

DECODING

# VENTURE INVESTMENTS

IN AFRICA

**Wee**  
Tracker

2019  
ANNUAL REPORT

# ABOUT THE REPORT

The report is an endeavour by WeeTracker Media to track the growth of African venture capital. Various dimensions of the African startup ecosystem have been touched upon to capture the movement of venture capital money in 2019. The report is meant for local & global investors, accelerators & incubators, analysts, startup founders, corporate investing teams, universities, media firms and anyone interested in understanding the dynamics of the venture capitalism in Africa.

NOTE: this report is a paid report and the external circulation of the report will be liable for legal action. Circulating the report on social media handles, distributing free copies and sharing in WhatsApp groups will attract legal action.

# ABOUT WEETRACKER MEDIA

WeeTracker, a brand of Wee Media, is a leading media platform for business, economy and startups in africa. With a monthly reach of over 1 million people, WeeTracker is a daily source of information for entrepreneurs, investors & African tech enthusiasts around the world.

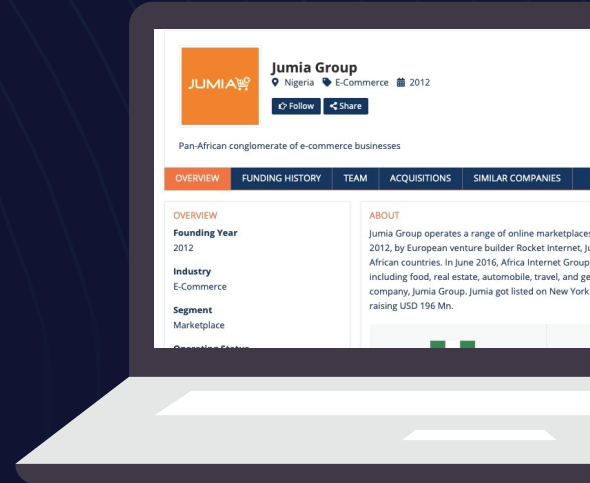
# THE BASE

## WHAT IS THE BASE

Hundreds of Investors, Corporates & Researchers are using **THE BASE** to track Venture Capital, Startups & private companies in Africa.

We analyse thousands of data points and actively add fresh data bi-weekly.

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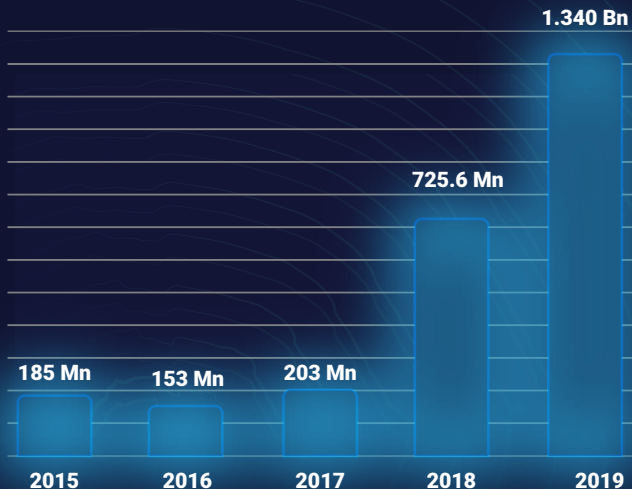
# AFRICA VC OVERVIEW 2019



INDUSTRIES DEAL AMOUNT



# SPECTACULAR YEAR FOR THE AFRICAN VENTURES - 2019



## Africa is undergoing a storm. ....

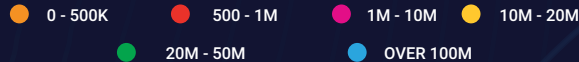
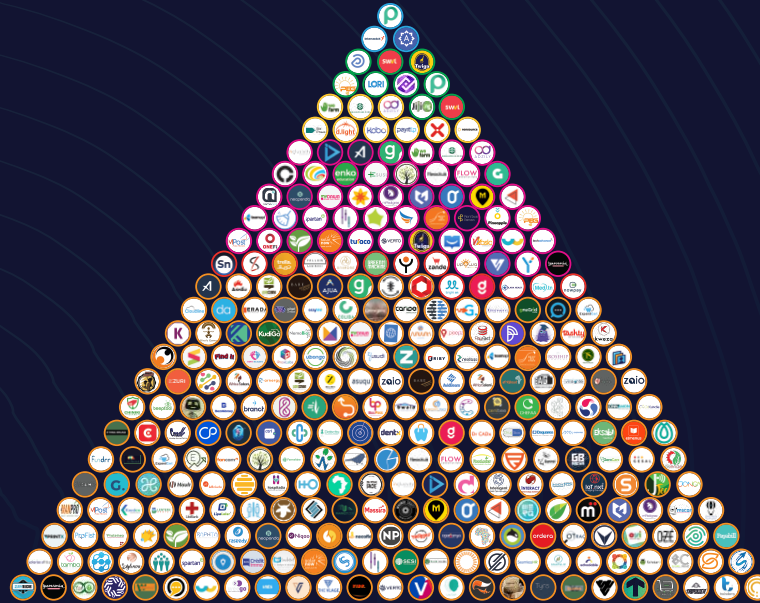
A storm of innovation. A storm that is led by the innovative and bright Africans who are pulling global investors to the continent and pushing the birth homegrown of venture capitalists.

