## CONTENTS

### SECTORS

<table>
<thead>
<tr>
<th>Page</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Fintech</td>
</tr>
<tr>
<td>35</td>
<td>E-commerce &amp; Retail-tech</td>
</tr>
<tr>
<td>37</td>
<td>E-health</td>
</tr>
<tr>
<td>39</td>
<td>Logistics</td>
</tr>
<tr>
<td>41</td>
<td>Agri-tech</td>
</tr>
<tr>
<td>43</td>
<td>Ed-tech</td>
</tr>
<tr>
<td>44</td>
<td>Energy</td>
</tr>
<tr>
<td>45</td>
<td>Transport</td>
</tr>
<tr>
<td>46</td>
<td>Recruitment &amp; HR</td>
</tr>
<tr>
<td>47</td>
<td>Entertainment</td>
</tr>
<tr>
<td>48</td>
<td>AI/loT</td>
</tr>
<tr>
<td>49</td>
<td>Marketing</td>
</tr>
<tr>
<td>50</td>
<td>Prop-tech</td>
</tr>
<tr>
<td>51</td>
<td>Auto-tech</td>
</tr>
<tr>
<td>52</td>
<td>Other</td>
</tr>
</tbody>
</table>

### COUNTRIES

<table>
<thead>
<tr>
<th>Page</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Nigeria</td>
</tr>
<tr>
<td>22</td>
<td>Kenya</td>
</tr>
<tr>
<td>24</td>
<td>South Africa</td>
</tr>
<tr>
<td>26</td>
<td>Egypt</td>
</tr>
<tr>
<td>28</td>
<td>Morocco</td>
</tr>
<tr>
<td>29</td>
<td>Ghana</td>
</tr>
<tr>
<td>30</td>
<td>Rest of Africa</td>
</tr>
</tbody>
</table>
Flourish is an evergreen fund investing in entrepreneurs whose innovations help people achieve financial health and prosperity. With $850M in patient capital under management, Flourish invests in fintech startups that advance financial health and prosperity for individuals and small businesses. Present on five continents, Flourish’s global portfolio of more than 70 companies includes Alloy, Chime, Fair Money, Flutterwave, among other high-growth companies. Flourish works alongside industry thought leaders, policy workers and regulators to better understand the needs of the underserved and create systemic change to help foster a fair, more inclusive economy. Established in 2019, Flourish is a part of the Omidyar Group and is headquartered in Silicon Valley, California, with offices in Washington DC, Bangalore, Nairobi and London.

flourishventures.com

AAIC Investment aims to invest in rapidly expanding companies within the healthcare and technology sectors in Africa. Our primary focus is to provide growth capital and long-term value, supporting companies in enhancing their performance and facilitating expansion. We established our second fund in 2022, and the total commitment reached $87 million, encompassing over 45 investments. AAIC maintains offices in Singapore, Kenya, Nigeria and South Africa.

aa-ic.com

Atlantica Ventures is a pan-African venture capital firm specializing in early-stage investments across the African continent. Our focus is on supporting founders who leverage innovation to drive substantial change, fostering long-term value and societal impact. Comprising professionals with diverse technical, investment, and operational expertise, we invest in ventures ranging from Pre-Seed to Series B rounds. With offices in Lagos and Nairobi, we extend our reach through strategic partnerships in New York and the San Francisco Bay Area.

atlanticaventures.com
To our friends across Africa’s (still) thriving tech startup ecosystem:

The Disrupt Africa team is delighted to present to you the ninth edition of the African Tech Startups Funding Report, covering 2023. This pioneering publication, the first of its kind when first released in 2016, remains our flagship research report, providing a key tracker of the growth of the African tech space from a funding perspective.

This year’s report, however, tells a tale of regression, though regression not, perhaps, as bad as many were predicting across the course of 2023. Globally-speaking, from a venture capital and investment perspective, the last 18 months have been a period of “reset,” of “capital shortage,” of “funding winter.” While African tech, against the odds, continued to see increased investment in 2022, in 2023 it could buck global trends no more.

Before we get into the nitty gritty of the data, however, some thanks must be offered. This is the fourth year in a row in which we have open-sourced the African Tech Startups Funding Report and its associated dataset. The publication had built a formidable customer base since the release of its first edition in January 2016, including leading global tech companies, supranational investors, Big Four consulting companies, venture capital firms, and international trade bodies. Yet it was a concern to us that the data and analysis contained within its pages were not reaching the people that could arguably benefit from it most - African startup founders.

We were determined to put this right, and these days we make the report available free to all alongside key ecosystem partners. This year, we are delighted to have partnered with Flourish Ventures, AAIC Investment, and Atlantica Ventures, to again open-source the African Tech Startups Funding Report and deliver it to everyone, corporate or startup, institution or angel, for free.

The valued support of these esteemed partners, all of whom are contributing so much otherwise to the development of the continent’s tech startup ecosystem, will once again ensure the report ends up in the hands of thousands of entrepreneurs, who can use the data and trends it details to inform their own fundraising strategies. We cannot thank them enough, and hope to work with them in the future on ensuring access to leading data and analysis remains free.

To that data, then. In 2023, African tech saw a reset of sorts, as the global capital shortage began to bite. The number of funded ventures, and the total funding raised, declined for the first time since 2016, though not as dramatically as many had feared.

A total of 406 startups raised a combined total of US$2,406,914,000 over the course of the year. Though still the third best year on record in terms of funded ventures, and the second best for total capital secured, this represented a significant decline on 2022. Indeed, it is the first time since 2017 that total funding has not grown by 40 per cent or more. The number of active investors also fell by almost 50 per cent, as did the amount of M&A activity.

The bulk of funding activity continues to take place in the “big four” markets of South Africa, Nigeria, Kenya and Egypt, but 2023 saw activity across 22 other ecosystems.

The year may well go down as a regressive one, but there is still a huge amount of activity in the African tech space, especially when you consider how far we have come since 2015, when just 125 startups raised a combined US$185,785,500. Bumps are to be expected along the road; it is how you navigate them that counts. The good times will return, in the mean-
time we need to ensure quality, innovative, sustainable startups, with good governance and reporting entrenched within their organisational structures, are waiting for the expected uptick in venture capital in the coming months (hopefully) and years.

In the following pages we share our year’s work and analysis with you, telling the story of an ecosystem increasingly confident in itself, maturing nicely, spreading continent-wide, and endlessly innovative.

As with our previous funding reports, this research is based on our initial dataset gleaned from reporting on funding rounds throughout the year, which we have supplemented with widespread polling of hundreds of startups, investors, and tech hubs.

The result is our best calculation of the minimum value of the investment that has gone into the tech entrepreneurship ecosystem in Africa in 2023. The real total figure is sure to be higher - with some deals taking place behind closed doors or slipping through our nets. However we are confident we have provided a realistic, reliable - and the most comprehensive available - set of data.

What we can guarantee is that our dedication to precise information and reporting continues; and our nine years’ worth of data can be relied on as a minimum “benchmark” to measure the progress of the ecosystem.

In this report we detail the value of funding flowing into Africa’s various markets, the number of funding rounds raised in each country and sector, average deal sizes, as well as standout deals. We have provided analysis of six key markets across the continent, as well as details of funding trends in a further 20 countries. We also look in-depth at 14 different tech sectors. A separate section is dedicated to tracking acquisitions on the continent, while the full list of funded African tech startups is provided as an appendix, sorted by country and sector.

In addition, the report looks at the makeup of founder teams, in terms of gender and nationality, and examines the job creation ability of funded African tech ventures.

And, of course, thanks to our partners, it is free to all!

We remain available at any point for follow-up discussions and questions; and would also appreciate feedback as to how we can work to make our publication of more value to you in the future.

All the best for 2024!

Gabriella Mulligan
Tom Jackson
Co-founders of Disrupt Africa
The African Tech Startups Funding Report 2023 is based on data gathered by the Disrupt Africa team over the course of 2023. The information contained herein is an accurate work of journalism - the compilation of our list of funding rounds, as well as all analysis within the report, has been conducted in-house.

A complete record of funding rounds was kept over the year, as they were disclosed publicly or confidentially to the Disrupt Africa team. Using that initial dataset as a base, we have polled hundreds of startups, investors, hubs and other ecosystem players to identify rounds that we may have missed, or to clarify the amount raised where this was not initially disclosed.

Where amounts were publicly disclosed, or startups have informed us they can be disclosed, they are declared in the report. Where the figure was given in confidence, the number has been included in the aggregate total but not identified in the report.

Where we were unable to definitively ascertain the amount raised by a particular company, we have estimated the lowest possible figure based on the details we have managed to obtain. For example, if a startup indicated their funding was a “seven-figure dollar amount”, we have estimated that figure as US$1,000,000.

In a few cases, we have used a combination of the investment parameters of the funder in question, previous rounds raised by the startup, and the size of rounds raised by similar companies in similar sectors, to come up with a minimum possible figure.

In all, 237 (58.4%) of the 406 funded startups disclosed the amount raised, with the rest off the record or estimated. This signals a reversal, as until this year disclosing amounts was becoming a trend. In 2022, 427 of the funded startups (67.5%) disclosed amounts raised, an increase on the 297 (52.7%) that did so in 2021.

We do not claim to have identified every funding round going to an African tech startup in 2023, as there will be some that took place quietly. As such, the overall total funding raised is likely to be higher than our total; especially given our very conservative estimates of undisclosed rounds.

This report seeks to ascertain a minimum figure for funding for 2023 as we continue to track the growth of the African tech startup ecosystem, for the ninth consecutive year.

Comparative data used to reflect on progress over the years since 2015 stems from previous editions of this report, published annually for the preceding seven years. Data regarding the makeup of startup teams was either provided by startups themselves, or collected from publicly available information on platforms such as LinkedIn. Employment figures at the time of investment were either provided by the startup or sourced from LinkedIn.

A note on the definition of a startup. In deciding what “startups” to include and exclude from this study, Disrupt Africa has followed its usual editorial process, working on a case-by-case basis to decide whether a company qualifies as a startup. The definition of “startup” is more subjective than objective in any region; especially so in Africa where the scene is so nascent and there are no established qualifications in terms of revenues and employee numbers.

Startups are relatively young businesses where success is not guaranteed, where people choosing to work for the company are forgoing stability in exchange for innovation and the promise of tremendous growth. This ability to grow is key, what differentiates startups from small businesses is the potential - and desire - to scale regardless of geography.

More specifically, for the purposes of this report, the majority of companies featured are usually no older than 10 years old (though this is not a fixed rule), are still in the process of scaling up, their potential profitability is still growing - regardless of whether profitability has to date been achieved - and they may still seek external funding. We have excluded companies that are spin-offs of corporates or any other large entity.

The definition of “African startup” is also a controversial topic. In the clearest scenario, an African startup would be headquartered in Africa, founded by an African, and have Africa as its primary market. This, however, is rarely the case. Many Africa-based, Africa-focused startups are founded by non-Africans. Many Africa-focused, African-founded startups are, for regulatory and financial reasons, headquartered outside the continent. Many Africa-founded, Africa-based startups target customers elsewhere in the world.

