

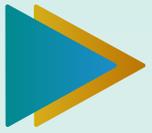


# Venture Capital in Africa Report

FEBRUARY 2026

# 2025





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# 2025 Key Facts

## MARKET SIZE

**US\$3.9bn**

across **506 deals**, including a standout US\$1.8 billion of venture debt

## DEAL SIZE

**US\$4.0mn**

median venture capital deal size, which rises to **US\$5.8 million** for venture debt

## FUNDRAISING

**US\$107mn**

was the total **value of venture capital funds** that reached a final close in 2025, a decrease of 86% YoY

## MEGADEALS

**8**

megadeals with a cumulative **US\$1.3 billion** raised

## FIRST TIME FUNDING



Startups raising their **first round of financing** accounted for **26%** of deal volume

## EXITS

**34**

VC-backed **exits** took place in 2025, with a median holding time of **3.5 years**

## SECTOR FOCUS



Financials was the most active sector by deal volume (26%) and attracted the largest share of venture deal value (39%)

## INVESTOR PARTICIPATION

**625**

**unique investors** were active in 2025, with Africa-based investors forming the largest group

## REGIONAL FOCUS



**West Africa** attracted the largest proportion of venture deal volume in Africa (24%), while **North Africa** led by deal value (20%)

## DIVERSITY



**27%** of funding recipients were startups with a **female founder or startups with gender diverse founding teams**

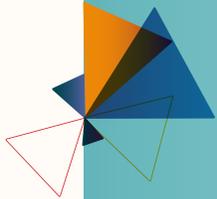
## CLIMATE FOCUS



**21%** of funding recipients were **climate-related** ventures



# Executive Summary: A Review of 2025

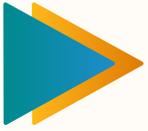


2025 will likely be remembered as a year of consolidation rather than resurgence for Africa's venture ecosystem. After two years of retrenchment, the downward slide that followed the boom years has eased, but a broad-based rebound has yet to materialise. Instead, the contours of a recalibrated market are coming into view: leaner, more selective, and increasingly shaped by new financing instruments and investor behaviour.

This seventh edition of AVCA's *Venture Capital in Africa* report captures a market that is no longer in free fall, but not yet in full recovery. Deal volumes stabilised, median deal sizes rose meaningfully, and venture debt emerged as a critical stabiliser, even as aggregate capital remained below recent historical averages. In a global context marked by uneven recovery and renewed volatility, Africa stood out not for outsized growth, but for relative resilience.

## Key Highlights from 2025

- ▶ **Stability Amid Global Contraction:** Africa closed 2025 with 506 venture deals across equity and debt (+4% YoY), standing out as the only global region where deal volumes did not decline YoY.
- ▶ **First Timers Thinned Out:** First-time fundraisers accounted for 26% of deal volume in 2025, down from 34% in 2024. The share fell further to 14% when isolated to venture debt.
- ▶ **Bigger Tickets Trended:** median venture capital deal size rose 33% YoY to US\$4.0 million in 2025, even as overall deal value remained below the three-year average.
- ▶ **Megadeals Maintained:** 8 megadeals spanning venture capital (2) and venture debt (6) closed in 2025, with a combined value of US\$1.3 billion, flat YoY.
- ▶ **Venture Debt Took the Spotlight:** venture debt was the standout feature of 2025, with 74 deals completed (+23% YoY) and total value surging 91% to US\$1.8 billion.
- ▶ **Climate Raises Its Value Share:** US\$1.5 billion (40% of deal value in 2025) went to climate-related ventures, up from US\$0.9 billion (24% of deal value in 2024).



- ▶ **Local Investors Remained Central:** A total of 625 investors were active in 2025. For the second consecutive year, African investors comprised the largest investor group.
- ▶ **Exits Regained Momentum:** Venture-backed exits rose 31% YoY to a new high of 34 exits in 2025, markedly outperforming the marginal 1% growth recorded globally.
- ▶ **Fundraising Contracted, First-time Managers Advanced:** 6 venture capital funds reached final close in 2025, raising US\$107 million. First-time managers secured three quarters of commitments, their highest share on record.

## Venture Debt Comes of Age

If one theme defined Africa's venture landscape in 2025, it was the rise of venture debt. Once peripheral, it has become an unmistakably integral part of the ecosystem. Venture debt accounted for just 15% of deal volume but assumed a striking 47% of total deal value.

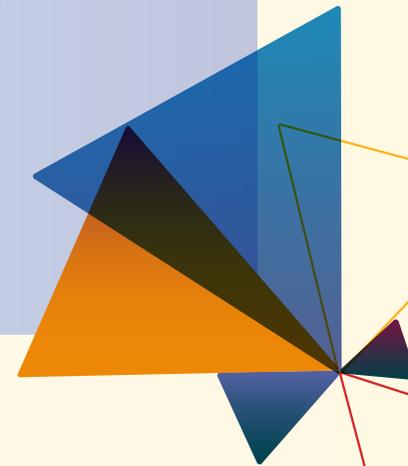
This shift did not occur overnight. Since AVCA began profiling venture debt in 2022, the asset class has grown steadily, expanding at an 8% CAGR by value. In 2025, its increased uptake provided a crucial counterweight at a time when equity funding remained constrained. Importantly, venture debt did not replace equity. Instead, it complemented it, helping to stabilise deal values and extend runways in a tighter capital environment.

## Early Stages Accelerate, Late Stage Remains Elusive

Beneath headline figures, the structure of dealmaking continues to evolve unevenly across stages. The Seed and Early Stage recorded YoY growth by both volume and value in 2025, and fundraising timelines from Seed to Series A and Series A to B continued to shorten. However, the same cannot be said at the Late Stage. Activity fell to its weakest point since 2020, with just five recorded deals in 2025. The median deal size dropped considerably to US\$55 million, down from US\$100 million in 2024. More telling still, none of the 35 startups that raised a Series B in 2023–2024 had progressed to Series C by the end of 2025.

This stagnation highlights a persistent gap. While Early Stage recycling is improving, the pathway beyond Series B remains narrow. The Late Stage drought is not merely slowing progression; it is delaying it altogether. As a result, Africa's venture pipeline continues to deepen at the base while thinning at the apex.

In 2025, venture debt increased uptake provided a crucial counterweight at a time when equity funding remained constrained.





## Exits Regain Momentum

Exit activity offered one of the year's more encouraging signals. A total of 34 venture-backed exits were recorded in 2025, representing 31% YoY growth and markedly outperforming the marginal 1% increase seen globally. Trade sales continued to dominate, accounting for 70% of exit volume and 74% of exit value.

By buyer profile, Africa's exits reflected a balanced mix of local and international participation. Between 2019 and 2025, 52% of exits involved exclusively Africa-based buyers, compared to 45% involving only international buyers. Southern Africa recorded the highest exit volume, while North Africa delivered the fastest exit outcomes, with a median time to exit of 2.2 years.

## Fundraising Contracts, Capital Reconfigures

Fundraising, by contrast, slumped. Africa-focused venture capital funds raised US\$107 million across 6 final closes in 2025, representing an 87% YoY decline. No funds reached a final close of US\$100 million or more: the first such occurrence since 2021.

Yet within this contraction, important shifts emerged. First-time fund managers captured three quarters of capital raised and corporate investors emerged as the largest contributors by LP category. The share of corporate commitments rose from just 7% in 2022–2024 to 41% in 2025. Meanwhile, Development Finance Institutions saw their share fall to 27%.

Encouragingly, Africa-based investors anchored 45% of final closed funds, reinforcing the gradual localisation of the continent's venture capital base.

## Thriving on a Global Stage

African startups continued to punch above their weight, earning international recognition and affirming their global competitiveness. These accolades are more than symbolic. They are evidence of Africa's growing influence in shaping global solutions, even amid a constrained capital environment.



African fund manager celebrated on TIME 100 Impact Awards. Fatoumata Bâ, CEO at Janngo Capital, was recognised under the **Impact in Equality** category.



African FinTech startups were named on TIME's flagship "100 Most Influential Companies" list. These were *Moniepoint* (Nigeria) in the **Leaders** category, *Flutterwave* (Nigeria) in the **Titans** category, and *Tyme Group* (South Africa) in the **Pioneers** category.

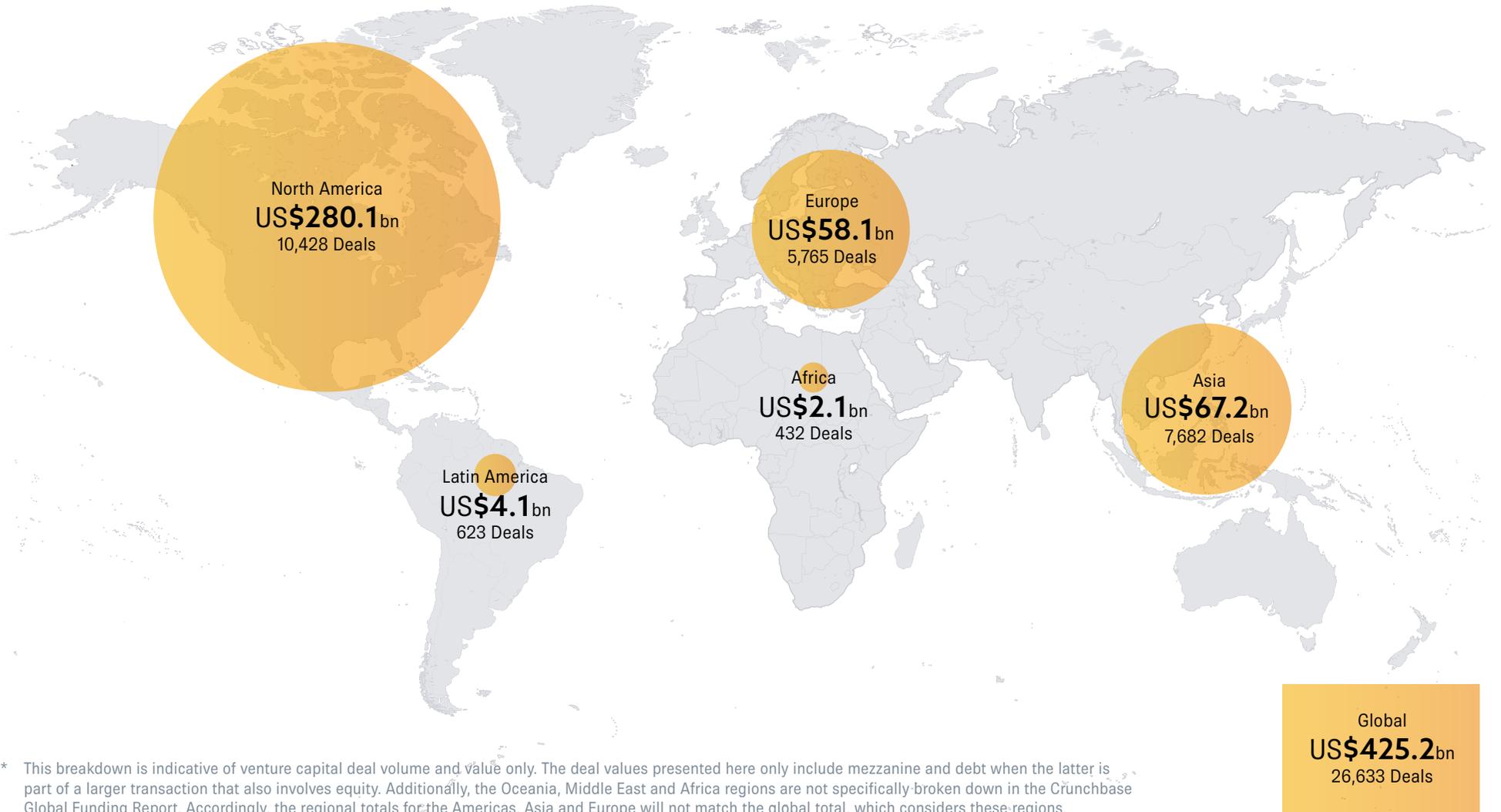


African companies including *Burn* and *BasiGo* (both Kenya), *Jetstream Africa* (Ghana) and *MNT-Halan* (Egypt) made the top 10 on **Fast Company's 2025 Most Innovative Companies** list for Europe, Middle East, and Africa.



Tech-enabled startups—*Thndr* (Egypt), *Cybervergent*, *Sabi*, *ThriveAgric* (all Nigeria), and *Numida* (Uganda)—were named on the **World Economic Forum's Technology Pioneers** list in 2025, joining a prestigious global cohort shaping the future of tech-related innovation.

## 1.1 Breakdown of Global Venture Capital in 2025



Source: AVCA, Crunchbase [2025 Global Funding Report](#)



## 1.2 Regional Comparison of Global Venture Capital

### Global Overview: Value Up, Volume Down

Global venture capital activity stood just shy of 27,000 deals in 2025, raising a combined US\$425 billion. Relative to 2024, this represents a 13% YoY decline in deal volume alongside a 30% increase in total capital invested. At face value, these headline figures suggest a strengthening venture market, with capital deployment rebounding despite moderations in dealmaking. Beneath the aggregate numbers, however, the global venture landscape was highly uneven. Growth in deal value was driven by the headlong concentration of capital into a limited opportunity set, rather than a broad-based recovery across stages, sectors, or regions.

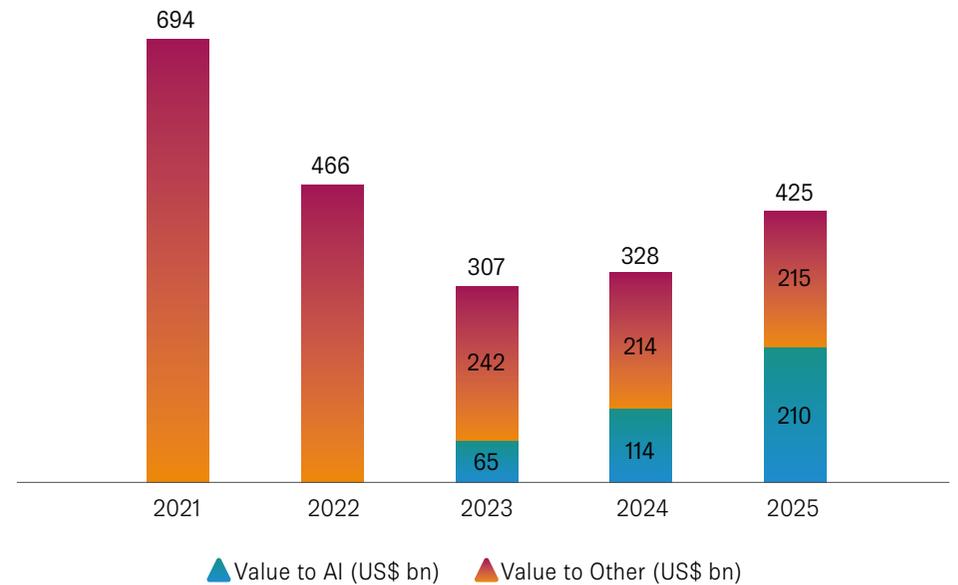
At the centre of this dynamic is continued AI exceptionalism. AI venture funding nearly doubled in 2025, reaching US\$210 billion (49% of the global total) compared to US\$114 billion (34%) the previous year. Five companies alone raised US\$84 billion<sup>1</sup>, equivalent to 20% of all venture capital deployed globally in 2025. These funding outcomes – unprecedented in their scale and concentration - materially reshape how global venture trends should be interpreted. Rather than signalling a full return to the breadth and pace of prior venture cycles, the rise in total capital reflects an increasingly AI-centric market, which continues to buoy headline figures even as deal activity remains subdued across much of the wider startup ecosystem.

### Regional Snapshots: Diverging Paths

North America dominated global venture capital in 2025, capturing 66% of total funding. The US\$280 billion invested (a four-year high) was the primary driver of global growth, as a 46% surge in capital deployment offset falling deal counts through a concentration of late-stage and megadeal activity.

Though positive, European venture capital didn't gain as much steam as global counterparts in 2025, rising 9% YoY to US\$58 billion. For the first time, AI led European investment value, followed by Health Care (23%) and Information Technology (19%). While the United Kingdom remained the region's largest market, it was the only Top-5 country not to record annual growth, as France, Germany, Netherlands, and Spain all saw uplifts.

Figure 1: Value (US\$bn) of Global Venture Capital, 2021-2025



Source: Crunchbase [2025 Global Funding Report](#)

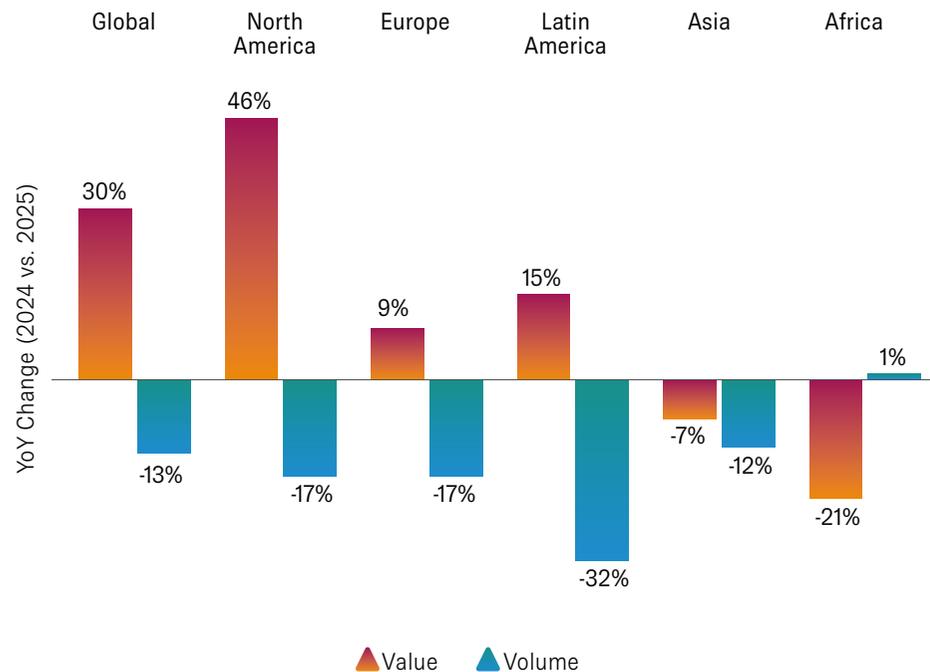




In contrast, Asia recorded its fourth consecutive year of decline, with funding dropping to a five-year low of US\$67.2 billion. Although Asia remains the world's second-largest venture market (16% global share), persistent macroeconomic and geopolitical headwinds kept investment in market leaders like China and India well below historical peaks.