A robust 2019 propelled total annual VC funding to USD 1.340 Bn, the highest tally for Africa to date. As compared to 2018, there was a significant rise in companies raising seed capital as well as Series A rounds. Additionally, a number of USD 20 Mn+ investment rounds drove the significant upswing in 2019.

Companies headquartered OR focussed on Nigeria and Kenya alone raised USD 1.09 Bn, a whopping 81.49% of the total VC money raised in Africa.

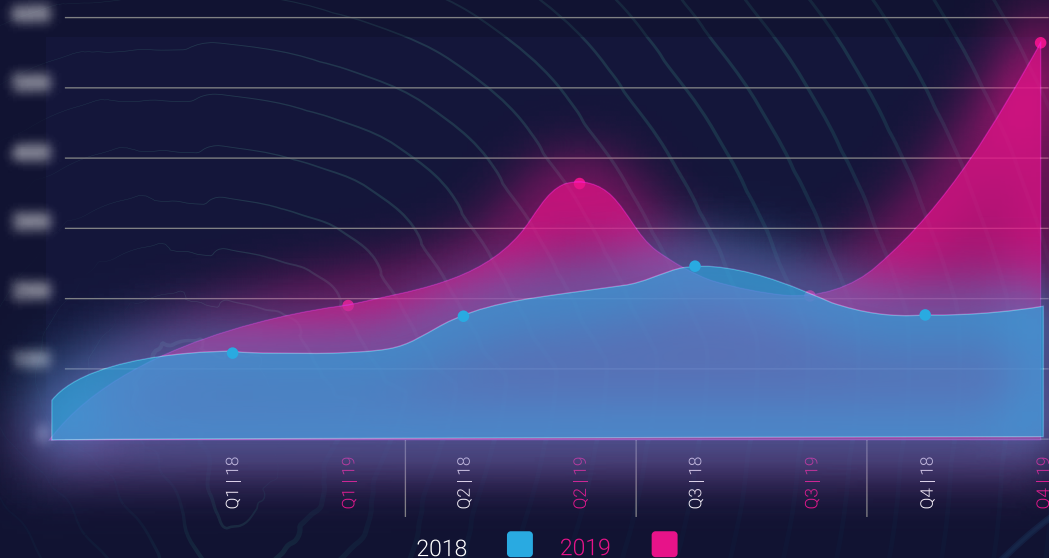
While the Fintech sector continued to attract the bulk of VC funding, the logistics and ride-hailing sectors experienced strong growth this year, with cumulative investment amount reaching USD 133.26 Mn.

