Twitter Thread by Bruce

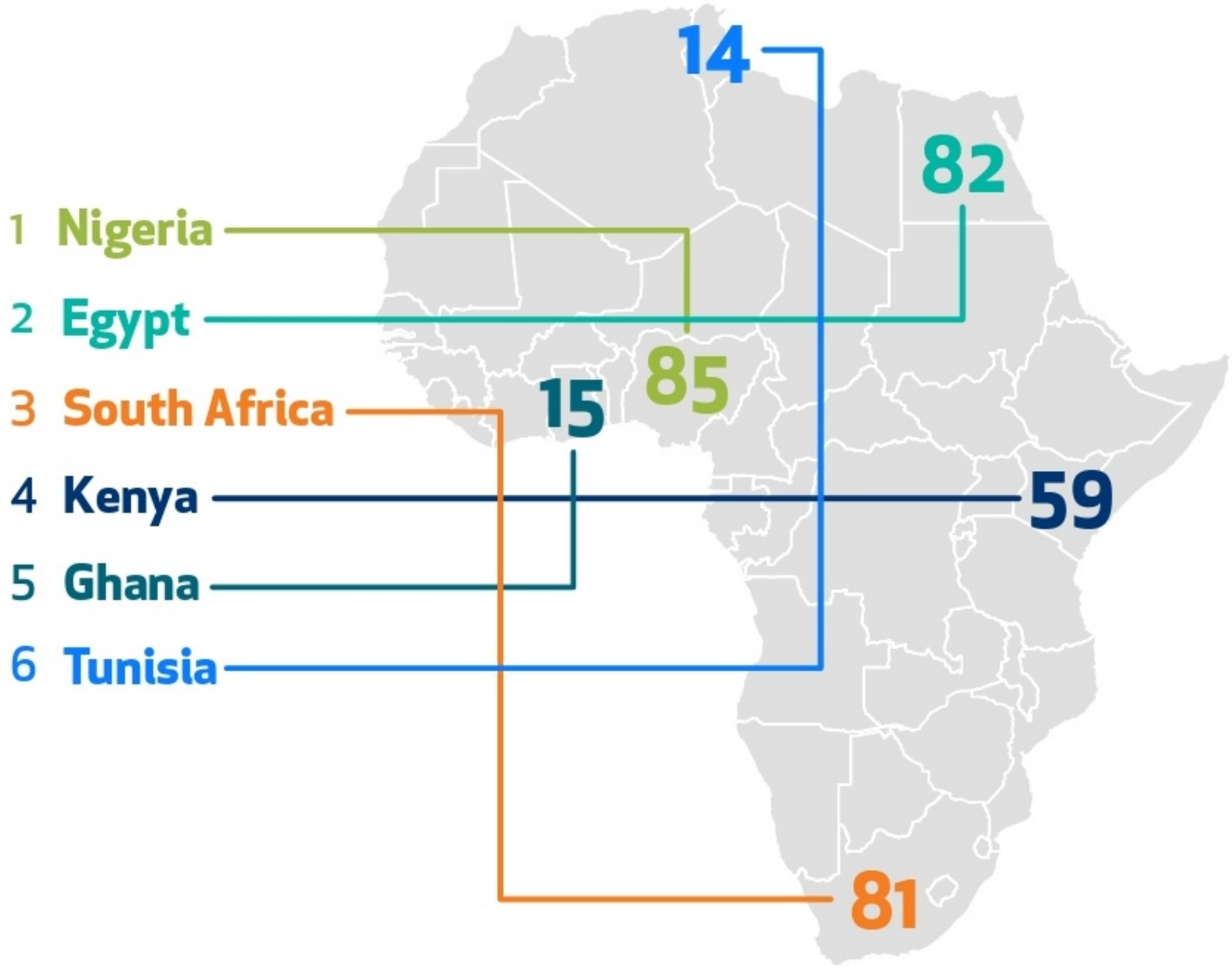


Bruce
@ngwata_

Excerpts from the Africa Tech Startups Funding Report 2020. ■

In 2020, a total of 397 African tech startups raised a record $701million in funding, with bulk (89%) of these funds going to startups in Nigeria, Kenya, South Africa & Egypt.