Once again, Disrupt Africa tackles this issue on a case-by-case basis, and we may not always get it right in everybody’s eyes. For the most part, the startups included in this report are at least Africa-based and Africa-focused, and we have applied thinking around the economic impact of a company - and where that impact is most felt - in the event of a startup diverging from this.
OVERVIEW
OVERVIEW

2023 was the “year of the reset” for African tech startup funding.

After bucking global trends in a record-breaking 2022, African tech saw a reset of sorts in 2023, as the global capital shortage began to bite. The number of funded ventures, and the total funding raised, declined for the first time since 2016, though not as dramatically as many had feared.

A total of 406 startups raised a combined total of US$2,406,914,000 over the course of the year. Though still the third best year on record in terms of funded ventures, and the second best for total capital secured, this represented a significant decline on 2022. Indeed, it is the first time since 2017 that total funding has not grown by 40 per cent or more.

The number of funded ventures was down 35.9 per cent on the 633 that raised in 2022. This is the first year we have witnessed a decline in this regard since tracking began in 2015. The amount of funded startups has increased at varying rates every year, but the 2023 total of 406 is significantly less than the numbers that raised in 2022 and 2021.

Those 406 startups banked a combined total of US$2,406,914,000, more than was raised in 2021 but down 27.8 per cent on the US$3,333,071,000 raised in 2022. This is the first time the sector, which has expanded so exponentially in the last few years, has declined since 2016, though a fall in funding of less than a third is an improvement on projections from earlier in 2023, when a decline of 50 per cent was deemed likely.

Nonetheless, in spite of the general decline in 2023, the number of funded ventures has increased by 224.8 per cent since 2015, and total funding is up 1,195 per cent.

A total of 147 startups raised US$1 million or over in 2022, representing 36.2 per cent of the total. This was down from 276 (43.6%) in 2022, which had been up from 206 (36.5%) in 2021 and 110 (27.7%) in 2020. Egyptian fintech company MNT-Halan set a new record for funding raised in a calendar year, raking in US$510 million in equity and debt capital, while there were also notable raises by Kenya-based energy companies M-Kopa (US$315 million) and Sun King (US$150 million). Other significant rounds were raised by the likes of South Africa’s Planet42 (US$100 million), South Africa’s Tyme (US$77.8 million), South Africa’s Wetility (US$48 million), Nigeria’s Moove (US$46 million) and DRC’s Nuru (US$41.5 million).
Number of active investors declines at sharper rate than total funding.

While total funding coming into the African tech space did not decline as sharply as many had predicted, the number of active investors dropped dramatically in 2023 as compared to 2022.

There were at least 527 different disclosed investors in African tech startups in 2023, down by almost a half - 46.6 per cent to be exact - on the 987 disclosed in the previous 12 months. The 2022 figure, which was the largest amount of any year on record thus far, was up 28 per cent on the 771 tracked in 2021.

Yet in 2023, mirroring both continental and global trends, many previously active investors chose to keep their powder dry, or indeed had no powder to deploy. This saw investor numbers fall back to fewer than even 2021, though still more than 2020.

These investors vary in shapes and sizes, with the most active being early-stage funds such as Launch Africa Ventures, Ventures Platform, and LoftyInc Capital Management. Accelerators, both local and international, are also very active, among them the likes of Techstars, Startupbootcamp AfriTech, The Baobab Network, and 500 Global.

It is at later stages where the decline in activity is most evident, however. Leading global investors such as Tiger Global, Sequoia Capital and SoftBank were increasingly active in Africa until 2022, but conspicuous by their absence in 2023.

Most active investors in African tech startups, 2023, by number of deals

<table>
<thead>
<tr>
<th>Investor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>techstars</td>
<td>55</td>
</tr>
<tr>
<td>Startupbootcamp AfriTech</td>
<td>22</td>
</tr>
<tr>
<td>Launch Africa Ventures</td>
<td>18</td>
</tr>
<tr>
<td>Catalyst Fund</td>
<td>15</td>
</tr>
<tr>
<td>Baobab Network</td>
<td>14</td>
</tr>
<tr>
<td>500 Global</td>
<td>14</td>
</tr>
<tr>
<td>Founders Factory Africa</td>
<td>9</td>
</tr>
<tr>
<td>Voltron Capital</td>
<td>9</td>
</tr>
<tr>
<td>Founders Factory Africa</td>
<td>9</td>
</tr>
<tr>
<td>ProPARCO</td>
<td>8</td>
</tr>
</tbody>
</table>
Fall from grace for Nigeria, though “big four” increases share of funding.

The best-funded country in Africa for the last two years, Nigeria suffered a sharp fall from grace in 2023. Though it still saw more startups raise than any other country, with 124, its total secured funding of US$399,909,000 actually pushed it back into fourth position, behind Kenya, Egypt and South Africa.

As for the other “big four” markets, all saw fewer startups secure capital, but it was a mixed bag when it came to total funding. Egypt joined Nigeria in witnessing a decline, albeit to a much lesser extent, but Kenya and South Africa actually saw an increase in total investment, with the caveat in the Kenyan case that this was primarily due to big rounds for two energy companies.

Stronger than expected performances in Kenya and South Africa, then, actually meant the share of investment secured by the four leading markets increased. The US$2,176,274,000 raised by those four countries accounted for 90.4 per cent of the US$2,406,914,000 total, compared to an 80.8 per cent share in 2022. The share of funded startups, however, did decline, to 71.9 per cent from 75.8 per cent.

Startups raised funding in 26 African countries, down from 27 in 2022, and though there were some surprisingly strong performers, like Morocco and Rwanda, the general story is one of declining investment in the face of the “funding winter”.

African tech startup funding by country, 2023

- Nigeria: 399,909,000
- South Africa: 673,781,000
- Kenya: 590,268,000
- Egypt: 512,316,000
- Egypt: 590,268,000
- South Africa: 673,781,000
OVERVIEW

Fintech takes serious knocks but remains out in front.

While Nigeria was knocked off its perch in the midst of Africa’s funding winter, fintech, the leading sub-sector of Africa’s tech startup ecosystem, took some serious knocks funding-wise but retained its commanding lead. The sector saw its total funded ventures fall 37.6 per cent to 128, the first such decline since Disrupt Africa records began, while total funding fell 33.4 per cent to US$963,549,000. In both cases fintech’s share of the funding market slightly declined.

Yet the fall in fintech funding mirrored that of the general market, meaning there were plenty of sectors that suffered more badly. Nine sectors saw larger percentage drops in total funding, including, in the case of e-commerce and retail-tech, its traditionally largest competitor, which saw the biggest decline of all at almost 80 per cent.

Only two sectors, ed-tech and, most notably, energy, raised larger amounts of funding in 2023 as opposed to 2022, with smaller sectors most damagingly hit at a time at which they had been growing the fastest. So, for all its year-on-year decline, fintech, backed up by a massively growing amount of investment in Africa’s energy startup sector, keeps the African tech scene more buoyant than many had predicted as 2023 ticked away.
Seed and pre-seed remain key areas for maturing ecosystem.

Of the rounds raised by the 406 African tech startups funded in 2023, in 148 of them - only 36.6 per cent - the stage of funding was disclosed. Of those 148 rounds, the majority - 67.6 per cent - were at the pre-seed or seed stage. Though this was down from a 71.3 per cent share in 2022, it still makes up the lion’s share of the market.

Indicative of the global slowdown in venture capital funding, the year saw a decline in later-stage deals, with fewer Series B rounds than in 2022, just one Series C raise announced, and nothing beyond that.
Equity funding still dominant but debt is on the rise.

Only 43 of the 406 funded startups raised any debt funding across any of their rounds, yet the share of 10.6 per cent was a significant leap from 5.2 per cent in 2022 and 4.6 per cent in 2021.

The perceived risk of African tech startup investments means companies remain much more likely to raise equity capital, but later-stage startups, especially those in the energy sector, are increasingly able to take on debt funding, and this year in particular some earlier-stage ventures have taken on debt as bridging capital as VC funding declines.
Over 40 per cent of 2023's funded startups launched in the last three years.

Given the predominance of seed and pre-seed rounds, it is unsurprising that the majority of the African tech startups that raised funding in 2023 are quite young, with 172 - 42.4 per cent of the total - founded in the last three years.
Signs of improvement from a gender perspective.

While only 107 of the funded startups, 26.3 per cent of the total, counted at least one female within their founding team, this represented a marked improvement on 2022, when just 20.2 per cent of ventures had a female co-founder. Signs of improvement, then, but there is still a long way to go before we will see funding parity from a gender perspective. Only 62 (15.3%) of the 406 funded startups are led by a female CEO.

26.3% of funded ventures had at least one female co-founder

15.3% of funded ventures led by a female CEO
Local versus international founders.

The issue around non-African founders securing funding in Africa is well-documented, but is increasingly becoming less relevant. In 2022, 389 of the 406 funded ventures, 95.8 per cent of the total, had at least one local in the founding team, up from 94.8 per cent in 2022 and 88.7 per cent in 2021. Only 17 (4.2%) did not, and were entirely founded by expats, and indeed only 37 companies - 9.1 per cent of the total - had an expatriate in the founding team at all.

90.9% of funded ventures consist solely of local co-founders
Acceleration, incubation still key to fundraising success.

A total of 198 (48.8%) of the funded African tech startups in 2023 took part in some form of accelerator or incubation programme either prior to raising, or as part of their raise. This was down from 330 (52.1%) in 2022, yet it is evident that acceleration and incubation still play a key role in providing, or easing access to, funding in the African tech ecosystem. International accelerators such as Y Combinator, Techstars and 500 Global are actively investing in African ventures, but there are plenty of active local programmes too.
Africa’s tech startup sector is a serious creator of jobs.

Given the number of funded startups declined so significantly in 2023, it is unsurprising that the number of jobs these startups have provided is less than in 2022. However, the space is still a major provider of employment, with the 406 funded startups, at the time of their first raise of the year, employing 27,524 people between them, an average of 68 per startup.

- **406 startups**
- **27,524 employees**
- **averaging 68 per startup**
OVERVIEW

ATLANTICA VENTURES

EMPOWERING THE NEXT GENERATION OF AFRICAN TECH ENTREPRENEURS

contact@atlanticaventures.com

Impact the Health Care Sector in Africa
COUNTRIES
Easily holding the position of the best funded country for the previous two years, Nigeria’s startup ecosystem did not have a good 2023. While it still ranks top for the number of funded startups with 124 (30.5 per cent of Africa’s total), this represents a substantial decline - 31.1 per cent - on 2022.

Nigerian startups raised US$399,909,000 in 2023 (16.6 per cent of the continent’s total), and as such has dropped from first to fourth place for total funding. This funding total is down 59 per cent on 2022, when the country’s startups netted US$976,146,000 (29.3 per cent of Africa’s total) - a staggering decline.

In similar fashion, the average round size also declined to US$3,225,072, down from US$5,423,033 in 2022. The average round size peaked in 2021 at US$5,612,919. Worth noting, Nigeria has nonetheless experienced big growth in average round sizes over the years, and today’s figure still compares favourably when viewed against the US$1,768,918 averaged in 2020 (and even less before that).