In Latin America, deal value rose from US\$3.5 billion in 2024 to US\$4.1 billion in 2025, ending two years of stagnation. Early Stage activity (which reached nearly US\$2 billion) drove the recovery, supported by strong pipelines in Brazil and Mexico. Even so, the region continues to account for just 1% of global venture capital, second only to Africa.

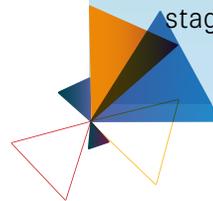
Figure 2: **Global Comparison of YoY Changes to VC Deal Volume and Value, 2025<sup>2</sup>**



Source: AVCA, Crunchbase [2025 Global Funding Report](#)

## Africa in the Global Context: Out of Step with the Rebound

Against this global backdrop, Africa stood apart as the only region to record a double-digit decline in venture capital value in 2025. Funding fell 21% YoY to US\$2.1 billion, while deal volume remained broadly flat at 432. Importantly, these figures reflect venture capital (equity) activity only and exclude venture debt, which played a materially different role in Africa's financing landscape during the year. Unlike other regions, Africa saw minimal megadeal activity during the year, which significantly constrained total capital raised. Momentum was further disrupted by a slowdown in Q3 2025, interrupting what had appeared to be a gradual recovery trajectory earlier in the year. Although activity rebounded in Q4, it proved insufficient to offset earlier declines. Moreover, while global venture markets were buoyed by Late Stage and AI-Led funding rounds, Africa remained largely excluded from this upswing. Although AI adoption continues to expand across the continent, Africa's venture ecosystem remains positioned primarily as an end-market and adopter, rather than a global centre of AI innovation attracting frontier-scale capital. In comparative terms, Africa's experience in 2025 underscores a widening divergence between capital-intensive global venture themes and early-stage, market-building ecosystems.



## 2.1 Volume of Venture Deals in Africa

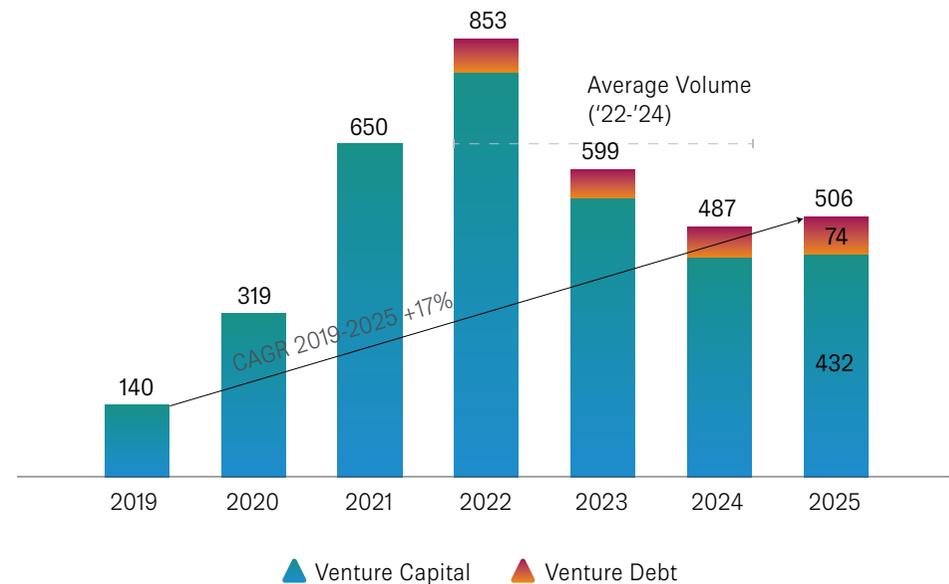


### Deal Volume Finds a Post-Reset Floor

In a year when venture deal volumes contracted across every other global market, Africa stood out for its relative stability, closing out with 506 venture deals across equity and debt (+4% YoY). This resilience should, however, be read in context. Overall dealmaking remains below the 2022–2024 historical average, signalling stabilisation rather than recovery. What has shifted is the direction of travel. Following pronounced dips in both 2023 (-30% YoY) and 2024 (-19% YoY), the downward slide of deal activity appears to have abated. Volumes have stabilised at the ~500-mark for a second consecutive year, suggesting that the market’s correction is tapering off and may be settling into a new equilibrium.

A defining feature of this new ‘post-reset floor’ is the growing role of venture debt. In 2025, venture debt assumed 15% of aggregate deal volume in Africa, up from 8% in 2022. This evolution mirrors developments in other emerging markets. In Latin America for example, venture debt gained traction during a period of tighter liquidity, but continued to expand even as venture capital dealmaking started to recover. Interestingly, the nature and approach to venture debt deployment across Africa and Latin America is almost identical. Rather than displacing equity, venture debt has been integrated alongside it, and is playing an increasingly outsized role. Africa’s experience in 2025 points to a comparable evolution: venture debt is no longer peripheral, but an integral component of the venture landscape, likely to persist as the continent’s stabilisation takes hold.

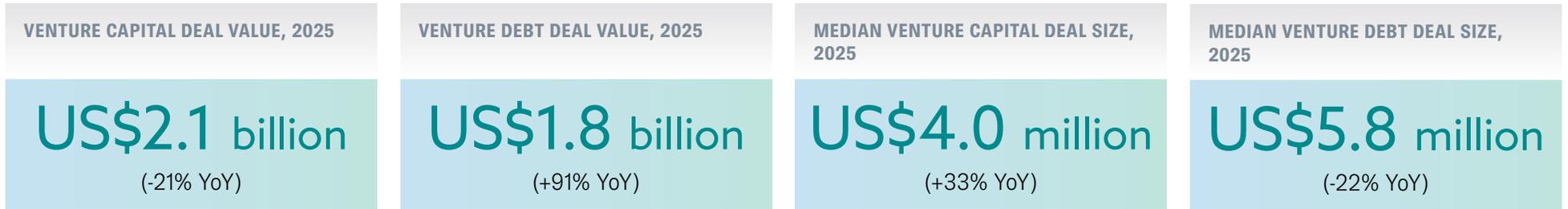
Figure 3: Venture Deal Volume in Africa, By Year



Source: AVCA



## 2.2 Value of Venture Deals in Africa



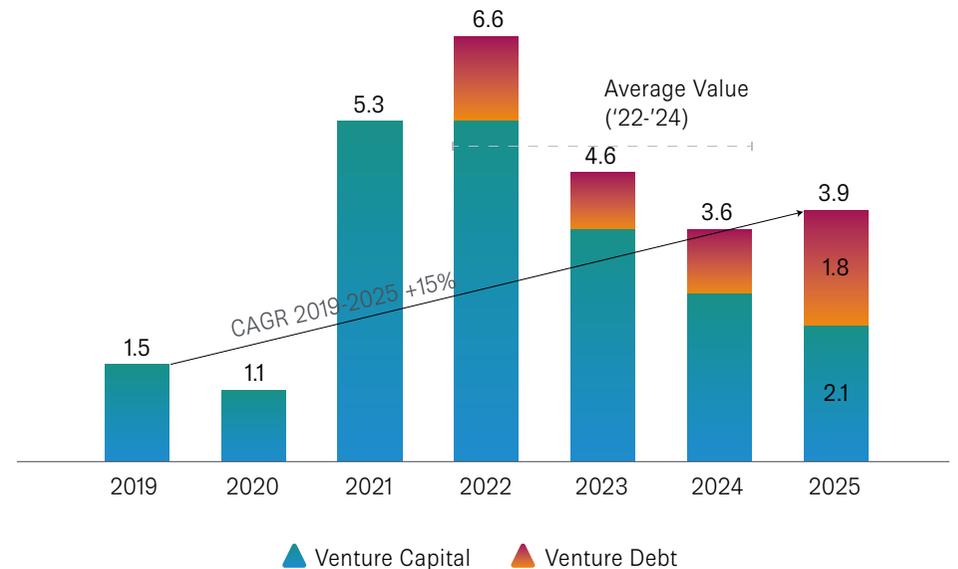
### Deal Value Shows Early Signs of Stabilisation

As deal volumes found a post-reset floor in 2025, deal values followed more cautiously. Startups across the continent raised US\$3.9 billion in 2025, split as US\$2.1 billion in venture capital and US\$1.8 billion in venture debt. While equity funding declined 21% YoY, extending a multi-year downturn, the retreat eased markedly compared to the funding winter, when annual declines approached one third. This moderation suggests that value, like volume, may be nearing the bottom of its correction cycle rather than continuing to weaken. Importantly, capital that did deploy did so with greater confidence. Median venture capital deal value increased 33% YoY to US\$4.0 million, while average deal values held steady at US\$11 million.

Venture debt once again provided the primary counterweight. Total debt nearly doubled to US\$1.8 billion, surpassing the 2024 full-year total by Q3. This growth was highly concentrated: six megadeals contributed US\$1.1 billion (60%) of all debt funding, headlined by landmark rounds in Kenya's *Sun King* and Senegal's *Wave*. As Late Stage equity remained scarce, debt has increasingly enabled founders to extend runways, finance growth, and manage dilution.

Overall, although aggregate funding still trails historical highs and the 2022-2024 average, 2025's total sits closer to the market's correction years (2023–2024, where the average was US\$4.1 billion). Together with stabilising deal volumes and the structurally expanded role of venture debt, this composition sends a consistent message: Africa's venture ecosystem is not yet rebounding, but its pulse is beginning to steady.

Figure 4: Venture Deal Value (US\$bn) in Africa, By Year



Source: AVCA

# Investment Stage Focus

## 3.1 Venture Capital Deal Activity by Stage

### Seed: A Measured Return



The Seed stage recorded 134 deals in 2025 raising a combined US\$274 million, representing 6% and 15% YoY increases in deal volume and value, respectively. This is a clear rebound from the preceding two years, during which Seed activity contracted by more than a third annually. While volumes now mirror the 2019–2021 average, the quality and scale of funding have shifted materially. Median deal size climbed to a record US\$2.2 million, more than double the pre-pandemic norm, reflecting stronger investor conviction at entry. Nigeria led Seed activity with 16% of deals, followed closely by South Africa at 15%, reinforcing the continued depth of early-stage pipelines in West and Southern Africa.

Source: AVCA

### Early Stage: Conviction Returns, Selectively



Momentum carried into the Early Stage in 2025, with 63 deals completed (up 17% YoY) while total capital deployed held broadly steady at US\$0.8 billion. Series A activity continued to anchor this segment, accounting for 52% of both Early Stage deal volume and value. By contrast, Series B financing remained more constrained. Average Series B deal size fell to US\$20 million, down from US\$34 million in 2024, perhaps reflecting tighter underwriting standards as companies progressed along the funding curve.

This selectivity is most clearly illustrated at the top end of the market. The largest Early Stage deals of 2025 were the US\$75 million Series A for Egyptian PropTech startup *Nawy Scientific* as well as the US\$55 million Series B for South African payments infrastructure provider *Stitch*. Alongside these outsized funding rounds, median Early Stage deal size rose to US\$11.0 million, reinforcing the view that capital is being deployed more decisively where execution strength and operational resilience are evident.

Source: AVCA



## Late Stage: A Thinning Apex



Late Stage venture activity continued to retreat in 2025, falling to its lowest level since 2020. With only five deals recorded throughout the year, the segment raised a combined US\$344 million. This represents a 29% decline in deal volume and a significant 58% drop in deal value compared to 2024. The Late Stage was characterised by a prolonged period of inertia, seeing just one deal in each of the first two quarters before a modest uptick in Q4. While Series C rounds largely defined the landscape, the year was punctuated by a single outlier: *M-KOPA's* US\$166 million Series F, one of only two equity megadeals in 2025. Beyond this exception, later-stage capital remained strikingly scarce. This persistent thinning of the topmost layer of the venture continuum underscores a structural constraint. Even as Africa's venture base rebuilds, the lack of capital for mature startups to scale or reach exits continues to delay the liquidity recycling necessary to fuel a truly mature market.

Source: AVCA

## Venture Debt: From Complement to Cornerstone



Venture debt emerged as the most dynamic segment of the African ecosystem in 2025, closing the year with 74 deals (+23% YoY) totalling US\$1.8 billion (+91% YoY). This expansion mirrors the global rise of venture debt, which grew a 14% CAGR between 2018 and 2024<sup>3</sup>. While most recipients were repeat fundraisers, 14% of venture debt borrowers accessed institutional capital for the first time, using debt to scale operations or expand product offerings. In Cameroon, *First African Company* deployed a €2 million concessional loan to scale production, while Egypt's *Olive Finance* utilised an EGP 30 million facility to expand its digital factoring solutions. By contrast, more mature startups increasingly used debt to finance geographic expansion. Ghanaian FinTech *Zeepay* raised US\$18 million in senior secured debt to strengthen working capital and accelerate its pan-African footprint.

A parallel and increasingly important development has been the rise of local currency venture debt, led primarily by Egypt through securitisation structures. Notable examples include *MNT-Halan's* EGP 3.4 billion and *Valu's* EGP 1.1 billion issuances, both completed in October 2025. These structures offer a distinct competitive advantage: they provide access to large, repeatable tranches of capital, enabling startups to scale more predictably and outpace competitors without the dilution associated with equity rounds. In a constrained venture capital environment, venture debt has shifted from a tactical complement to a core pillar of startup financing.

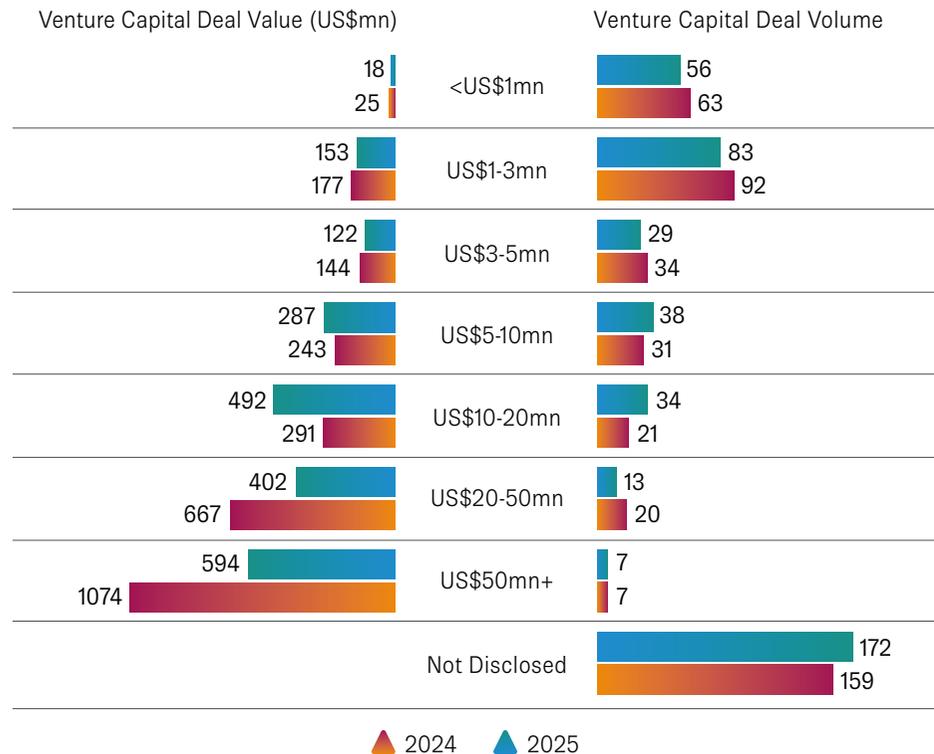
Source: AVCA



### 3.2 Venture Deal Activity by Ticket Size

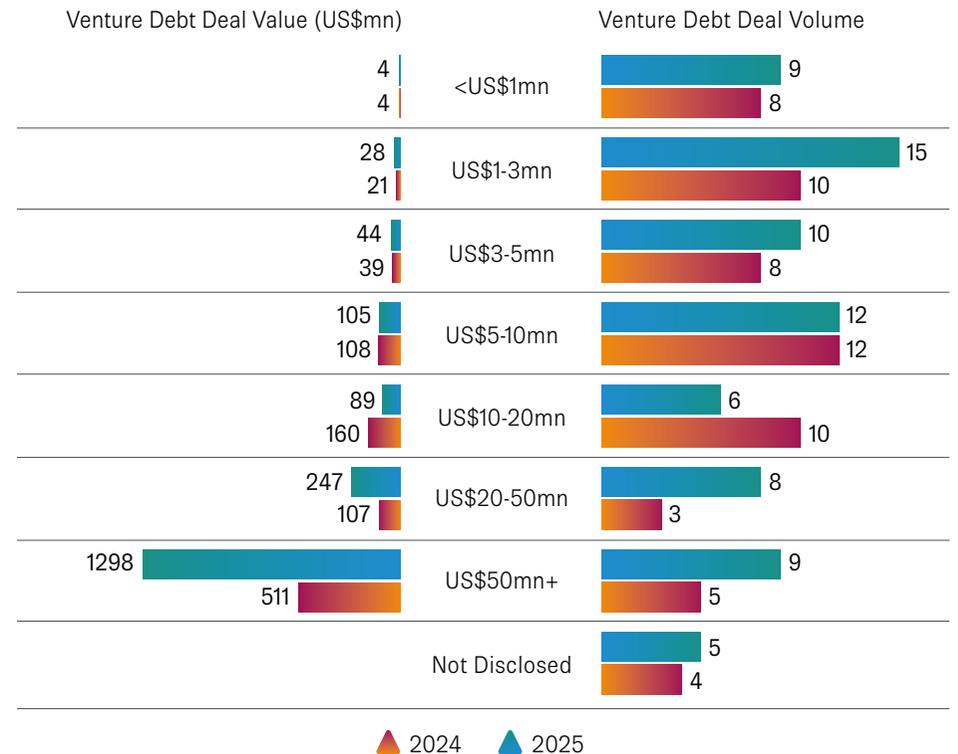
Venture capital deployment re-centred toward mid-sized rounds in 2025, with growth concentrated in the US\$5–20 million range. This shift was spearheaded by a clear expansion in US\$10–20 million deals, which increased markedly year on year and lifted the segment’s total value from US\$291 million to US\$492 million. The US\$5–10 million bracket also hit its stride, with both deal activity and capital deployed increasing. Together, these mid-market segments accounted for 17% of total venture capital value in 2025, up 9 percentage points from the previous year. By contrast, larger rounds remained subdued. Activity in the US\$20–50 million range declined, while US\$50 million+ deal count held steady but contributed materially less capital than in 2024. The resulting distribution points to an ecosystem growing through a greater volume of mid-sized funding rounds, rather than a reliance on a small number of megadeals.