Funded African tech startups, by country



The tech startups that stood out in 2020 by funding received were:

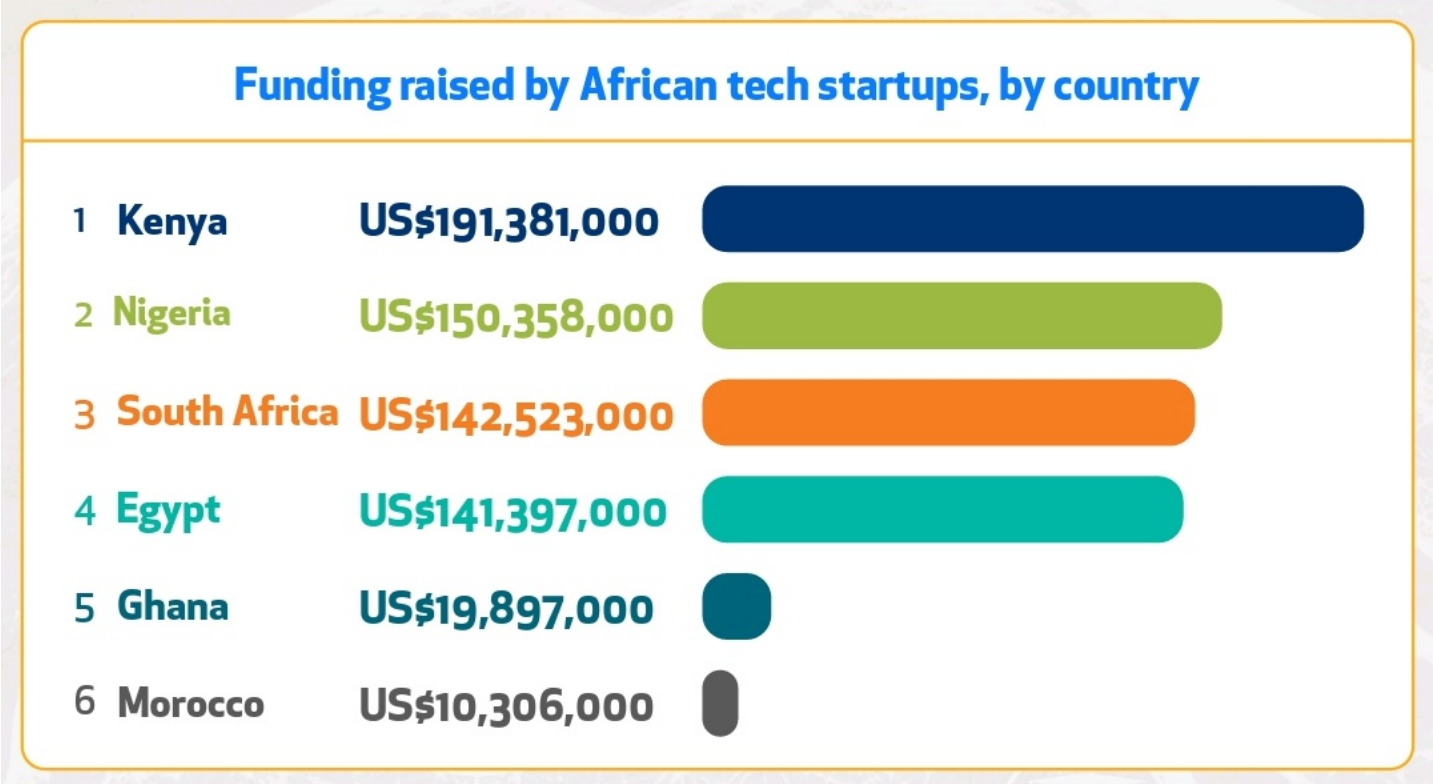
°Egypt's Vezeeta - $40,000,000

°Nigeria's Flutterwave - $35,000,000