The number of rounds over US$1 million also took a huge hit, with only 40 such rounds in Nigeria this year. In 2022, there were 74 rounds in excess of one million dollars, and 56 in 2021. The growth - and this year’s decline - in larger ticket sizes paints an accurate picture of Nigeria’s progress over the past nine years, and shows the extent of the disappointment in this year’s performance.


The top rounds echo the general sector-based trends in Nigeria - and one thing has not changed, that fintech still greatly dominates both in terms of number of rounds and amount raised.
The fintech space saw 47 startups raise funding (37.9%) - far ahead of the next biggest sectors, e-commerce and e-health which both saw 14 startups backed each (11.3%). Ed-tech and logistics accounted for a further seven funded startups each (5.6%).

Compare this to 2022, when 86 fintech ventures secured funding (47.8%); 15 in the logistics space (8.3%); ten e-commerce and retail startups (5.6%); eight each in the energy and e-health sectors (4.4%); seven each in agri-tech and ed-tech (3.9%); followed by six entertainment startups (3.3%) and prop-tech companies (2.8%).

While fintech still dominated in 2023, the overall spread was however more balanced than in previous years. For example, in 2022 fintech accounted for a huge 68.3 per cent of Nigerian funding US$666,392,000; with a wide splattering of small amounts to a wide range of other areas, ranging from agri-tech (7.5 per cent of funds) and e-health (6.2%), to the likes of entertainment (3.1%) and restaurant tech (3.5%). In 2021, fintech accounted for just shy of 60 per cent of funding. So while still dominant, 2023 nonetheless saw Nigeria’s fintech space contract.

Ten out of Nigeria’s 124 backed startups raised any form of debt funding (8.1%), up from nine of 180 (5%) in 2022; and 4.3 per cent in 2021.

The gender diversity among funded startups improved slightly in 2023, with 28 having at least one female co-founder (22.6%); as compared to 37 startups (20.6%) in 2022. Nineteen funded startups (15.3%) have a female CEO.

Accelerator participation levels among funded startups remains high, with 80 of the 2023 list (64.5%) having been accelerated at some point in their trajectory; up from 109 (60.6%) in 2022 and 66 (41%) in 2021.

Between them, the funded startups employ 6,669 people, just down from 6,751 people in 2022. Considering there are fewer startups being counted in 2023, this employment statistic is quite impressive, suggesting that the majority of startups are maintaining large teams. Indeed, the average number of employees this year comes to 53 per startup, up from 38 in 2022.

Nigeria has been ploughing ahead of other African geographies in recent years, firmly establishing itself as a - if not the - leading startup ecosystem on the continent. However, the economic difficulties experienced Africa-wide in 2023 seem to have hit Nigeria’s ecosystem hard. While maintaining the highest number of startups to raise funding, on other indicators Nigeria has taken an astonishing tumble. Hopefully this will be reversed again in 2024.

It is worth noting, of the investment raised in 2023, a healthy proportion of it was contributed by local investors and Lagos-based accelerator programmes, reflecting the fact that Nigeria has in its favour a committed and active local investor space, working hard to mitigate any negative influences in the ecosystem and help it to hold out for an economic rebound.
Kenya

Kenya had an overall positive year in 2023, with its total amount of funding actually rising on 2022 levels, although the number of startups to secure funding was down like most other destinations.

In 2023, 62 Kenyan startups raised funds (15.3 per cent of Africa’s total), the second biggest group after Nigeria. However, this was down 31.9 per cent on the previous year, when 91 startups (14.4%) secured backing.

Nonetheless, unlike elsewhere on the continent, Kenya's total funding is up. The country's startups bagged US$673,781,000 (28% of Africa’s total) - the largest amount secured by any country this year. What’s more, the figure is up a respectable 17.2 per cent, from US$574,809,000 (third most, 17.2%) in 2022. That had been up 96.9 per cent on 2021. Though the year-by-year growth in funding has slowed, in this year of all years, in Kenya there is still growth there.

Much of Kenya’s outstanding results for this year can be attributed to energy ventures M-Kopa and Sun King, which combined raised over US$465 million. This not only substantially bulked up the total funding amount for the year, but also contributed to the average deal size hitting US$10,867,435. This was up from US$6,316,582 in 2022, US$3,356,126 in 2021, US$3,243,746 in 2020, and US$3,314,334 in 2019.

However, the number of funding rounds exceeding US$1 million was well down in Kenya as elsewhere, with 25 companies raising over the million dollar mark.

Looking at the number of startups backed, fintech was the dominant space in 2023. Sixteen fintechs secured funding (25.8 per cent of Kenya’s total); followed by nine e-commerce ventures (14.5%); seven agri-tech startups (11.3%); while the e-health and logistics spaces saw five startups backed apiece (8.1%).

When it comes to amount of funding, the energy sector ruled in 2023. US$500,000,000 went to energy companies - 74.2 per cent of Kenya’s total shared among just three ventures. Beyond energy, agri-tech contributed US$48,730,000 (7.2%); e-commerce US$31,150,000 (4.6%); fintech - despite the highest number of funded startups - netted just US$27,566,000 (4.1%); and e-health brought in US$23,600,000 (3.5%).

Growth in Kenyan funding, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (US$)</th>
<th>Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>47,365,000</td>
<td>213.7%</td>
</tr>
<tr>
<td>2016</td>
<td>10,464,200</td>
<td>58.6%</td>
</tr>
<tr>
<td>2017</td>
<td>186,500</td>
<td>186.5%</td>
</tr>
<tr>
<td>2018</td>
<td>1,000</td>
<td>28.3%</td>
</tr>
<tr>
<td>2019</td>
<td>1,000</td>
<td>52.6%</td>
</tr>
<tr>
<td>2020</td>
<td>1,000</td>
<td>96.9%</td>
</tr>
<tr>
<td>2021</td>
<td>1,000</td>
<td>17.2%</td>
</tr>
<tr>
<td>2022</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>673,781,000</td>
<td></td>
</tr>
</tbody>
</table>
In 2022, fintech also provided the most funded startups (26; 28.6%); followed by e-commerce (16; 17.6%); and seven ventures were funded in each of the e-health, energy, and logistics spaces. However, in that year e-commerce provided the most funding at US$239,996,000 (41.8%), with the energy sector bringing in US$128,000,000 (22.2%); and fintech bagging US$59,804,000 (10.4%), looking at the top three.

Notable in Kenya is that fintech’s share of the funding pie tends to be far lower than in other leading markets on the continent. While popular, fintech is not at all the dominant force in the country. There is also a unique prevalence of large-raising energy firms that frequently report sizeable rounds.

Of the funded startups, 11 (17.7%) raised some element of debt funding, which is significantly up from the six (6.6%) to do so in 2022; as well as the seven (8%) in 2021. The perceived risk of debt funding, particularly in African markets and in the current economic climate, hasn’t gone away, but reputed energy ventures continue to attract debt and equity funding even despite the 2023 economic trends.

Kenya’s gender diversity performance among funded startups is far better than elsewhere on the continent. Among 2023’s funded startups, 26 (41.9%) have at least one female co-founder, up from 24 (26.4%) in 2022, and 28 (32.2%) in 2021. Fourteen of this year’s ventures have a female CEO (22.6%).

Accelerator participation is common, with 27 (43.5%) of the startups funded in 2023 having accelerated at some point. The rate was 44 per cent among 2022’s list of ventures; and 29.9 per cent in 2021.

Kenyan startups employ 9,517 people - a sizeable average of 154 per company. This is up on the 2022 figure of 8,043 people, averaging 88 employees per startup.

Though the number of startups to raise funding in 2023 was down, Kenya nonetheless bucked pan-African trends this year, with the total amount of funding growing, as well as the level of employment created by the startup ecosystem. In 2023, a lot of the positive performance was down to the energy space, but Kenya does also have a good number of solidly-raising startups in other sectors. Substantial rounds also went to agri-tech company Twiga Foods (US$35 million); e-commerce platform Copia Global (US$20 million); e-health startup myDawa (US$20 million); ed-tech Ed Partners (US$11.5 million); and fintech Zanifu (US$11.2 million). As such, Kenya’s ecosystem has proven itself generally quite robust amidst difficult times this past year.

Number of US$1 million+ rounds in Kenya, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>3</td>
</tr>
<tr>
<td>2017</td>
<td>9</td>
</tr>
<tr>
<td>2018</td>
<td>12</td>
</tr>
<tr>
<td>2019</td>
<td>18</td>
</tr>
<tr>
<td>2020</td>
<td>22</td>
</tr>
<tr>
<td>2021</td>
<td>35</td>
</tr>
<tr>
<td>2022</td>
<td>49</td>
</tr>
<tr>
<td>2023</td>
<td>25</td>
</tr>
</tbody>
</table>
South Africa is weathering the economic storm well, with a very decent performance in 2023. While the number of startups to raise funding decreased, the total amount of funds raised hit an all time high, bolstered by an unusual four Series B rounds.

In 2023, 60 South African startups raised funding - 14.8 per cent of Africa’s total - placing the country in third position on this count. However, this is substantially down on previous years, and represents the lowest figure seen in six years. A solid 23.1 per cent decline on 2022, when 78 startups raised; while in 2021 89 startups gained backing. So funded startup numbers continue to fall.

Nonetheless, these 60 ventures together bagged US$512,316,000 (21.3 per cent of the continent’s total), which is up 55.4 per cent on the previous year’s US$329,707,000 (9.9%) - and the highest combined total in South Africa since Disrupt Africa began tracking in 2015.

2022 had been down 2 per cent on the US$336,405,000 of 2021, although prior to that South Africa’s total funding had been climbing steadily. As such, after a wobbly couple of years that saw South Africa plummet from the continent’s leading ecosystem to third and finally fourth position from a funding perspective, 2023 has been a breath of fresh air.

The average deal size grew accordingly, hitting US$8,538,600, up from US$4,227,013 in 2022. Thirty-five (35) startups raised over US$1 million; marginally fewer than the 37 to do so the previous year.

Looking at the number of funded startups, fintech was the most popular sector contributing 12 startups to the list (20%). E-health came second with eight funded ventures (13.2%), followed by the ed-tech space with five (8.3%). The agri-tech, AI/IoT, and energy sectors each gave us four startups (6.7 per cent each).

This spread is largely similar to previous years. In 2022, fintech was once again the most populous sector, with 18 backed startups (23.1 per cent of that year’s total). E-health came second that year too, with 12 ventures (15.4%). The AI/IoT space performed somewhat better last year with seven ventures funded (9%); while e-commerce and retail tech also featured on the list with five companies (6.4%). The ed-tech, logistics and prop-tech spaces contributed four startups each (5.1%).

### Total funding raised by South African startups, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>US$54,568,000</td>
</tr>
<tr>
<td>2016</td>
<td>US$46,789,000</td>
</tr>
<tr>
<td>2017</td>
<td>US$49,579,200</td>
</tr>
<tr>
<td>2018</td>
<td>US$73,940,000</td>
</tr>
<tr>
<td>2019</td>
<td>US$142,523,000</td>
</tr>
<tr>
<td>2020</td>
<td>US$336,405,000</td>
</tr>
<tr>
<td>2021</td>
<td>US$329,707,000</td>
</tr>
<tr>
<td>2022</td>
<td>US$512,316,000</td>
</tr>
<tr>
<td>2023</td>
<td>US$512,316,000</td>
</tr>
</tbody>
</table>
In South Africa, the sector spread of funded startups is relatively balanced, and while fintech tends to lead, the numbers are more distributed than elsewhere.

