

THE STATE OF TECH IN AFRICA

Navigating a Funding Winter

Q4 2023

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State of Tech in Africa

Q4 2023

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Foreword

Ideas are plenty. A few become products. Only few products live on to become the fulcrum of profit making businesses.

In 2023, the strategy behind idea-backed businesses came under scrutiny as Venture capital funding fell across Africa. Beyond the downturn, the harsh realities of building scalable businesses became clear to all. The era of subsidised digital products may just be over. Tech startups/tech enabled businesses have their eyes set on the major activity of every business: make money and turn in a profit.

It is against this backdrop that our report examines the forces at play in Africa's digital economy in 2023. From funding to acquisition, business pivots, and the upsurge in regulatory activities; this report has it all.

Expect to gain actionable insights into the business of African tech, and how policies and regulations intersect with innovation. Whether you are a VC investor, a startup founder, an executive, an employee, or a tech enthusiast, this report gives you a peek into the major trends in 2023.



Olanrewaju Odunowo
Head TechCabal Insights



SUMMARY

Summary

2023 was a mixed bag for Africa's digital economy. First, startup funding dropped by 42% YoY; from \$4.2 billion to \$2.78 billion. The continent saw its biggest tech acquisition of all time: Instadeep was acquired by German firm, BionTech for 562 million pounds. As inflation and low purchasing power became prevalent across the continent, fifteen startups shutdown operations while more than 1500 tech workers lost their jobs in this bearish market.

Beyond the gloom, digital payments witnessed a huge surge prompting huge interests from global giants across the world. While regulation have always trailed innovation across the continent, African regulators took centre stage in 2023; striking a huge balance between consumer protection and supporting innovation.

As the race for profitability and revenue intensifies, we've seen strategic pivots across sectors; from a change in business models to a diversification of product offerings.

The year ahead may look uncertain but there is enough cause for optimism. Venture capital firms have closed substantial amounts in funding to be deployed in the coming year. Global payments giant, Visa is set to invest \$1 billion over the next five years. Similarly, The United Nations Development Programme (UNDP) launched the "timbuktoo" initiative is positioned to be the world's largest financing facility bringing catalytic and commercial capital together to support Africa's startup ecosystem.

One thing is obvious, the digital economy has come of age and while support continues to grow, the race to profitability while navigating regulatory waters and delivering value for end users is crucial

2023 at a Glance



\$2.748bn

Total funding raised



30

Number of Acquisitions



14

Number of startups that shut down



1500+

The number of tech workers laid off in 2023



Fintech

\$1.08bn

Sector with the most funding



Housing/PropTech

\$10.62m

Sector with the least funding



45

Number of debt deals



4

Number of mega deals*

*Mega deals are venture deals equal to or greater than \$US 100 million



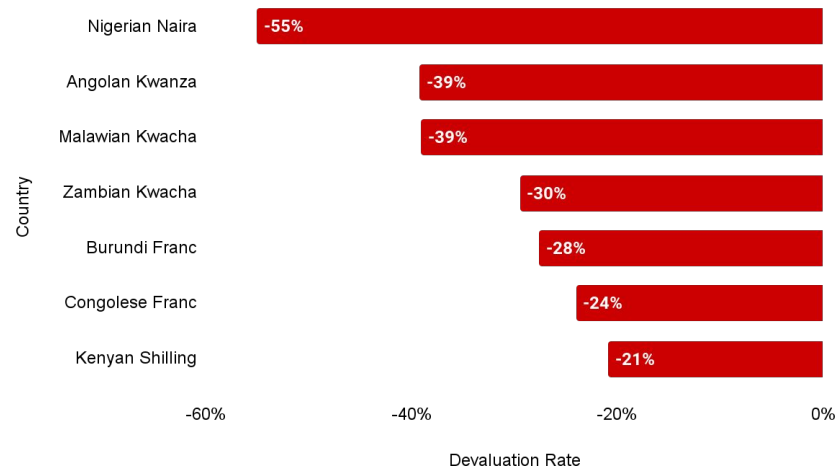
THE FUNDING WINTER

2023 was a difficult year for African startups

Key Insights

- Local currencies performed poorly resulting in low purchasing power and priced many out of digital products.
- Operating costs increased for startups who earn in local currencies but pay for digital tools in foreign currencies.
- Over 1500 tech workers were laid off in 2023 while 15 startups shut down operations after raising US \$216 million in funding.
- VC funding dropped significantly compared to the previous two years

Figure 1: The worst performing African currencies of 2023



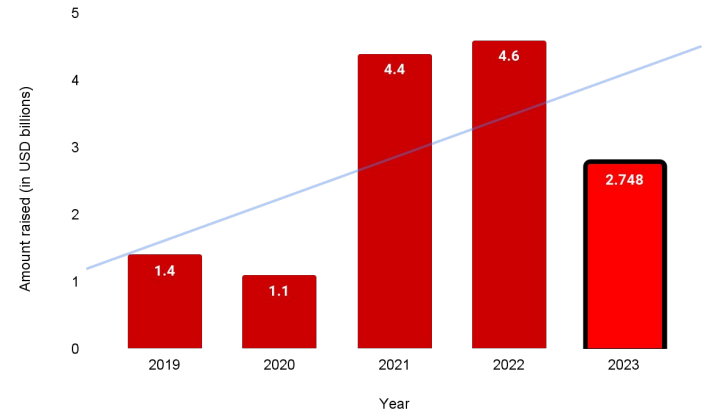
Source: Bloomberg

In 2023, VC funding reduced by 40.2% compared to 2022

Key Insights

- African startups raised US\$ 2.748 billion in funding across 500 deals. This represents a 40.26% YoY decrease compared to US\$ 4.6 billion raised in 2022.
- Average deal size remained stable at **US\$ 5.49 million**, a similar figure compared to last year's numbers..
- Compared to 2022, there were only four **mega deals** recorded within the year.