# VENTURE DEALS IN AFRICA - 2019



# GROWTH MAP: VENTURE CAPITAL SERVED PER QUARTER

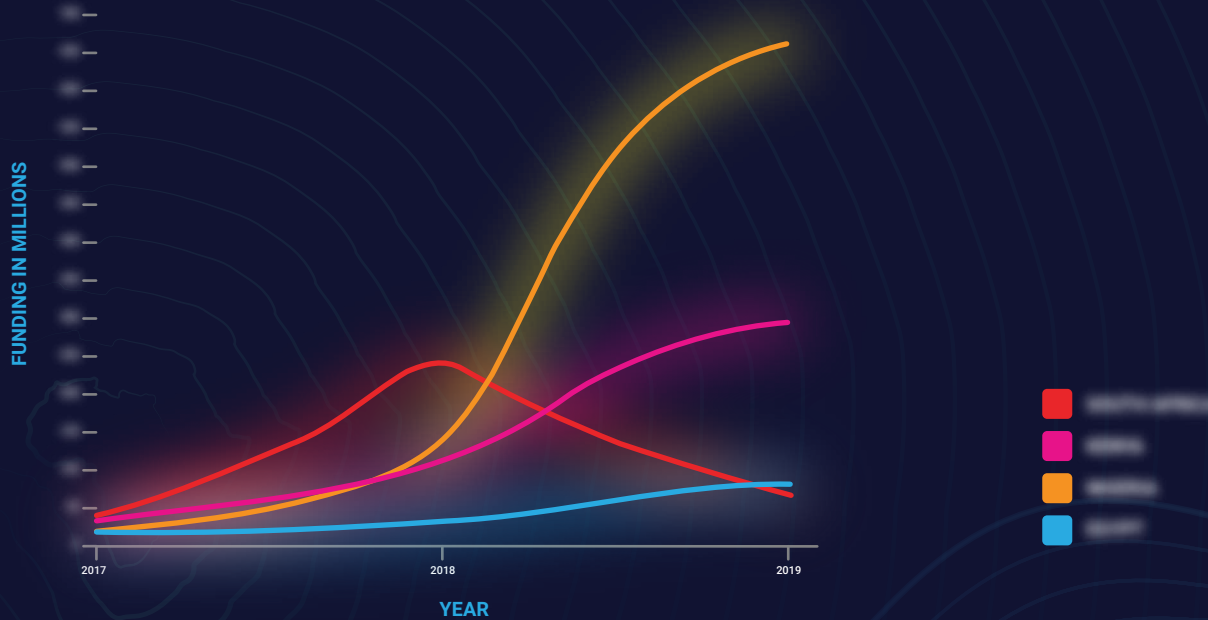
2018 vs 2019



# TOP 10 VENTURE DEALS IN AFRICA - 2019

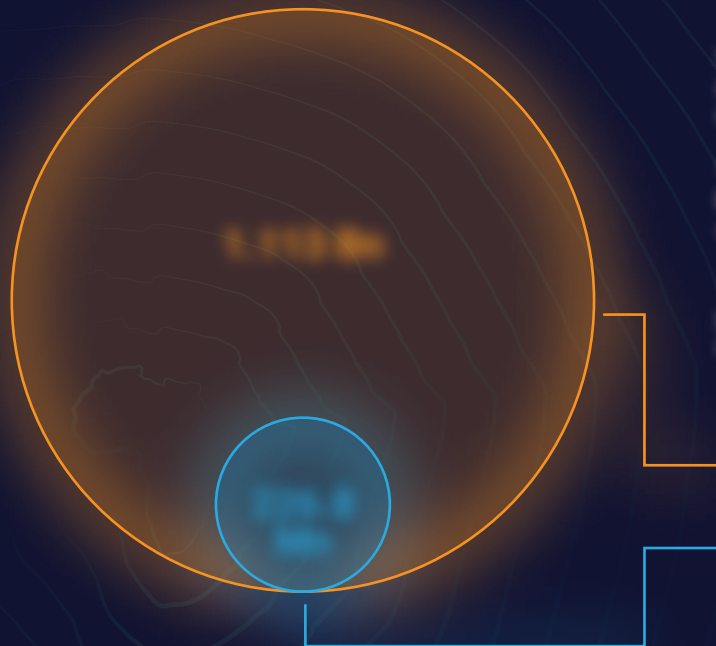
COMPANY	DESCRIPTION	SECTOR	FUNDING	INVESTORS
 Interswitch	Payment Processing Company	FINTECH	200 Mn	Visa
 OPay	Mobile Money & Payment Services	FINTECH	120 Mn	Meituan-Dianping, GaoRong, Source Code Capital, Softbank Ventures Asia, BAI, Redpoint, IDG Capital, Sequoia China and GSR Ventures.
 Andela	Software Developer Training and Outsourcing Company	EDTECH	100 Mn	Generation Investment Management, Spark Capital, GV, CRE Venture Capital and the Chan Zuckerberg Initiative
 branch	Micro Lending and Loans	FINTECH	70 Mn	Foundation Capital, Visa, B Capital, Andreessen Horowitz, Formation 8, Trinity Ventures
 OPay	Mobile Money & Payment Services	FINTECH	50 Mn	IDG Capital, GSR ventures
 BBOX	PAYG Renewable Energy Provider	CLEANTECH	50 Mn	Mitsubishi
 carepay	Mobile Health Finance Platform	HEALTHTECH	45 Mn	IFHA-II, Elma Investments, Dutch Ministry of Foreign Affairs (via PharmAccess Group)
 SWL	On demand Bus-Hailing Services	RIDE HAILING	42 Mn	BECO Capital, Endeavor Catalyst, MSA and Vostok Ventures, OTF Jasoor Ventures, Sawari ventures, Arzan VC, Blustone, Autotech, Michael Lahyani
 palmpay	Mobile Money & Payment Services	FINTECH	40 Mn	Transsion (Tecno)
 LORI	Aggregator for cargo and truck owners	LOGISTICS	30 Mn	Hillhouse Capital, Crystal Stream Capital, EchoVC Partners