Looking at the total amount of funds secured, fintech is more dominant, and in both 2023 and the previous year accounted for 40.2 per cent of funds - US$205,981,000 and US$132,582,000 respectively.

In 2023, the transport sector performed unusually well, netting US$111,500,000 (21.7%); followed by the energy sector with US$67,300,000 (13.1%). The entertainment space contributed US$27,700,000 (5.4%), while e-commerce dwindled with only US$10,600,000 (2.1%). The logistics and e-health sectors came last, gaining US$8,800,000 (1.7%) and US$7,070,000 (1.4%) respectively.

Beyond the fintech similarity, the breakdown in 2022 was quite different, with e-commerce clearly taking second position with US$97,750,000 secured (29.6 per cent of that year’s total). The entertainment sector that year brought in US$22,550,000 (6.8%); while e-health saw US$8,410,000 (2.6%). The AI/IoT closed the 2022 list with US$7,030,000 (2.1%).

Overall, then, fintech remains dominant in South Africa, but beyond this trend funding is relatively well spread. The resurgence that e-commerce and retail-tech had been experienc- ing halted in 2023, while the energy and entertainment spaces saw major rounds reported which have shaken up the sector rankings.

Some of the top rounds of the year went to transport startup Planet42 (US$100 million); fintech Tyme (US$77.8 million); energy company Wetility (US$48 million); and fintech Lulalend (US$35 million).

Notable about South Africa this year is that four Series B rounds took place, a much higher number than any other country or indeed sector; on a continent very predominantly charac- terized by early-stage funding.

Only three South African rounds (5%) had any element of debt.

From a gender perspective, South Africa performed above the continental average. Twenty-one (21) funded startups (35%) have at least one female co-founder. This statistic is improving year-by-year - in 2022, 18 startups had a female co-founder (23.1%), and 13 (14.6%) in 2021, which was well below average. Ten of this year’s ventures (16.7%) have a female CEO, above-par.

Accelerator participation is less popular than elsewhere on the continent, with 11 of the funded companies having been accelerated at some point (18.3%); down from 25 (32.1%) in 2022; and 20 (22.5%) among the 2021 list.

Startups had 2,750 employees in 2023, averaging out at 46 per startup, which is up from the 2,400 employees reported in 2022 (working out at 27 per startup).

One of the most mature ecosystems on the continent, South Africa has had a good year characterised by more later stage activity than before, resulting in its biggest pot of funding yet despite the broader economic troubles at play. Long may the trend continue.
After a positive couple of years which saw Egypt consistently rank as second-most popular funding destination in Africa, 2023 has hit the country’s ecosystem hard. The number of funded startups and the amount of funding secured tumbled.

In 2023, 46 Egyptian startups raised funding (11.3 per cent of Africa’s total), placing the country fourth for number of startups backed. This is down 64.9 per cent on the previous year, when 131 startups raised (20.7%, 2nd place).

Total funding came to US$590,268,000 (24.5 per cent of Africa’s total), the second highest total of the year, albeit a significant decline on Egypt’s previous year’s tally. In 2022, US$811,945,000 was raised (24.4 per cent of total), thus this year represents a 27.3 per cent decrease.

To be noted, Egypt’s total was underpinned by a single round - US$510 million attracted by fintech MNT-Halan - without which 2023 would have proved catastrophic for the country’s ecosystem. This single venture’s fundraising success accounts for 86.4 per cent of Egypt’s annual total.

The average raised per startup leapt to US$12,831,913, skewed significantly by the MNT-Halan raise. The average for 2022 was US$6,198,053; US$3,876,887 in 2021; US$1,724,354 in 2020 and US$972,886 in 2019.

There were 21 rounds in excess of US$1 million. Again, this is substantially down from 68 in 2022, and 43 in 2021.

Fintech is typically popular in Egypt, and 2023 was certainly no different. The sector saw 18 startups raise funding (39.1 per cent of Egypt’s list); and contributed US$529,600,000 - 89.7 per cent of the total pot (thanks to MNT-Halan).

Beyond fintech, e-commerce saw seven ventures (15.2%) raise a combined US$6,700,000 (1.1%). Five ed-tech companies (10.9%) together added US$38,950,000 to the total (6.6%). The remaining US$15 million was spread around.

These figures represent a big boost for Egypt’s fintech space, although it was already dominant in 2022, when 26 fintechs (19.8%) contributed US$401,730,000 (49.5 per cent of funds). While e-commerce and retail-tech has been Egypt’s most successful sector generally over the years, in 2022 it dropped to second place with 23 companies (17.6%) raising US$129,210,000 (15.9%). Beyond these two sectors funding that year was well spread.
In 2023 Egypt was predominantly early-stage, with 81.9 per cent of disclosed funding stages coming before Series A. Egypt had previously been moving to a slightly more mature market dynamic, with numerous Series A, pre-Series B and Series B rounds reported annually. This year has been a setback.

Three of the 46 funded startups raised some form of debt (6.5%), up from 3.8 per cent of the startups backed in 2022, and the 1.7 per cent in 2021. To be noted is that MNT-Halan’s mega-success featured mostly debt funding.

Eleven of this year’s funded startups have at least one female co-founder (23.9%); which proportionately speaking is up from the 18 startups - 13.7 per cent - in 2022. Four startups (8.7%) have a female CEO.

Accelerator participation is common in Egypt, with 21 of the backed ventures having been accelerated (45.7%). In 2022 there were 64 (48.8%); and 57 (49.6%) in 2021.

Startup employment felt the squeeze in 2023, with 3,085 jobs reported - an average of 67 per startup; down vastly from the 11,153 people employed by startups in 2022, as well as the 4,516 of 2021.

Since 2020, Egypt has been on an impressive growth trajectory, rising higher in the ecosystem rankings reported by Disrupt Africa each year, and maturing nicely into a balanced and vibrant market. However, 2023 saw a dramatic collapse of funding in the country, with the reported figures propped up entirely by a single company.
Morocco had a middling year in 2023, with some progress in the total funds secured, alongside some decline in the number of funded startups. It came in fifth position on the continent for number of startups to raise, although a number of other countries attracted more funding.

Twenty (20) startups gained backing in 2023 (4.9 per cent of Africa's total), down 25.9 per cent on the 27 funded startups (4.1%) of the previous year.

On the other hand, those startups together raised US$20,718,000 (0.8 per cent of the continent's total). This was up 93.8 per cent on US$10,688,000 (0.3%) in 2022 - so solid year-on-year growth in this regard.

Previous years saw US$28,420,000 raised in Morocco (1.3%) in 2021; US$10,306,000 in 2020; and US$617,000 in 2019. As such, while the general trend is upwards, Morocco's growth trajectory has tended towards wavering, and really from a cross-continental perspective has not hit particularly high levels of funding as of yet.

There are no real trends in terms of sector favourites, with backed startups very dispersed in their activities. This year, the logistics space saw the most startups funded - four; e-commerce and retail-tech as well as fintech both had three backed ventures; while the agri-tech and ed-tech spaces saw two rounds each.

Total funding was also very spread out. The e-commerce and retail-tech sector netted the highest amount - US$5,500,000 (26.5%); followed by the logistics sector with US$3,005,000 (14.5%). The recruitment space attracted US$2,500,000 (12.1%), as did the agri-tech sector. Fintech ventures raised a combined US$2,115,000 (10.2%).

In 2022 e-commerce was the leader in terms of the number of backed startups and the amount of total funding, beyond which the rest was very spread out.

All the rounds in Morocco this year were equity rounds, and activity is predominantly early-stage.

Four funded startups had at least one female co-founder (20%), down from seven (25.9%) in 2022. Two startups (10%) had a female CEO.

Accelerator participation among funded startups tends to be prevalent in Morocco - helped by the existence of active local accelerators which put up much of the early funding collected each year. In 2023, 45 per cent of backed startups had been accelerated (45%), down from 20 (74%) in 2022.

Moroccan funded startups employed 356 people this year, an average of 18 per startup. This figure was 261 in 2022, and 355 in 2021.

Morocco does make a contribution to the funding data every year, and has hitherto generally shown signs of (slow) growth. However, it remains a nascent ecosystem and progress is wavering. Only time will tell the extent to which it takes off as a startup market.
Ghana

Traditionally the “best of the rest” outside the big four ecosystems, Ghana placed fifth for number of funded startups as well as total funding in 2021, 2020, 2019 and 2018. In 2022, it had a record-breaking year in terms of amount of funding, but was pushed into seventh by Tunisia and Morocco for number of funded ventures. 2023 hasn’t been a terribly positive year.

In 2023, Ghana is sixth for the number of ventures to gain backing, with 16 startups (3.9%). This is down 30.4 per cent from the 23 startups funded in 2022; and marks a downturn after many years of slow and steady growth.

Total funding came in at US$27,276,200 (1.1 per cent of Africa’s total) - a massive 81.6 per cent decline on 2022, that saw Ghana raise US$148,572,000 (4.5 per cent of that year’s pot). That had been up 652.2 per cent from US$19,751,000. Was US$19,897,000 (2.8 per cent of total) in 2020, and US$21,215,000 in 2019.

Admittedly, 2022 was a big year for Ghana, which saw total funding increase 652.2 per cent on the previous year. Nonetheless, it can’t be avoided that 2023 was a big regression, particularly so as only two startups, logistics company Jetstream and agri-tech venture Complete Farmer, accounted for 85.8 per cent of all funds raised.

Fintech was the most populated sector in 2023, with six startups gaining backing (37.5 per cent of Ghana’s funded companies). The agri-tech, e-health, logistics, and transport sectors each saw two startups backed (12.5 per cent per sector).

However, looking at the sector breakdown of funds raised, fintech contributed only US$810,000. Meanwhile the logistics sector staged Jetstream Africa’s US$13 million Series A round; and the agri-tech sector gave us Complete Farmer’s US$10.4 million round. E-health startup Berry Health raised a US$1.6 million pre-seed round. Beyond these notable rounds, only small trickles of funding spanned the remaining sectors.

Fintech emerged dominant in Ghana in 2021, and remained the case in 2022 - fuelled by big rounds in both years. 2023 reversed this trend, and next year’s data will reveal whether fintech is to regain its footing or not.

There were three rounds involving some debt element (18.8%) this year. Four funded startups (25%) had a female co-founder, and three had a female CEO (18.8%).

Ten of the startups funded in 2023 had participated in an accelerator at some point (62.5%). And finally 299 jobs were offered by Ghana’s funded startups - averaging 19 per startup. In 2022, this figure was 872 - 40 per startup; while in 2021 there were 280 employees - 16 per startup.