Fig 2: VC funding to African Startups from 2019 to 2023



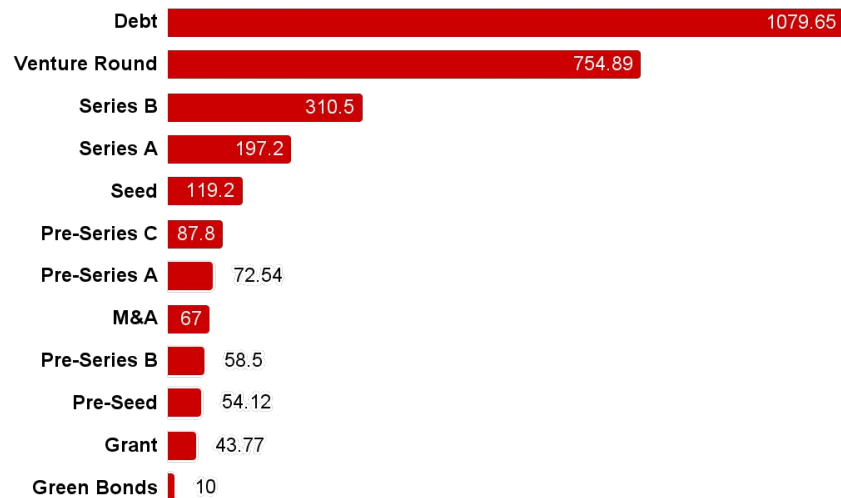
Source: TechCabal Insights, The Big Deal

African startups turned to debt as an alternative asset class

Key Insights

- Debt funding closed out at US\$1.07 billion; making up 38% of funding in 2023 and a 47% YoY growth compared to 2022.
- Startups like MNT Halan raised debt deals twice within the year to achieve unicorn status while M-Kopa raised US\$ 202 million in debt.
- By deal count, debt deals made up 37 of the total deals in 2023 with an average deal size of US \$23.9 million

Fig 3: Amount of funding raised by deal type in 2023



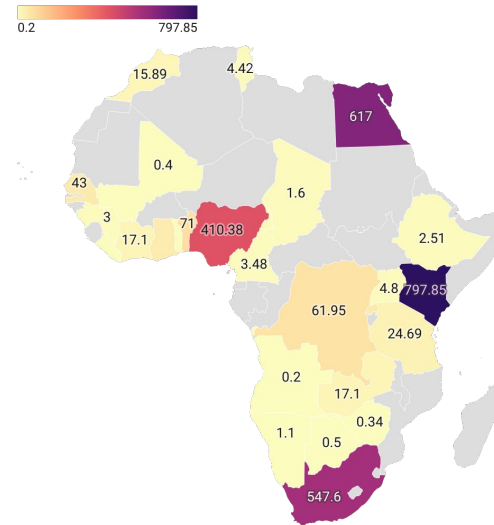
Source: TechCabal Insights, The Big Deal

Only four countries raised above \$100 million in funding

Key Insights

- The Big Four (Nigeria, South Africa, Kenya, and Egypt) received 86% of total funding.
- Compared to previous years, Kenyan startups received the most funding among the Big 4 countries, dislodging Nigeria. Kenyan startups like Sun King and M-Kopa raised huge sums in the course of the year.
- Outside of the Big 4, startups based in Benin Republic, Tanzania, Rwanda and the Democratic Republic of Congo raised US\$71 million, US\$61.95 million, US\$44 million, and US\$24.69 million respectively.

Fig 4: Breakdown of funding by country (in USD millions) in 2023



Despite the dip, investment to fintech remains appealing to investors as digital financial services continue to grow

Key Insights

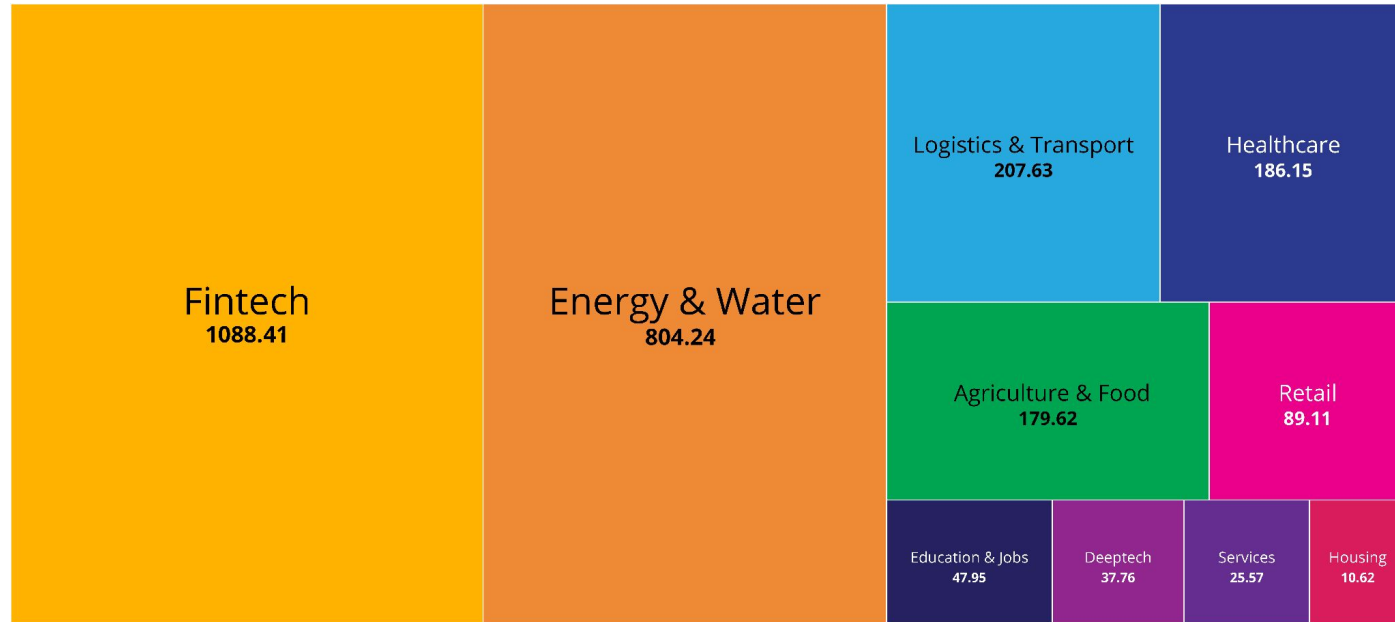
- Despite raising less funding than energy focused startup in two out of four quarters of 2023, fintech startups got the lion share of investment in 2023 worth US\$1.08 billion. Energy startups came a close second raising over US\$ 800 million throughout the year.
- Startups operating within the logistics and healthcare sectors made up the top four sectors by funding receiving US\$207.63 million and US\$186.5 million respectively.
- The increase in funding to energy based startups is linked to the adoption of cleantech solutions and alternative energy sources to meet the net zero 2050 deadline as African countries try to increase their energy consumption through renewable energy sources .