Figure 5: Distribution of Venture Capital Deal Volume and Value by Ticket Size, 2024-2025



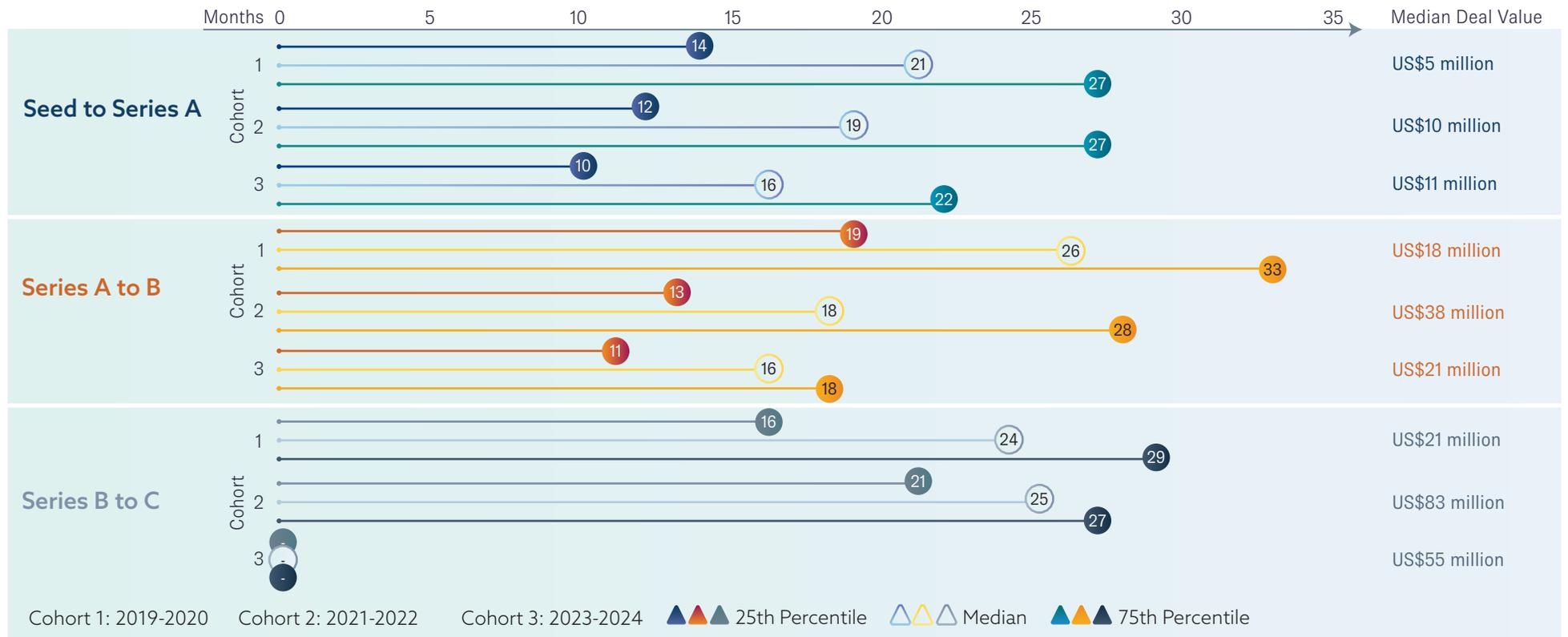
Venture debt skewed decisively toward larger ticket sizes in 2025, as capital deployment concentrated at the upper end of the market. Growth was driven by a surge in the US\$50 million+ category, which accounted for over 70% of total venture debt value and lifted aggregate deployment to US\$1.3 billion. The US\$20–50 million range also saw a notable uplift, with value more than doubling to US\$247 million, signalling greater lender comfort with larger, growth-oriented facilities. In their place, smaller tickets lost ground. The US\$10–20 million segment declined to 8% of deal volume and less than 5% of deal value, down from 17% across both metrics in 2024. The distribution of venture debt in Africa shows an asset class that is not only scaling in aggregate, but increasingly shaped by megadeal activity. Whether this concentration becomes a recurring feature or remains unique to 2025 remains to be seen, as venture debt continues to mature across the continent.

Figure 6: Distribution of Venture Debt Deal Volume and Value by Ticket Size, 2024-2025





### 3.3 Fundraising Timelines



The transition from Seed to Series A is not only becoming faster, but also smoother and more predictable. Fewer founders are experiencing prolonged fundraising cycles before reaching Series A, with timelines tightening at both the median and upper end of the distribution. Investors appear more decisive at this early inflection point, moving capital forward more quickly for startups that reach defined milestones, demonstrate product-market fit, or show clear traction. As a result, drawn-out Seed to Series A journeys are becoming less common, signalling a more efficient progression through the earliest phase of the venture lifecycle.

Investor decisiveness is even more apparent at the Series A to Series B juncture. The time taken to progress between these rounds has shortened meaningfully, with startups in Cohort 3 raising their Series B close to one year faster than those in Cohort 1. Dispersion within cohorts has also narrowed, with fundraising outcomes clustering into much tighter windows (11–18 months, compared with 19–33 months). Together, these shifts suggest

increasingly binary outcomes at Series B. Companies that demonstrate readiness to scale move through the funnel more quickly, while those that don't, may struggle to secure timely follow-on capital.

This momentum does not extend to the transition from Series B to Series C, however. Progression at this stage remains slow, with timelines showing little improvement across cohorts. Where earlier stages have shortened, the step up to Series C continues to take roughly two years. This reflects the greater capital intensity, investor scrutiny, and risk concentration associated with funding at this stage. More tellingly, none of the startups that raised a Series B in Cohort 3 have yet advanced to Series C. This absence signals more than a simple timing delay; it points to the continued retreat of late-stage capital from the ecosystem. The result is a thinning apex: while deal flow is improving at the base of the pyramid, the pathway to later and larger rounds remains narrow.

# Geographic Focus

## 4.1 Venture Deal Activity by Region

### REGIONAL PROFILE: WEST AFRICA

**West Africa: Key Facts 2025**

**DEAL ACTIVITY**  
121 deals with a total reported value of **US\$547 million**

**VALUE PROFILE**  
**US\$3.0 million** Median  
**US\$8.7 million** Average

**1<sup>st</sup>**  
Rank in Africa (Volume)

**4<sup>th</sup>**  
Rank in Africa (Value)

**TOP INVESTMENT STAGE**  
**Seed**  
57% of deal volume

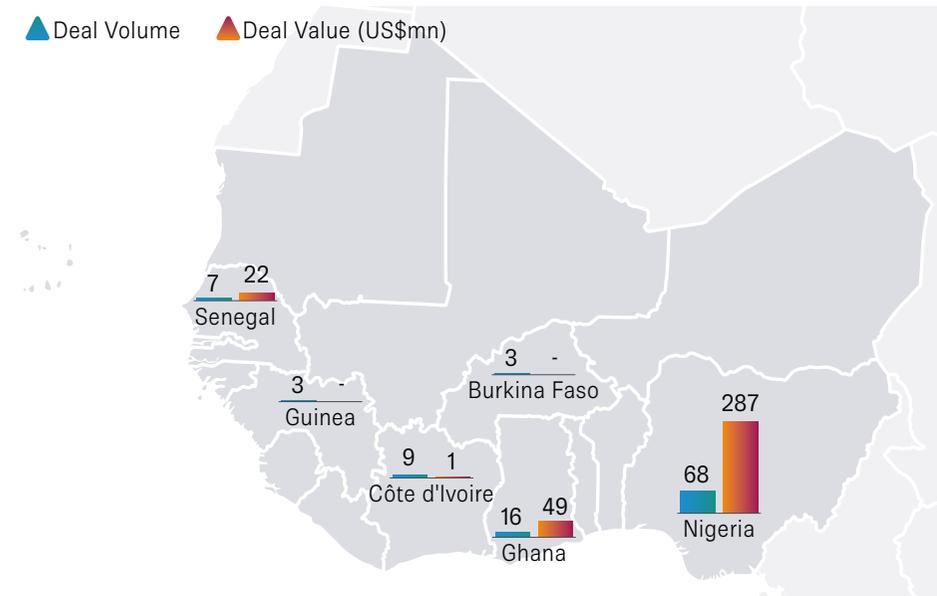
**TOP INVESTMENT SECTOR**  
**Financials**  
30% of deal volume

**TECH PENETRATION**  
**80%** of capital recipients were tech or tech-enabled companies

**GENDER PROFILE**  
**26%** of capital recipients were female (co)founded companies

**MEGADEALS:**  
**1**

### Volume and Value of Venture Deals in West Africa, 2025

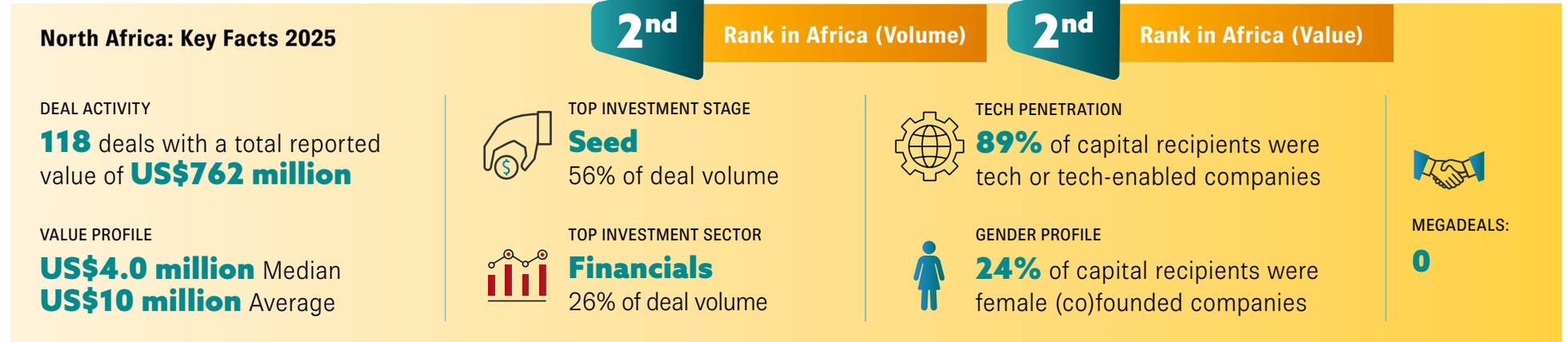


West Africa maintained its position as Africa's most active venture hub in 2025. This occurred even as Nigeria, the region's historical powerhouse, moved to second place by deal volume and fourth by deal value in the country-level rankings. The region collectively raised just over US\$500 million with a median deal size of US\$3.0 million, the lowest on the continent outside of Central Africa. This combination of high activity but smaller ticket sizes contextualises West Africa's gradual descent to fourth overall by deal value, alongside ongoing constraints such as currency volatility and heightened competition from other increasingly competitive startup ecosystems. Venture debt was a significant factor in West Africa's mix, contributing 30% of deal volume and 54% of total value.

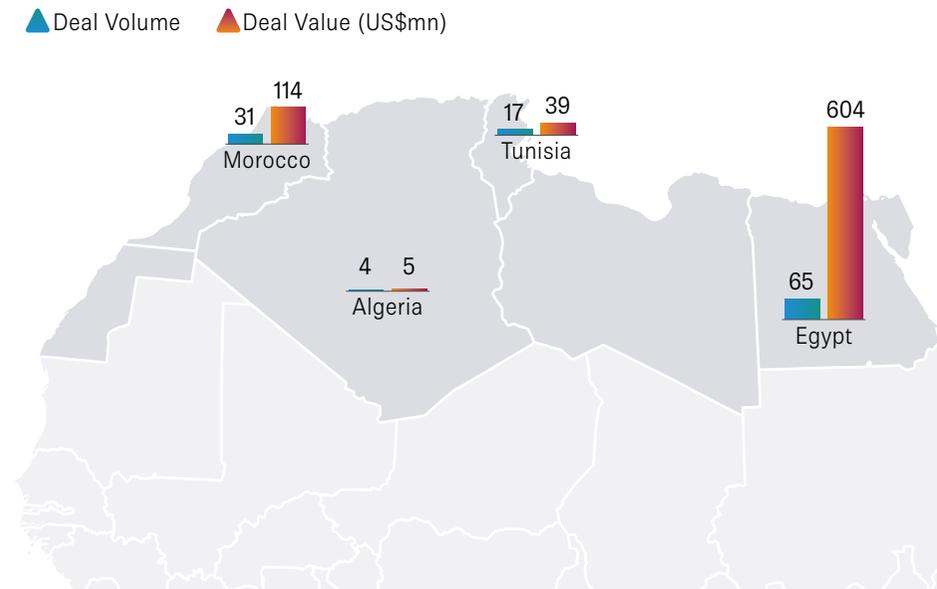
Sectoral distribution remained notably diverse: Financials accounted for 30% of deals, followed by Consumer Staples at 16% and Industrials at 13%. Within the Financials sector, deal flow extended beyond traditional services into digitally enabled banks. Major deals included *LemFi's* US\$53 million Series B, while newer entrants like Ghana's *Affinity* and Nigeria's *StraitPay* secured seed funding of US\$8 million and US\$1.35 million, respectively. This pipeline development coincided with the November 2025 launch of Nigeria's National Payment Stack, a unified infrastructure designed to enhance interoperability<sup>4</sup>. Activity was also more geographically dispersed, moving away from the region's two traditional poles. Nigeria and Ghana together accounted for 73% of regional deal volume and 63% of deal value in 2025, down from 78% and 89% respectively the year before.



## REGIONAL PROFILE: NORTH AFRICA



### Volume and Value of Venture Deals in North Africa, 2025



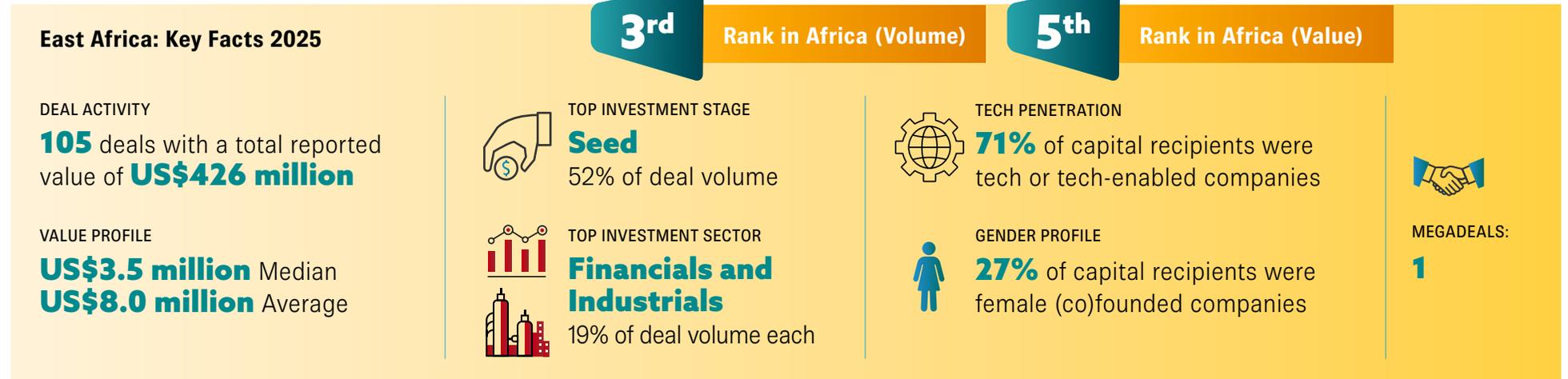
North Africa delivered one of the strongest regional performances in 2025, raising US\$762 million across 118 deals. Deal volume increased by a modest 7% YoY, while deal value rose by over a third, despite the absence of megadeal activity. The region also maintained Africa's highest level of tech penetration, with nearly nine in ten funded startups operating in tech or tech-enabled verticals. FinTech led activity at 28% of deal volume, followed by AI at 23% and E-Commerce at 12%.

Egypt remained the backbone market, serving as a bilateral gateway between Africa and the Gulf. Cross-border dynamics were evident, including for Darwinz AI, founded in Egypt and now headquartered in Saudi Arabia, which raised a US\$325,000 seed round in June. Another example is Dubai-based electronics marketplace Revibe, which secured a US\$17 million Series A to expand its operations in Egypt. This activity coincided with policy reforms aimed at strengthening the startup ecosystem, including the rollout of the Egypt Startup Charter<sup>5</sup>, which introduced a unified legal definition of a startup and committed EGP 50 billion to early-stage financing over the next five years.

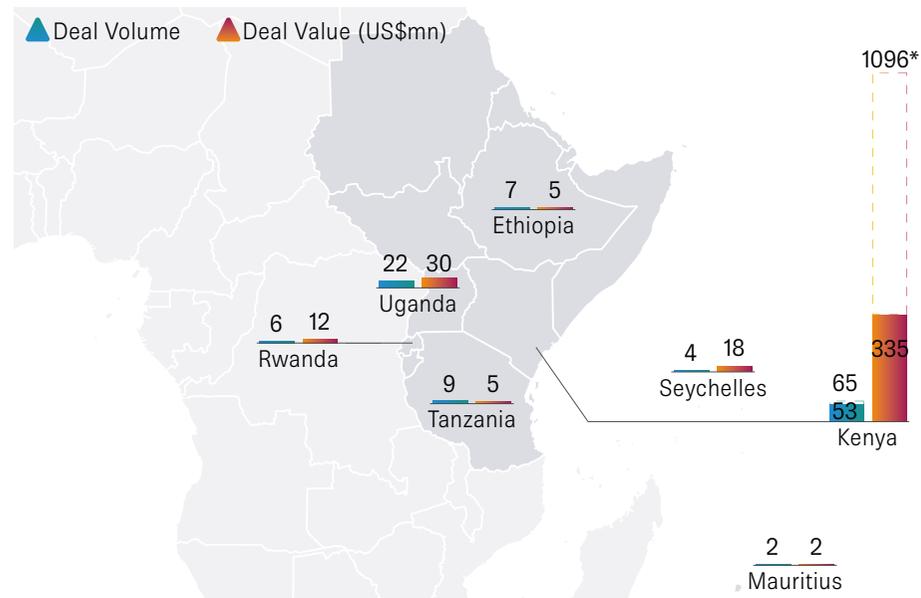
Morocco was another key contributor, recording 31 deals in 2025, up from 24 in 2024 and matching its historical high set in 2022. FinTech, E-Commerce (a US\$12 million Series A for *Chari*) and Cybersecurity (a US\$3.5 million investment *Nucleon Security*) underpinned activity in Morocco, contributing to a more diversified regional deal profile.



