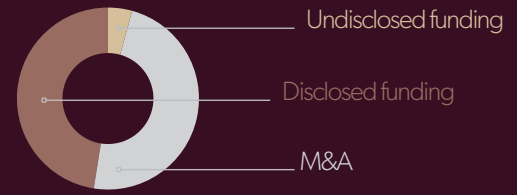
Dario Giuliani

Director, Briter Bridges Ltd.

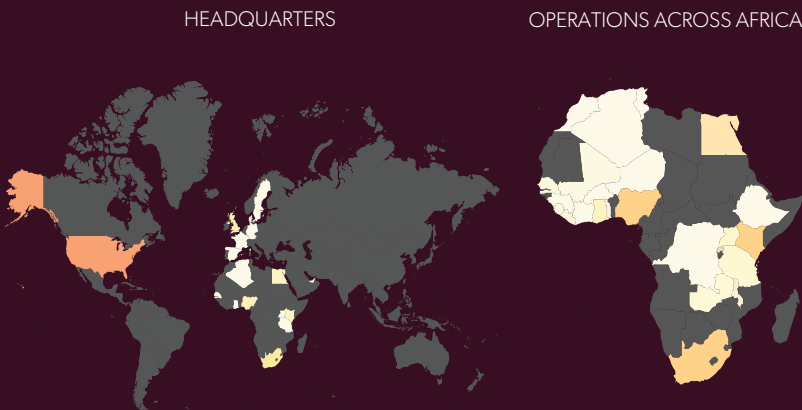
Africa's Investment Report 2020

Funding activity across the continent's tech and innovative scene.

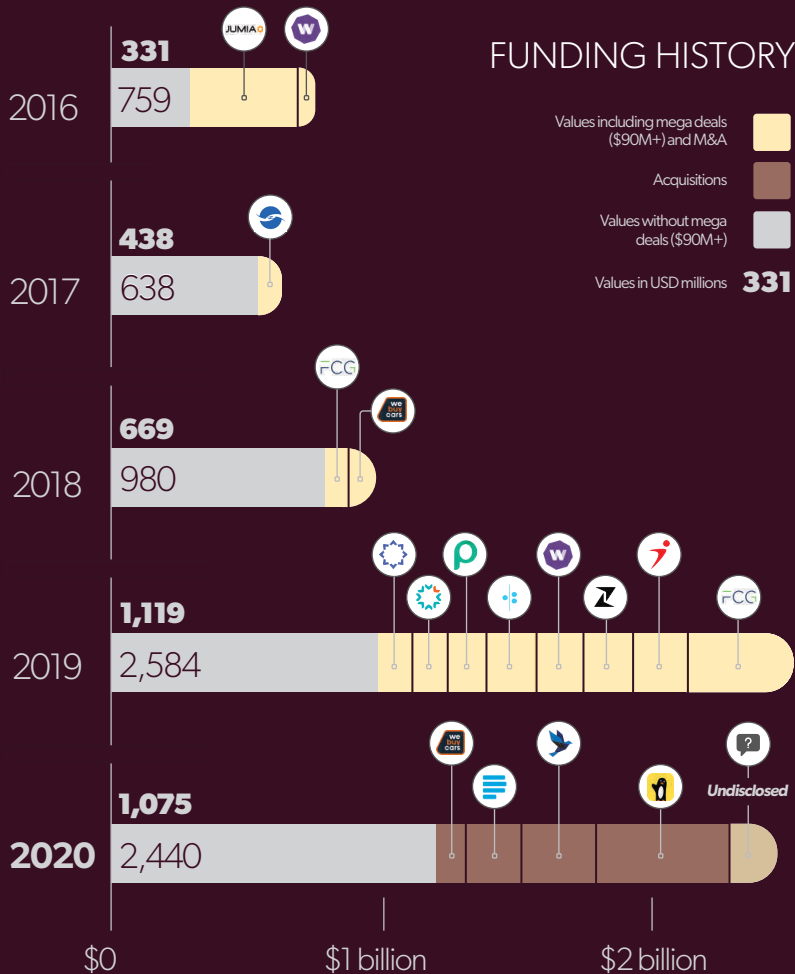
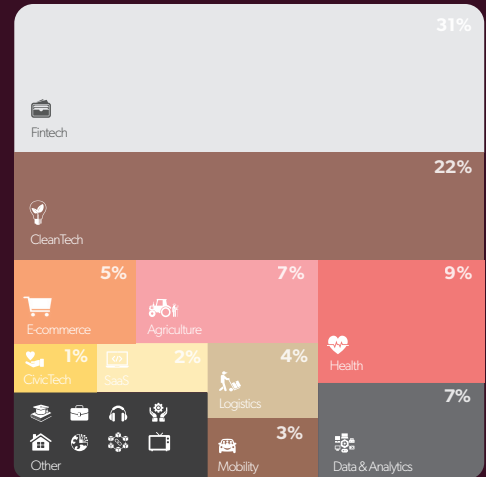
\$2.4 billion
\$1.07 \$1.12 \$0.24



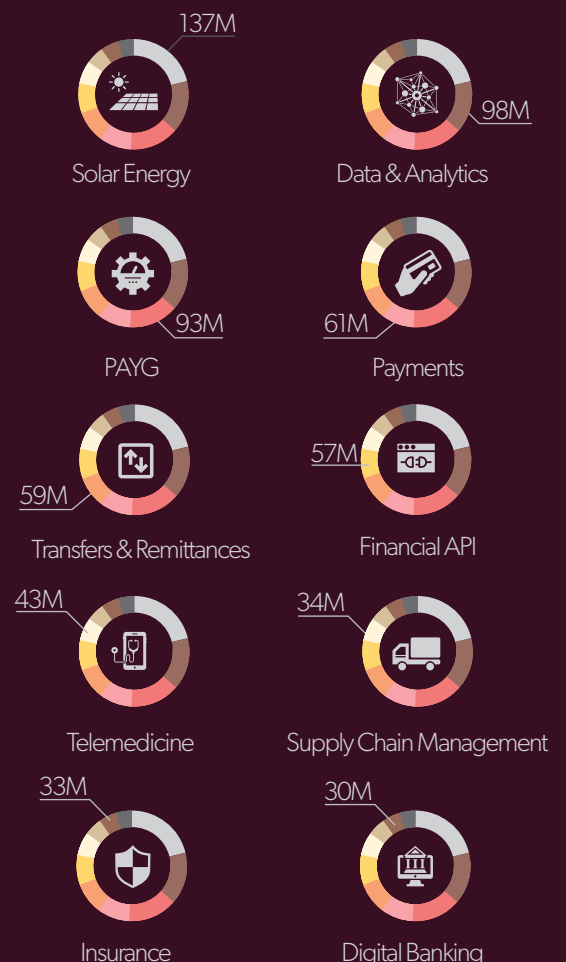
TOP 100 DEALS: HEADQUARTERS VS OPERATIONS



INDUSTRY SEGMENTATION



MOST FUNDED PRODUCTS



Sources and disclaimers

Primary data sources:

- Briter Intelligence data submissions;
- Direct inputs from 70+ investors;
- Direct inputs from startups across Briter Bridges' network as well as Briter Intelligence's members;
- Semi-formal conversations and interviews with founders, investors, and other ecosystem builders.

Secondary data sources:

- Media and magazines;
- Online databases;
- Press releases;
- Companies' websites and social media profiles.