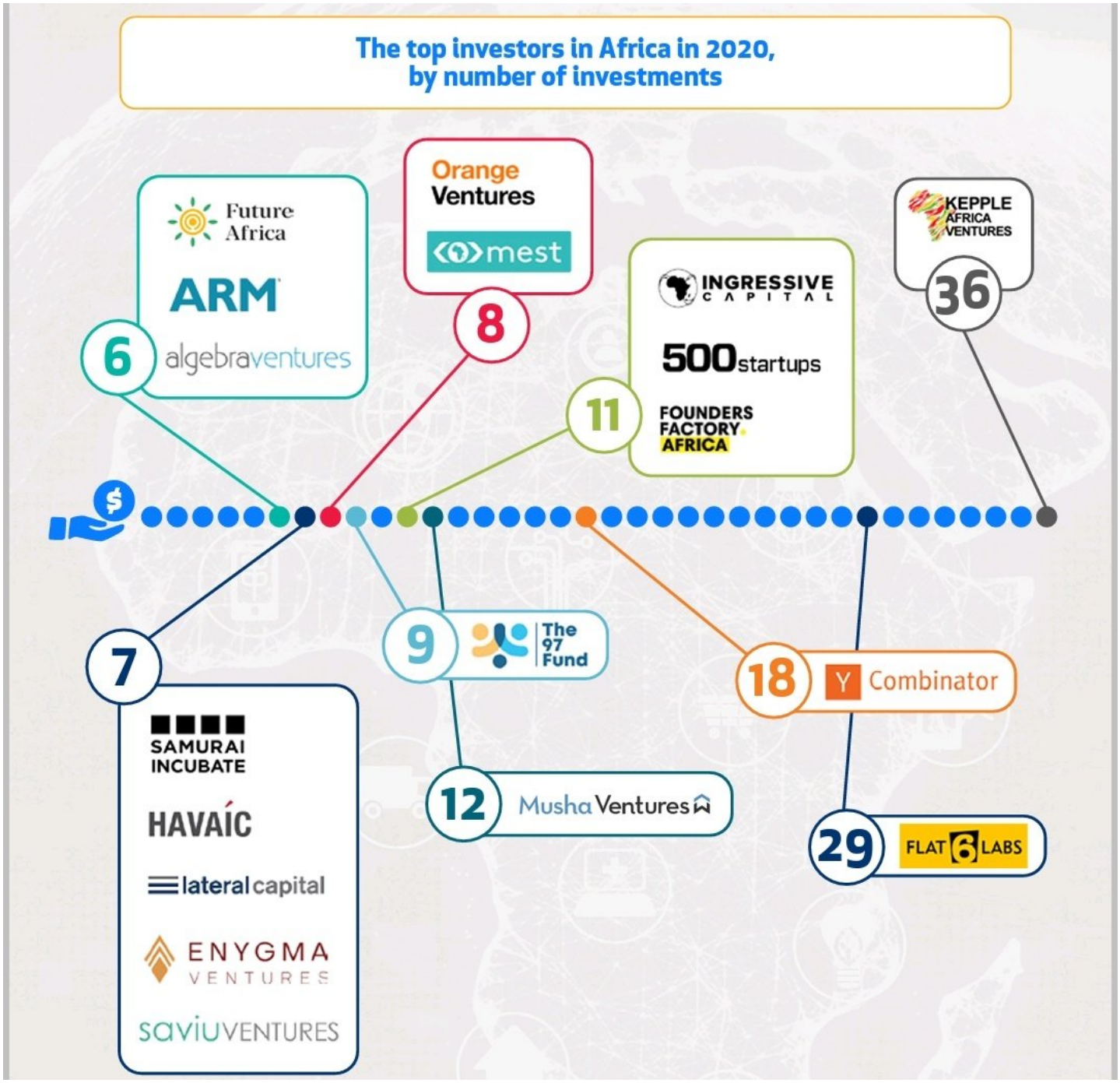
°South Africa's Skynamo - $30,000,000

°Kenya's Twiga Foods - $29,400,000

°Kenya's Komaza - $28,000,000



The top investors in African tech startups in 2020.