Table 1: Funding breakdown by sector in 2023 (in USD million)

Sector	Funding received(2023)
Fintech	1088.41
Energy & Water	804.24
Logistics & Transport	207.63
Healthcare	186.15
Agriculture & Food	179.62
Retail	89.11
Education & Jobs	47.95
Deeptech	37.76
Services	25.57
Housing	10.62

Fintech maintained its position as the most funded sector in African tech despite a 79% dip compared to 2022

Figure 6: VC funding to African startups in Q3 2023(in USD million) by sector



Source: The BigDeal

WEATHERING THE STORM

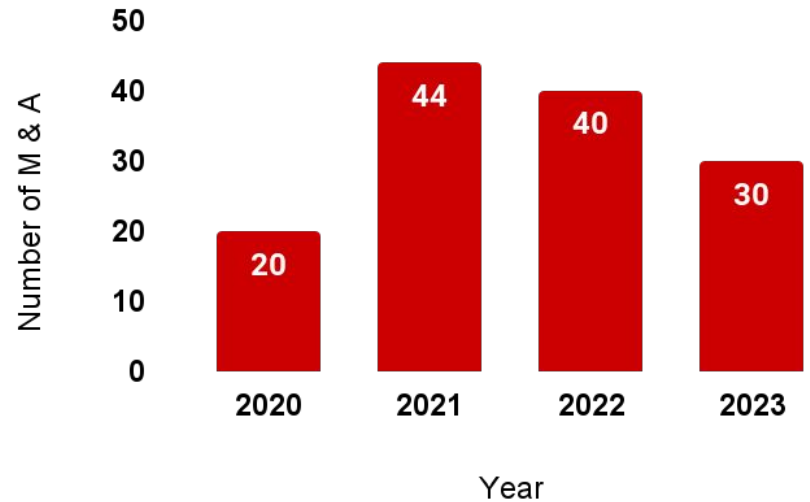


African tech saw its largest acquisition deal ever

Key Insights

- Acquisitions closed out at 30 in 2023; a 33.3% decline compared to 2022.
- Fintech acquisitions were the most common of acquisitions in 2023, making up 50% (16) of total acquisitions.
- Tunisian AI startup, Instadeep got acquired by BioNTech, a German biotech company for US\$ 682 million: Africa's largest ever acquisition deal.

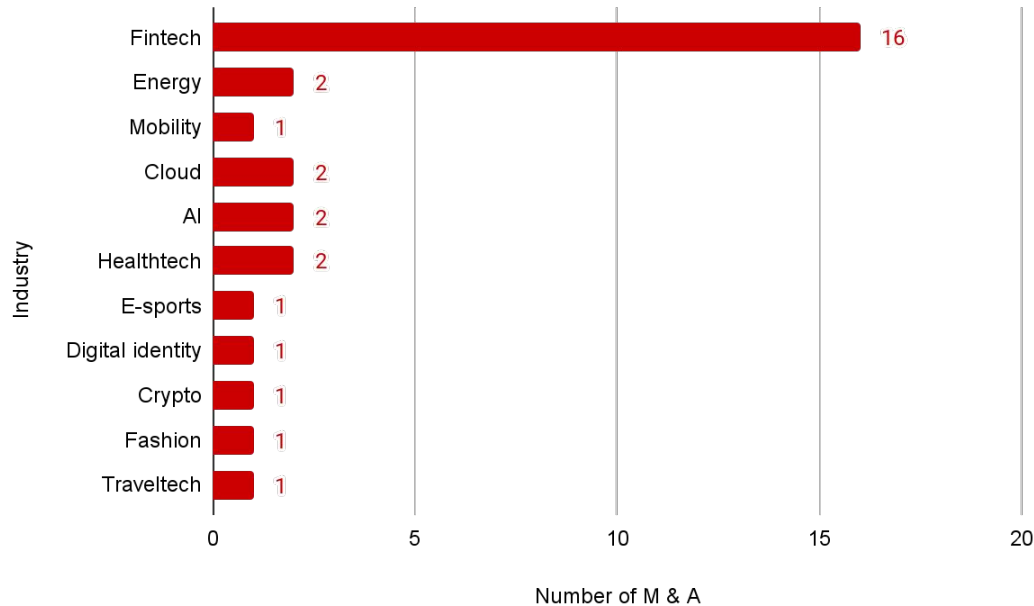
Figure 7: Mergers & Acquisitions in African tech between 2020 and 2023



Source: TechCabal Insights

Fintech acquisitions dominated M & A in 2023

Figure 8: Mergers and Acquisition in African tech in 2023 by sector



Source: TechCabal Insights

African startups pursued multimarket ambitions to grow revenue and market share

Key Insights





- Expansions gained momentum as African startups sought new markets outside their home markets in the light of shrinking purchasing power across the continent.
- Kenya was the most preferred country for fintech expansion.
- East Africa shaped up as a key region for startups seeking expansion in 2023.
- Expansions were deployed through acquisitions (Moniepoint and AutoCheck) and partnerships (iiDentifii)

Table 2: Major expansion moves in African Tech (2023)