Ghana had a poor year following on from the previous year’s record successes, and its reputation as Africa’s fifth market gaining traction and stability has been shaken. Nonetheless the fact that two large rounds took place against the wider backdrop of economic instability shows investor confidence is still there, and gives hope that 2024 will see Ghana rebound.
Rest of Africa

Startups raised funding in 26 African countries in 2023, one less than last year, but nevertheless displaying the true pan-African nature of the startup movement on the continent.

The “big four” markets of Nigeria, Kenya, South Africa and Egypt together contributed 292 startups to the funding list - 71.9 per cent. The proportion of funded startups based in the big four has been in decline for years, as more and more new markets attract investors through their doors.

However, this year the big four made a considerable dent in the total funds raised. Together they accounted for a total of US$2,176,274,000 - 90.4 per cent of Africa's total funding of US$2,406,914,000.

Though this is numerically down from the US$2,692,607,000 raised by the big four in 2022, share-wise it is actually a big leap up from the 80.8 per cent of the US$3,333,071,000 raised in total that year. It would seem that in the “funding winter” of 2023, capital has gravitated towards the most “safe” or known markets on the continent, and investors have shied away from putting the big bucks into newer or less established markets.

This year 114 startups from 22 additional markets secured backing, two of these being Morocco and Ghana, already covered. While there are a few notable exceptions, generally speaking the 2023 data for this section shows decline, and depicts the regression in the funding space.

Senegal had a good year, and was next in line in terms of number of backed startups with twelve, up 33.3 per cent from the nine fundraisers in 2022. They netted US$11,586,000, up 45.1 per cent from US$7,983,000 in 2022.

Having warranted a section of its own in previous editions of this report, Tunisia had a very disappointing 2023, with only eleven startups backed, down 60.7 per cent from 28 in 2022. The country’s funding total came to just US$6,046,000, down 1,884 per cent on US$119,936,000 in 2022.

Funded startups based in the “big four” markets, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Startups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>176,274</td>
<td>79.4%</td>
</tr>
<tr>
<td>2019</td>
<td>176,274</td>
<td>87.5%</td>
</tr>
<tr>
<td>2020</td>
<td>176,274</td>
<td>89.2%</td>
</tr>
<tr>
<td>2021</td>
<td>176,274</td>
<td>92.1%</td>
</tr>
<tr>
<td>2022</td>
<td>176,274</td>
<td>80.8%</td>
</tr>
<tr>
<td>2023</td>
<td>176,274</td>
<td>90.4%</td>
</tr>
</tbody>
</table>

Funding to the “big four” markets, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (US$)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,176,274</td>
<td>79.4%</td>
</tr>
<tr>
<td>2019</td>
<td>2,176,274</td>
<td>87.5%</td>
</tr>
<tr>
<td>2020</td>
<td>2,176,274</td>
<td>89.2%</td>
</tr>
<tr>
<td>2021</td>
<td>2,176,274</td>
<td>92.1%</td>
</tr>
<tr>
<td>2022</td>
<td>2,176,274</td>
<td>80.8%</td>
</tr>
<tr>
<td>2023</td>
<td>2,176,274</td>
<td>90.4%</td>
</tr>
</tbody>
</table>
The Ivory Coast saw ten startups raise, up marginally from nine in 2022. Their combined total came to US$12,154,000, down 24.2 per cent on the previous year’s US$16,028,000.

Uganda also had a poor year. Seven startups attracted backing, more than halving the figure for 2022 (15 startups). The total funds raised also dropped off, with a combined total of US$4,168,000, down 94 per cent on the US$69,314,000 secured in 2022.

The Democratic Republic of Congo (DRC) was one of the positive exceptions to the disappointments of the year. Here, five startups raised funding, up 150 per cent on the only two to gain backing in 2022. And excitingly, they attracted a whopping US$60,578,000 in funding, up 686.7 per cent on US$7,700,000 in 2022. This total was fuelled by the energy sector, with Nuru attracting US$41.5 million in pre-Series B funding over the year; and Alotech bringing in US$18 million.

Tanzania continued the story of decline, with five startups raising, down 37.5 per cent on eight the year before. Their combined total came to US$2,808,000, down 93.5 per cent on US$42,917,000 in 2022.

Rwanda gave us some more respite, with a solid performance in 2023. Although only four startups raised - the same number as in 2022 - they netted US$44 million, up 917.3 per cent on the 2022 total of US$4,325,000. E-health venture Kasha secured a US$21 million Series B round; and transport company Ampersand raised US$19.5 million.

On a smaller scale, but Ethiopia also did well. Four startups (up from two) raised US$2.6 million, up 372.7 per cent on only US$550,000 the year before.

Cameroon saw three startups raise (up from two in 2022); although funding dropped 14.4 per cent to US$2,738,000 from US$3,200,000.

Zambia had three funded startups, same as the previous year, with funding growing 21.1 per cent from US$14,000,025 to US$16,950,000.

Completing the list, there were two rounds apiece in Benin, Guinea, Mali, and Zimbabwe; and one each for Angola, Chad, Mauritius, Namibia, Somalia and Togo.
SECTORS
Fintech

Fintech proved by far and away the most popular sector in 2023, as in previous years, but did also experience decline year-on-year - even fintech was not immune to the economic downturn.

This year, 128 fintechs secured funding - accounting for 31.5 per cent of Africa's funded startups. This is down 37.6 per cent from 205 (32.4%) in 2022; and also below the 2021 figure of 184 funded ventures (32.6%). In 2020, 99 fintechs gained backing. 2023 is the first year on record to register a decline in the number of fintechs to attract funding.

Total funding was also down, with US$963,549,000 raised - 40 per cent of the continental total. This is a drop of 33.4 per cent on 2022, when fintechs secured US$1,446,794,000 (43.4%); which was up 39.3 per cent on the US$1,038,456,500 (48.3 per cent of total) netted in 2021.

The average ticket size came to US$7,527,727 in 2023, just up on the US$7,057,531 of 2022. The fintech average has seen major leaps over the years, with 2022 registering a big jump from 2021 when the average was US$5,643,785, and in general in the years prior to that the average round size tended to be in the US$1 million - US$2 million bracket.

There was a big drop-off in rounds over US$1 million this year. There were 41 ventures to raise over the US$1 million mark, as compared to 92 in 2022.

The occurrence of debt funding is on the rise in this space. In 2023, 11 startups (8.6%) raised any form of debt, which numerically is down from 12 in 2022, but represents a bigger share (it was 5.9 per cent in 2022). In 2021 there were only eight startups to secure debt funding (4.3%), so the trend is that debt is becoming more available.

Funded fintech startups by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>128</td>
<td>down 37.6% on</td>
</tr>
<tr>
<td>2022</td>
<td>205</td>
<td>up 11.4% on</td>
</tr>
<tr>
<td>2021</td>
<td>184</td>
<td>up 85.9% on</td>
</tr>
<tr>
<td>2020</td>
<td>99</td>
<td>up 28.6% on</td>
</tr>
<tr>
<td>2019</td>
<td>77</td>
<td>up 32.8% on</td>
</tr>
<tr>
<td>2018</td>
<td>58</td>
<td>up 34.9% on</td>
</tr>
<tr>
<td>2017</td>
<td>43</td>
<td>up 22.9% on</td>
</tr>
<tr>
<td>2016</td>
<td>35</td>
<td>up 16.7% on</td>
</tr>
<tr>
<td>2015</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

Total fintech funding by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>US$963,549,000</td>
<td>down 33.4% on</td>
</tr>
<tr>
<td>2022</td>
<td>US$1,446,794,000</td>
<td>up 39.3% on</td>
</tr>
<tr>
<td>2021</td>
<td>US$1,038,456,500</td>
<td>up 547.7% on</td>
</tr>
<tr>
<td>2020</td>
<td>US$160,319,065</td>
<td>up 49.3% on</td>
</tr>
<tr>
<td>2019</td>
<td>US$107,352,000</td>
<td>down 19.1% from</td>
</tr>
<tr>
<td>2018</td>
<td>US$132,755,000</td>
<td>up 130.1% on</td>
</tr>
<tr>
<td>2017</td>
<td>US$57,683,400</td>
<td>up 84% on</td>
</tr>
<tr>
<td>2016</td>
<td>US$31,354,000</td>
<td>up 97% on</td>
</tr>
<tr>
<td>2015</td>
<td>US$55,012,000</td>
<td>up 547.7% on</td>
</tr>
</tbody>
</table>
From a gender diversity lens, 27 fintechs (21.1%) had a female co-founder, while 12 (9.4%) had a female CEO. The previous year there were female co-founders at 38 fintechs - which was a lower proportion, 18.5 per cent. In 2021, 39 fintechs were co-founded by women (21.2%).

Seventy-four (74) of the year’s funded ventures have taken part in an accelerator at some point in their journey (57.8%), which is marginally down proportionally speaking from 112 - 54.6 per cent of 2022’s list. In 2021, 70 of the funded fintechs that year had been accelerated (38%).

Together the fintechs funded in 2023 employ 5,113 people, 40 per startup. This is down substantially on the employment levels created by the 2022 fintech list, which together employed 10,433 people. In 2021, fintech startups employed 5,445 people.

From a geographic perspective, Nigerian startups continued to play the lead role in Africa’s fintech space, home to 47 of the funded fintechs this year (36.7 per cent of Africa’s fintech ventures. This is far ahead of all other countries. Egypt had 18 fintech startups funded (14.1%); Kenya, 16 (12.5%); and South Africa contributed 12 to the list (9.4%). Ghana and Senegal were home to six startups each (4.7 per cent each).

Egypt bagged the highest total funds, with US$529,600,000 (55 per cent of the fintech total). However, this was mostly accounted for by a single round - MNT-Halan’s US$510,000,000 raise; leaving 17 other Egyptian startups sharing the remaining US$19,600,000 funding.

South Africa had a solid year, bringing in US$205,981,000 (21.4%) - arguably the best performance of the year in the fintech space. Nigeria contributed US$168,083,000 (17.4%), although this was shared among its 47 startups - pointing to a prevalence of small tickets this year. Kenyan fintechs raised US$27,566,000 (2.8%).

In 2022, Nigeria had the highest number of funded fintechs - 86, 42 per cent -, as well as the highest amount of funding, at US$666,392,000 (46.1%). Egypt ranked second with 26 startups (12.7%) raising US$401,930,000 (27.8%).

Kenya saw 26 fintechs (12.7%) raise a meagre US$59,804,000 (4.1%) that year; while South Africa only had 18 funded startups (8.8%), but a far higher total - US$132,582,000 (9.2%). Ghana’s 12 funded ventures (5.9%) raised US$96,063,000 (6.6%); Uganda had eight funded fintechs (3.9%), and a total of US$63,246,000.

The results in the fintech space in 2023 echo the overall decline witnessed across the funding ecosystem on the continent. There have been some solid performances, some big rounds. But there has been a tangible constriction in the number of startups to gain funding, as well as the amount of funds raised. Previously dominant Nigeria has arguably felt the biggest slump. Africa’s fintech sector will no doubt rebound, but 2023 has been a difficult year.
E-commerce & retail-tech

The e-commerce and retail-tech sector places second for the number of funded startups as well as total funding, but this is deceptive, as the scale of the sector’s decline in 2023 takes it back three or four years, to 2019-2020 levels.