Kenya ■■

59 Kenyan startups raised a record total of $191,381,000 in funding in 2020.

Twenty two (37%) of Kenya’s funded startups raised a $1 million or more.

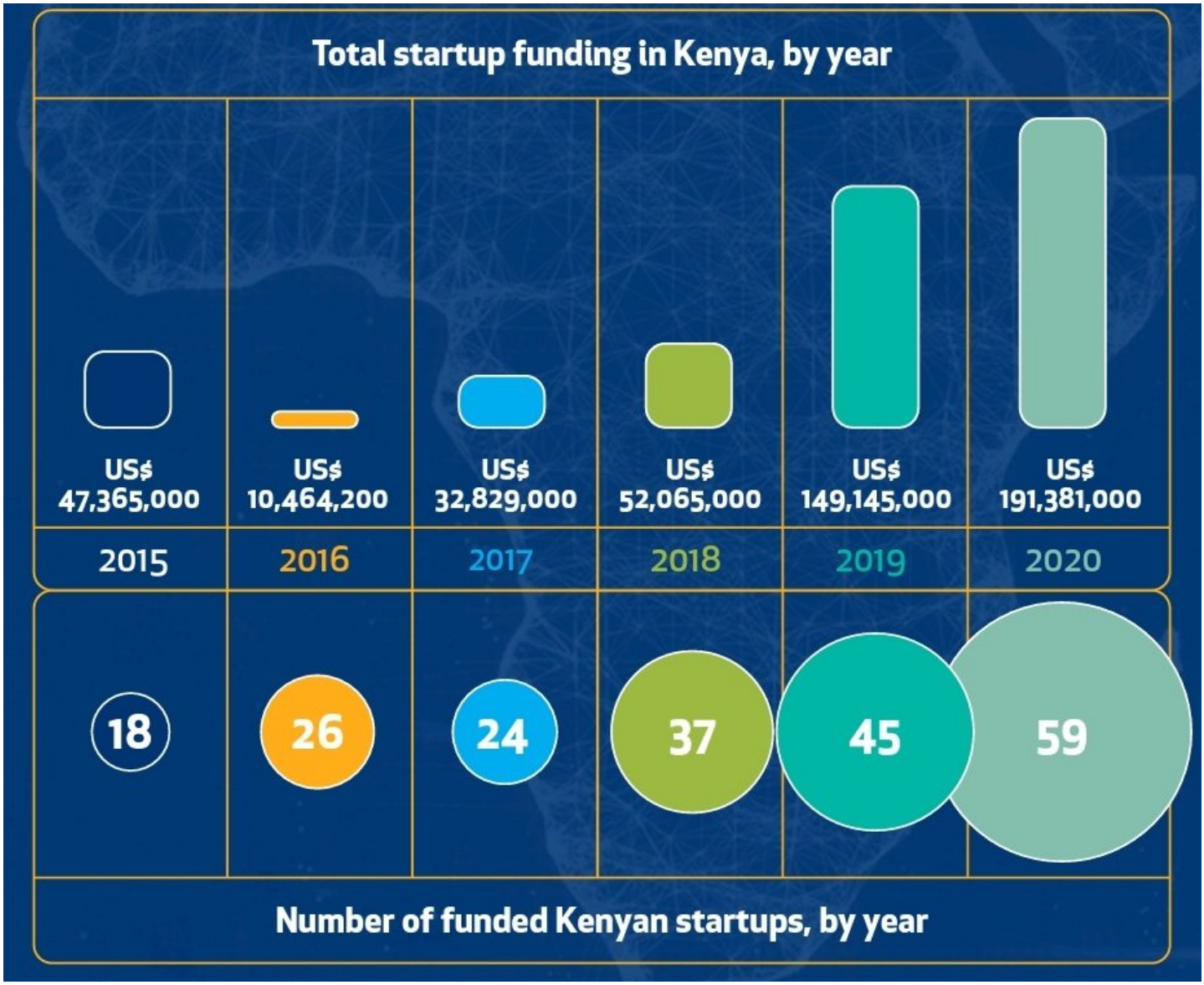
Kenya accounted for some of the continent's standout rounds of the year, such as agri-tech company Twiga Foods (US$29,400,000) and conservation venture Komaza (US$28,000,000). Other notable raises in the country went to logistics startup Sendy (US$20,000,000), retail-tech solution Sokowatch (US$14,000,000), and energy ventures SunCulture (US$14,000,000), Angaza (US$13,500,000), and Solarise (US$10,000,000).