Disclaimers

The figures provided in the report refer to the total amount of funding data made available to Briter Bridges and do not claim 100% granularity since a significant share of capital injections remain undisclosed and confidential.

The terms used by the media around data points such as stage is often arbitrary and not standardised, resulting in incongruences between sources and conflicts with direct data points. Briter Bridges has therefore tried to reconcile terminology whenever possible. Several data points, such as funding stages, remain unspecified and this report has attempted to cross-analyse them with complementary and related information in order to provide context.

Briter sourced primary funding data from investors and, in order to preserve privacy, only published any undisclosable or confidential information anonymously and aggregated, omitting any reference to its source.

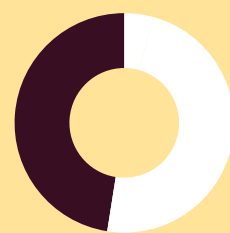
Finally, the purpose of this report is to showcase the size and composition of business opportunities, with a specific focus on companies operating in the digital and green economy, across Africa and it is not aimed at ranking businesses other than analysing them according to the industries and geographies they operate in, as well as the funding disclosable information.

Ongoing data collection

An amended, albeit more concised version of the report will be released in Q1 2021 to account for new inputs that may be gathered only after the first version is published.

Email our team to access the **Open Source Database**.

The estimated value
of disclosed funding
in Africa was at least



\$1.07 billion*

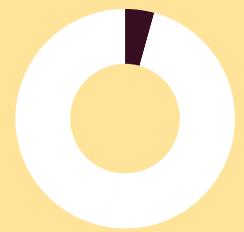
* The value excludes acquisitions

The estimated value of
the disclosed M&A
market was at least



\$1.12 billion

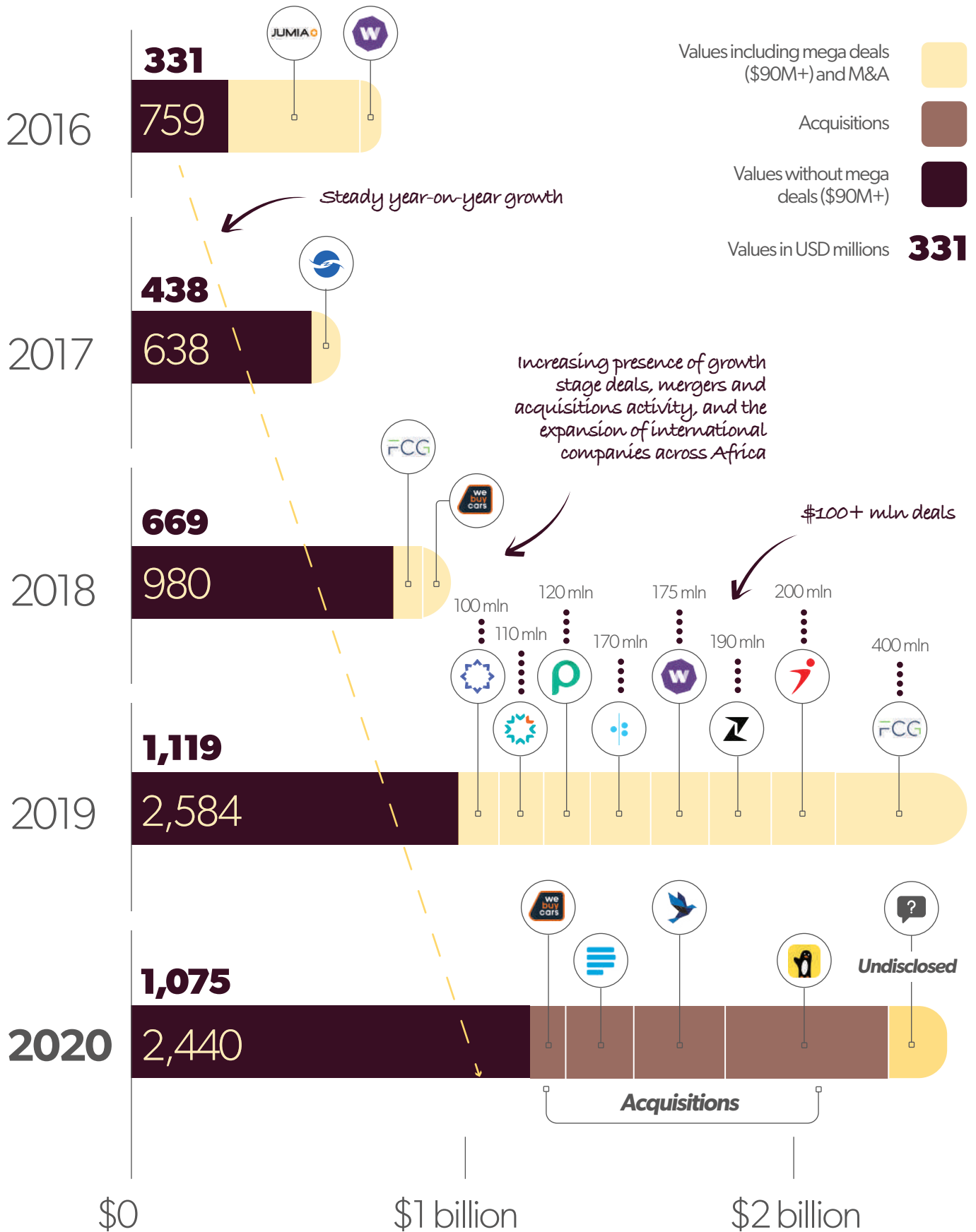
The estimated value of undisclosed funding* amounted to at least