# TOP 4 INVESTMENT DESTINATIONS IN AFRICA - 2019



\*COUNTRIES REPRESENT A COMPANY'S PLACE OF HEADQUARTERS/OPERATIONS.

# POWERSTROKES: 75% OF THE COMPANIES RAISED 50% OF 1.34 BILLION USD



75% of the companies raised a total of 1.34 billion USD, with the largest amount raised by a single company being 100 million USD.

The top 25 companies raised a total of 670 million USD, with the largest amount raised by a single company being 100 million USD.

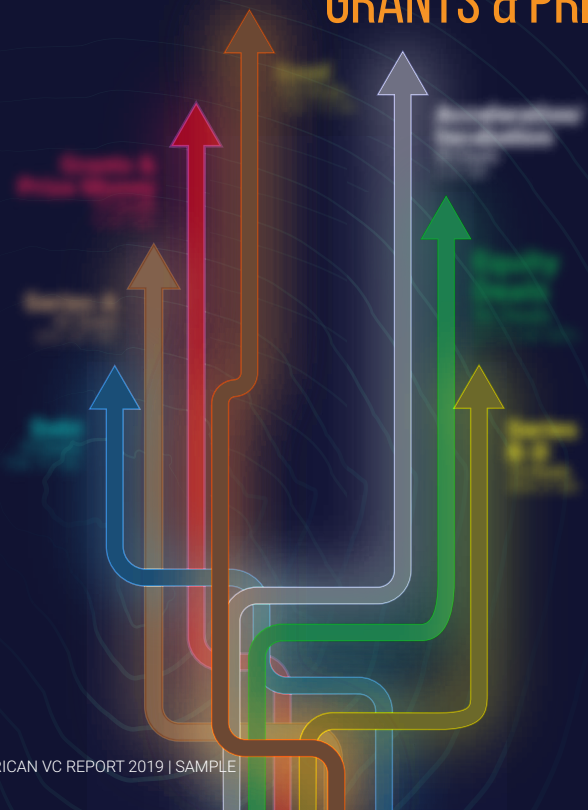
50% of the companies raised a total of 670 million USD, with the largest amount raised by a single company being 100 million USD.

75%

50%



# DEAL ACTIVITY SIGNIFICANTLY UP GRANTS & PRIZE MONEY TAKE A HIT



While deals & activity in the VC market are up, grants & prize money have taken a hit. The number of grants awarded in 2019 was down 15% from 2018. The amount of prize money awarded in 2019 was down 20% from 2018. This is a significant decrease in funding for startups, particularly those in the early stages of their development.

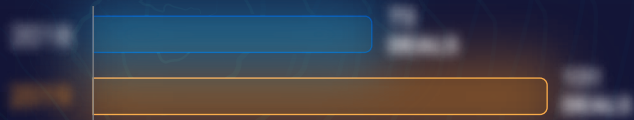
Investment & innovation in the VC market are up, but grants & prize money have taken a hit. This is a significant decrease in funding for startups, particularly those in the early stages of their development.