Startup	Previous Location	New Location	Startup Category
Dabchy	Tunisia	Egypt	Agric-tech
Auto24	Ivory Coast	Morocco, Rwanda, Senegal, and South Africa	Automobile
Wasoko	Kenya	DRC	B2B e-commerce
Chargel	Senegal	Ivory Coast	Logistics
RoomRaccoon	South Africa	Zanzibar	Tech/Hospitality
Treepz	Nigeria	Kenya	Logistics
Umba	Nigeria	Kenya	Fintech
Liquid	Nigeria	Egypt	Internet connectivity
Farmerline	Ghana	Ivory Coast	Agric-tech
YuLife	UK	South Africa	Insurtech
Autocheck	Nigeria	Egypt	Automobile
iProcure	Kenya	Tanzania	Agri-tech
UfarmX	Nigeria	Senegal	Agritech
iiDentifii	South Africa	Zambia	Digital Identity
FlutterWave	Nigeria	Kenya	Fintech
Moniepoint	Nigeria	Kenya	Fintech

African startups are rethinking their business models and product offerings to increase profitability

Table 3: List of selected startups that changed business models/launch new offerings in 2023

Startup	Sector	Old Offering/Business Model	Pivot/New Offering
	On demand delivery	E-commerce Marketplace	An e-commerce marketplace for vendors to sell products across diverse categories.
	Media/Intelligence	Consumer focused data solutions (B2C)	B2B intelligence offerings including market sizing estimates, predictive forecasts, consumer indices, and comprehensive macroeconomic datasets.
	Mobility	Online Vehicle rental	A car-sharing marketplace that allows car owners to put their vehicles up for rent
	Fintech	Business/Agency Banking	Retail/personal banking by leveraging its large agent network



REGULATION AND POLICY

Regulatory activities took centre stage as Africa's digital economy continues to grow

Crypto received regulatory green light in multiple markets

- Kenya's Parliament asked the Blockchain Association of Kenya (BAK) to **prepare the first draft** of what might become the Virtual Asset Service Provider's Bill (Crypto Bill.)
- Nigeria's Central Bank **reversed a two-year restriction** on cryptocurrency transactions and introduced stringent customer KYC and anti-money laundering checks.
- Namibia officially approved [the licensing of crypto platforms](#), although it hasn't made crypto a legal tender yet. This means the Namibia Virtual Assets Act of 2023 now mandates all crypto platforms in the country to hold a licence before they can operate.
- South Africa reinforced a similar rule. According to the Financial Sector Conduct Authority (FSCA), all crypto exchange platforms in the country will have to apply for licences by November 30 or [face the law](#).

Digital lending faced scrutiny across the continent

- In August, Uganda Microfinance Regulatory Agency **drafted guidelines for digital lenders** operating in the country. The regulation mandates digital lenders to obtain an approval from UMRA, and will ensure data privacy by prohibiting lenders from sharing customer information with the Credit Reference Bureau without consent.
- Following the Central Bank of Kenya's regulations on digital lending , [Google took down nearly 500 of unlicensed credit providers](#) from Playstore.
- The Federal Competition and Consumer Protection Commission (FCCPC) **authorised 173 digital lenders** to operate in Nigeria, the [list](#) includes 119 lenders who have received full approval and about 54 lenders who received "conditional approval."

Regulatory activities took centre stage as Africa's digital economy continues to grow

Digital Identity in Kenya

- Kenya's High Court paused the roll-out of Maisha Namba, a proposed digital ID system set to replace the failed Huduma Namba due to a lack of a data protection impact assessment.

Open Banking Guidelines in Nigeria

- Nigeria became the first country in Africa to adopt open banking regulations, to encourage innovation in the country's banking industry.
- The operational guidelines provide rules for how banks and third-party financial institutions will use customer data. The regulation also provides responsibilities and expectations for the various participants (the banks, third-party financial institutions, and customers) and ensures consistency and security across the open banking system.
- An outline of minimum requirements for participants is also provided, which stipulates safeguards for financial system stability.

Egypt's fintech regulatory expansion

- In July, Egypt's central bank issued rules for licensing, registering, controlling, and supervising digital banks. In a similar vein, the Financial Regulatory Authority issued new rules for the use of financial technology (fintech) in the non-banking financial sector, which concern e-payment companies.

Anti Competitive Practices in South Africa

- South Africa's competition commission released its Online Intermediation Platforms Market Inquiry (OIPMI) final report: a culmination of almost two years of investigations into local and international business-to-consumer (B2C) online platform markets and identifies features that adversely affect competition in these markets.
- The platforms required to implement remedial actions are leading platforms such as Google, Booking.com, Takealot, Apple, Uber Eats, Mr D Food, Property24, Private Property, AutoTrader, and Cars.co.za.

Regulatory activities took centre stage as Africa's digital economy continues to grow

- Other businesses include national restaurant chains, Bolt Food, and Prop Data.
- Remedial actions include: Google providing a South African badge and search filter to aid consumer support for SA platforms and introducing a new platform sites unit to display smaller SA platforms relevant to the search, along with training and R180m in advertising credits.
- Booking.com is required to remove the restrictive pricing clauses from its contracts while Takealot is to segregate its retail division from its marketplace operations. This will prevent the latter's retail services from accessing seller data and unilaterally stopping sellers from competing for certain brands.
- Uber Eats and Mr D Food are required to inform consumers that they charge restaurants a commission fee. Additionally, they are expected to communicate that menu items may be priced differently to takeaway menus, and that restaurant chains may not unreasonably restrict the choice of food delivery service by franchisees.
- Property classifieds are required to put in place the ability of estate agencies to share their listings with other classifieds. Property24, AutoTrader, and Cars.co.za are also required to substantially reduce the price of listings to small and medium independent agencies and dealers.
- Additionally, Google Play and Apple App stores are to stop preventing apps from directing consumers to pay on the app's website and to ensure continued free use by consumers of content purchased from that website, along with local app curation.

Ghana restricts remittance operations

- In November, Ghana's Central Bank [restricted](#) 8 money transfer organisations (MTOs) from offering remittance services without regulatory approval.
- These companies include [LemFi](#), Wise, Transfer Go, PayPal's Xoom, SendValu, Boss Revolution, Aza Finance, and Supersonicz.