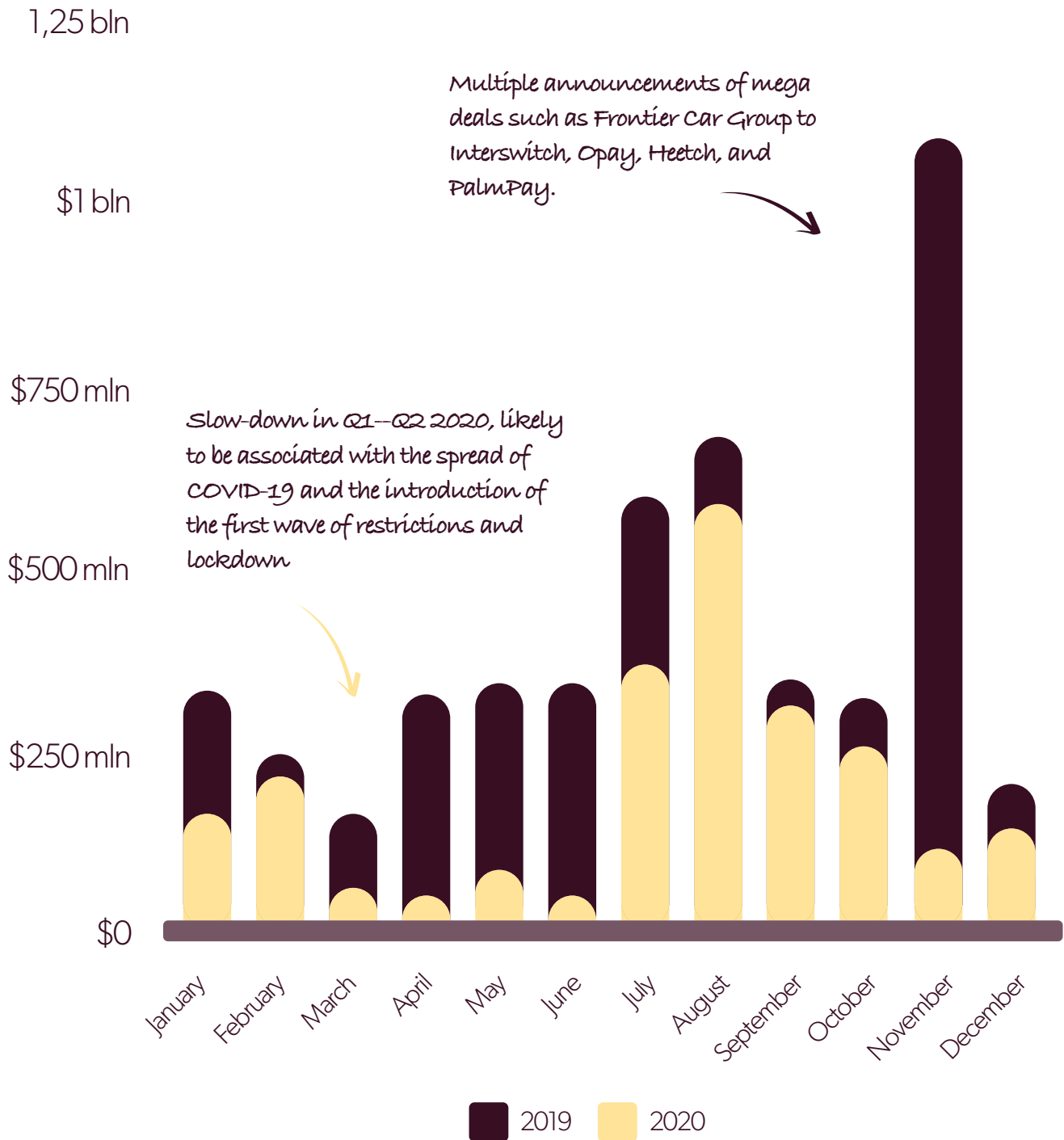
\$243 million

*Based on direct sourcing from 70+ leading public and private investors. It is calculated by adding data about individual tickets for deals whose total values remain unknown and total round sizes whenever information was disclosed to Briter Bridges by investors or entrepreneurs.

Funding history and volume breakdown



Funding history MoM investment trends



Headquarters vs operations

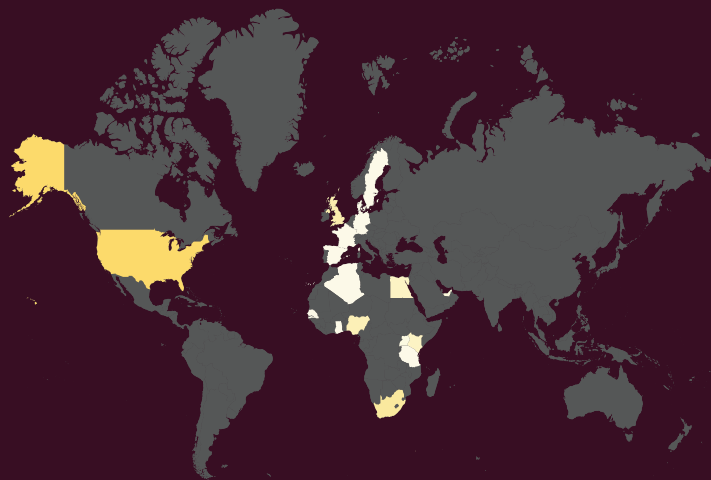
The following maps display how capital is sourced from and allocated to a selected pool of countries by illustrating the distribution of the top 100 funded companies that have raised up to \$100 million in the past three years across disclosed and undisclosed deals. The maps on the left hand side represent HEADQUARTER countries, i.e. the HQs of the companies operating Africa, while the maps on the right illustrate the countries of OPERATIONS of the top 100 companies by deal size in each year.