# A SURGE IN SEED CAPITAL

## AFRICAN SEED DEAL FUNDING CLINGS DRAMATICALLY

\$400.00 Mn

600 DEALS

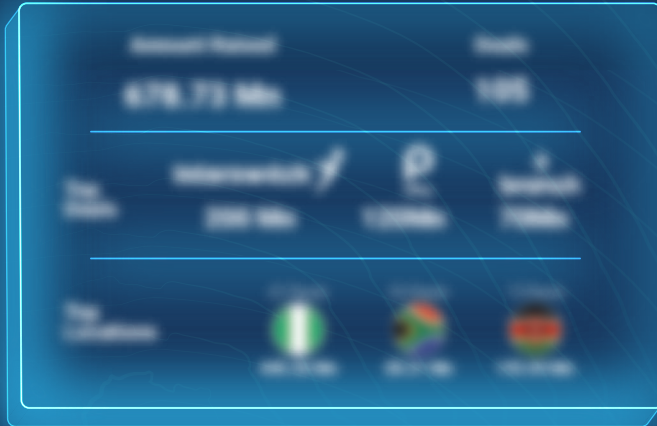


There has been a dramatic surge in the number of seed deals in Africa, with 600 deals in 2019, up from 400 in 2018. The total amount of seed capital raised in Africa was \$400.00 Mn in 2019, up from \$400.00 Mn in 2018. The total amount of seed capital raised in Africa was \$400.00 Mn in 2019, up from \$400.00 Mn in 2018.

It is exciting to see that more startups are raising seed capital in Africa, and this is a positive sign for the continent's startup ecosystem. However, it is important to note that the total amount of seed capital raised in Africa remains relatively low compared to other regions. The total amount of seed capital raised in Africa was \$400.00 Mn in 2019, up from \$400.00 Mn in 2018.



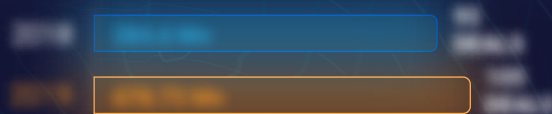
# FINTECH – MAINTAINS ITS WINNING STREAK



The Fintech sector has reflected a consistent interest by raising the highest number of deals (1,200) and amount in 2019. When compared to 2018, sector funding amount shows an increase of 130.8%, though the number of deals only grew by 19.8%.

In 2019, South Africa and Nigeria were the most active with Fintech deals with 20 and 21 deals, respectively. Nigeria in 2019 increased South Africa by raising 100% and 21 deals, 20 deals, while South Africa which received 100% of 21 deals in 2019.

Another notable sector from 2019 includes with Nigeria that raised 100% of 200 deals.



# DEALS BY LOCATION – PACKED WITH SURPRISES



2018 saw an increase in the number of deals announced in the region, with a total of 100 deals worth a total of \$1.2 billion. This was a significant increase on the 70 deals worth \$800 million announced in 2017.

Kenya followed with a total of 20 deals worth a total of \$200 million, with a total of 10 deals worth \$100 million.

Other notable regions include Egypt with 15 deals worth \$150 million, and South Africa with 10 deals worth \$100 million.

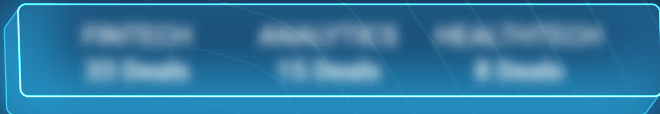
These figures represent a significant increase in the number of deals announced in the region, and a total of \$1.2 billion worth of deals.



An aerial photograph of Cape Town, South Africa, showing the city built on a hillside with Table Mountain in the background. The stadium is visible in the foreground. The text 'SOUTH AFRICAN COMPANIES RAISED' is overlaid in large white letters.

# SOUTH AFRICAN COMPANIES RAISED

# SOUTH AFRICA - BECOMING AFRICA'S MOST ADVANCED FINTECH NATION OR VC INVESTMENT FALLS OF A CLIFF



After starting its strong high of 2018 (201.1 Bn), VC investment in South Africa fell a steep 67% in 2019 to 67.29 Bn.

An interesting trend to note is that 20% of the 41 funded companies in South Africa are FinTech. However, 20% of the companies in South Africa are engaged in some form of lending operations. Out of the top 5 deals by value, 2 are B2B lending firms, Sports - 66 Finance and others.

# MOST ACTIVE INVESTORS IN AFRICA 2019

4 INVESTMENTS



CRE  
responsAbility  
microtraction  
SunFunder

7 INVESTMENTS

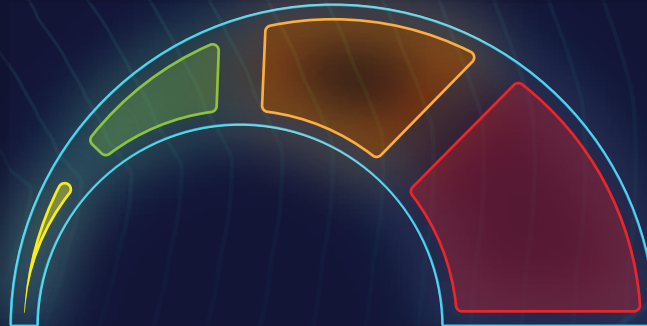


goodwell  
invest with impact  
algebraventures



endeavor  
CATALYST  
KNIFE  
CAPITAL  
IFC  
International  
Finance  
Corporation  
dab  
equity  
TLcom