Regulatory activities took centre stage as Africa's digital economy continues to grow

- Section 3.1 of [Ghana's Foreign Exchange Act, 2006 \(Act 723\)](#) prohibits dealing in foreign exchange without a licence. According to Section 29.1 of the Act, operating without a licence attracts a fine "of not more than seven hundred penalty units or a term of imprisonment of not more than eighteen months or both."

Data Protection and NITDA Act in Nigeria

- In June 2023, President Bola Tinubu signed the Nigeria Data Protection Bill 2023 into law. The new law **provides a legal framework for protecting and regulating personal information** in the country. Data protection remains a contentious issue in Nigeria where personal data is collected with no assurance of protection.
- In April, the Senate Committee on ICT and Cybersecurity [recommended](#) that the Senate pass the new National Information Technology Development Agency (NITDA) Act.

Kenya's Regulatory drive

- In April, President William Ruto [reversed a rule](#) that previously mandated that foreign companies must have at least 30% Kenyan ownership to operate in the country.
- In May, the Kenyan government [launched a unified QR code system](#) to deepen financial interoperability. The Kenya Quick Response Code Standard 2023, or the "KE-QR Code Standard 2023", will offer all payment service providers regulated by the Central Bank of Kenya (CBK) the ability to process payments using QR codes, boosting its impressive [financial inclusion rate](#) in the process.
- To increase government revenue, the country signed its new [Finance Bill](#) into law which took effect from July 1. Content creators, for example, will not have to pay a 1.5% tax for any form of payment they receive—including sponsorship, or earnings. There's also a 3% tax on the transfer of any digital assets—crypto and digital lenders will remit a 20% excise duty on each loan interest that they charge.



**2024: LOOKING
AHEAD**



Bootstrapping is beneficial to resource-constrained startups

Following the funding downturn of 2023, we expect founders to weigh the options between bootstrapping and applying for funding from investors.

The latter comes with huge advantages ranging from increased credibility, faster growth, and a valuable network but can also lead to significant challenges in scaling and achieving ultimate goal of exiting the business. This risk/reward ratio increases as VC firms require a 10-times multiple, which means building the business toward a \$1 billion exit instead of a \$250 million exit.

Bootstrapping, on the other hand involves using personal savings, revenue generated from the business and scrappy resources to build the company. This comes with its own merits ranging from autonomy, sustainable growth, and a flexible growth strategy but can be a daunting challenge when building a business in capital intensive sectors/industries.

Research [shows](#) that **bootstrap financing** is a major enabler for the **growth** of resource-constrained early-stage ventures.

BOOTSTRAPPING	
PROS 	 CONS
Better efficiency with limited resources	Not possible for every business
Total ownership	Growth is gradual
Work according to your plan	Network may be slow at times
Lesser liabilities	Organic growth due to capital crunch

Source: The CodeWork

Lessons from the past

According to [S & P Global Market Intelligence](#), it is necessary that startups develop a long-term cash strategy, including investment in a professional finance team to weather the storm and create an enabling environment for long-term success. An experienced finance team is also crucial for follow on investment.

Similarly, founders may need to cut back on operations or pivot their business models. In many cases, they are agreeing to terms of funding that aren't as favorable as they once were, like higher equity stakes or lower valuations, which discourages founders from scaling up on their ideas.

Startups will need to focus on extending their runway to get through the bleak funding winter. The simplest method to [achieve](#) this is to reduce the burn rate while also producing revenue.

Investors remain bullish about innovation in Africa despite downturn

Table 4: List of Venture Capital firms that closed funding rounds in 2023

Fund Type	Activities
Specialised Climate Funds	Novastar closed a \$200 million Africa People + Planet Fund . E3 Capital and Lion's Head joined forces with their \$100 million Low Carbon Economy Fund . AfricaGoGreen added another \$47 million to the mix, and local players like Echo VC chipped in with green-focused funds. Grovest, Sasol's Venture , Gaia Energy also announced climate-focused funds.
Debut funds	Global Accelerator Norrskens 22's \$250 million debut fund , while Black Ostrich Ventures and Seedstars Capital closed their maiden Africa-focused funds. Emkan Capital debuted a new \$31 million fund for early-stage startups. Equator's \$40 million maiden fund, and Aduna Capital's \$20 million fund which focuses on under-funded regions like Northern Nigeria.
Follow on rounds	Ajim Capital, Oui Capital, Goodwell Investments and Alitheia Capital closed new funds, while Saviu Ventures neared its €32.8 million (\$35 million) goal. Flat6Labs announced a \$95 million seed fund to expand its investments to Nigeria, Ghana, Kenya, Morocco, and Senegal. Partech Africa closed its \$263 million Africa Fund II, doubling her investment caps. Knife Capital also announced the close of its \$50 million growth fund. In similar fashion, P1 Ventures, Verod-Kepple Africa Ventures , raised over 8 figures in funding.

Context:

Per the **2023 African Private Capital Industry Survey**, there was less investment in VC firms last year.

However, investment levels remain significantly higher than pre-pandemic levels.

SURVEY RESULTS



The impact of tech layoffs and founder's outlook for 2024

In 2023, over 1500 African tech workers lost their jobs as more companies braved the challenging macroeconomic conditions and follow on funding became difficult to access. Similarly 15 startups shut down operations in the course of the year.

In some instances, these startups undertook multiple layoff rounds as in the case of Cellulant, Alerzo, Chipper Cash and Twiga Foods.

These layoffs were sector agnostic and reveal the difficult terrain tech businesses face on the continent. Tables 6 and 7 show the list of startups that laid off workers and the numbers of workers.

To understand the impact of the layoffs on employees and their perception of job stability in Africa's tech ecosystem, TechCabal Insights administered a survey to 21 respondents. We also conducted a survey to gauge the pulse of founders heading into 2024.