2020 \$1,195bln

HEADQUARTERS

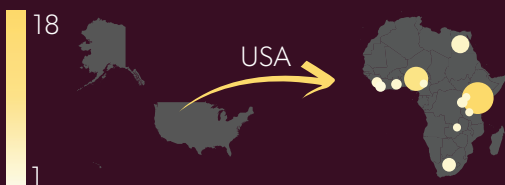


OPERATIONS IN AFRICA



OPERATIONS OF TOP OVERSEAS HQed COs

\$471,8mln



OPERATIONS OF TOP AFRICAN HQed COs

\$119,7mln



\$107,6mln



\$110mln



\$51,2mln

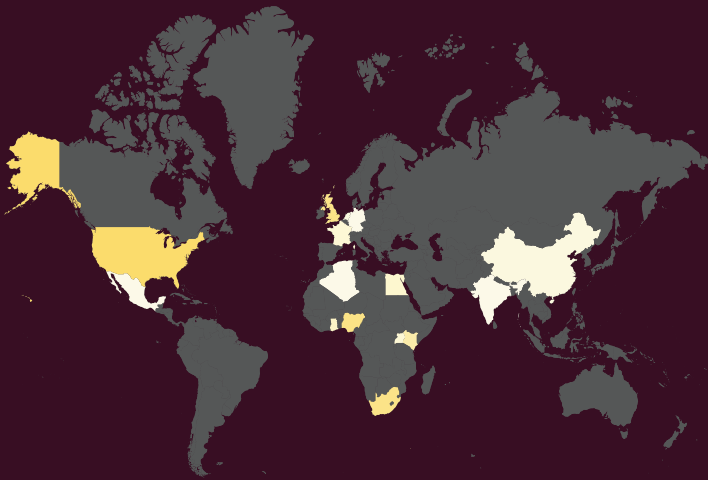


\$77,1mln



2019 \$1,023bln

HEADQUARTERS

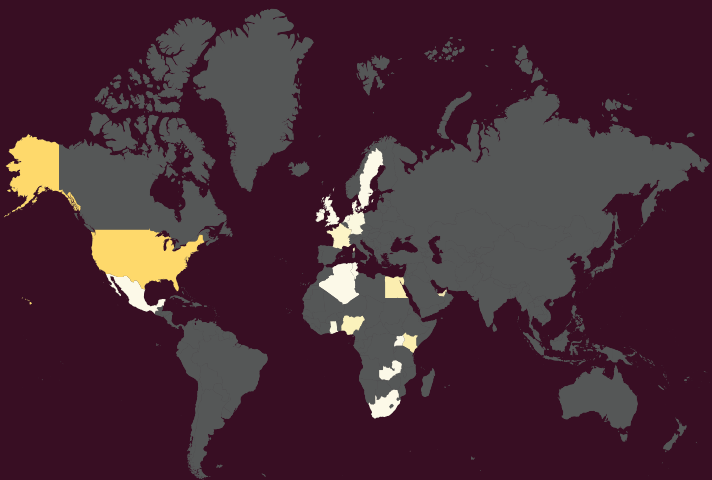


OPERATIONS IN AFRICA



2018 \$977mln

HEADQUARTERS

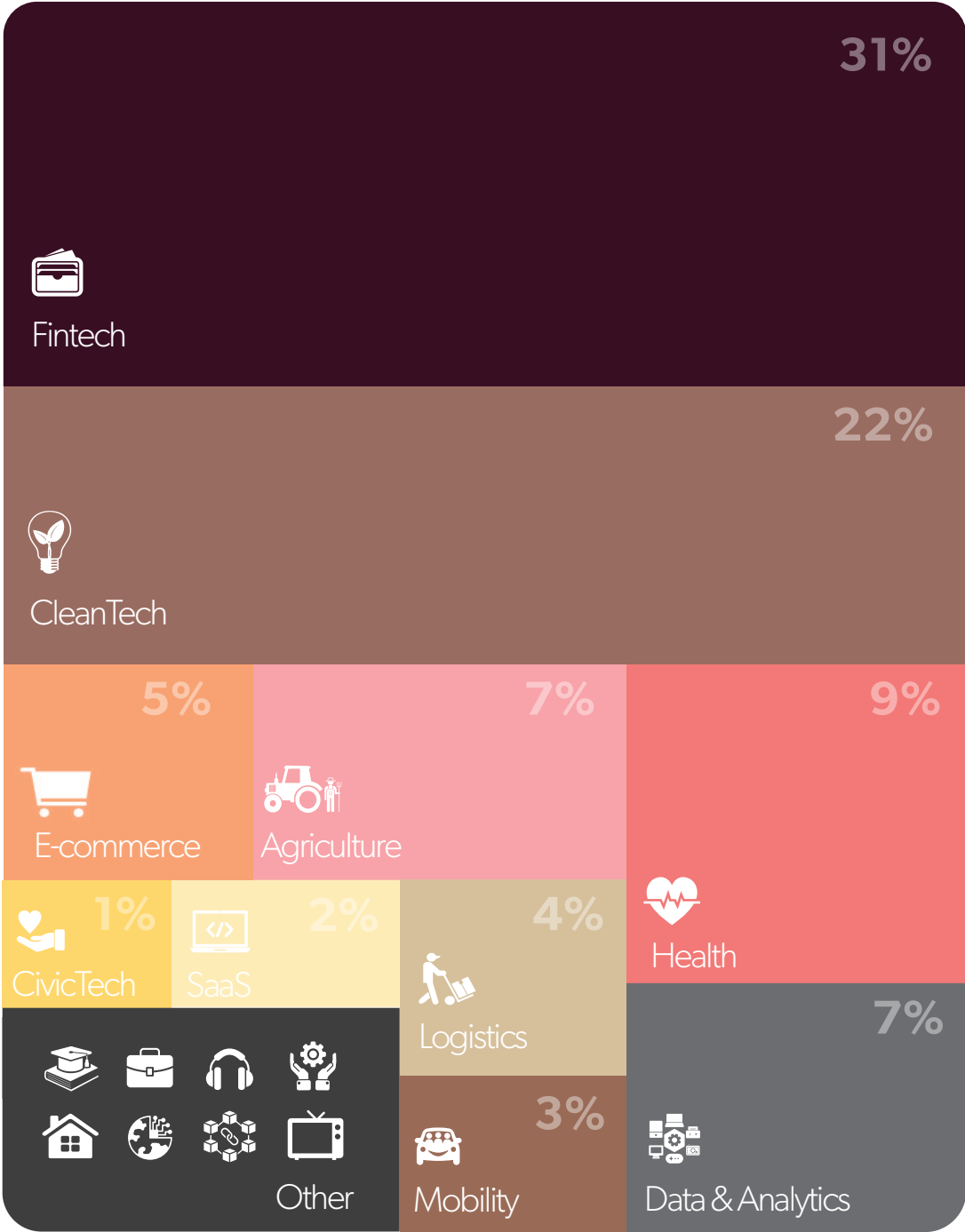


OPERATIONS IN AFRICA



Industry segmentation

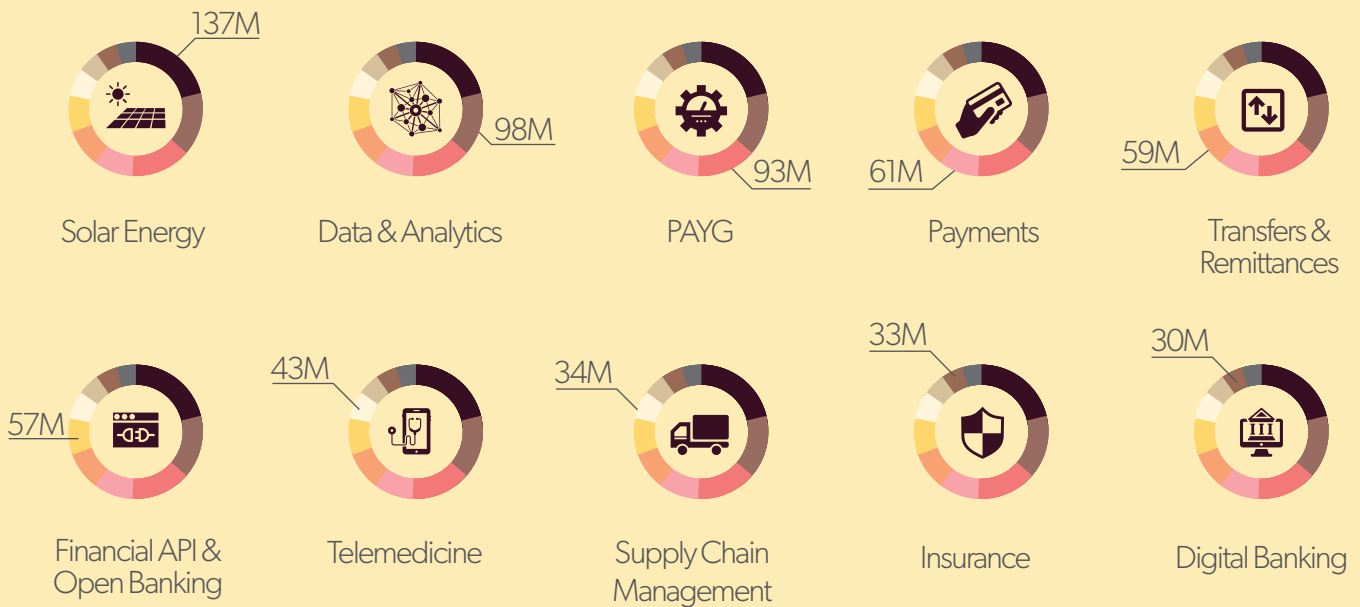
The funding landscape remains heavily skewed towards a limited number of sectors, which represent over 75% of funding recipients. While financial technology companies retain the lion’s share of total funding, cleantech is increasingly attracting capital from local and international investors, including a growing number of corporates interested in fast-tracking their transition to renewable energy. Healthcare, data and IT infrastructure, and agriculture follow as more private companies reach maturity, but ticket sizes remain contained compared to those across fintech and cleantech.