## REGIONAL PROFILE: EAST AFRICA



### Volume and Value of Venture Deals in East Africa, 2025



\* Total value if startups headquartered in Kenya, but with multi-region operations, were added to the country's total.

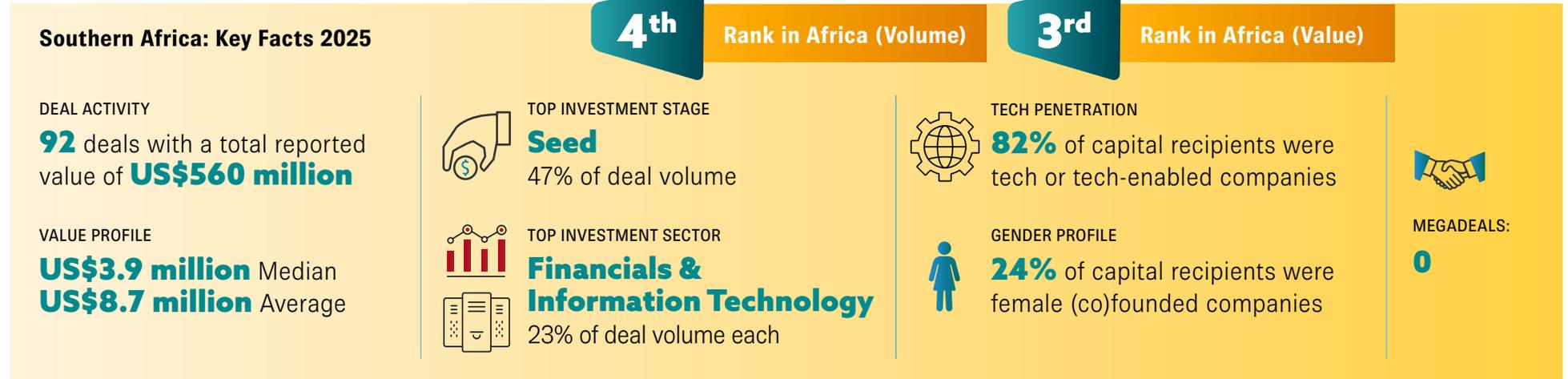
East Africa ranked third on the continent by deal volume in 2025 but fell to fifth place by deal value, a position that masks the region's substantial cross-border and venture debt activity. Several startups headquartered in Kenya, but with multi-region operations, raised significant capital. Examples include *Burn Manufacturing*, which raised a collective US\$90 million of venture debt, US\$100 million for electric mobility company *Spiro*, and off-grid solar providers *d.Light* and *Sun King*, which expanded receivables and debt financing by US\$300 million and US\$156 million respectively. Collectively, these and more would have added US\$761 million to Kenya's total for the year if attributed solely within the region, placing it well ahead of its peers.

Focusing only on deals rooted (i.e. headquartered and operating) squarely in East Africa, venture debt emerged as the defining feature of the ecosystem. It accounted for nearly one-third of deal volume and more than two-thirds of deal value, making East Africa the most active region on the continent for venture debt and the only one where it eclipsed equity funding in 2025.

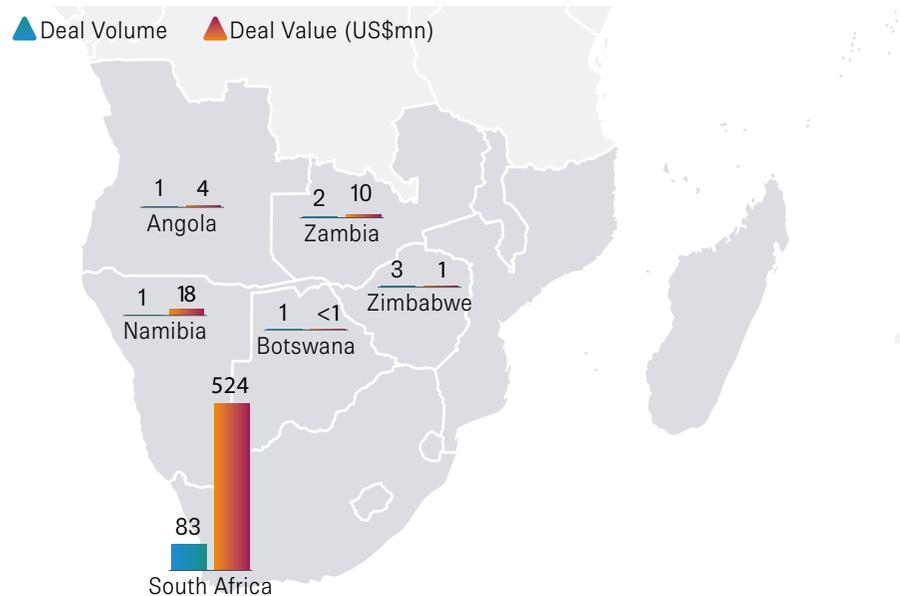
East Africa remained Africa's most geographically diverse, with investment activity spread across seven countries. Kenya, Uganda, and Tanzania led dealflow, while Ethiopia staged a notable rebound, recording 7 deals in 2025 after an atypical low of just 1 deal in 2024. Examples include a US\$5mn seed round for authentication platform *Better Auth* and the same for e-commerce platform *Tina Mart*. Tanzania also held steady with 7 deals, maintaining momentum despite political unrest toward the end of the year.



## REGIONAL PROFILE: SOUTHERN AFRICA



### Volume and Value of Venture Deals in Southern Africa, 2025



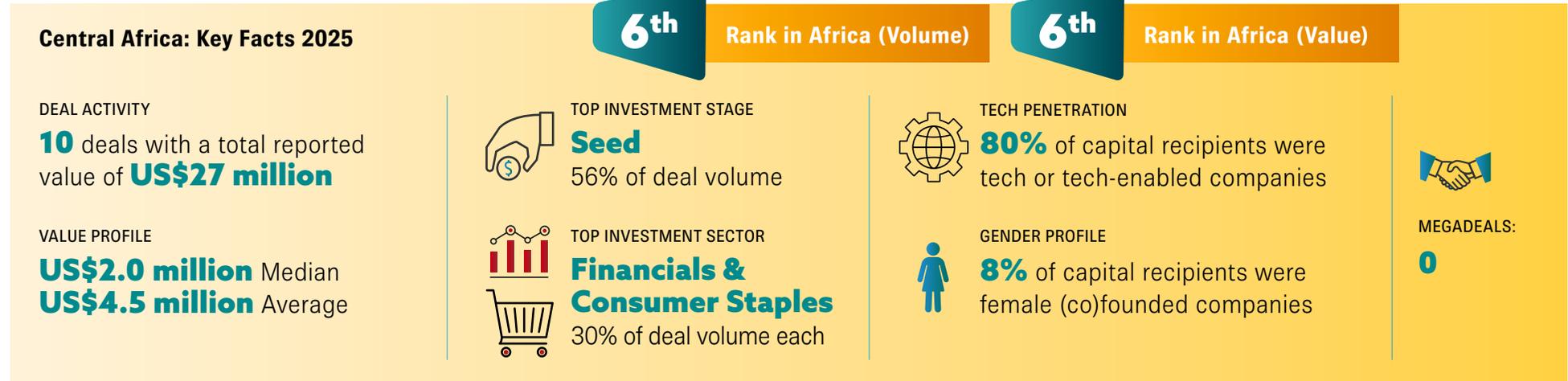
Southern Africa staged a partial recovery in 2025, with deal volume rising 18% YoY to stand at 92. Conversely, deal value declined by 26% to US\$560 million, reflecting the absence of megadeals that inflated regional totals by approximately US\$350 million in 2024. Despite lower headline values, Southern Africa maintained the second highest median deal value on the continent, indicating sustained investor focus on deal quality.

South Africa remained the clear anchor of the regional ecosystem, accounting for 90% of total deal volume in 2025. This compares with an average of 54% assumed by the remaining 'Big 4' in their respective regions, making Southern Africa the most polarised in Africa. While the Seed stage commands the largest share of deal volume both regionally and continentally, the Early Stage was a close second. Early Stage deals accounted for 36% of Southern Africa's deal volume and 54% of its value, the highest penetration of any region. Uncharacteristically, Southern Africa recorded no Late Stage deals in 2025, with only 1 deal in the US\$50 million+ category, down from 3 such deals the year before.

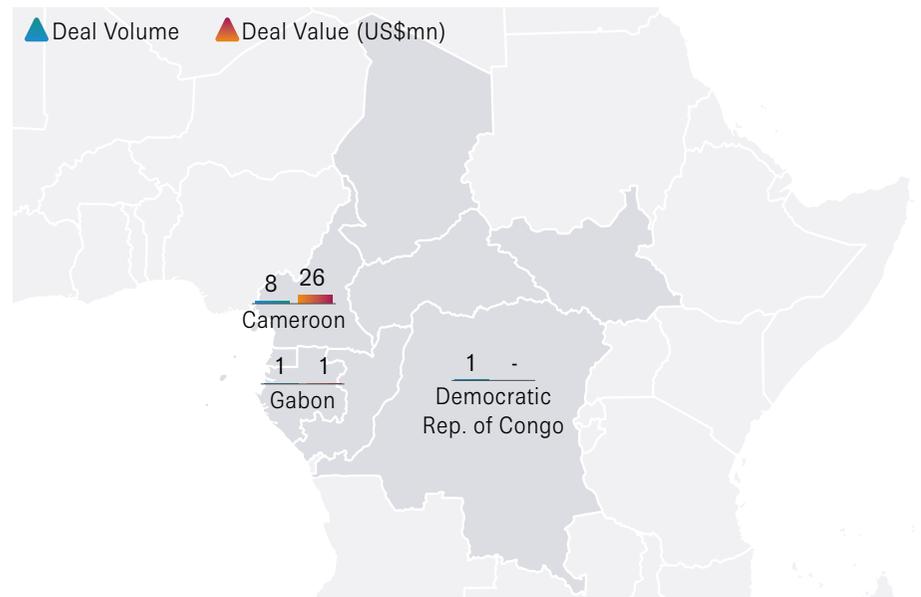
By sector, Financials and Information Technology jointly led activity. Investments in Information Technology spanned AI-powered software, cybersecurity, and digital infrastructure services. Southern Africa also stood out for its relative strength in inclusive venture participation. While gender-diverse companies accounted for 24% of deal volume, they secured 35% of total deal value. This value-based participation is the highest on the continent, where the regional average stands at 10%.



## REGIONAL PROFILE: CENTRAL AFRICA



### Volume and Value of Venture Deals in Central Africa, 2025

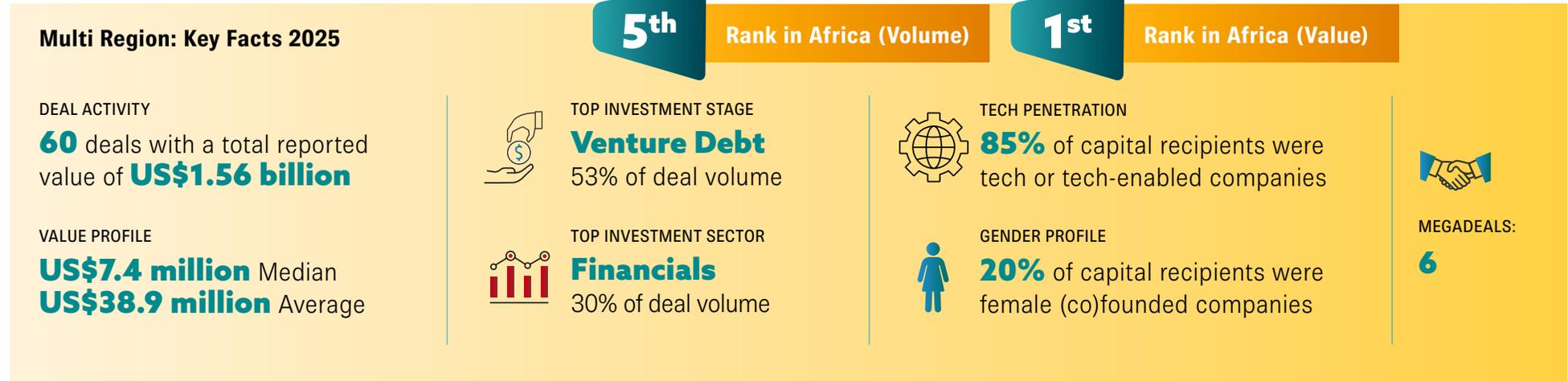


Central Africa remained the smallest venture market on the continent in 2025, recording 10 deals with a combined value of US\$27 million. While deal volume remained limited in absolute terms, deal value almost tripled year on year. A multi million Series A for cassava producer *CassVita*, alongside a six-figure seed round for cross-border fintech platform *REasy*, are some example contributors to this increase. Deal volume was evenly split between first-time and follow-on investments, indicating both emerging investor interest and selective re-engagement. Activity was concentrated overwhelmingly at the Seed stage, reflecting the early maturity of the region's venture ecosystem.

Cameroon was the cornerstone of regional activity, accounting for most of both deal volume and deal value in 2025. Funded startups were predominantly tech-enabled, signalling growing adoption of digital business models despite constrained capital availability. By contrast, venture activity in the Democratic Republic of Congo and Gabon remained sparse, although incremental diversification beyond extractive and resource-linked ventures persisted.



## REGIONAL PROFILE: MULTI REGION



## 4.2 Venture Capital Deal Activity by Country

**53%** of venture capital deal volume and **45%** of deal value in 2025 went to startups headquartered in the Big 4

Figure 7: **Top 10 Investment Destinations by Venture Deal Volume, 2025**

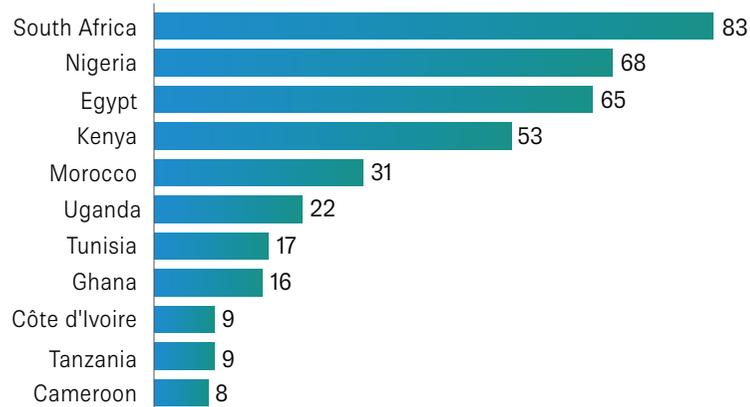
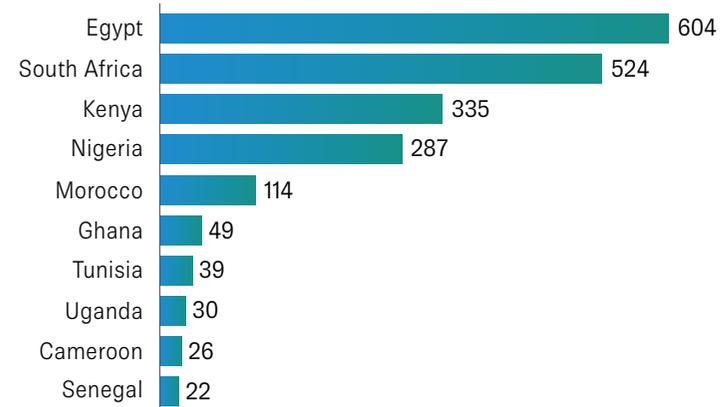


Figure 8: **Top 10 Investment Destinations by Venture Deal Value (US\$mn), 2025**



# Sector Focus

## 5.1 Venture Capital Deal Activity by Sector



CONSUMER STAPLES				
	Average 2019-2021	Average 2022-2024	2025	YoY Change
Venture Capital Deal Volume	19	33	35	+6% YoY
Venture Capital Deal Value	US\$72mn	US\$77mn	US\$112mn	+45% YoY

Consumer Staples emerged as a clear bright spot within Africa’s venture capital landscape, continuing a steady build that has translated into a more defined and durable market position. With 35 deals recorded in 2025, activity surpassed both historical benchmarks, underscoring sustained investor appetite for “everyday essentials” even amid a broader funding reset. While the 6% YoY increase appears modest in isolation, it sits within a longer growth arc. Since 2019, Consumer Staples has expanded at a 29% CAGR, signalling a sector transitioning from sporadic investments toward a more predictable and stable investment pipeline.

This momentum was matched by a decisive rebound in capital deployed. Total deal value rose to US\$112 million in 2025, nearly doubling from US\$63 million the year prior. Crucially, this recovery was not driven by a single outlier, but by a visible cohort of scaling companies attracting larger deal values. Examples include *Breadfast’s* US\$10 million Series B2 in Egypt, *Chowdeck’s* US\$9 million Series A in Nigeria, and a c.US\$15 million investment into South Africa’s *Pura Beverage*. These deals demonstrate growing investor confidence in staples businesses that have demonstrated distribution strength, brand traction, and operational scale.

The sector’s internal composition further clarifies where capital is concentrating. Distribution and Retail models accounted for 63% of deal volume, followed by Food and Beverage producers at 28%, highlighting the centrality of logistics, last-mile delivery, and everyday consumption to sector growth. Nigeria led Consumer Staples activity in 2025, contributing 26% of deal volume, with South Africa and Kenya following at 12% each.