On a sector view, whereas in other leading Sub-Saharan markets like Nigeria and South Africa fintech is dominant, in Kenya investor activity is much more evenly distributed. Fintech and e-commerce are the two leading spaces in terms of number of funded startups, with 13 and 12 respectively, while the e-health, logistics and energy sectors each saw five startups backed. Four agri-tech companies also raised.

Similarly with funds raised, fintech's share is far lower than in other leading markets on the continent. Conversely, in Kenya there is a heightened prevalence of large-raising energy firms, and agri-tech is a more prominent space than elsewhere. Thus the energy sector contributed US$41 million (21.4 per cent of Kenya's total), and agri-tech US$35.7 million (18.7 per cent of the total). The remaining funds were split between the logistics space (US$27.3 million, 14.3 per cent), e-commerce (US$23.7 million, 12.4 per cent), and fintech (US$16.2 million, 8.5 per cent).

The report points out that all the major rounds raised for startups in Kenya ■■ go to companies with foreign/expat founders & CEOs, a feature that makes it stand out from other African countries.

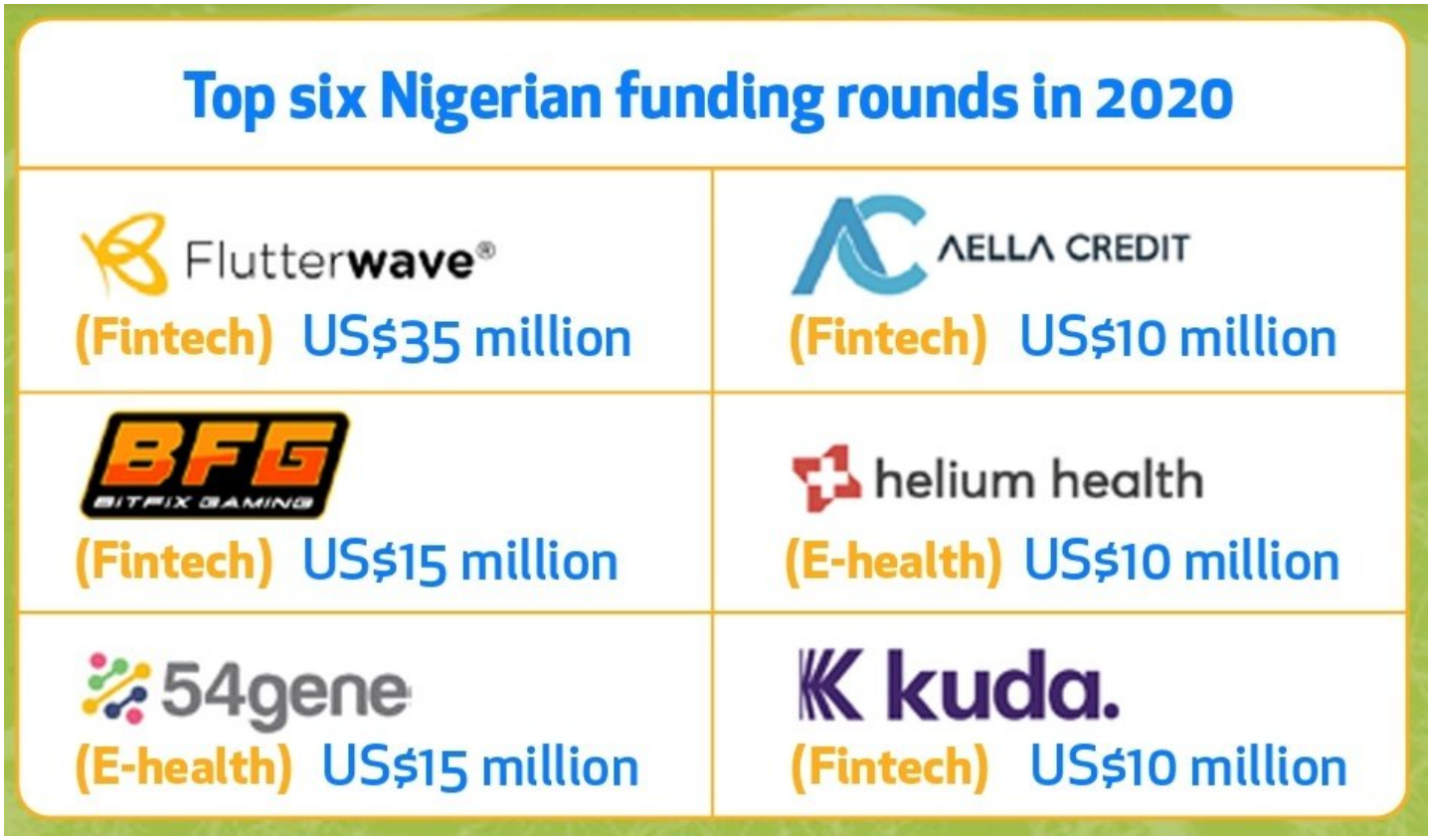
But the number of startups & funding is growing.



Nigeria ■■

In 2020, 85 Nigerian startups raised a combined $150,358,000, ranking 2nd in Africa behind Kenya.