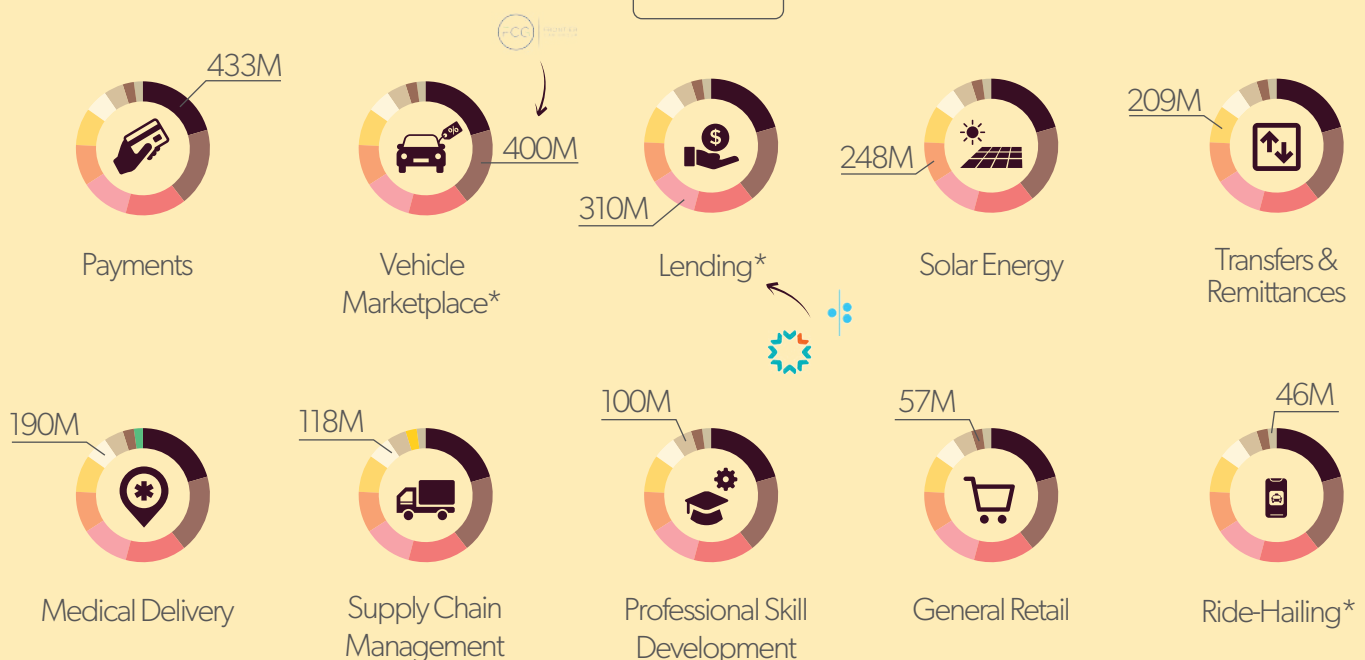
Up and coming tech products

The following pie charts indicate the aggregate amounts raised by companies offering the most appealing products to investors, derived from singling out the 10 most funded products each year over the past 24 months, out of a pool of 180+ (2020) and 115+ (2019). **M&A deals were excluded** from the analysis.

2020

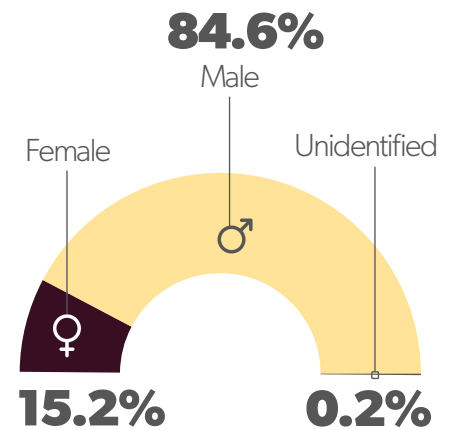


2019



Gender distribution

1840+ co/founders



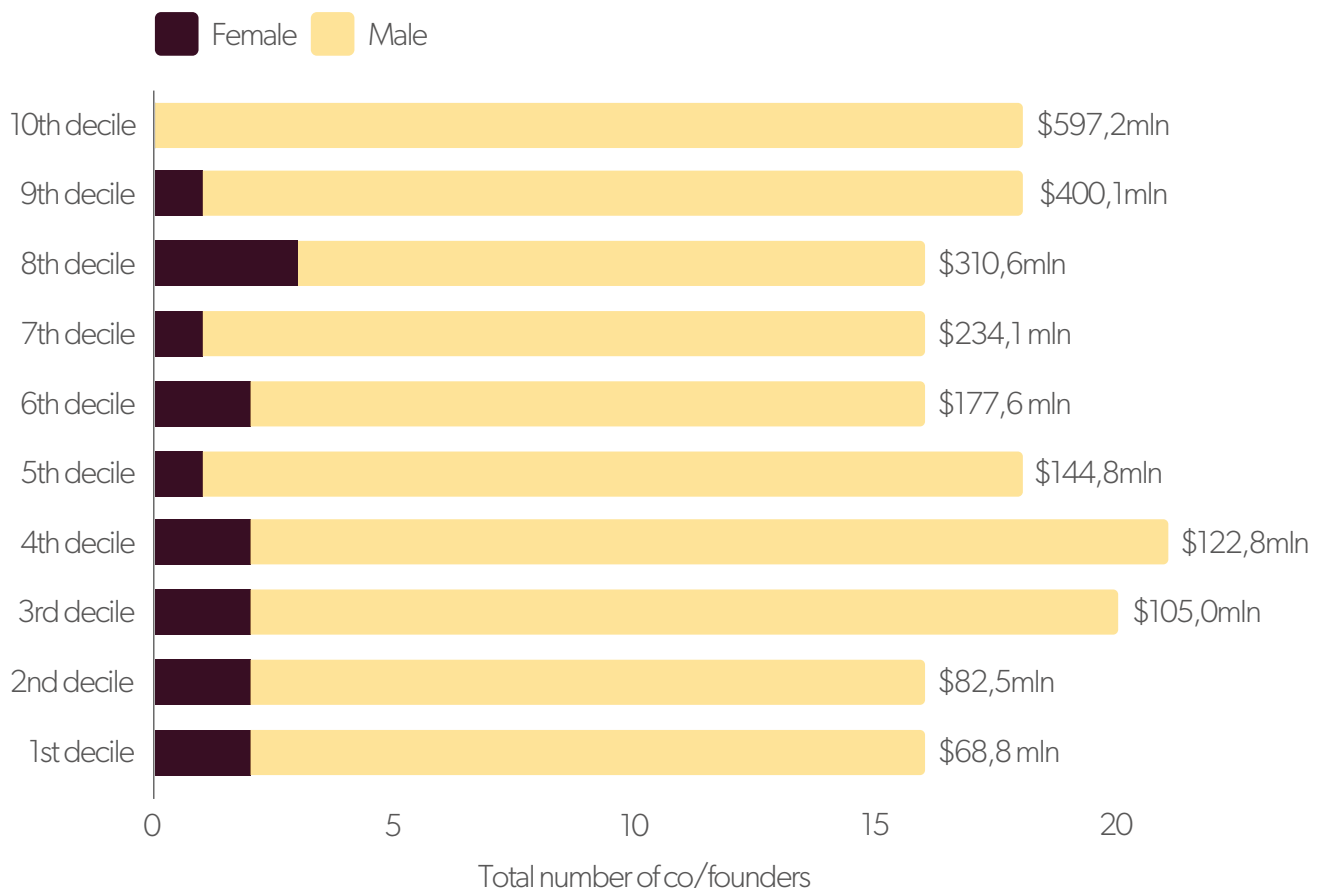
The data considers current co/founders or C-level executives in the individual companies listed across the deals collected for this study. Inactive founders are only included if a company has shut down since raising funding, or in cases where the company has been acquired.

Funding allocation in 2020

In **2020**, there were **869** co/founding members that raised funding within their company. Across the teams, **17,4%** were female. A total of **53.9%** of funding raised by female co/founders in the total sample occurred in this year.