CONSUMER DISCRETIONARY				
	Average 2019-2021	Average 2022-2024	2025	YoY Change
Venture Capital Deal Volume	58	92	43	-53% YoY
Venture Capital Deal Value	US\$197mn	US\$391mn	US\$244mn	-38% YoY

Consumer Discretionary told a markedly different story. Deal volume declined from 59 transactions in 2024 to 43 in 2025, remaining well below historical norms. This is the culmination of a multi-year descent, with deal counts declining at an average rate of 29% since 2023. Deal value, however, appeared stable at US\$244 million in 2025, broadly in line with US\$250 million raised the year prior. Even so, total value sits 38% below the 2022–24 average, owing to a noticeable reduction of US\$20–50 million deals in 2025. The pace of the pullback underscores how rapidly investor interest for non-essential consumer models has faded in a more constrained funding environment.

This reset aligns closely with broader consumer fundamentals. Real income per capita across Africa remains below its 2015 peak, and World Bank projections suggest only modest growth of around 1.9% by 2026–27<sup>6</sup>. Consumer sentiment data reinforce this pressure. A 2025 survey of nearly 25,000 urban consumers across nine African countries found that 75% had reduced discretionary spending, compared to 50% in other emerging markets. Three of Africa’s “Big Four” markets recorded the steepest retrenchments, with 74–83% of households cutting non-essential purchases<sup>7</sup>. Against this backdrop, venture capital attention has continued to rotate toward sectors perceived as more resilient. The shifting position of E-Commerce illustrates this dynamic: while it still accounted for around 10% of tech-enabled deal flow, its ranking slipped from 2nd place over 2020–2024 to 4th in 2025, eclipsed by newer investor priorities (ref. Figure 13). Within Consumer Discretionary, activity in 2025 clustered primarily in East Africa (30% of deals) and North Africa (26%), suggesting that remaining investment is consolidating in markets with deeper consumer corridors and more established digital commerce infrastructure.

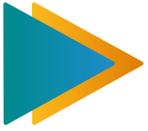
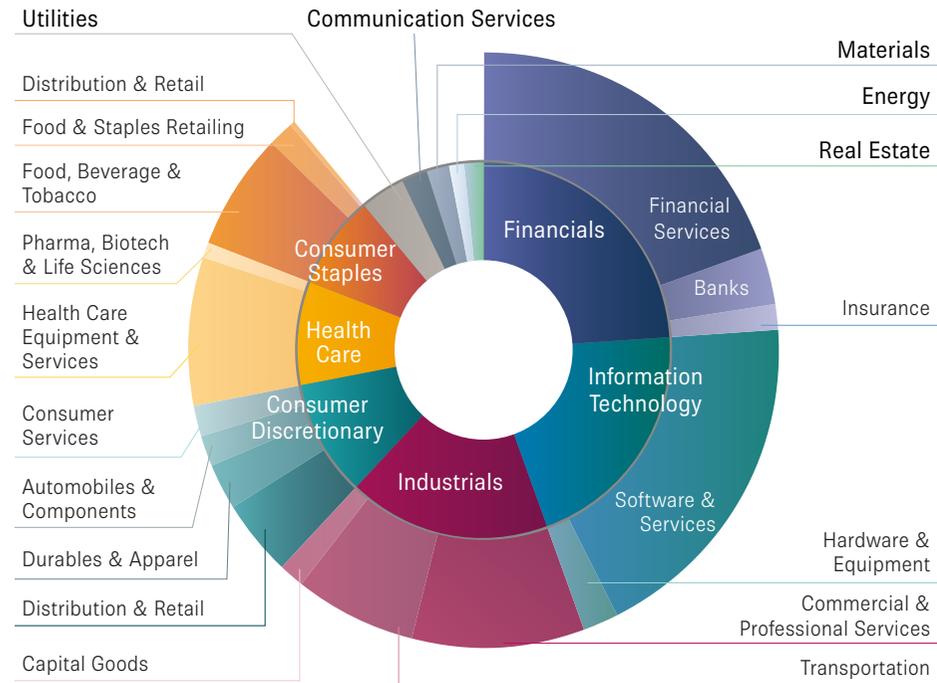
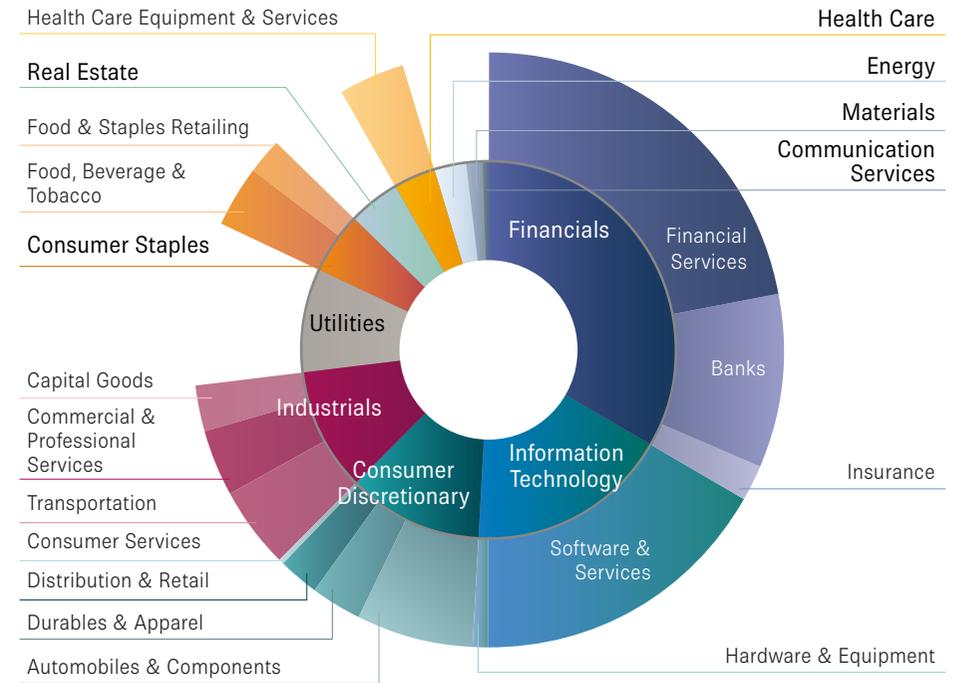


Figure 9: Share of Venture Capital Deal Volume by Sector & Industry Group, 2025



Source: AVCA

Figure 10: Share of Venture Capital Deal Value by Sector & Industry Group, 2025



Source: AVCA

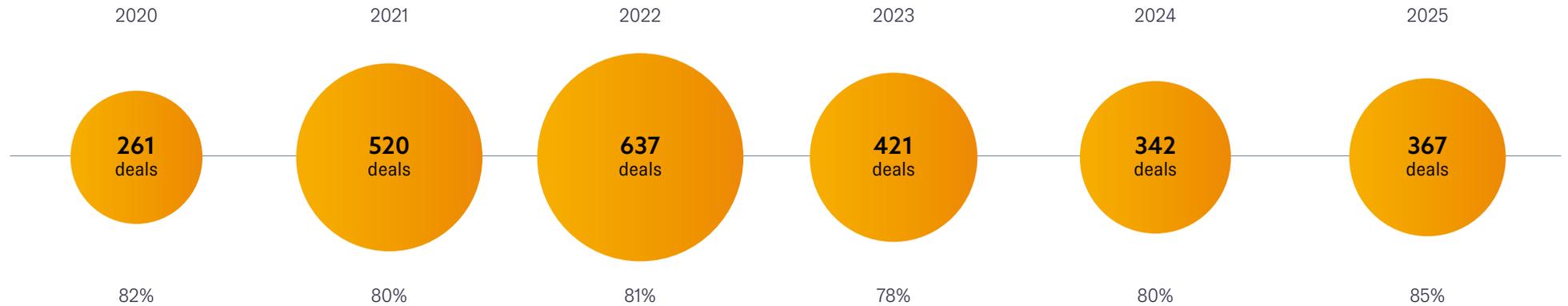




## 5.2 Technology Penetration in African Venture Capital

Technology remains the backbone of Africa’s venture capital ecosystem, with tech-enabled companies accounting for 85% of all venture deals in 2025, up from an average of 80% over the previous five years. While overall deal volumes have stabilised following the market reset, the underlying composition of venture activity continues to tilt further toward technology-driven business models, reinforcing the central role of digital solutions in addressing scale, efficiency, and access across the continent.

Figure 11: Deal Volume in Tech or Tech-Enabled Startups, 2020-2025



Within this landscape, a clearer hierarchy of core verticals has taken shape. FinTech and Digital Banks retained their long-standing lead, accounting for 31% of tech-enabled deal volume in 2025 and underscoring their continued relevance as Africa’s most proven commercial technology segment. More notably, Artificial Intelligence and Clean & ClimateTech consolidated their ascent into the top tier. Together, the two verticals captured over one-third of tech-enabled deal activity, reflecting both the rapid diffusion of AI across sectors and sustained investor focus on energy transition, climate resilience, and resource efficiency. E-Commerce and Health Tech rounded out the top five, though their relative positioning points to a gradual reordering of priorities as venture capital increasingly concentrates on technologies with broad, cross-sector application.

Figure 12: Top Verticals Amongst Tech-Enabled Companies, 2020-2024

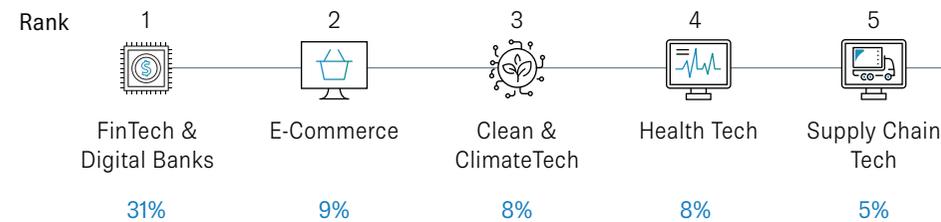
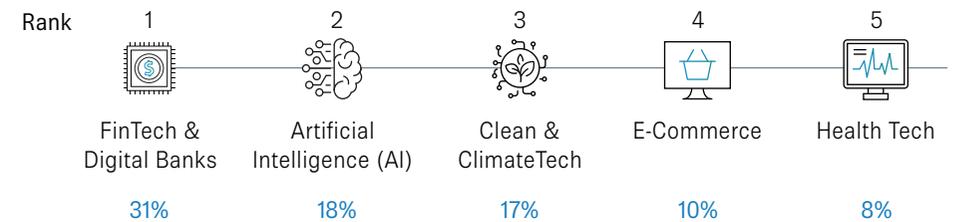


Figure 13: Top Verticals Amongst Tech-Enabled Companies, 2025





## 5.3 Venture Debt Deal Activity By Sector

Venture debt deployment in 2025 remained highly concentrated, with Financials and Utilities once again anchoring the market. Together, these two sectors accounted for roughly three quarters of total venture debt value (US\$1.4 of US\$1.8 billion) and just over half of deal volume. This concentration reflects a continued narrowing of lender focus, as venture debt increasingly gravitates toward a core set of sectors perceived as structurally resilient.

Within this, Financials was the primary growth engine. Sector value more than doubled year on year to US\$801 million. This was overwhelmingly driven by the Financial Services sub-industry, which accounted for 25 of 29 deals and virtually all capital deployed. Activity in Banks and Insurance remained limited within venture debt, with just 4 deals and <US\$10 million raised combined. This stands in clear contrast to venture capital, where these sub-industries collectively accounted for 19 deals and US\$237 million in 2025. This divergence indicates that, within the Financials sector, venture debt and venture capital are financing different parts of the ecosystem: venture

debt is concentrating on payments and microcredit platforms, while venture capital continues to support novel digital banking solutions.

The Utilities sector further reinforced the large-ticket nature of venture debt in 2025. While deal volume fell 44% YoY, total capital deployed rose from US\$367 to US\$559 million, driven primarily by the US\$300 million expansion of *d.light's* receivables financing facility. Even excluding headline transactions, median deal sizes increased from US\$7.4 million in 2024 to US\$11.6 million, signalling an upward shift in ticket size across this sector. Beyond these dominant segments, consumer-linked venture debt expanded in activity but remained modest in value. Both Consumer Staples and Consumer Discretionary recorded higher deal counts, but together contributed just 11% of total venture debt value. Within these sectors, lending remained tightly focused on tangible goods, repeat demand, and distribution-led models, rather than broad-based exposure to discretionary consumption.

Figure 14: Share of Venture Debt Deal Volume by Sector, 2025

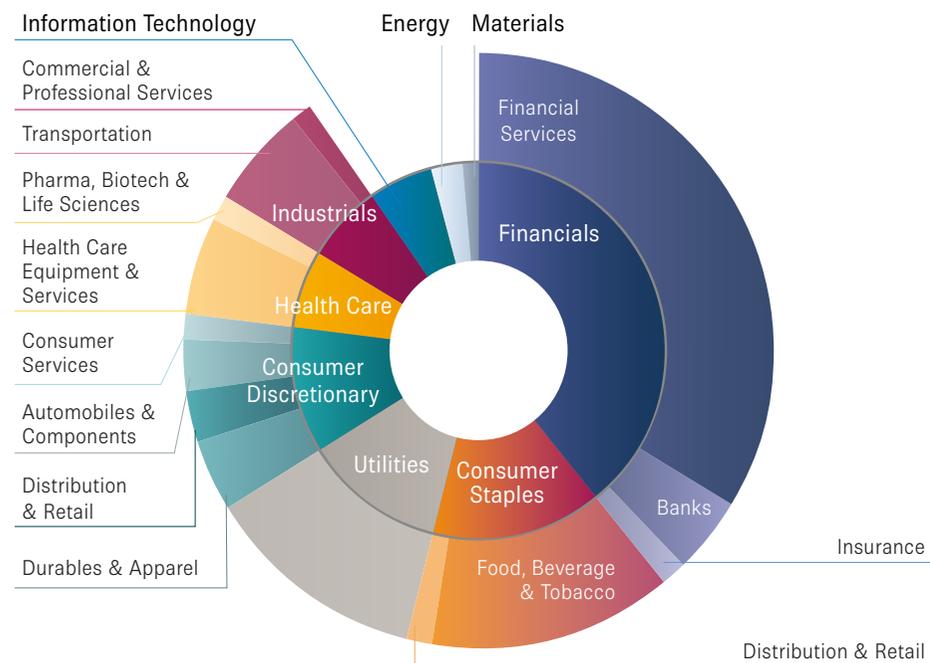
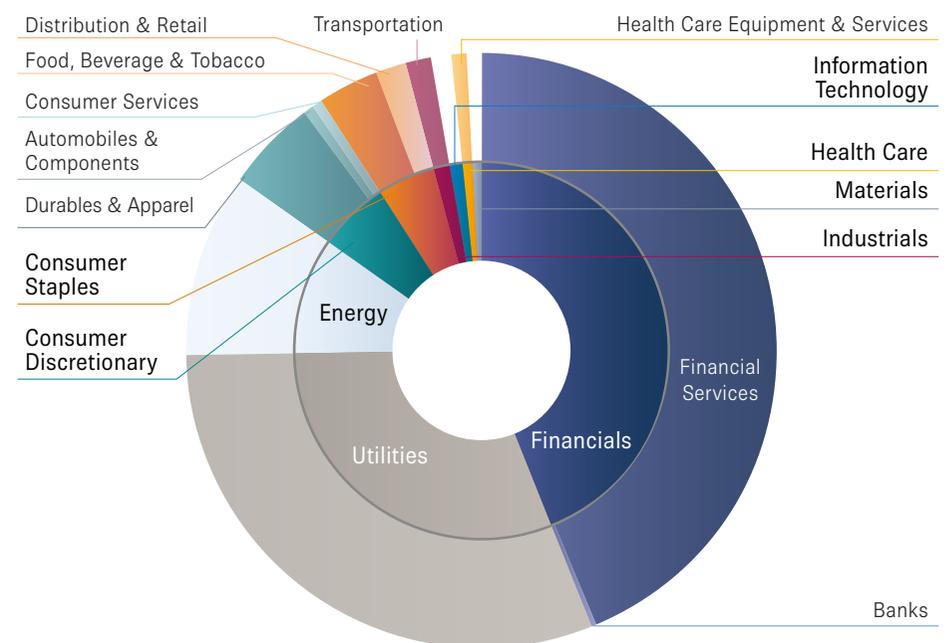


Figure 15: Share of Venture Debt Deal Value by Sector, 2025

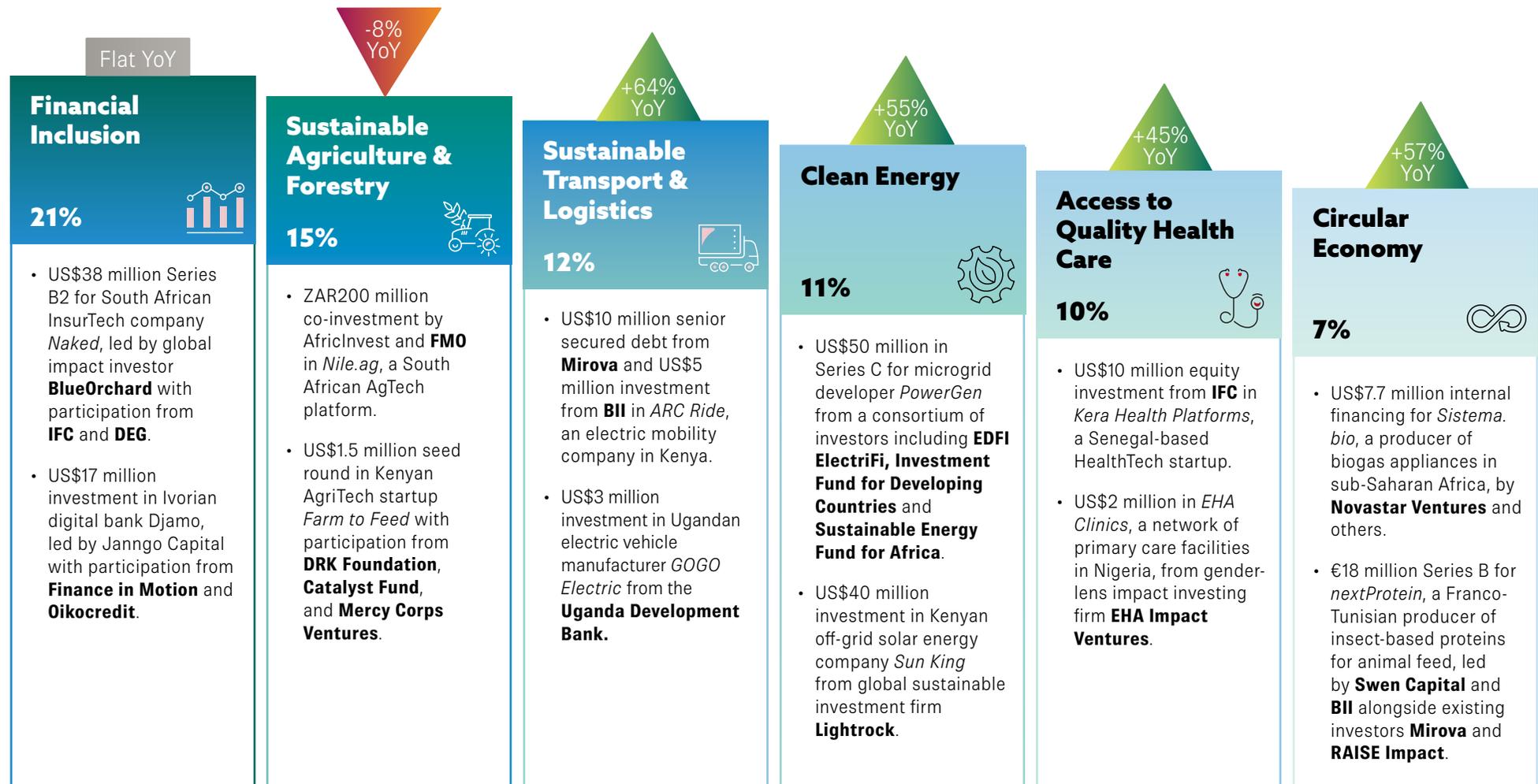


# Impact & Diversity Focus

## 6.1 Impact Focus

**40%** of all African VC deals featured participation from at least one impact investor<sup>8</sup> in 2025, up from 34% in 2024