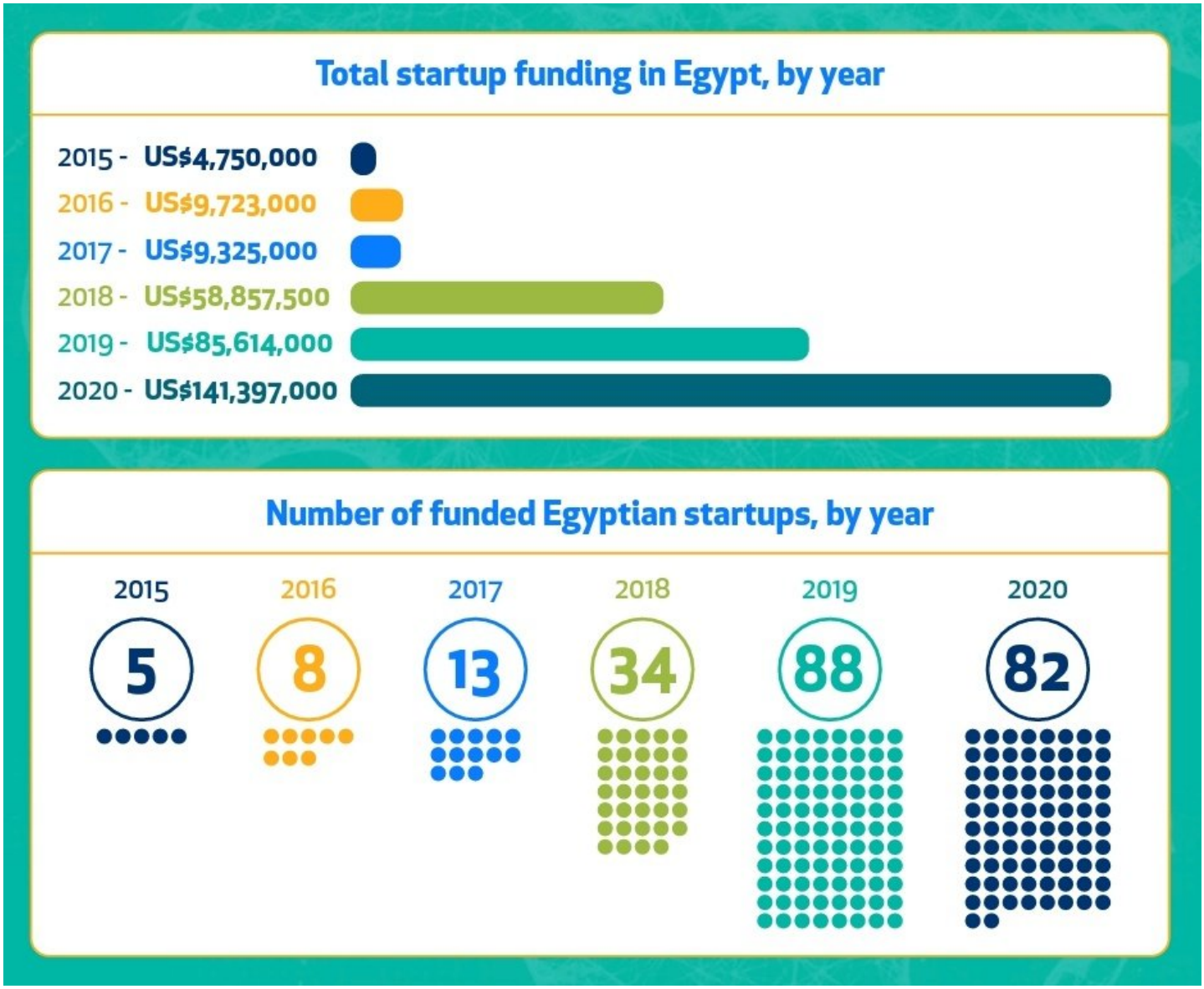
23 Nigerian startups raised in excess of the million dollar mark in 2020 - accounting for 27% of the country’s funded ventures.



Egypt ■■

Egyptian startup ecosystem exploded in 2018, disrupting the African startup funding.

Egypt stands out across the continent in that fintech is much less a focus for investors, instead e-commerce and retail-tech are favourites.



South Africa ■■

South Africa was the 3rd most attractive investment destination on the African continent in 2020, for both number of startups funded & the total investment raised.

South African startups benefit from the relatively mature status of the local ecosystem, which has active investors at most stages of the startup lifecycle. Early-stage is well covered by an active angel investment scene incorporating a relatively high number of groups and individuals, as well as early-stage funds like E4E Africa. The "middle", meanwhile, is accommodated by scale-up funds like Knife Capital, Kalon Venture Partners and CRE Venture Capital.

As we have noted before, however, international VCs and institutional and corporate investors are much less active in South Africa than in other geographies, though the likes of Standard Bank and Nedbank are working towards changing the latter. This means that South African startups are not raising the mega-rounds we have seen in the likes of Kenya and Nigeria, and why the Skynamo round earlier in the year was so refreshing. Local startups must hope that it sets a new trend of larger-scale investors backing South African companies to expand internationally in the way they have backed startups in other developed ecosystems.

Download link to the full 2020 African Tech Startups Funding Report > https://t.co/vR62NTZAkc

(PS: Key in $0 as your fair price to get a free copy).