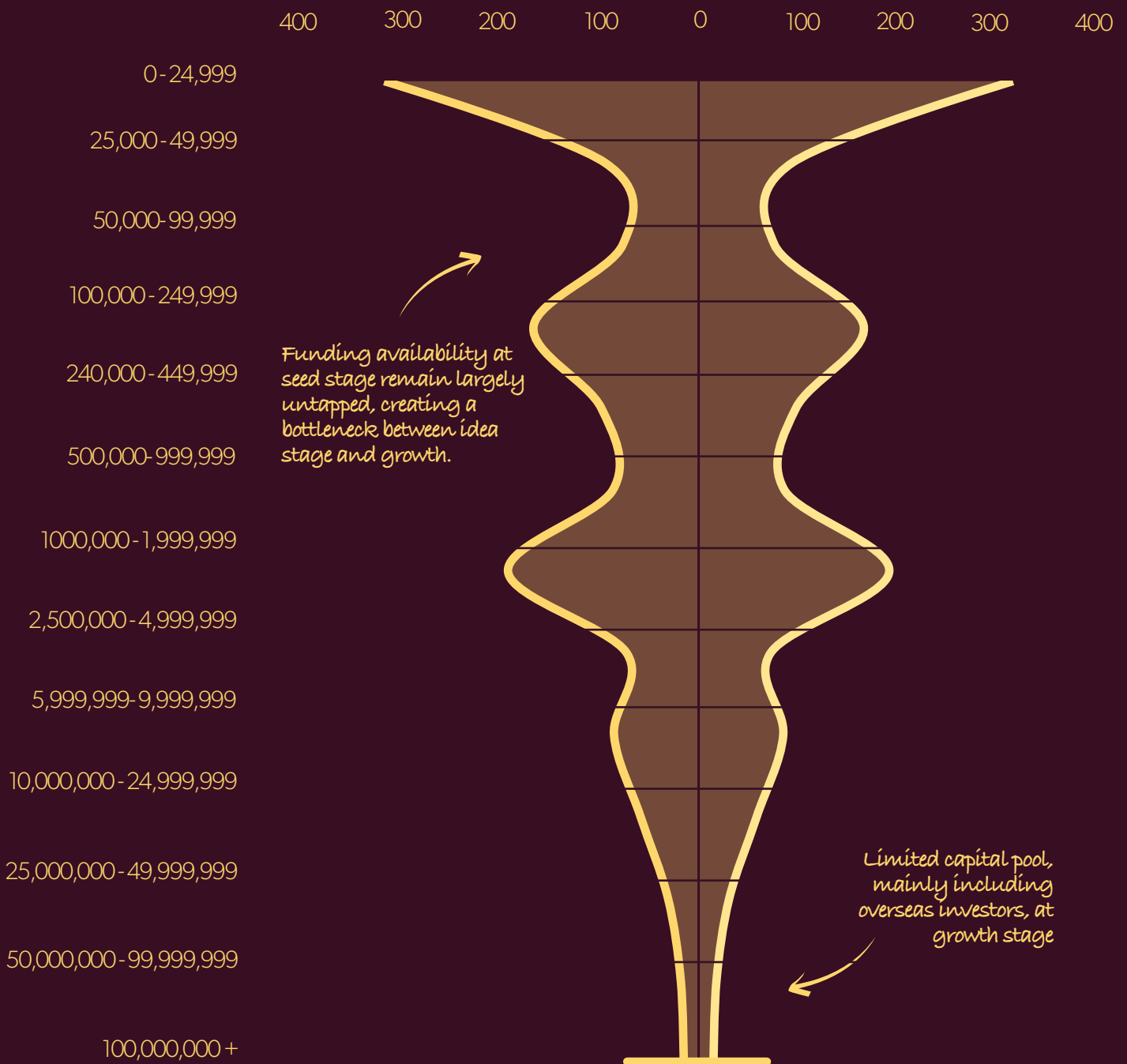
100 companies up to \$100 million

The figures in mlns display the total funding amount across the top 10 companies (that have raised up to \$100 million) in deciles.

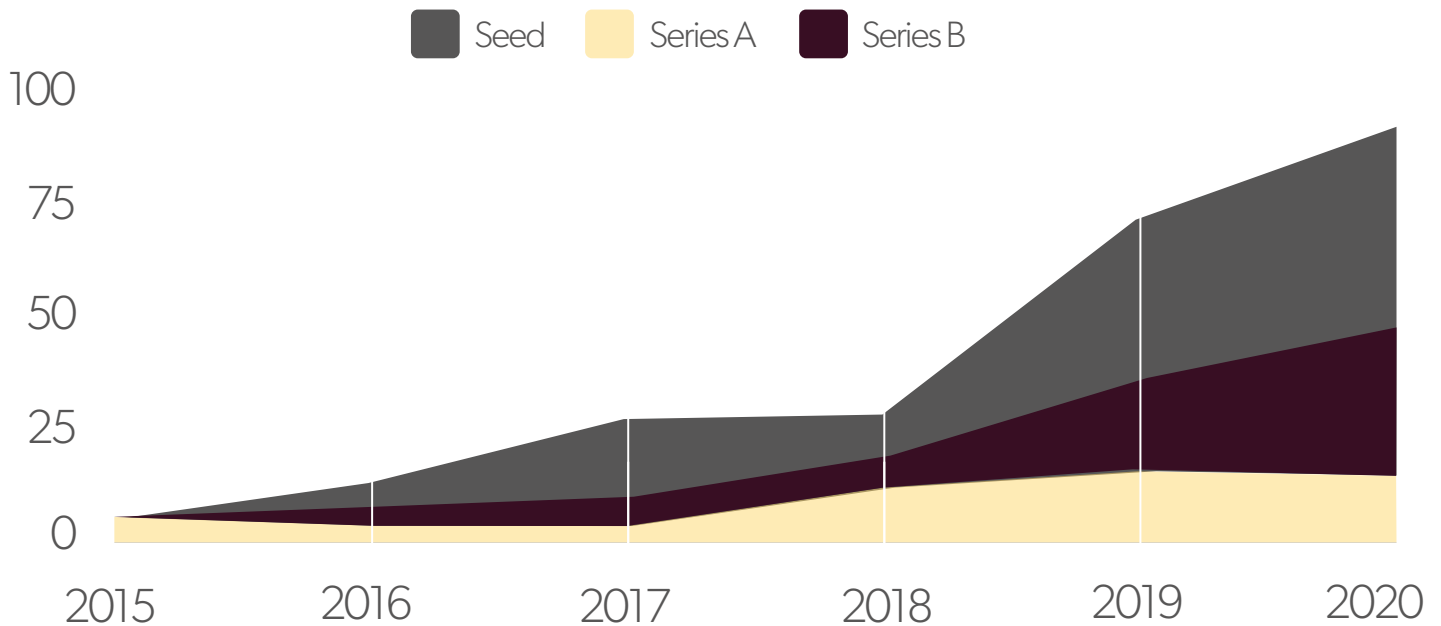


Funding funnel Over 5 years

Growing support ecosystem at idea stage, as the number of accelerators, venture builders, and angel investment syndicates increases.