Figure 16: Top 5 Impact Categories Amongst VC Deals with Impact Investor Presence





## 6.2 Diversity Focus



### Female-only founder(s) in 2025

**28** unique companies led by female-only founder(s) raised capital in 2025



**US\$1 In Every US\$100** raised in 2025 went to female-only founder(s)

**US\$1.3 Million** median deal size for female-only founder(s) in 2025



**68% Lower** than the median deal value for the continent in 2025



### Gender diverse founder(s) in 2025

**109** unique companies led by gender diverse founders raised capital in 2025



**US\$1 In Every US\$5** raised in 2025 went to gender diverse founders

**US\$2.8 Million** median deal size for gender diverse founders in 2025



**31% Lower** than the median deal value for the continent in 2025

Figure 17: **Share of VC Deal Volume in Female-Founded Startups in Africa, 2025**

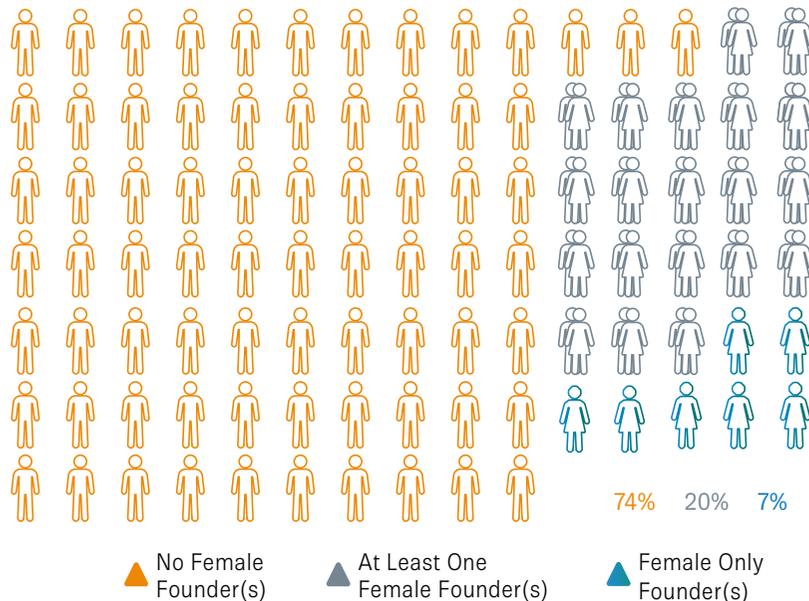
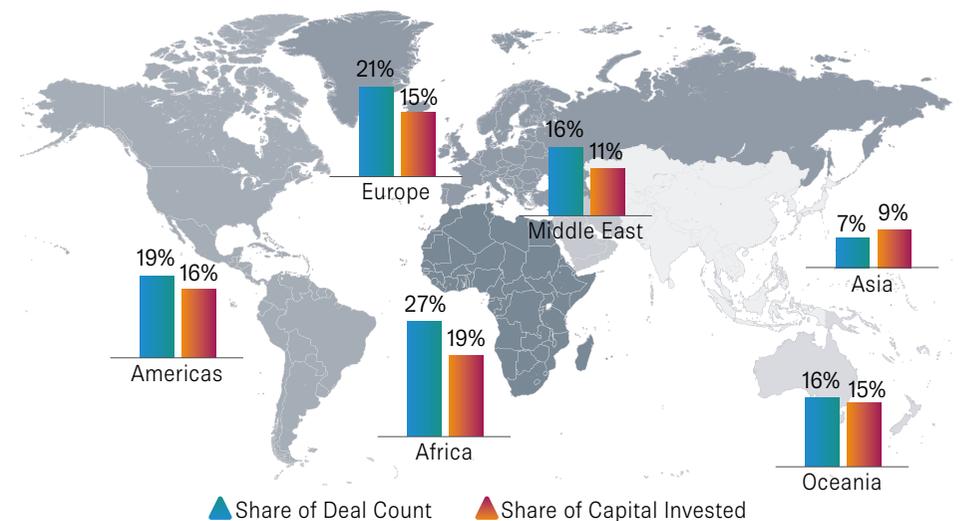


Figure 18: **Distribution of Venture Capital to Gender Diverse\* Startups by Global Region, 2025**



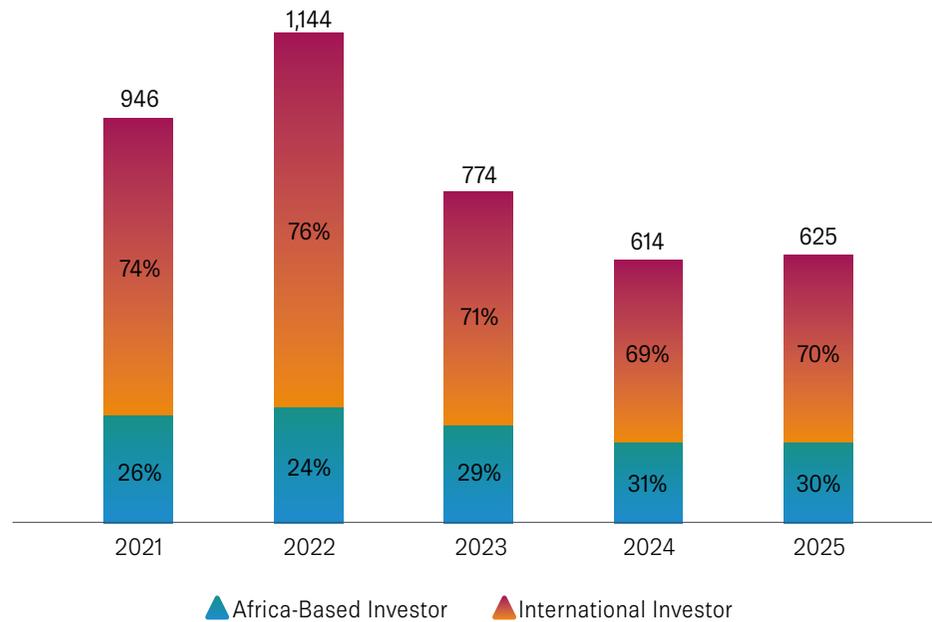
\* Gender diverse startups is defined as those with at least one female founder.

Source: Pitchbook, AVCA

# Investor Profile

In 2025, **625 unique investors** backed venture-funded African companies. Of these, 538 were venture capital-only investors, 16 focused exclusively on venture debt, and 71 pursued a dual strategy.

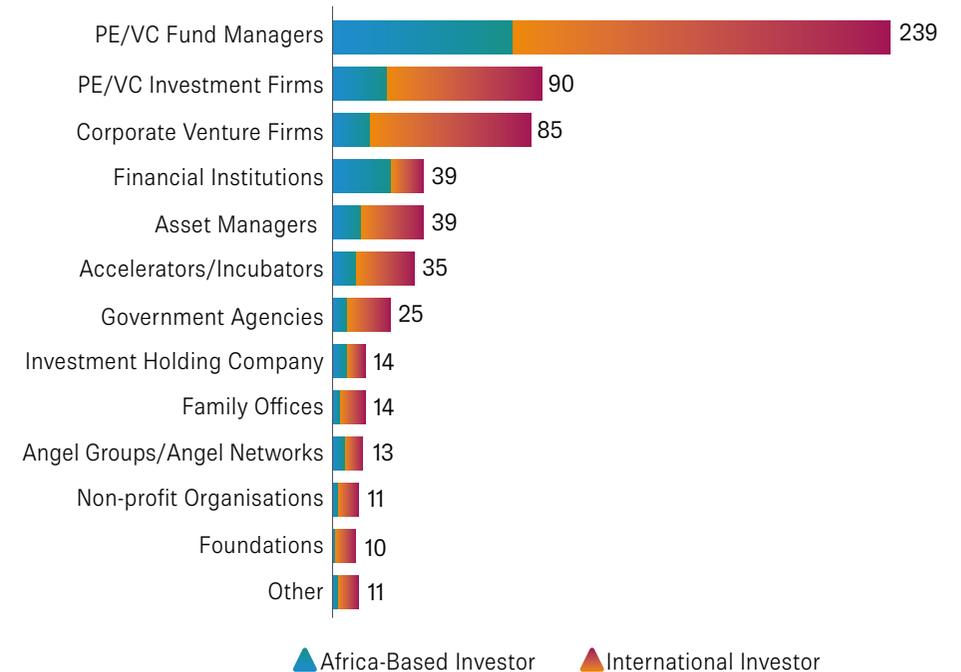
Figure 19: Investors Participating in Venture Deals in Africa, 2014-2025



Source: AVCA

Within Africa's venture ecosystem, corporate venture capital (CVC) continues to play a significant and expanding role, in line with its rising adoption at the global level<sup>10</sup>. In 2025, 85 corporate venture firms were active on the continent, accounting for 14% of VC investors. Participation spanned a broad geographic base, evidencing the global appeal of African innovation and talent. Europe-based corporates represented the largest share of CVC investors (29%), followed by North America (25%), Africa (19%), and Asia-Pacific (18%). The Middle East contributed a smaller presence at 8%, while Latin America remained marginal at 1%.

Figure 20: Investors Participating in Venture Deals in Africa by Category, 2025<sup>9</sup>



This sustained CVC activity reflects corporates' increasing use of minority venture investments as a strategic means of engaging with African innovation, without the commitment associated with full acquisitions. A notable example was US tech giant *Alphabet*, which participated in 6 deals totalling US\$199 million in 2025, including investments in advanced AI technologies through its dedicated AI seed fund.



## 7.1 Investors Profile by Type

Figure 21: **Top Investors, 2025**

Investor	Rank	Number of Investments (2025)	Category	HQ Location
Digital Africa (AFD)	1	28	Government Agencies	France
Launch Africa Ventures	2	14	PE/VC Fund Managers	Mauritius
British International Investment (BII)	3	13	Government Agencies	United Kingdom
Investisseurs & Partenaires (I&P)	4	9	PE/VC Fund Managers	France
Plus Venture Capital	5	8	PE/VC Investment Firms	UAE
Renew Capital	5	8	PE/VC Fund Managers	Ethiopia
Y Combinator	5	8	Accelerators/Incubators	United States
All On	8	7	Corporate Venture Firm	Nigeria
Azur Innovation Management	8	7	PE/VC Fund Managers	Morocco
Beltone Venture Capital	8	7	PE/VC Investment Firms	Egypt
E Squared Investments.	8	7	PE/VC Fund Managers	South Africa
EDFI Management Company	8	7	Non-profit Organisations	Belgium
Holocene Ventures	8	7	PE/VC Fund Managers	South Africa
P1 Ventures	8	7	PE/VC Fund Managers	United States
Partech	8	7	PE/VC Fund Managers	France
Plug and Play Tech Center	8	7	Accelerators/Incubators	United States

Source: AVCA



## 7.2 Investor Profile by Location

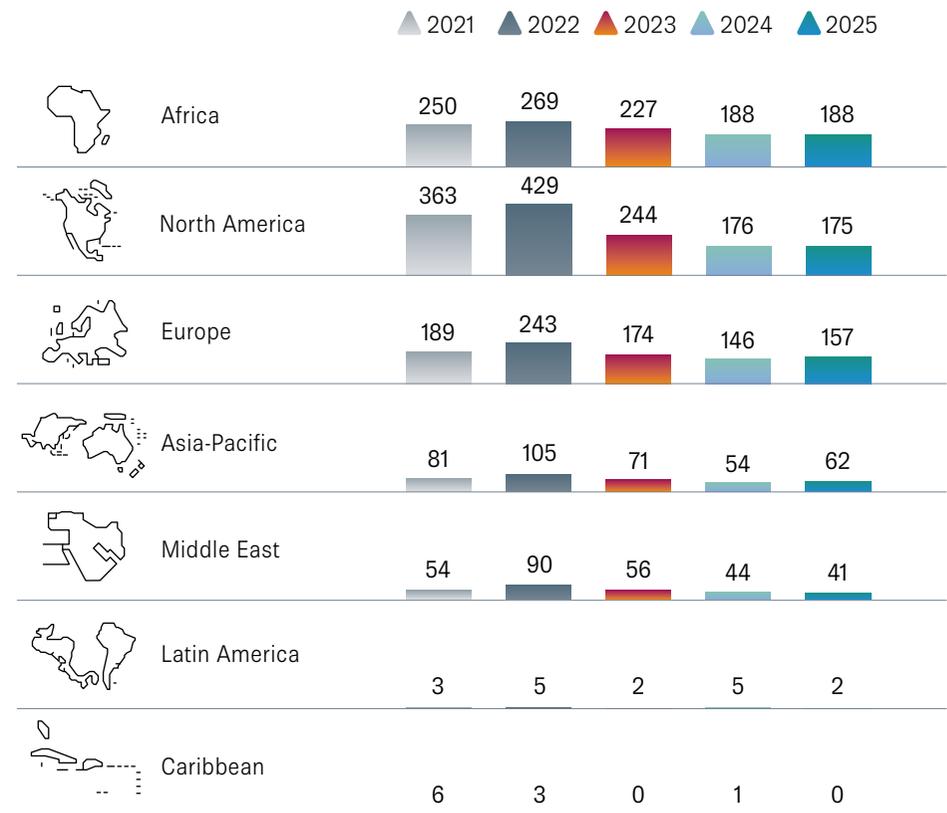
**30% of investors in 2025 were Africa-based**—more than any other region—representing an increasingly important and stable investor base.

The geographic composition of investors in Africa's venture capital ecosystem remained broadly stable in 2025, signalling continued commitment to the market despite shifting global interests and priorities. A total of 625 investors participated in venture dealmaking during the year, marking a mild recovery among both international and local players after two consecutive years of decline. International investors continued to dominate, accounting for 70% of active dealmakers in 2025, compared with 30% based in Africa. While the number of international investors increased modestly by 3% YoY to 437, the African investor base held steady at 188 participants for a second consecutive year, reinforcing a longer-term pattern of local stability.

Although international participation remained higher in aggregate, African investors continued to outpace every other individual global region. Representing 30% of all VC investors in 2025, Africa-based investors exceeded both North America (28%) and Europe (25%). Local participation was anchored by the continent's Big Four markets: South Africa, Nigeria, Egypt and Kenya, but also saw Morocco feature prominently.

Following Africa, North America's engagement held steady, with 175 participants recorded in 2025. The ubiquity of North American investors is owed entirely to America's global dominance of the private capital industry. US-based investors alone accounted for nearly one third of private equity and venture capital fund managers active in Africa, as well as one quarter of all investment firms participating in the continent's VC ecosystem.

Figure 22: **Investors Participating in VC Deals in Africa By Region, 2021-2025**



Source: AVCA

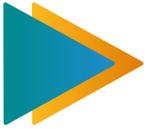
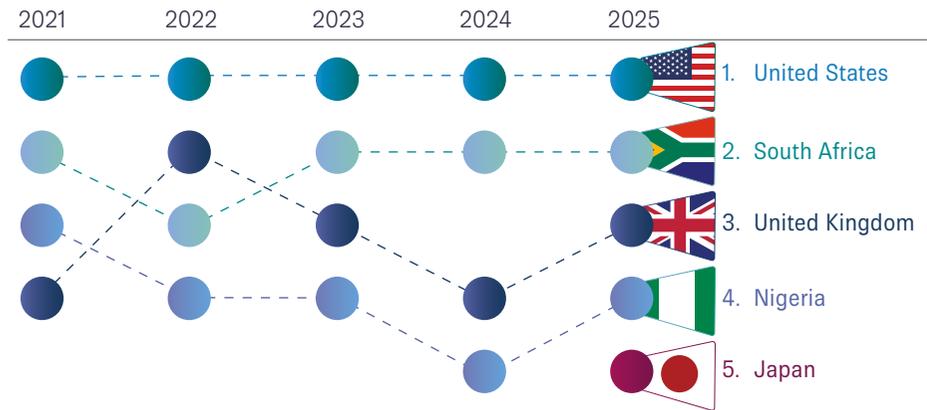


Figure 23: Evolution Of The Top 5 Investor HQ Locations, 2021-2025



Source: AVCA

Not far behind, Europe drove much of the headline increase in investor participation. The number of unique European investors rose from 146 to 157 in 2025, supported in large part by corporate venture capital firms, where Europe continued to lead. Although more modest in scale, Asia-Pacific also contributed to the annual increase, emerging as the second-largest source of new investors after Europe. Growth from the region was primarily driven by corporate venture capital, which accounted for roughly one quarter of Asia-Pacific's VC participation in Africa in 2025. Middle Eastern participation continued its gradual decline from a 2022 peak, although the pace of contraction slowed, supported by sustained activity from investors based in Saudi Arabia and the UAE.