This year 46 e-commerce and retail-tech startups attracted funding (11.3%), down from 74 startups in 2022. In 2021 there were 70 funded startups; in 2020 there were 55; 31 in 2019; and 18 in 2018.

Together this year’s startups raised US$118,352,000 (4.9 per cent of Africa’s total), which is a big fall - 78.7 per cent - from the US$556,761,000 (16.7%) of 2022.

The past few years have seen steady, significant growth in funding for the e-commerce and retail-tech space. The 2022 figure was up 70.7 per cent on US$326,156,000 (15.2%) in 2021. In 2020, US$87,785,000 (12.5 per cent of total) was raised; and US$47,303,000 in 2019. So, 2023 saw this solid growth trajectory totally reversed.

The decline in funding was partially caused by the fact there were not so many well-funded startups repeat raising this year; while the retail-tech sub-space, which had been emerging as a niche area of quite some force, also failed to produce much excitement.

The average raise was commensurately down at US$2,572,870; from US$7,523,797 the previous year. It was US$3,089,514 in 2021, so on this count also, a reversal of a few years.

Only one startup in this space (2.2%) raised debt funding in 2023, although this is not dissimilar to previous years. There were two (2.7%) in 2022, and one (1.4%) in 2021.

Of the 2023 funded startups, 16 (34.8%) had a female co-founder; while 11 (23.9%) had a female CEO.

Accelerator participation remained for the second year at around half of funded startups. This year 22 had participated in an accelerator at some point (47.8%). There were 41 accelerator participants (55.4%) among the 2022 funded list; while in 2021 there were 27 (38.6%).

This year’s startups employ 3,976 people, averaging out at 86 per startup. In 2022 there was a higher overall number - 5,677 people - but a lower average, 77 per startup.
Egypt has typically been the leader in the e-commerce and retail-tech funding space, but struggled this year; while Nigeria experienced a pick-up in this area.

Nigeria saw 13 e-commerce and retail-tech startups gain backing (28.2 per cent of the list). Kenya was home to nine funded startups (19.6%); while Egypt only had seven rounds to report (15.2%). These three markets account for 63 per cent of funded ventures in this sector, and are the only three markets with more than three funded e-commerce startups.

By comparison, in 2022, Egypt had 22 funded companies in this sector; Kenya 17, and Nigeria 10. Morocco had eight, and South Africa five.

From a funds perspective, Nigeria brought in the highest amount - US$56,130,000 (47.4 per cent of the e-commerce pot), and doubling its total from the previous year. Kenya contributed US$31,100,000 (26.3%) - a wild decline on the US$239 million raised in 2022. South African ventures secured a combined US$10,600,000 (9%). Usual market favourite Egypt scraped together only US$6,800,000 (5.7%). Morocco saw e-commerce and retail-tech funding total US$5,500,000 (4.6%), and in the Ivory Coast the total was US$5,300,000 (4.5%).

Overall a less than impressive year for the e-commerce and retail-tech space, which echoed the decline felt continent-wide. Nigeria was perhaps the only country to make some waves in the space this year, although its funding was boosted substantially by Sabi’s US$38 million Series B raise - one of the only sizeable rounds of the year in this sector. Kenya and Egypt failed to register their usual big raises in this sector, leading to substantial decreases in both countries.
E-health

The e-health space also took a knock in 2023, following multiple years of growth in both the number of funded startups and total funds flowing into them.

In 2023 41 e-health startups (10.1%) gained backing; down from the 53 startups (8.4%) in 2022 and 55 startups (9.8%) in 2021.

They raised a combined annual total of US$135,810,000 (5.6%), down 28.2 per cent on the US$189,103,000 (5.7%) raised in 2022, but still higher than the 2021 total of US$122,542,000. While displaying a year-on-year decline - the first annual decline since 2016 - the drop-off is not as drastic a set-back as in other sectors.

The average ticket size was lower than the previous year, coming to US$3,312,439, down from US$3,567,981 in 2022. In 2021 it was US$2,228,036; US$2,512,049 in 2020, and US$993,379 in 2019.

Fifteen of the 2023 funded startups (36.6%) have a female co-founder, up from 12 (22.6%) in 2022 and 14 (25.5%) in 2021. Ten of this year’s list (24.4%) have a female CEO.

Twenty-one (21) of the 2023 startups have participated in an accelerator at some point in their journey, the same number as in 2022, but the proportion this accounts for has increased substantially - 51.2 per cent in 2023, from 39.6 per cent in 2022. The figure was 26 startups (47.3%) in 2021.

E-health startups employed 1,923 people in 2023, averaging 47 per startup. In 2022 there were 2,331 startup jobs in the space, 44 per startup; while in 2021 there were 1,357 people employed, 25 per startup.

Nigeria dominated the e-health sector in 2023, with the highest number of funded startups and the most funding.

Fourteen (14) Nigerian e-health startups raised funding in 2023 (34.1%); followed by South Africa, with eight backed companies (19.5%); Kenya with five (12.2%); and Egypt with four (9.8%). No other countries had more than three backed startups - this year e-health remained very much in the domain of the “big four” markets, which accounted for 75.6 per cent of funded startups.

This breakdown is quite different from the previous year, when Egypt led with 13 funded startups, tightly followed by South Africa with 12. Nigeria came next with eight backed ventures, Kenya had seven, Morocco four and Ghana three.

Nigeria led for total amount of funding this year also, with its e-health startups netting US$53,204,000 (44.4 per cent of the continent’s e-health funding). In 2022, Nigeria also led for total amount raised - US$60,345,000 - but that year this accounted for around a third of the market total; so its share has increased in 2023.
Kenya and Egypt placed second and third for total funds raised, with very little difference in their totals - US$23,600,000 (17.4%) and US$23,450,000 (17.3%) respectively. For Kenya, this signals a good year - with its total growing over 100 per cent from 2022’s US$11,218,000. For Egypt, a poor show, with funding having fallen by over 50 per cent on last year’s US$50,505,000.

Rwanda made a mark on the e-health funding list in 2023, thanks to Kasha bringing in US$21 million - 15.5 per cent of the year’s e-health funds - the country’s only round in this space. South Africa saw US$7,070,000 (5.2%) raised.

A mixed year for the e-health space. While disappointing to report a decline after years of growth, the sector has weathered the economic storm better than some. And with some positives - Nigeria’s solid performance, Kenya’s growth, as well as Rwandan Kasha’s substantial Series B round - the feeling surrounding African e-health remains hopeful going forward.
The logistics sector felt the pinch in 2023 like many others, with years of steady advances wiped out by a poor performance.

The number of startups to raise funding was down 37.8 per cent on the preceding year, at 28 startups (6.9%), from 45 startups (7.1%) in 2022. That had been up 4.7 per cent from 43 startups (7.6%) in 2021. The 2021 results showed an impressive leap of 48.3 per cent on 2020, when 29 startups raised. That was up 26.1 per cent on 23 startups in 2019, which was also up a remarkable 91.7 per cent from 12 in 2018. So years of growth was halted in its tracks in 2023.

The 2023 startups raised US$44,949,000 (1.9 per cent of Africa’s total), down a substantial 52.7 per cent on the US$95,123,000 (2.9%) secured in 2022. In 2021, logistics startups raised US$86,751,000 (4%), which was up 134 per cent on US$37,075,000 (5.3 per cent of total) in 2020. On this measure too, a regression after a couple of good years.

Funding was more evenly distributed than previous years in 2023 (as well as in 2022). While there have often been one or two stand-out rounds for the likes of Trella, Lori Systems or Kobo360 accounting for half or more of a given year’s funding, nothing like this has occurred in 2023 or in 2022, with a more balanced funding landscape in the sector.

The average ticket size in 2023 was US$1,603,321, down from the average of US$2,113,844 in 2022, as well as the US$2,017,465 in 2021.

Two logistics startups raised any debt funding in 2023 (7.1%). There was one debt raise in 2022 and one in 2021.

Nine of the funded logistics ventures (32.1%) have a female co-founder in 2023, up from seven (15.6%) in 2022 and six (14%) in 2021. Six (21.4%) have a female CEO.

A high proportion of logistics ventures have taken part in an accelerator at some point - 18 of the funded companies, 64.3 per cent. The figure was 24 (53.3%) in 2022, and 20 (46.5%) in 2021.

The number of jobs created by logistics startups took a hit in 2023, with 854 employees reported, averaging 31 per startup. This is significantly less than in 2022, with the ventures funded that year employing 2,696 people, 60 per startup; while in 2022, there were 1,177 employees, 27 per startup.

### Total logistics funds, by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Logistics Funds (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3,805,000</td>
</tr>
<tr>
<td>2016</td>
<td>1,071,000</td>
</tr>
<tr>
<td>2017</td>
<td>3,851,500</td>
</tr>
<tr>
<td>2018</td>
<td>19,096,000</td>
</tr>
<tr>
<td>2019</td>
<td>69,627,000</td>
</tr>
<tr>
<td>2020</td>
<td>37,075,000</td>
</tr>
<tr>
<td>2021</td>
<td>86,751,000</td>
</tr>
<tr>
<td>2022</td>
<td>95,123,000</td>
</tr>
<tr>
<td>2023</td>
<td>44,949,000</td>
</tr>
</tbody>
</table>
The funded startups were quite spread out around the continent. Nigeria housed the biggest group, seven startups, 25 per cent of the list. Kenya had five funded ventures (17.9%); Morocco four (14.3%); and South Africa three (10.7%).

Total funding was also relatively spread out, with Ghana taking in the most - US$13,120,000 (29.1%), albeit US$13 million of this was contributed by Jetstream Africa’s Series A.

South African startups raised US$8,800,000 (19.6%), followed by Senegal, with US$8,200,000 (18.2%). While having the most funded startups, Nigeria raised only US$5,586,000 (12.4%). Egypt saw startups raise US$3,500,000 (7.8%), and Moroccan companies secured US$3,055,000 (6.7%). Kenya brought in US$2,100,000 (4.7%).

The logistics sector is a space dependent on large individual rounds. With only two funded startups, Ghana was the best funded of the year due to a single raise by Jetstream Africa. Conversely, Nigeria had the most funded startups, but quite a low combined total funds - speaking to the fact that lots of small amounts are being disbursed to logistics companies, but no sizeable round to report this year. Due to this characteristic, the results vary year-by-year; and hopefully more large rounds will be reported next year.
The agri-tech space has been a staple of the startup ecosystem in Africa since its early days, and while the number of funded startups remained consistent, 2023 marked the first year on record that funding into the sector declined - a true sign of the times.

Twenty-four (24) startups (5.9 per cent of Africa’s total) raised funding in 2023, up slightly on the 23 (3.6%) in the preceding year; which in turn was up on the 22 startups (3.9%) of 2021. Baby steps over the past couple of years then, but slow and steady growth.

On the other hand, total funding had seen years of strong growth, up until 2023 hit. This year agri-tech startups raised US$84,640,000 (3.5 per cent of Africa’s total pot), down 36.3 per cent from the US$132,825,000 (4%) secured in 2022.