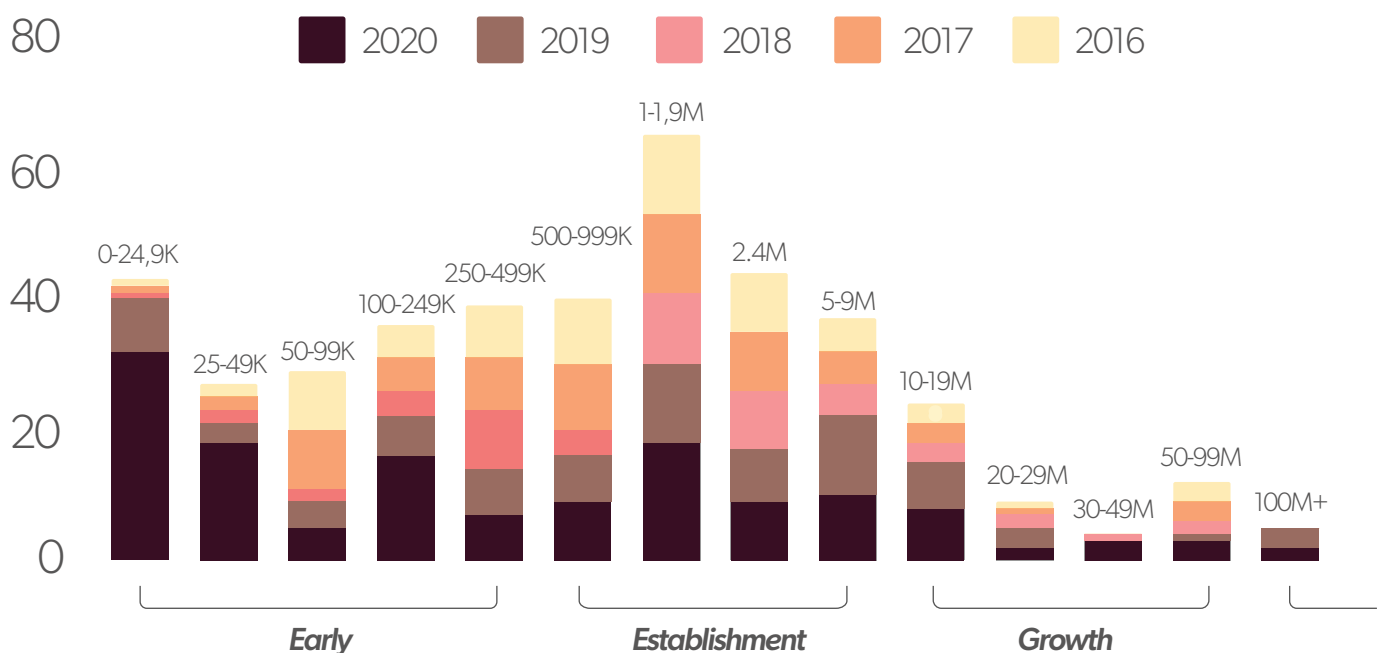


Growing capital availability



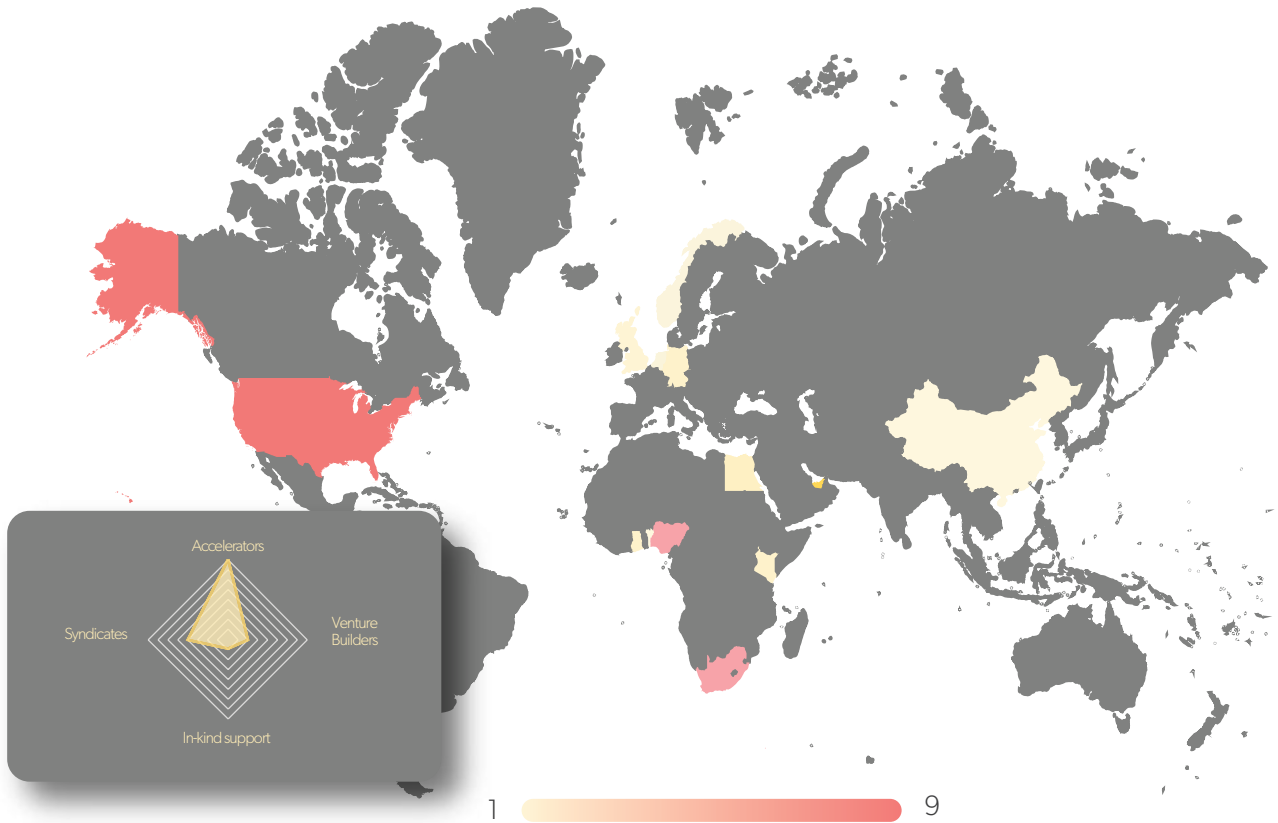
CONTEXTUALISING UNSPECIFIED FUNDING STAGES

As highlighted in *Benchmarking Investment in Africa*, terminology remains highly subject to specific contexts and several investors and businesses do not always rely on pre-determined glossary when raising or deploying funding. The value of the investments made in unspecified stages for 2020 alone amounts to \$600 million, i.e. ca. 25% of the total estimated funding for the year, including M&A and undisclosed figures. By ordering unspecified deals by size and identifying them according to their role in companies' development (i.e. Early, Establishment, and Growth), it is possible to compare with deals associated to defined funding stages. The gradual increase per year, however, mirrors the results observed in the chart below, indicating the overall increase in availability of capital and the segments that saw faster growth.



Early-stage support systems

Aside from a promising growing number of early-stage focused venture capital funds and investors, support ecosystem organisations such as syndicates, venture builders, and technology hubs have been increasingly deploying financial and in-kind resources into companies across the continent. The map and list below highlight some of the most active organisations.