The strong international presence within African venture capital is the result of several interconnected factors. Global investors continue to pursue African opportunities aligned with strategic and operational objectives, including access to local talent and long-term return potential. An example is American FinTech-focused VC fund manager *QED Investors*. At the same time, diaspora-driven fund managers have played a critical role in linking international capital pools with African markets. The final dynamic at play is the continued prevalence of philanthropic capital from organisations like the Belgian *EDFI Management Company*, an impact-driven financial service provider.



## 8.1 Landscape of Venture Capital Exits in Africa

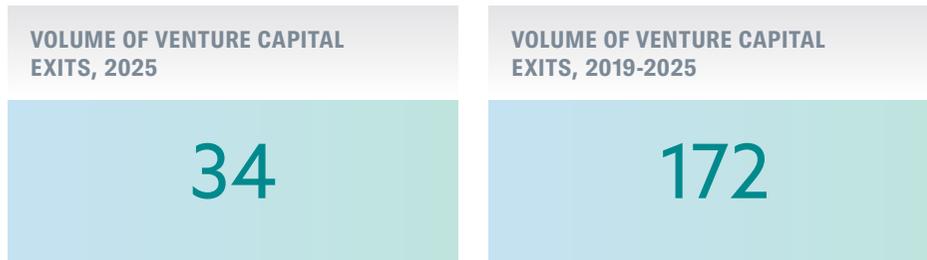
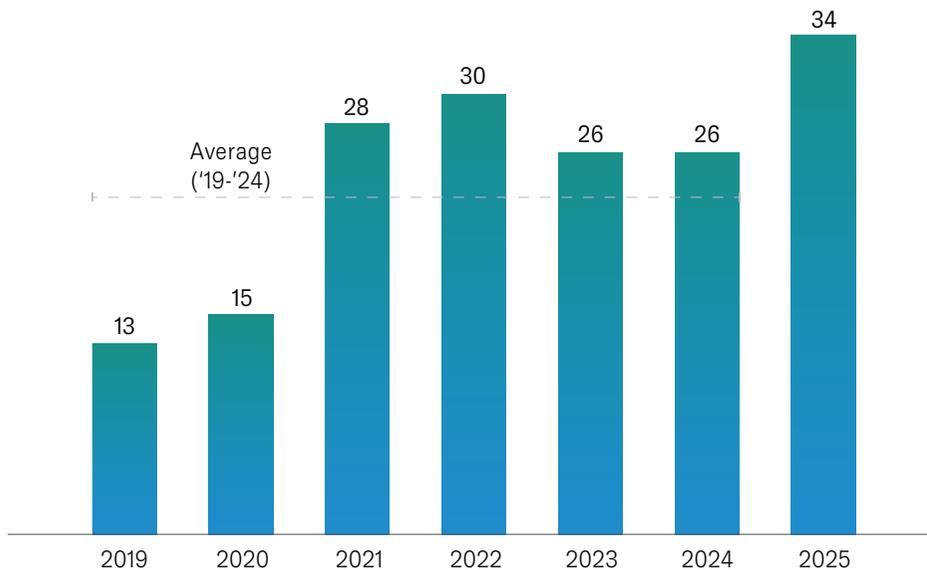


Figure 24: **Volume of Venture Capital Exits in Africa, by Year**



Source: AVCA

Against a global backdrop of constrained liquidity and prolonged exit timelines, Africa's venture capital exit market showed renewed activity in 2025. Volume reached a new high of 34 exits, rising 31% YoY and markedly outperforming the marginal 1% growth recorded globally<sup>11</sup>. This surge demonstrates concerted efforts by venture capital fund managers to increase market liquidity, thereby building investor confidence. As a result, Africa's exit-to-investment ratio increased from 0.06x in 2024 to 0.08x in 2025, indicating a faster pace of capital realisation relative to new investment activity.

Viewed over a longer horizon, the data points to a gradually maturing ecosystem. Between 2019 and 2025, Africa recorded 172 venture capital exits, doubling its share of global VC exits to 1.0% over the period. While still modest in absolute terms, this steady accumulation underscores incremental progress in the continent's exit landscape.

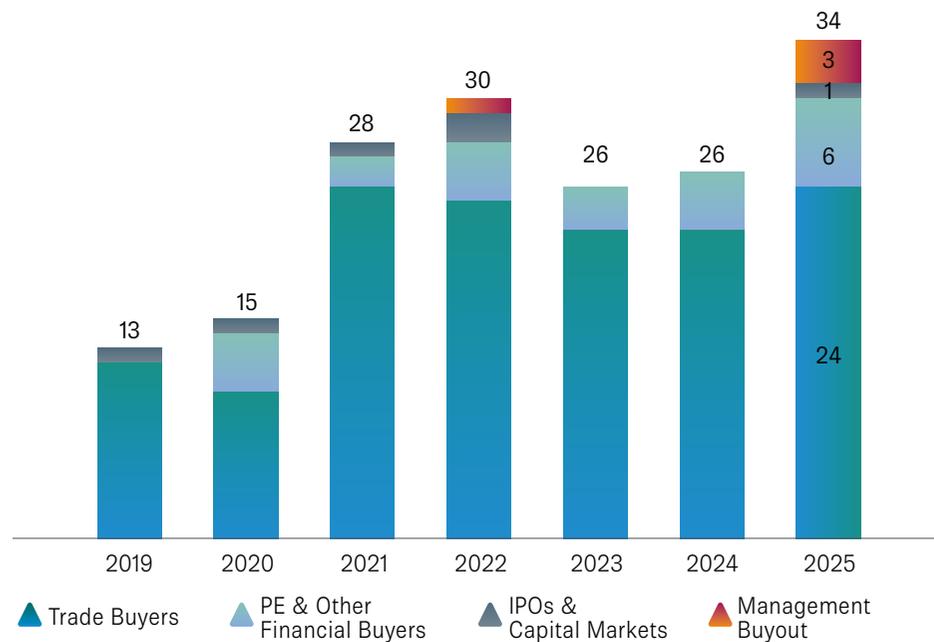
Exit values also rebounded in 2025, rising 19% YoY from a five-year low, driven primarily by the increased number of exits. However, this recovery warrants nuance. A high proportion of exits continued to be undisclosed by value. These accounted for 79% of total exits in 2025, which obscures the true scale of realised liquidity. Additionally, mega-exits (those above US\$200 million) were absent for a second consecutive year. The largest exit was *RapidDeploy's* US\$181 million acquisition by *Motorola*, well below the US\$724 million sale of *InstaDeep* to *BioNTech* in 2023. Even so, renewed headline growth points to expanding opportunities for investors to realise gains.



## 8.2 Venture Capital Exits by Exit Route

Exit routes in Africa's venture capital ecosystem are gradually diversifying, supporting both a modest recovery in exit activity and incremental ecosystem development. The rebound in 2025 was broad-based, with higher activity recorded across all exit routes. Notably, public listings and management buyouts reappeared after a two-year hiatus, contributing to a more varied exit landscape.

Figure 25: **Volume of Venture Capital Exits in Africa, by Year & Exit Route, 2019-2025<sup>12</sup>**



Source: AVCA

### Trade Buyers Remain Driving Force Amid Gradual Diversification

Sales to trade buyers continue to dominate Africa's venture-backed exits, anchoring investor liquidity. Between 2019 and 2024, 111 trade sales accounted for 80% of total exit volume. While exit routes broadened in 2025, trade sales maintained the lion's share, representing 70% and 74% of exit volume and value, respectively. This dominance reflects sustained interest from both local and international corporates in African startups, alongside the continent's still-developing access to public markets. African corporate buyers drove 54% of exits by volume, relatively balanced with international corporates (45%). Recent examples include *Quro Medical's* acquisition by South Africa-based *Netcare Health* and *InfiniLink's* sale to US-based *GlobalFoundries*.

Alongside trade buyers, financial sponsors are gradually expanding their footprint in Africa's exit market, evidencing a growing pipeline of scalable venture-backed assets. While private equity and other financial buyers remain secondary, their participation reached a new high in 2025; supported by increased maturity in sectors such as Fintech. Between 2019 and 2024, financial sponsors drove 12% of total exits by volume, rising to 18% in 2025 alone. Notably, secondary transactions represented half of exits to financial sponsors in 2025, compared to a quarter over the 2019–2024 period. This shift highlights the growing role of Africa's emerging venture capital secondaries market in facilitating liquidity. A notable example is *LemFi's* US\$53mn secondary sale to *Highland Europe* in 2025, delivering a 29x return to Silverbacks Holdings.

At the same time, the reappearance of capital markets and management-led exits, though still limited in scale, signals incremental broadening in Africa's exit toolkit. Public listings remain rare by global standards, constrained by structural and regulatory frictions. Since 2019, they have accounted for 4% of total venture capital exit volume in Africa, compared to 15% globally<sup>13</sup>. However, in 2025, Africa's first venture-backed public exit since 2022—executed via a SPAC merger rather than a traditional listing—suggests a tentative shift towards SPACs as a faster, more flexible, and less bureaucratic route to public markets. In parallel, an increase in management buyouts (MBOs), including *Baobab Nigeria's* sale to the *Baobab Group*, may signal an emerging willingness among local management teams to take full ownership. Together, these developments illustrate a gradual shift away from reliance on a narrow set of exit options toward a more balanced and resilient liquidity environment.



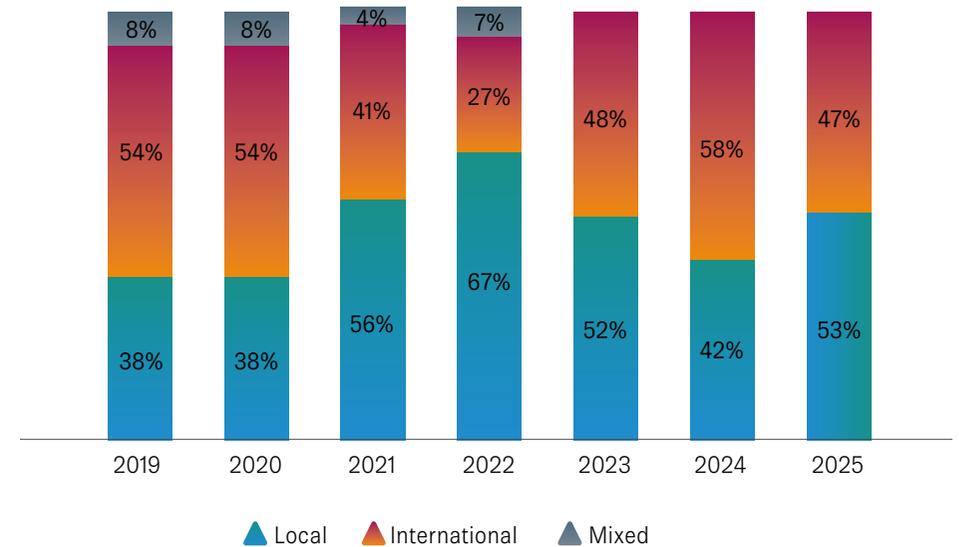
## 8.3 Venture Capital Exits by Buyer Profile

By buyer profile, participation in the continent's exits is a roughly equal mix of local and international actors, indicating shared interest in the continent's growing startup ecosystem and strategic expansion opportunities. Between 2019 and 2025, 159 unique buyers were disclosed across venture-backed exits, with Africa-based buyers accounting for 54% and international buyers 46%.

This balance is also visible in exit volumes. 52% of exits since 2019 involved exclusively African buyers, compared to 45% that involved only international buyers and a further 3% comprising mixed buyer groups. By value, however, international buyers were far more prominent: they accounted for more than four-fifths of total exit value. Their deeper capital pools supported several of Africa's largest venture exits, including *Swvl's* US\$445mn SPAC merger with US-based Queen's Gambit Growth Capital in 2022 and *Sendwave's* US\$500mn acquisition by UK-based *Zepz* in 2021. As a result, exits to international buyers recorded the highest average exit size at US\$172 million, followed by mixed buyers at US\$73 million, with local buyers trailing at US\$32 million.

These differences are also reflected across sectors. International buyers gravitated toward more capital-intensive sectors. Between 2019 and 2025, they claimed all exits in Energy and dominated exits in Utilities, Information Technology, and Communication Services. *InstaDeep's* US\$724mn acquisition by BioNTech exemplifies this dynamic. Local buyers, by contrast, were more active in less capital-intensive segments, particularly Consumer Staples, Consumer Discretionary, and the lower-value portion of Industrials.

Figure 26: Share of Volume of Venture Capital Exits in Africa, by Buyer Region, 2019-2025



Source: AVCA





## 8.4 Venture Capital Exits by Region, 2019-2025

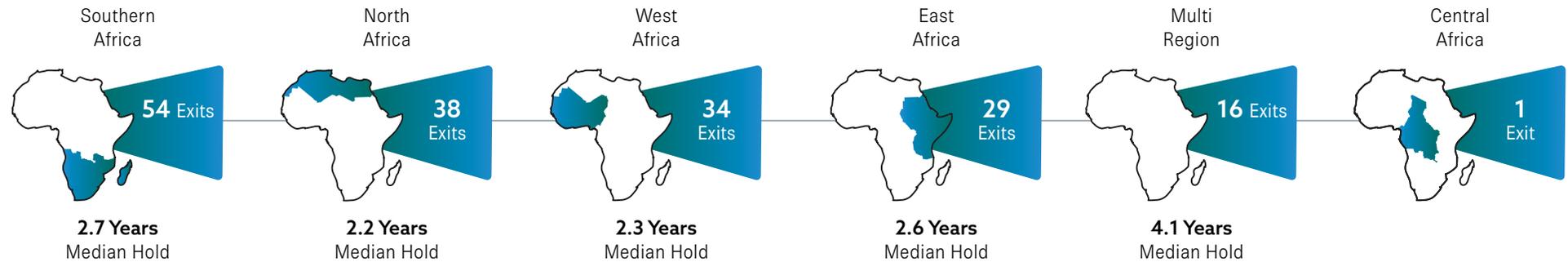


Figure 27: Volume of Venture Capital Exits in Africa by Region, 2019-2025

▲ 2019-2023    ▲ 2024    ▲ 2025

### North Africa

Exits: 21 6 11

### West Africa

Exits: 20 5 9

### East Africa

Exits: 22 6 1

### Central Africa

Exits: 1

### Southern Africa

Exits: 41 5 8

### Multi-Region

Exits: 8 3 5

Source: AVCA



**North Africa was the largest contributor** to total exit volume in 2025, overtaking Southern Africa.



**Southern Africa led by exit value in 2025**, securing US\$288mn—5x the next largest.



**West Africa received its record high of 9 exits**, led by dynamism in Côte d'Ivoire.



**Africa's average and median holding periods shortened in 2025**, both easing by 4 months, to 2.9 years and 3.5 years, respectively.

# Venture Capital Fundraising

## 9.1 Fundraising Landscape

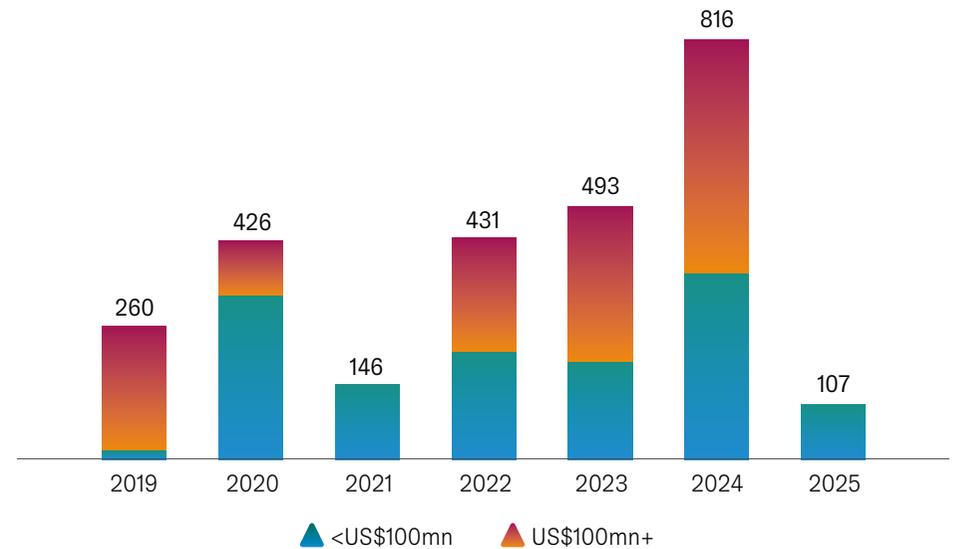


Global venture capital fundraising remained under pressure in 2025, extending the current contraction into a third consecutive year. New commitments dropped by 46% YoY to US\$118 billion<sup>14</sup>, weighed down by slower fundraising in both Asia and North America. Across regions, subdued exit distributions, heightened geopolitical and policy uncertainty, and more cautious LP allocation strategies continued to constrain capital commitments.

Amid these austere conditions, Africa's venture capital fundraising fell for the first time in four years. Africa-focused fund managers raised US\$107 million across final closes in six funds in 2025, representing an 87% YoY decline by value. As in other global regions, the downturn reflects a more cautious capital environment, where heightened policy and macro uncertainty has made LPs increasingly selective.

The contraction was shaped by the absence of large fund closes. No funds reached a final close of US\$100 million or more in 2025, marking the first such occurrence since 2021. At the same time, commitments to smaller funds also fell sharply, compounding the overall decline. As a result, both average and median fund sizes dropped by approximately 80% year on year.