The 2022 total had been up 39.7 per cent on US$95,101,000 (4.4%) raised in 2021, which had in turn been up 58.5 per cent from US$59,990,000 (8.6%) the preceding year. 2020 marked growth of 23.7 per cent on 2019; while 2019 was up 217 per cent on 2018. So, a downturn after multiple strong years.


Over the years, there have tended to be one or two stand-out rounds that have accounted for the majority of agri-tech funding. For example, in 2022, Apollo Agriculture and Thrive Agric took over 80 per cent of agri-tech funding between them. In 2021, Twiga Foods and Agricorp contributed 71 per cent of total funds; and in 2019, Twiga Foods and Apollo Agriculture accounted for 88.4 per cent of funding.

In 2023, funding was better distributed. While Twiga Foods did raise a US$35 million round, this covers approximately 40 per cent of agri-tech funding. There were a further 11 rounds raising over the US$1 million mark - some raising substantially more, such as Complete Farmer (US$10.4 million). In this sense 2023 was a more balanced year.

There were three rounds including debt financing in 2023 (12.5%), similar to 2022, when there were four (17.4%).
The 2023 list recorded five female co-founded companies (20.1%), up from four (17.4%) in 2022, and two (9.1%) in 2021. There were three female CEOs (12.5%).

Accelerator participation was down among this year’s funded startups, only eight (33.3%) had ever been accelerated. This is down from 15 (65.2%) in 2022, and 13 (59.1%) in 2021.

Agri-tech startups employed 2,500 in 2023, averaging out at 104 per startup. This is quite a leap on previous years. The 2022 funded startups had 1,337 employees, 58 per startup; while in 2021 there were 1,000 employees, 45 per startup.

Kenya was the clear leader in agri-tech funding in 2023, with seven startups raising a combined total of US$48,730,000. Nigeria saw five startups secure US$6,750,000. South Africa had four funded startups, also raising US$6,750,000.

While African agri-tech tends to be dominated by either Kenya or Nigeria, or both; this year South Africa also made a mark on the list, and closed the gap on Nigeria. These three countries accounted for 79.2 per cent of funded startups, and 73.5 per cent of funding.

With such an important economic and societal role on the continent, the agri space will continue to attract attention from startups and investors alike. 2023 was a blip on the growth course, but a return to an upwards trajectory will surely occur.
Ed-tech had a relatively good year in 2023 with the total amount of funding spiking, despite a drop in the number of startups securing backing.

There were 23 funded startups in the ed-tech space (5.7%), which was down 14.8 per cent from the 27 (4.3%) to raise the previous year. The 2022 figure was down 6.9 per cent from 29 startups (5.1%) in 2021.

It was a good year for total funding, particularly as compared to 2022. Ed-tech startups raised US$34,666,000 (1.4 per cent of Africa’s total) - growth of 40.7 per cent on US$24,639,000 (0.7%) in 2022.

That figure, however, had been down 69.6 per cent on the preceding year, with startups raising US$81,030,000 (3.8%) in 2021 - the peak year for ed-tech funding that hasn’t been matched before or since.

In 2020, startups raised US$13,148,000 (1.9%); in 2019 US$13,750,000 (2.8%); and US$5,115,000 (1.5%) in 2018. All things considered, 2023 saw the ed-tech space attract substantially more funding than any year other than 2021, and also sees the sector make some headway towards a rebound following a big drop off in 2022.

The average ticket size echoed the upwards move, coming in at US$1,507,217. It was US$912,555 in 2022; and US$2,794,138 in the heyday of 2021.

Only one round involved debt funding in 2023. There were none in 2022, and one in 2021.

Seven of the funded startups (30.4%) had a female co-founder. There were eight (29.6%) in 2022 and seven (24.1%) in 2021. Four of the companies had a female CEO (17.4%).

Over half this year’s list had taken part in accelerators at some point (12; 52.2%); higher than the 11 (40.7%) in 2022, and nine (31%) in 2021.

Ed-tech startups had 1,769 employees in 2023, averaging 77 per startup. This is down slightly on the 1,830 employees in 2022, but higher than 2021 when ed-techs employed 1,487 people.

Nigeria had the most funded startups in 2023 - seven (30.4%); followed by Egypt and South Africa with five each (21.7 per cent each). These three markets account for 73.8 per cent of funded ed-techs, with further rounds scattered across the continent.

Looking at total funds, Egypt led the way, responsible for US$15,500,000 in ed-tech funds. This included a US$10,000,000 pre-Series C raise for almentor. Kenya came second, raising US$12,000,000 - with US$11,500,000 of this raised by one startup, Ed Partners. Despite having the most funded startups, Nigeria brought in only US$4,418,000, pointing to a prevalence of small pre-seed and seed tickets. Combined, these three countries contributed US$31,918,000 - 92.1 per cent of ed-tech funding.

**Ed-tech funding, by year**

<table>
<thead>
<tr>
<th>Year</th>
<th>Funds (US$)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>815,825</td>
<td>516.3%</td>
</tr>
<tr>
<td>2017</td>
<td>885,000</td>
<td>69.6%</td>
</tr>
<tr>
<td>2016</td>
<td>1,148,000</td>
<td>168.8%</td>
</tr>
<tr>
<td>2015</td>
<td>1,250,000</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Ed-tech startups had a relatively good year in 2023 with the total amount of funding spiking, despite a drop in the number of startups securing backing.
The energy sector put up a stellar performance in 2023, with the vast growth in total funding playing a big part in stemming the decline across the wider tech space.

Twenty (20) startups (4.9%) raised funding in 2023, although down from 24 startups (3.8%) in 2022, there tends to be a similar amount each year in this space. In 2021 and 2020 there were 22 funded ventures.

The big news is in the total raised - US$655,863,000 - 27.2 per cent of the African total; and the second highest amount contributed by any sector.

The 2023 figure marks growth of 335.2 per cent on the US$150,708,000 (4.5%) raised in 2022. This in turn was up 44.7 per cent on 2021, when energy ventures raised US$104,118,000 (4.9%). 2021 was growth of 48.1 per cent on the prior year’s total of US$70,306,000 (10%). Even preceding this, there have been sizeable increases each year, although 2023 saw a dramatic leap in growth.

The 2020 total was up 44.5 per cent on the US$48,665,000 (9.9 per cent of total) raised in 2019, which had been almost the same amount as secured in 2018 - US$48,351,000. This had been up 100 per cent on US$24,130,000 in 2017.

The energy space has always overperformed in funding terms, as compared to the number of startups doing the fundraising. But this is the nature of the business, requiring large amounts of funding, and often these companies are also able to attract debt finance.

Alongside the total funding, the average round size also shot up to US$32,793,150. In 2022 it was US$6,279,500; up from US$4,732,636 in 2021, and US$3,195,727 in 2020.

Eight rounds (40%) had elements of debt, up from five (20.8%) in 2022. In 2021 there were 10 (45.5%). The majority of very big-ticket raises were debt-based.

Only two of the funded startups (10%) had a female co-founder; and only one had a female CEO (5%). This is a particularly low proportion.

Accelerator participation is also uncommon in this space. Five of the backed startups have been accelerated (25%).

The number of employees in the energy space has jumped up in line with funding. In 2023, the funded startups had 5,461 employees, averaging 273 per startup. This is up from 2,225 employees, 93 per startup, in 2022, and substantially higher than the 758 employees reported in 2021.

Geographically speaking, there was a broader than usual spread among the funded startups in the energy space. Nigeria and South Africa were home to four apiece (20 per cent each); three were based in Kenya (15%); and there were two in each of the Democratic Republic of Congo (DRC), Egypt and Uganda (10 per cent each).

From a funds perspective Kenya was dominant - as it usually is, although this year it outdid itself with some particularly large rounds. Kenyan ventures raised US$497,500,000 - 75.9 per cent of the energy total. This featured US$315,000,000 raised by M-KOPA; as well as US$150,000,000 raised by Sun King. South Africa netted US$67,300,000 (10.3%), and the DRC secured US$59,500,000 (9.1%). These three countries accounted for 95.3 per cent of energy funds.
Transport

The transport sector had a solid year in 2023. While registering year-on-year decline both in terms of number of funded startups and total funds raised, the broader picture is one of substantial growth as compared to a couple of years ago.

In 2023, 16 transport startups (3.9%) raised funding, which is a decrease of 27.3 per cent on the 22 companies (3.5%) to gain backing in 2022.

The number of startups raising funding in the transport sector has fluctuated around the same sort of level over the past years, and while 2023 is lower than 2022, the figure is generally in line with preceding years. In 2021, 21 startups raised; in 2020 there were 15; 2019 saw 13 funded; and in 2018 there were 16. Each year, the number of startups accounts for between three and five per cent of the continent’s ventures.

Together, the 2023 startups raised US$198,488,000 (8.2%). This is down 10.2 per cent from US$220,920,000 (6.6%) in 2022; which was a doubling of funding compared to the previous year’s total of US$105,445,000 (4.9%).

Prior to 2021, funding levels were much lower. In 2020, startups raised US$120,988,000 (7.4%); in 2019, the total came to US$65,682,000 (13.4%); and in 2018, US$34,523,000 (10.3%) was raised. This was all a big jump from the US$12,600,000 secured by two companies in 2017. As such, though the total funds declined in 2023, the level of funding remains much higher than preceding years, and is not far off the 2022 total despite the economic tribulations at play.

Worth note, is that South African company Planet42 accounted for more than half of this year’s total, raising a US$100 million round.

This contributed to a high, albeit slightly skewed, average round size of US$12,405,500. This was up from US$10,041,818 in 2022; US$5,021,190 in 2021; US$3,473,000 in 2020; and US$5,052,462 in 2019.

Six rounds (37.5%) had some debt element; and six of the startups (37.5%) had participated in an accelerator at some point.

Four funded startups had a female co-founder (25%), while three had female CEOs (18.8%).

Transport startups employed 1,310 people in 2023, averaging 82 per startup, down from 2,887 employees (131 per startup) in 2022. In 2021, there were 1,129 employees, 54 per startup.

Nigeria saw the most startups raise - four, 25 per cent of transport ventures. Kenya, Ghana, the Ivory Coast, and South Africa recorded two rounds each (12.5 per cent each).

The leading market for total funding tends to be dictated each year by one or two standout rounds. This year, that was Planet42 and as such South Africa was the best funded market, with US$111,500,000 (56.2 per cent of transport funds).

However, Nigeria also put in a strong showing, with its four startups bringing in US$59,350,000 (29.9 per cent of pot). Rwanda bagged US$19,500,000 (9.8%); while Kenyan ventures raised US$5,660,000 (2.9%).

16 companies
US$198,488,000 - 8.2% of total funds
US$100 million of this was raised by Planet42
Recruitment & HR

The recruitment and HR space saw less startups raise a record amount of funding in 2023. The number of funded startups in this sector tends to fluctuate substantially. This year 12 companies gained backing (3%), down from 20 startups in 2022. There were only five funded startups in the recruitment space in 2021, but 18 in 2020.

Total funding, however, has been reliably on the rise, and this year saw the sector’s startups raise a record US$19,658,000 (0.8%), overtaking the previous record amount from 2020 of US$17,604,500.