Syndicates



CAIRO ANGELS UNTAPPED LGOS AUC ANGELS Jazi Angels ALEX ANGELS

Venture builders



ANTLER GreenTec

Accelerators & Programmes



CATALYST FUND FOUNDERS FACTORY AFRICA 212 Founders mest Y mastercard foundation DFS LAB

FLAT 6 LABS CAIRO baobab VillageCapital GSMA I'M IN ACCELERATOR Hiil

FLAT 6 LABS TUNIS itanna villgro africa IMPULSE ALPHA COJE B

KOSMOS INNOVATION CENTER ShEquity INNOVUS Labs

In-kind support



facebook Accelerator Google Developers Launchpad Accelerator

100M+ deals in global companies with operations across Africa




Africa's funding landscape has been characterised by a handful of large size deals (or mega deals) above \$100 million, which have been capturing the headlines and somewhat skewing the perception of average deal sizes across the continent. The list below captures some of the investments made in global companies who are headquartered in Europe or North America and are active, among other geographies, across Africa.





















Most funded companies by























Disclaimer: in order to respect companies' privacy, any undisclosed funding which was made known to Briter was not added to the companies listed here and the amounts include disclosed funding only. This list includes companies not headquartered in Africa but with operational presence on the continent*. **This list excludes companies who raised over \$100 million in disclosed funding.**

























\$50 - 99.9 million

HEETCH!		
Twiga <small>SOKO YETU</small>		
Vezeeta.com		
SWL		
PEG		
 Flutterwave®		
 CHIPPER™		

 mPharma		
 rensource		
LORI		
migo		
 LUMOS		
 copia <small>Maisha Rahisi</small>		
Goodlife <small>Pharmacy Health Beauty</small>		

\$25 - 49.9 million

cellulant 		
 KOMAZA		
 powerhive		
Kobo		
ONE ACRE FUND		
M-KOPA		
 palmpay		
UNICAF®		
Wakanow		

 TymeBank		
 RapidDeploy <small>CLOUD AIDED DISPATCH</small>		
 DAYSTAR POWER <small>ENERGY SOLUTIONS</small>		
IROKO		
 Skynamo		
Aerobotics		
KOPAGAS		
 KarmSolar™		
 paga™		

Pt. 2

total amount of funding raised

\$10 - 24.9 million

TUGENDE



MFS Africa



TRUKKER
ANY TRUCK ANY TIME ANY WHERE



SPARKMETER



LIVVVA



bitfxt



Sendy



BioLite



Jiji.ng



APOLLO
AGRICULTURE



wefarm



SunCulture



Accelerex



Taptap Send



Boomplay



payitlp



LLS



tradedepot



54gene



GOKADA



SOKOWATCH



Planet42



angaza



WhereIsMyTransport



solar now



SISTEMA.bio
CREATING VALUE FROM WASTE



fenix intl



ADZILY
YOUR BRAND IS OUR BUSINESS



CROSSBOUNDARY
ENERGY ACCESS



helium health



mobisol



LUNO



YOCO



Jibu



ZOONA
LET'S MAKE IT REAL



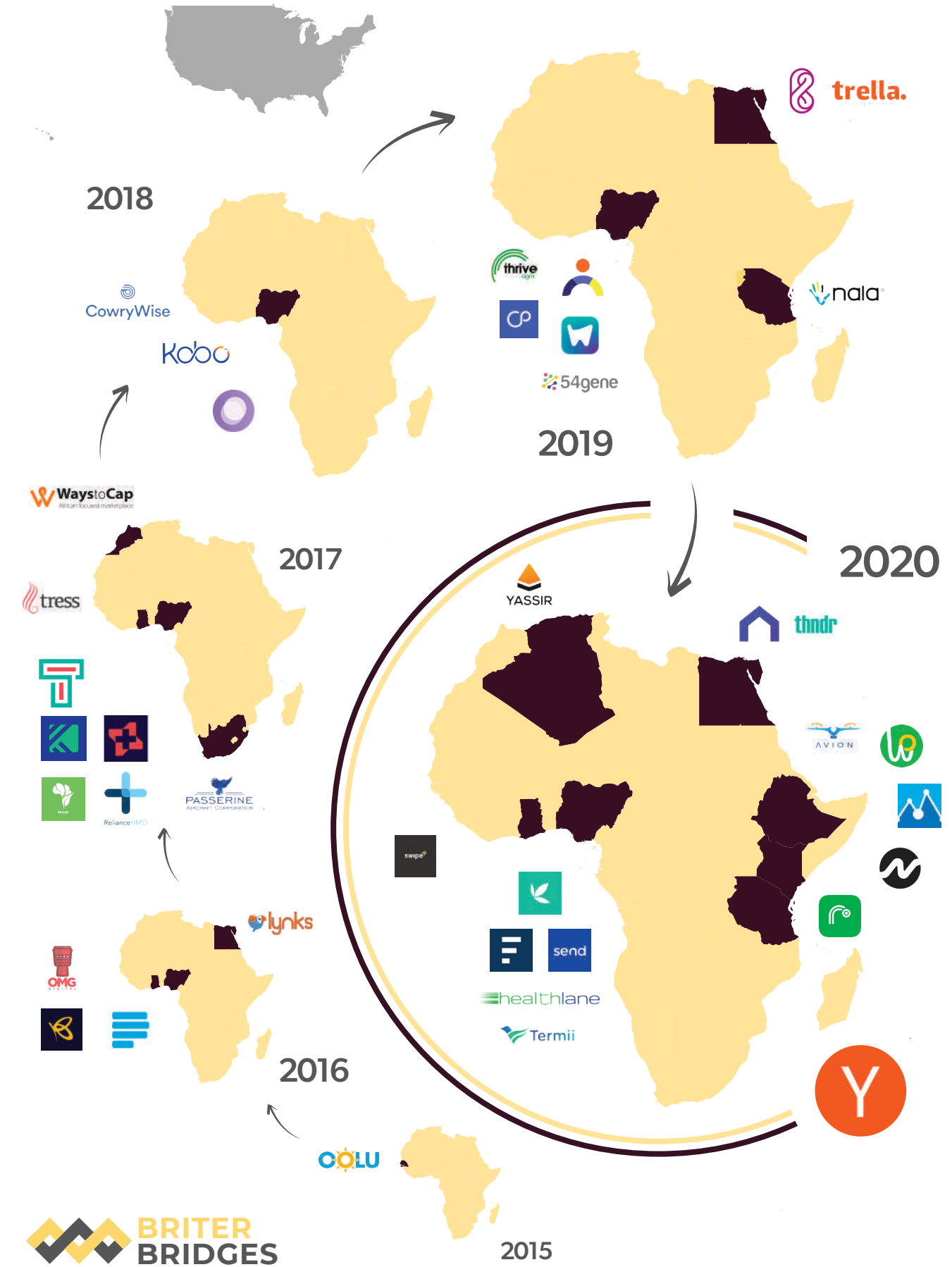
COLU



solarise africa



YC's commitment in Africa



Engage with our team

Briter Bridges produces periodical insights based on primary and secondary research. Get in touch with our team if you are interested in providing data or insights about your funding or company activity.

You can access our platform at briterintelligence.com, which includes an open source DEALS sections and thousands of companies' profiles to better understand markets across Africa.

- For general enquiries: hello@briterbridges.com
- For Intelligence-related enquiries support@briterintelligence.com

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- briterintelligence.com

We want to thank you all the investors who contributed to this report and the entire community of entrepreneurs, ecosystem builders, investors, professionals, and researchers who strive for a more impactful and transparent business environment.