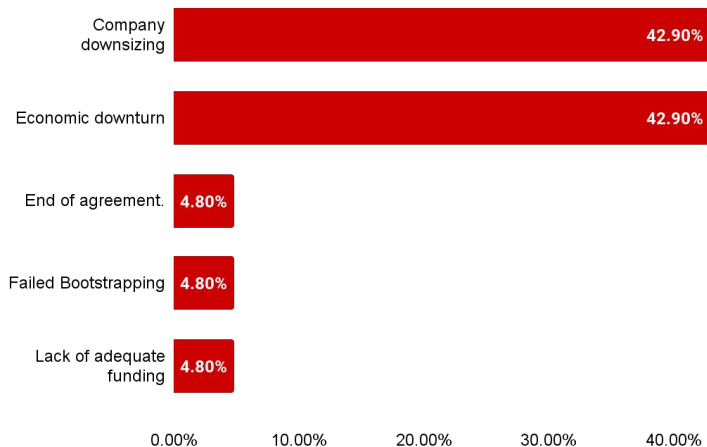
The results from both surveys are as seen in pages 31 to 33



Layoffs have huge financial and psychological implications for tech workers

Company downsizing and Economic downturn were the main reasons for layoffs

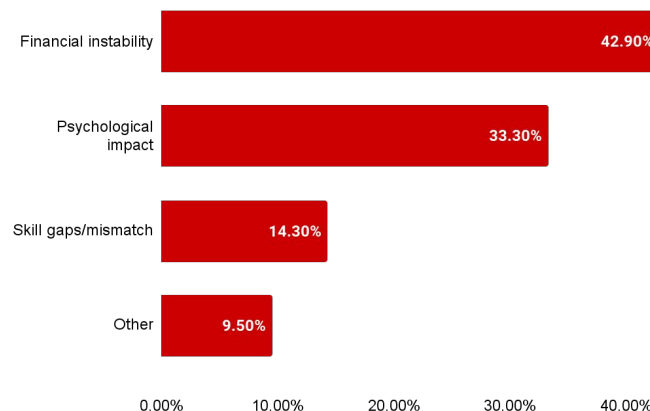
4 in 5 respondents say either factor contributed to them getting laid off



Question: What was the reason for the layoff?

Financial instability and Psychological impact are the main challenges tech workers faced post layoffs

3 in 5 respondents say those are the most challenging issues they are faced with

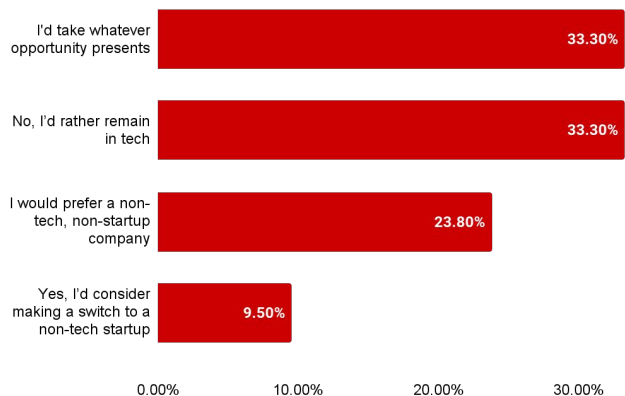


Question: What is the biggest challenge you've faced post layoff?

Tech workers maintain a healthy dose of optimism and pragmatism to navigate their future prospects

Tech workers will take available career opportunities even if they exist outside of tech

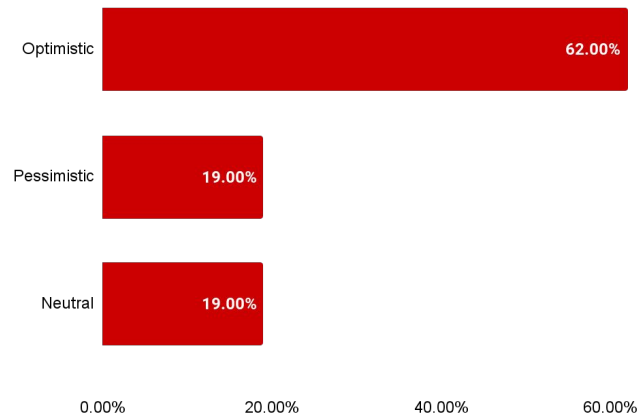
3 in 5 respondents are ready to switch industries to continue their careers



Question: Would you rather remain in a tech startup, or would you choose or a non tech, non startup firm?

Tech workers remain bullish at their chances of securing new jobs

3 in 5 respondents are optimistic about their future prospects about employment

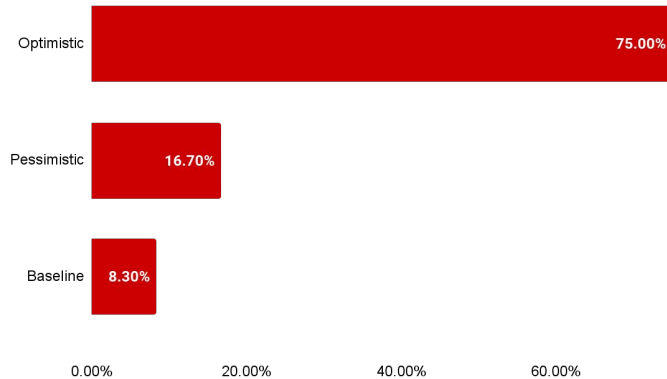


What are your expectations for future employment?

Despite a bearish 2023, founders are optimistic about the new year

Most founders have an optimistic stance on the new year

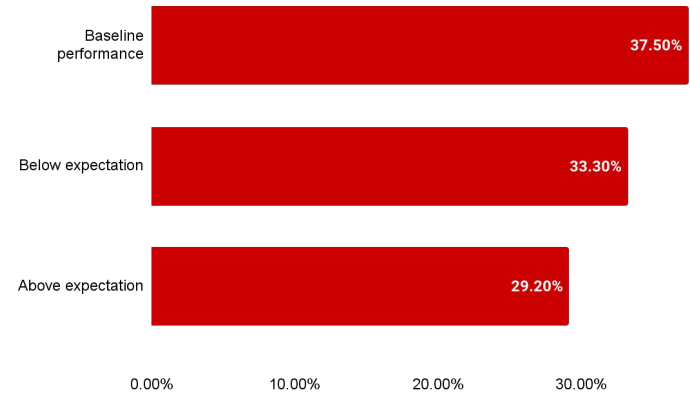
3 in 4 respondents are bullish about the new year



Question: What is your outlook on the African startup ecosystem for 2024?