The funding total was up 29.2 per cent on the US$15,220,000 (0.5%) secured in 2022, which was itself up 109.5 per cent from US$7,265,000 in 2021.

The average round size was up, at US$1,630,667, from US$761,000 in 2022.

Quite unusually, 75 per cent of rounds disclosed the stage of funding. Of those two were pre-seed, three were seed, two pre-Series A, and two Series A. This is a similar breakdown to 2022, when there were also no rounds reported beyond Series A. All the rounds in 2023 were equity raises.

Four funded startups (33.3%) had a female co-founder, while two had female CEOs (16.7%). Six startups - half of this year’s list - had participated in an accelerator at some point, compared to 75 per cent in 2022.

Funded recruitment and HR startups employ 592 people, averaging 49 per startup.

Funding in this space is distributed around Africa. This year there were funded startups in Egypt (three, 25%); two each in Kenya, Nigeria, and South Africa (16.7 per cent each); and one apiece in Ethiopia, Morocco, and Namibia.

South African ventures raised the most money, US$6,500,000 (33.1%). Kenyan companies brought in US$3,400,000 (17.3%); US$2,740,000 went to Nigeria (13.9%); US$2,500,000 to Morocco (12.7%), and Ethiopia contributed US$2,000,000 (10.2%).

2023 was a record funding amount for the recruitment & HR space

US$19,658,000
The entertainment industry dipped in 2023, after a few years of good results. Seven start-ups (1.7%) raised US$31,771,000 (1.3%) - both of these figures represent decreases on the previous year, when 12 startups secured US$59,820,000.

The 2023 total was boosted by one big round, South Africa’s Carry1st, who accounted for US$27 million. Viewed in this lens, the total is even less impressive.

While the 2023 total was down by 46.9 per cent on 2022, that was a particularly big year which had been up 416 per cent on the US$11,590,000 raised in 2021. In 2020, entertainment startups raised US$13,900,000; US$745,000 in 2019; US$120,000 in 2018; US$2,800,520 in 2017; and US$12,202,000 in 2016. So 2023 does represent overall higher levels of funding as compared to all but last year.

The average ticket size was US$4,538,714, just down from US$4,985,000 in 2022. There were no debt rounds.

Two funded companies had a female co-founder (28.6%); while one (14.3%) had a female CEO.

Only one company had been involved with an accelerator at some point in its trajectory (14.3%); this is in stark contrast to the preceding year, when seven of the 12 funded startups had been accelerated.

Entertainment startups in 2023 had 239 employees, averaging 34 per startup.

Given the Carry1st raise of US$27 million, South Africa was the dominant market in 2023. The geographic favourite changes year to year, depending on stand-out rounds. The Ivory Coast’s StarNews Mobile also raised US$3 million. The remaining funds were shared between Ethiopia, Nigeria, and Tunisia.
The AI / IoT sector tanked in 2023, unable to recreate the excellent results of the preceding two years. Eight startups raised funding (2%), down 52.9 per cent on 17 (2.7%) in 2022. The 2022 figure had been up 21.4 per cent on 14 (2.5%) in 2021; while that in turn was growth of 40 per cent on the 10 to raise in both 2020 and 2019. So following years of increases, the number of funded startups fell back to pre-2019 levels this year.

Together this year’s AI / IoT startups raised only US$8,488,000 (0.35 per cent of total funding). This is a huge fall - 92.3 per cent - from the US$110,781,000 (3.3%) raised in 2022. In 2021, the total came to US$94,525,000 (4.4%). 2020 and 2019 saw US$111,627,000 and US$111,270,000 raised respectively. So once again, 2023 sees the sector fall back to pre-2019 levels.

Worth note, the headline total from 2022 involved a US$100 million round for Tunisia’s Instadeep, and in 2021 Kenya’s Gro Intelligence secured a US$85 million round - both of these had a lot to do with the sector’s impressive annual totals. There was no such round this year.

While only two years ago an AI boom seemed to be taking off, it has gone bust pretty quickly in the face of a global capital shortage.

The average round size came to US$1,061,000, down from US$6,516,529 in 2022, and US$6,751,786 in 2021. It was US$1,162,700 in 2020. All the rounds in this space were equity-based.

There was only one female co-founder among the 2023 funded ventures (12.5%), down from five (29.4%) in 2022. There was only one female CEO.

Three of the funded startups had participated in an accelerator (37.5%). This figure was eight (47.1%) in 2022.

The sector created 131 employed positions in 2023 (averaging 16 per startup). This is far down from the 481 employees of 2022, (28 per startup); while in 2021 the funded startups had 413 employees, 30 per startup.

In the absence of a mega-round anywhere on the continent, South Africa was the leading market this year, with four backed startups (50%) raising US$7,200,000 - 84.8 per cent of AI funding.
Marketing

The marketing sector also felt the crunch in 2023. Only six startups (1.5%) raised funding; half the previous year’s number (12 startups). There were 10 funded startups in 2021, six in 2020, five in 2019, and four in 2018.

Marketing startups raised US$19,870,000 (0.8 per cent of the total pot) in 2023, a decrease of 74.8 per cent from the US$34,725,000 (1%) secured in 2022.

The 2022 total had been a big jump up - 242 per cent - on the 2021 amount of US$10,152,000 (0.5%), which in turn had been growth of 281.5 per cent from the US$2,661,000 (0.4%) of 2020. So while 2023 does reflect a reset in the market, it is nonetheless the second best year on record for the marketing sector.

The average ticket size was up at US$3,311,667 per startup, from US$2,893,750 in 2022, US$1,015,200 in 2021, and US$443,500 in 2020.

Half the marketing rounds in 2023 were seed-stage; and all the raises were equity deals.

Two funded startups had a female co-founder (33.3%), but there was no female CEO among this year’s ventures. Half the startups had been accelerated at some point.

Funded marketing startups employed 251 people in 2023, averaging 42 per startup. For comparison, this figure was 561 employees, 47 per startup, in 2022.

Nigeria was the dominant market in 2023, with three startups (50%) raising a combined total of US$13,370,000 - 67.3 per cent of the marketing pot.

There was one startup each from Egypt, Kenya, and South Africa. Egypt ranked second for funding total, thanks to Gameball’s US$3,500,000 raise, accounting for 17.6 per cent of funds.
Prop-tech was another sector to struggle in 2023, with the number of backed startups and the total amount of funding halving as compared to 2022.

Seven startups secured funding (1.7%), down 53.3 per cent on 15 startups (2.4%) in 2022. There had been 10 backed companies in 2021 and 2020, six in 2019, and seven in 2018. Thus the 2023 figure takes us back to 2018 levels.

There was a similar decline in total funding. Prop-tech startups raised US$7,040,000 (0.3%), down 57.7 per cent on the US$16,681,000 (0.5%) collected in 2022. That had been up 13.6 per cent on US$14,686,000 (0.7%) in 2021, which was up 32.7 per cent on US$11,070,000 (1.6%) in 2020, which in turn had been a leap of 191.5 per cent from 2019's US$3,797,000. So again, following a period of steady growth prop-tech funding has reversed to 2019/2020 levels.

The average ticket size was US$1,005,714, although there has not been drastic fluctuation on this count over the years. In 2022 it was US$1,112,067; US$1,468,600 in 2021; and US$1,107,000 in 2020.

All the rounds were equity transactions. There were two female co-founders reported (28.6 per cent); and there was one female CEO (14.3%).

Three of the funded ventures had been accelerated (42.9%). The startups had 138 employees (18 per startup) this year; less than the 316 (21) in 2022 and 291 (29) in 2021.

Most of the prop-tech activity occurred in Nigeria and South Africa, which saw three and two rounds respectively. South Africa’s two startups, DigsConnect and Flow, accounted for 71 per cent of the sector’s total.
Auto-tech

Auto-tech only entered this report as a separate section in 2022, and this year there has already been a decline in the sector. There were six funded auto-tech startups (1.5%) in 2023, down 33.3 per cent on the nine (1.4%) listed in 2022.

Similarly in terms of total funding, the sector raised US$7,690,000 (0.3%), down 57.4 per cent on US$18,050,000 (0.5%) in 2022. It is worth noting however that this total is still better than 2021, when only US$3,375,000 was raised. So despite the decline, the auto-tech sector does seem to be here to stay.

The average ticket size was US$1,281,667 in 2023. In 2022 it was US$2,005,556; and only US$843,750 in 2021.

This year all rounds were equity-based; while in 2022 there were two debt rounds.

There were two female co-founders among the 2023 startups (33.3%), and one female CEO (16.7%).

One venture had been previously accelerated (16.7%). Auto-tech startups had 242 employees, averaging 40 per startup. In 2022 there were 214 employees, 24 per startup.

Egypt and Nigeria were the most funded countries, securing US$3,100,000 and US$2,400,000 respectively.
There were a further 34 startups (8.4%) grouped into the “other” category given their wide array of niche activities. Together they raised US$76,080,000 (3.2%).

The list includes some “up and coming” spaces, such as waste management (three startups), construction-tech (three), cybersecurity (three), tourism (three), restaurant tech (two) and team collaboration (two). These spaces are worth keeping an eye on, and may well expand to encompass their own sections of this report in future editions, as was the case with prop-tech, AI/IoT, and auto-tech.

There were 10 notable rounds in the “other” category, which saw startups raise US$1 million or more. By far the biggest round here went to South Africa’s RapidDeploy, which netted US$34 million.
ACQUISITIONS
African M&A activity declines alongside funding.

Investment, especially of the venture capital variety, declined in African tech in 2023, then, but so too did the possibility of exits. IPOs, not just in Africa but globally, have dried up, so outright acquisitions are the only game in town.

The number of such deals did, however, fall significantly in 2023 as compared to 2022. There were 15 acquisitions, down 61.5 per cent on 39 in 2022. There were 32 exits in 2021, which signified a record-breaking year, after 14 each in 2020 and 2019. This year’s decline sees such activity in African tech fall back to 2020 levels, a phenomenon replicated in many countries and sectors also.

African tech startup acquisitions by year
As overall numbers fall, the focus of M&A activity has become less focused. Whereas in 2022, 56.4 per cent of acquisitions were from Egypt or South Africa, in 2023 activity was a lot more diversified across a host of geographies.

Of the 15 deals, 14 (93.3%) were what we would call “startup on startup” deals, where one company takes over another, either via a direct buyout, a share swap, or a combination of the two. There was just one “genuine trade deal”, as far as we can tell. This stands in stark contrast to 2022 when 20 (51.3%) of deals were “genuine trade sales”, and only 18 (46.2%) were startup on startup.

Of even more concern was that at least four of the 14 startup on startup deals in 2023 (28.6%) involved a “startup in distress”, or in one case a startup that had already closed, being subsumed by another similar business.

Fintech, as in funding, leads when it comes to acquisitions, accounting for nine (60%) of the deals in 2023, with auto-tech, cloud communications, e-commerce, e-health, entertainment and tourism then counting one each. This stands in contrast to 2022, when fintech ventures represented 30.8 per cent of the total, e-commerce and retail-tech 28.2 per cent, and e-health 7.7 per cent.