3 INVESTMENTS

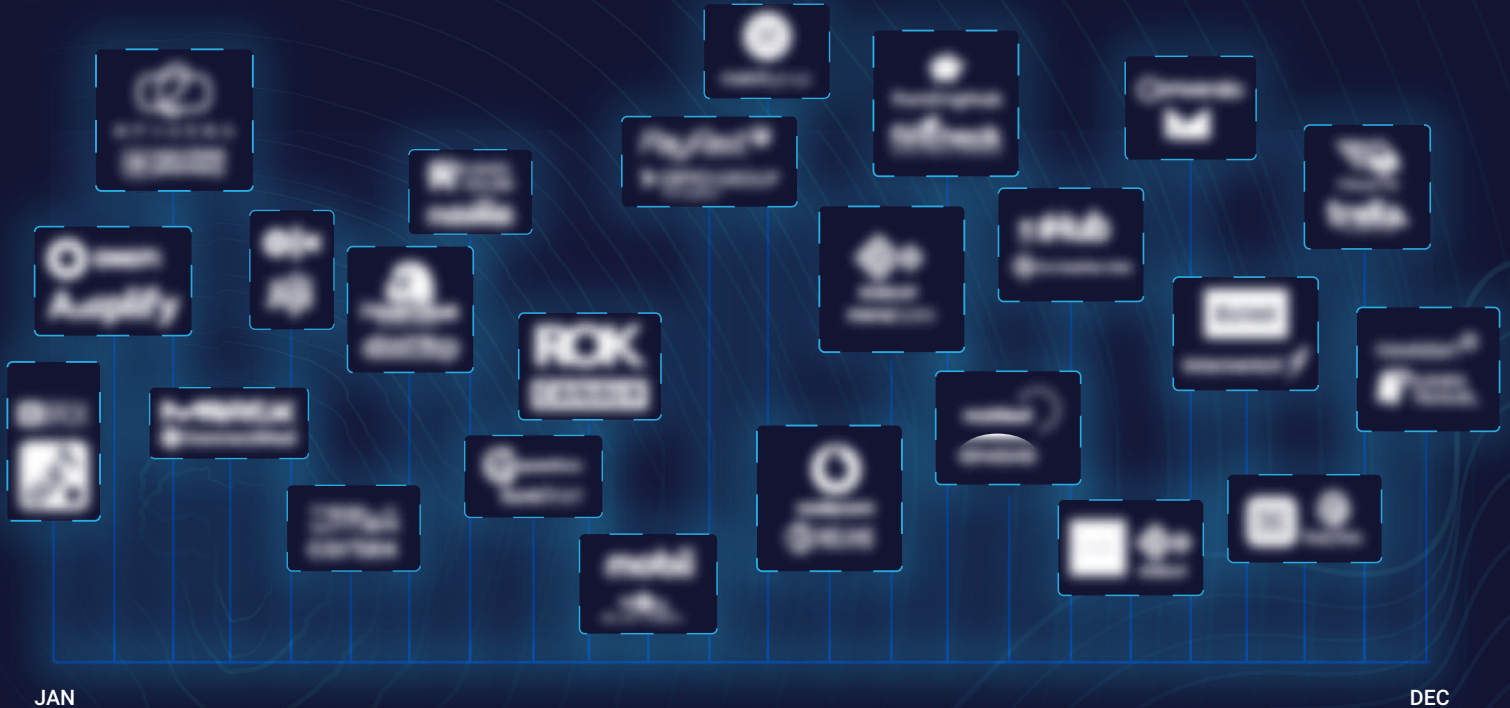


SAMURAI INCUBATE  
500

≥ 9 INVESTMENTS



# MERGERS AND ACQUISITIONS - 2019



JAN

DEC

# ENABLERS AND EVENTS

Google

USAID  
FROM THE AMERICAN PEOPLE

UKaid  
from the British people



Microsoft

CDC

THE TONY ELUMELU  
FOUNDATION



Strathmore  
UNIVERSITY

AFRICARENA  
THE AFRICAN TECH ECOSYSTEM ACCELERATOR

Africa  
Com



Africa Netpreneur Prize  
The King of Africa's Digital Class

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TE



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