Only a few founders rated 2023's performance above expectations

1 in 5 respondents evaluated 2023 as above expectation



Question: How would you evaluate the performance of the startup ecosystem in 2023?

Future Outlook

The World Bank and African development Bank pegged their 2024 growth forecast at [3.8](#) and 3.4 percent respectively. The latter had revised its previous forecast from 4.3 percent to 3.8 percent; reflecting the long term effects of COVID-19, geopolitical conflicts like the Ukraine war, and a global economic slowdown.

In the light of this, more African countries will strive to maintain macroeconomic stability amid limited resources and development needs as they continue to face frequent shocks and fragility. Against this backdrop, we expect to see high interest rates as African countries combat inflation across the continent, a mix of domestic revenue push and reforms to reduce debt and deepen growth, currency depreciation, and investment in human development focused sectors like health, education, and infrastructure.

Despite the slowdown in funding in 2023, Venture Capital firms have raised over a billion dollars in funds to be deployed to startups solving significant problems within the continent. Similarly, The United Nations Development Programme (UNDP), Rwanda, and seven other African countries [launched](#) the "timbuktoo" initiative, which seeks to invest \$1 billion over 10 years into 1000 tech startups across Africa. And support the ecosystem.

Elsewhere, government reversal of certain policies like crypto restriction is likely to spur renewed interest within the sector and the entrance of players from established markets.

While startup founders remain optimistic about the coming year based on our survey, we err on the side of cautious optimism. There will be layoffs and shutdowns across the continent as early and mid stage startups seek to return to market fundamentals.

Consolidation will continue as more founders and investors seeks viable exit options. We expect to see more business pivots as tech focused businesses grapple with low purchasing power among Africans and the need to become profitable and self sustaining. Regulatory activities will continue to increase as more governments across the continent seek to reduce the blurry lines between the digital and physical worlds.

APPENDIX



14 African startups shut down after raising 216 million dollars in funding

Table 5: List of African startups that shut down in 2023

Startup	Country	Sector	Total Investment raised pre shutdown
Lazerpay	Nigeria	Crypto	\$100k
Pivo	Nigeria	Fintech	\$2 million
Zazuu	Africa	Fintech	\$2 million
Dash	Ghana	Fintech	\$86.1 million
Okadabooks	Nigeria	Media	\$1.2 million
Vibra	Nigeria	Blockchain	\$6 million
WhereisMyTransport	South Africa	Mobility	\$22 million
54 Gene	Nigeria	Healthtech	\$45 million
Sendy	Kenya	Logistics	\$26.5 million
Pillow	Ghana, Nigeria	Crypto	\$21 million
Bundle Africa	Nigeria	Crypto	\$450k
Zumi	Kenya	E-commerce	\$970k
RedBird	Ghana	Healthtech	\$2.5 million
Hytch	Nigeria	Logistics	\$150k

Layoffs

Table 6:List of African startups that laid off workers in 2023

Month	Startup/Company	Sector	Number of workers laid off	%age
February 2023	Alerzo	Retail	400	
February 2023	Gokada	Logistics	54	
March 2023	Bolt	Logistics	17	
March 2023	54 Gene	Healthtech	10	
March 2023	OnePipe	Fintech	--	20%20%
March 2023	Chipper Cash	Fintech	50	
June 2023	Twiga	Ecommerce	211	
June 2023	Eyowo	Fintech	13	
June 2023	Smile Identity	Digital Identity	8	
June 2023	Mpharma	Healthtech	150	
June 2023	Twiga	Ecommerce	283	
July 2023	Copia Global	Ecommerce	350	25%
July 2023	Big Cabal Media	Digital Media	--	19%
August 2023	Cellulant	Fintech	--	20%
August 2023	Kippa	Fintech	40	

Layoffs

Table 7: List of African startups that laid off workers in 2023

Month	Startup	Sector	Number of staff members laid off	%age
September 2023	Alerzo	Retail	100	
October 2023	Chipper Cash	Fintech	15	
November 2023	Mara	Crypto	--	50%
November 2023	Paystack	Fintech	33	
November 2023	Medsaf	Healthtech	Entire full time staff	

Acquisitions

Table 8: List of acquisitions in African tech between January and March 2023

Acquirer	Acquired startup	Startup category	Notes
Gbarena - Egypt	Galactech - Tunisia	E-sports	A share swap deal valued at \$15 million that will expand GBarena's footprint into the North African market and the Gulf Cooperation Council at large.
BioNTech - Germany	Instadeep - Tunisia	AI	The biggest startup acquisition in African tech valued at \$682 million
FairMoney - Nigeria	PayForce - Nigeria	Fintech	The deal is valued between \$15- 20 million
Blockfinex - UAE	Fluidcoin - Nigeria	Crypto	Nigeria's first crypto acquisition
Kwara - Kenya	IRNET Coop Kenya	Fintech	The deal that will see Kwara offer its banking software solutions and mobile banking channels to rapidly increase growth and profitability of SACCOs in Kenya.
Andela - USA	Qualified - Pan Africa	Tech outsourcing	It will expand Andela's community by adding more than 3.6M engineering users via Codewars , an online community powered by Qualified that enables technical talent to compete and improve their practical coding skills in gamified challenges.
Liquid Intelligent Technologies - Nigeria	CysevMEA - Egypt	Cloud/Cyber Security	The acquisition allows the Liquid Intelligent to expand its cloud and cyber security products to the Egyptian market.
Ignite Power-Rwanda	Pawame-Kenya	Energy	The acquisition will help Ignite Power expand to Kenya and grow its ability to provide affordable and sustainable energy solutions.
Sun King-Kenya	PayGo energy	Energy	The acquisition saw PayGo Energy's 40-person team join Sun King as part of its plan to produce clean cooking products that LPG, solar energy, electrical grids, and other energy sources can drive.
Fin-South Africa	Thuthukani-South Africa	Fintech	Integrated Thuthukani as Fin Home Loans; an additional product

Acquisitions

Table 9: List of startup acquisitions between April and June 2023

Acquirer	Acquired startup	Startup category	Notes
AutoCheck-Nigeria	AutoTager-Egypt	Mobility	Autocheck's fourth acquisition in three years and a market entry strategy into Egypt.
VerifyMe-Nigeria	Approve-Ghana	Identity Verification	A cash-and-stock deal "not more than \$20 million," with a large chunk of it as stock.
Shara	Maisha Microfinance	Fintech	The acquisition is a controlling stake of 55.8% in Maisha Microfinance Bank Limited (Maisha MFB).
Infinite Partners	E4-South Africa	Fintech	Acquisition deal was valued at \$52 million.
Safaricom and Vodacom	M-Pesa Holdings	Fintech	Acquisition was executed through a newly-created joint venture
Equiti Group- UAE	Cloud Invest-Morocco	Fintech	The acquisition will help Equiti expand into the digital payment space, and bring in new revenue streams.
Rology- Egypt	Arkan United-Saudi	Health-tech	This acquisition is a market entry strategy into Saudi Arabia for Rology
TFK-Egypt	Opio-Egypt	Fashion	The acquisition of Opio will leverage its D2C expertise and help to expand TFK's marketplace infrastructure.
Medius-Sweden	Expensya-Tunisia	SAAS	The acquisition will complement Medius's strengths in payments, procurement, sourcing, contracts and supplier onboarding.

Acquisitions

Table 10: List of acquisitions in African tech between July and September 2023

Acquirer	Acquired startup	Startup category	Comments
Grinta-Egypt	AutoCure-Egypt	Health	It's Grinta's third acquisition in two years. It had acquired PH Store, a B2B marketplace for pharmaceutical products, and EME, a software development company.
Moniepoint-Nigeria	Kopo Kopo-Kenya	Fintech	A 100% acquisition of Kopo Kopo Inc's shares and a strategic expansion play into Kenya.
WhogoHost-Nigeria	SendChamp-Nigeria	Cloud	The acquisition combines cash and equity, and is part of WhoGoHost's strategic plans to deepen its value offering for its customer base.
Turaco-Kenya	MicroEnsure-Ghana	Fintech	An expansion strategy into Ghana, increasing its presence to four markets across the continent
Risevest-Nigeria	Chaka-Nigeria	Fintech	Both companies will continue to work on their product roadmaps and collaborate to improve products.
Mastercard	MTN Momo	Fintech	The acquisition is a minority stake in the fintech business of MTN Group Ltd.
Asaak- Uganda	Flex Club-Mexico	Fintech	The acquisition will allow Asaak to build on its credit ecosystem by collaborating with the FlexClub Mexico to launch creative financial solutions specifically for the Latin American region.

Acquisitions

Table 11: List of acquisitions in African tech between October and December 2023

Acquirer	Acquired startup	Startup category	Notes
Gozem	Moneex-Benin	Fintech	Gozem's super app ambitions will be strengthened by this acquisition of Moneex and will allow it to add financial services to its list of offerings
Bitmama-Nigeria	Payday-Kenya	Fintech	The acquisition will give PayDay investors \$1 million worth of equity in the crypto company at a \$30 million valuation .
WriteSea-Kenya	CoverAI-Ghana	AI	Five-figure deal
Neighbourgood	LocalKnowledge	Traveltech	Acquisition is worth \$1.5 million in cash and equity and is crucial to Neighbourgood's launch of a mobile app that recommends activities and tours to users.

Methodology

This report does not claim to be exhaustive. Our goal is to provide a practical picture of the state of the Africa Tech ecosystem and how it has evolved over a given period.

Scope: We report on expansions, acquisitions, and fundraising for African tech and digital start-ups, specifically venture capital equity and debt deals above \$100K.

FUNDING

Our numbers only include equity or debt rounds that amount to at least \$100k. We cover, angel investments that fall within that range, seed to growth stage equity & debt rounds. We only cover African startups. We define these as start-ups whose primary market is in Africa. We do not cover exits as funding deals as they are grouped under acquisitions.

Example:

BioNTech's [acquisition](#) of Tunisian AI startup InstaDeep for £582 million isn't classified as funding.

We also include grants, awards, and prizes if they meet the \$100k benchmark

Example:

Three African agri-tech startups – ThriveAgric, Nigeria, Kenya's DigiCow, and Botswana-based Brastorne Enterprises [secured](#) shares of \$1.5 million in grant funding and access to expert advisors after winning the AYuTe Africa Challenge.

In this report, we report fully disclosed deals and do not report confidential data.

- Fully disclosed: these rounds are announced publicly in the media. The details of the round (Series, round size, investors) are also disclosed.

Mergers and Acquisitions

We only report fully disclosed acquisitions with an emphasis on the acquired startups operational in Africa.

Expansions

Only publicly disclosed expansion moves of startups are captured in the report. They are disclosed in major tech publications across the continent or company websites/social media pages.

State of Tech in Africa Q4 2023

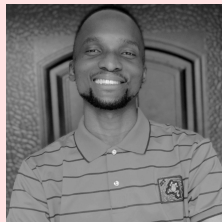
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About TechCabal Insights

[TechCabal Insights](#) is an Africa-focused digital economy consultancy that leverages data, experience, and our deep network to help big tech companies, local tech companies, startups, investors, and other players in the ecosystem on and off the continent to answer specific questions and implement key interventions.

Our sector-specific reports provide insight into the key players, business trends, customer clusters, regulatory issues, and problem-solving opportunities in each tech sub-sector. Additionally, we conduct both primary and desk research to create custom reports to answer specific client questions about the African tech industry.

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