Figure 28: Total Value (US\$m) of Venture Capital Fundraising in Africa by Year of Final Close, 2019-2025



Source: AVCA

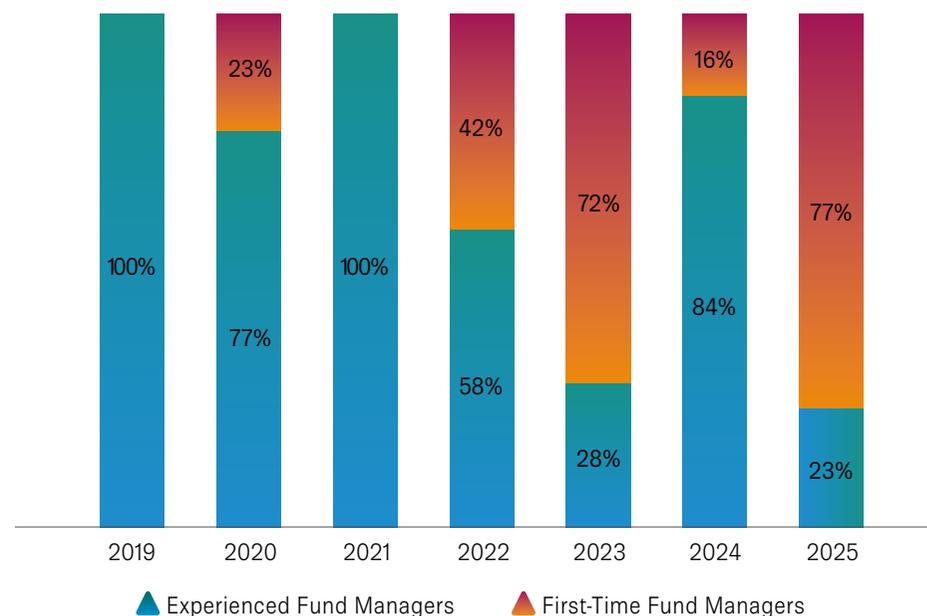


## 9.2 Fund Manager Experience

Viewing final closes through the lens of fund manager experience, first-time fund managers in African VC showed relative resilience amid the fundraising headwinds. While LPs typically favour established managers during periods of market stress, recent fundraising outcomes suggest a growing openness to new managers, particularly those offering differentiated strategies or clear thematic focus. For only the second time between 2019 and 2025, first-time managers accounted for the majority of capital raised in 2025, securing 77% of total commitments. Rather than broad-based risk appetite, this signalled LP willingness to back emerging managers with specialised themes. Several closes illustrate this trend. P1 Ventures' US\$50 million maiden institutional fund differentiated itself through a focus on scalable startups in frontier and under-penetrated ecosystems, diverging from the traditional emphasis on Africa's "Big Four" VC markets. Similarly, REdimension raised US\$15 million for its *Real Estate Technology and Sustainability Fund I*, becoming South Africa's first fund dedicated to PropTech and offering specialised exposure at the intersection of property, technology, and sustainability.

This resilience, however, came with longer fundraising timelines. First-time managers took an average of 28 months to reach final close in 2025, compared to 11 months for experienced peers. This marked a clear divergence from 2024, when time-to-close was broadly comparable across both groups at 18 months. The shorter timelines observed among experienced managers in 2025 were driven by the smaller fund sizes that successfully closed within this category.

Figure 29: **Share of Venture Capital Fundraising by Type of Fund Manager, 2019-2025**



Source: AVCA





## 9.3 Origin of Fundraising

**Corporate investors** emerged as the largest contributor to Africa’s VC fundraising in 2025, representing 41% of the total value fundraising.

**DFIs** accounted for 27% of fundraising in 2025, dropping from 44% in 2024.

**African investors** emerged as the top contributor in 2025, accounting for 45% of Africa’s VC fundraising.

Africa-focused VC funds saw a major reconfiguration in their sources of new capital commitments in 2025. These changes reflect a broader rebalancing of the continent’s VC funding base, with traditional development capital softening and more commercially oriented and domestically anchored investors playing a larger role.

allocations from banks and insurance companies remain constrained amid regulatory and risk barriers.

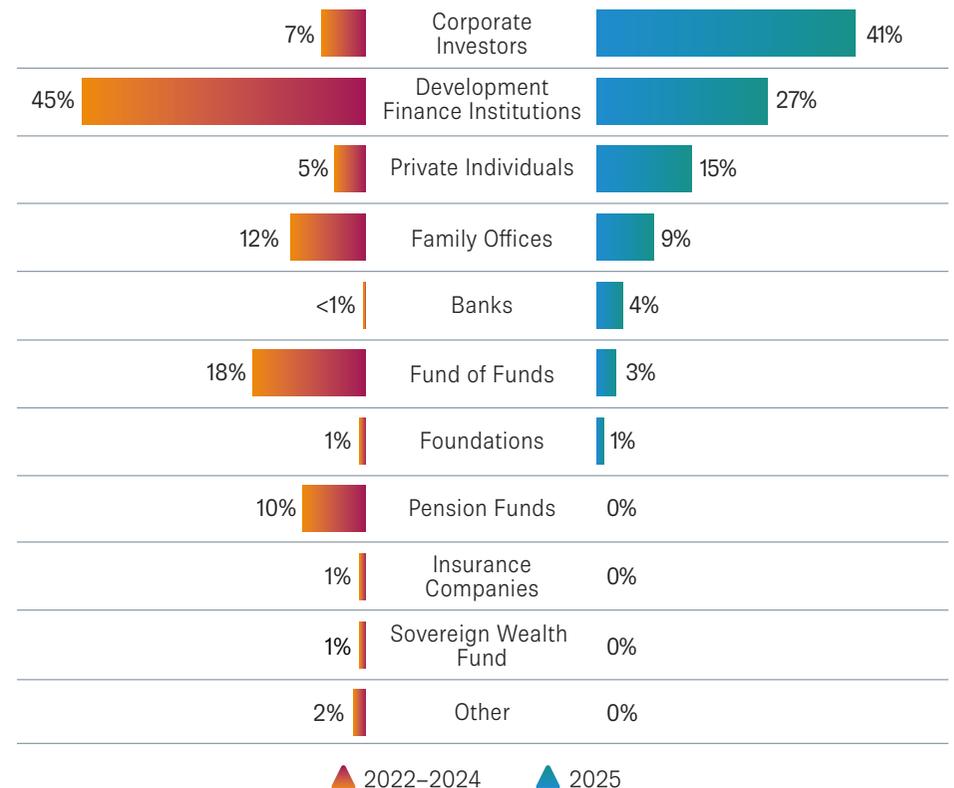
### DFIs Cede Ground as Corporates Emerge Fundraising Leaders

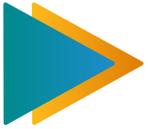
Development finance institutions, historically the backbone of Africa’s VC fundraising, reduced their relative participation in 2025. After accounting for 45% of total commitments between 2022–2024, DFI representation fell to 27% in 2025, driving much of the overall decline in headline fundraising. This pullback was primarily driven by international DFIs. African DFIs accounted for 63% of DFI capital raised in 2025, reversing the prior pattern where international DFIs contributed 94% of this cohort’s commitments during 2022–2024 period. Some rebound in DFI representation may emerge as larger funds—where DFIs often act as anchor investors—reach final close. Still, the 2025 shift underscores the importance of broadening Africa’s VC investor base beyond DFIs to support longer-term ecosystem sustainability.

As philanthropic and development capital softened, corporate investors emerged as the top contributors to fundraising in 2025. Their share of commitments rose from 7% between 2022–2024 to 41% in 2025, making corporates one of the only investor groups to increase the value of their allocations. Corporate investors were also prominent backers of emerging fund managers, reflecting a commercially driven willingness to support specialised and differentiated strategies, even as more traditional LP groups retrenched.

Private wealth capital increased its relative share of commitments in 2025, as higher allocations from private individuals offset a decline among family offices. In contrast, funds of funds and pension funds sharply reduced commitments, normalising after elevated participation in 2024. Lastly,

Figure 30: **Share of Venture Capital Fundraising by Investor Type, 2022-2024 vs. 2025<sup>15</sup>**

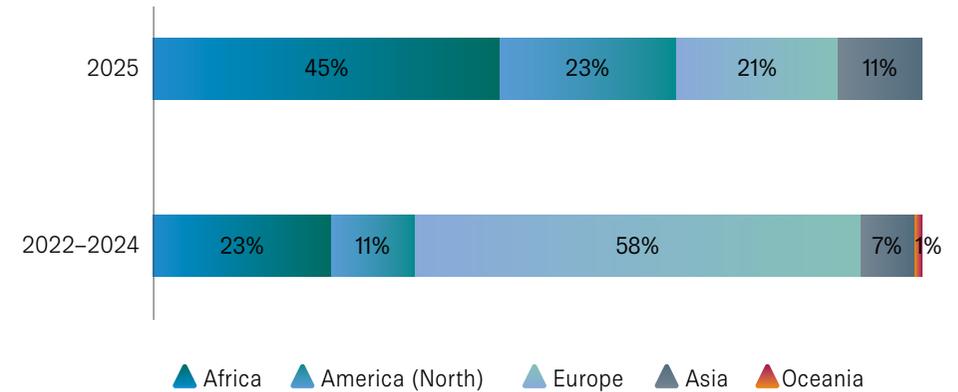




## Domestic Investors Anchor African VC Fundraising Amid Global Retreat

Viewed geographically, African investors emerged as the leading contributors to the continent's VC fundraising in 2025. Despite declining in absolute terms alongside the broader fundraising market, domestic capital composed 45% of final closed funds. African DFIs and corporate investors were the primary drivers of locally mobilised capital. North American LPs increased their share of fundraising, led predominantly by corporates. By contrast, European allocations fell steeply, accounting for 21% of commitments in 2025 compared to 70% during the 2022–2024 period (led by reduced DFI commitments). This shift toward greater African participation is a meaningful stride towards localising the continent's capital base, even as overall fundraising levels remain subdued.

Figure 31: Share of Venture Capital Fundraising\* by Geographic Origin, 2022-2025



\* Based on 75% of the total value of venture capital fundraising for which the sources of commitments were available in 2025

Source: AVCA



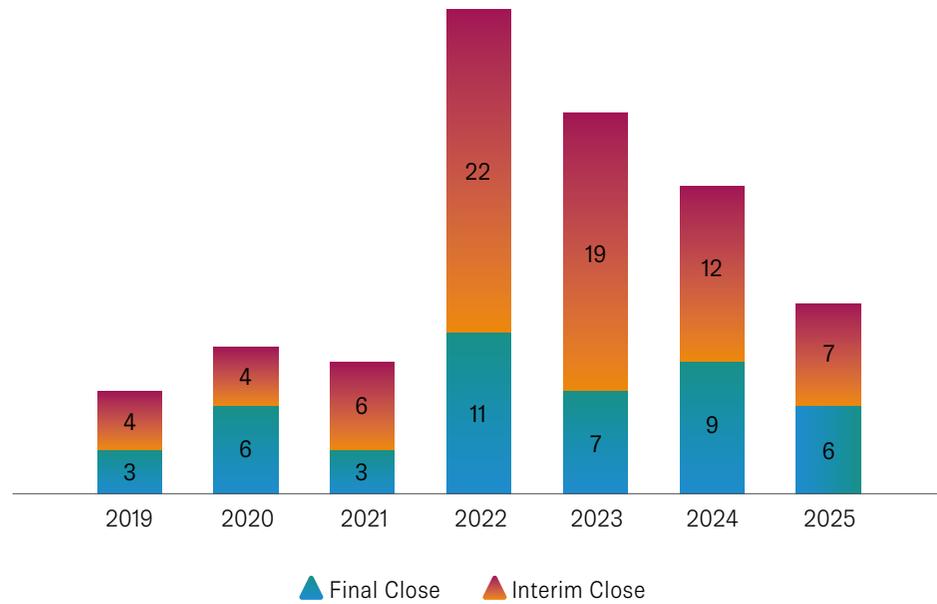


## 9.4 Interim Fundraising

Africa-focused VC fund managers raised **US\$245mn in interim closes** in 2025, a **+91% YoY** increase.

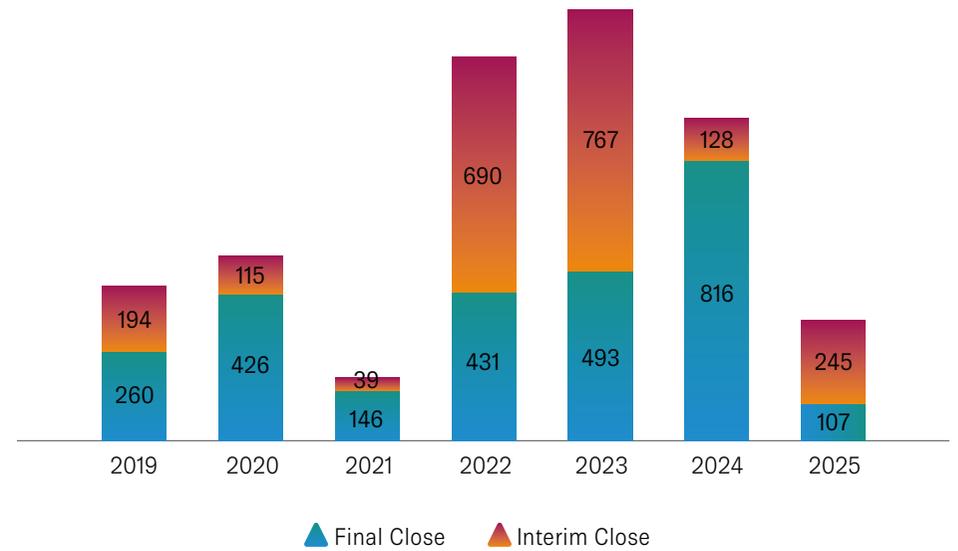
The **average size of interim closes trebled** to **US\$35mn** in 2025, from US\$11mn a year earlier

Figure 32: Volume of Venture Capital Funds in Africa by Closing Type, 2019-2025



Source: AVCA

Figure 33: Value (US\$m) of Venture Capital Fundraising in Africa by Closing Type, 2019-2025



Source: AVCA

## Key Definitions:

### VENTURE CAPITAL:

An investment practice within private equity featuring short-medium term direct equity or equity-linked investments in earlier-stage, younger companies that need funding and support to get an idea off the ground, develop a business model or launch into the market. This capital is often deployed to companies in a series of “rounds” of funding as pre-agreed milestones are met.

For the purposes of this report, venture capital deal values include equity, mezzanine, and debt when the latter is part of a larger transaction that also involves equity. Therefore, companies that raise mixed (i.e. equity and debt) funding rounds are classified within the Venture Capital category. For example, the whole value of the US\$6.5 million Series B round in Kenyan home furniture manufacturer *MoKo Home + Living* (US\$3.5 million equity and US\$3 million debt) is taken as venture capital in this Report.

### VENTURE DEBT:

Loans offered to early-stage, high-growth companies with existing venture capital backing by venture debt providers (typically banks or private capital funds) to provide liquidity to a business for the period between equity funding rounds.

For the purposes of this report, venture debt deal values include convertible notes, mezzanine, private bonds, and direct lending when they occur in isolation. Companies that raise mixed (i.e. equity and debt) funding rounds are excluded, and only pure debt deals are classified within the Venture Debt category.

## Investments

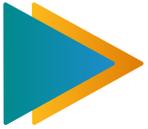
AVCA's Venture Capital Database takes an **investment stage approach** to data collection. There is no minimum deal value threshold for data collection. Instead, our methodology tracks startups and early-stage companies that have raised seed, post-seed to late-stage financing only.

## The following exclusions are applied to our methodology:

- **Pre-Seed Deals.** The focus on seed+ stages is because seed funding is (often, but not always) the first official equity funding stage. Given that the most common sources of pre-seed funding are the founders themselves, angel or family networks, this stage is excluded from our analysis.
- Deals from **Accelerators and Incubators.** Deals featuring accelerators or incubators have only been included when they were part of a larger consortium of investors that participated in the financing or funding round of a company.
- Deals from **Angel Investors.** Deals featuring angel investors have only been included where they were part of a larger consortium of investors that participated in the financing or funding round of a company.
- **Growth Equity.** Deals classified as growth equity are excluded from our methodology. AVCA Research classifies these transactions as private equity. As such, these deals are included in AVCA's *African Private Capital Activity Report*, not the *Venture Capital in Africa Report*.
- **Crowdfunding.** Deals where capital was sourced solely from crowdfunding platforms are excluded.
- **Grants, Competition** or **Award** financing is also excluded.

## Exits

AVCA's Venture Capital Exit database defines an exit as the point at which a venture capital (VC)-backed company is no longer under VC ownership. Exits include any sale that results in a change in majority ownership, such as acquisitions, secondary sales, or buyouts. Public listings are also considered exits and include both IPOs and reverse mergers. The database only records full exits by the venture capital firm or fund. If multiple venture capital firms or funds invest in and exit the same company at the same time, the transaction is recorded as a single exit.



## Fundraising

AVCA's Venture Capital Fundraising database only includes final closes by individual venture capital funds. However, the report also provides an indication of interim closes that were reported between 2015 and 2024. It is to be noted that only funds that focus solely on Africa or have an allocation to Africa alongside a broader emerging markets investment mandate are included in the report. Funds with a global investment remit that invest in Africa are excluded.

## Geographic Scope

This Report is by no means exhaustive but intends to be indicative of the overall venture landscape in Africa. To provide a holistic overview of the volume and value of venture financing being channelled to the continent, this report covers the following:

### 1. Startups Headquartered In Africa.

**2. Africa-Focused Startups.** We define this as early-stage companies headquartered outside of Africa, but whose primary business, operations and market is in Africa. An example of what this Report classifies as an Africa-focused startup is Flutterwave, a payments infrastructure provider connecting Africa to the global economy. Although incorporated in the United States, this company operates in Nigeria, Kenya, Ghana and South Africa, thus meeting our methodology as an Africa-focused startup.

## Sector Classifications

The classification of invested company by sector is based on the [2025 Global Industry Classification Standard Classifications \(GICS\)](#).

## Data Sources & Quality Controls

AVCA Research collects data on a bi-annual basis from a range of public and private sources. Public sources include news outlets, company press releases and public platforms. Private sources include data obtained directly from fund managers, investors and founders as well as from subscription-based platforms. The data from private sources are treated as confidential, and only reported in aggregate.

AVCA Research supplements these sources using desk-based research to ensure data completeness. AVCA Research reviews all data obtained, queries any obvious errors, verifies the cut-off rules, and processes all necessary changes to historical data that have been reported by contributors. As such, AVCA cannot guarantee the ultimate accuracy of the data.

# Endnotes

- 1 Namely: *OpenAI* (US\$40bn), *Scale AI* (US\$10bn), *Anthropic* (US\$13bn), *Project Prometheus* (US\$6.2bn) and *xAI* (US\$10mn).
- 2 Calculations of global industry growth averages are obtained using data from the Crunchbase [2025 Global Funding Report](#). Calculations of Africa's growth averages are based on AVCA Data.
- 3 Kearney, 2025. [Venture Debt Steps Into The Spotlight](#)
- 4 The Nigeria Inter-Bank Settlement System, 2025. [NIBSS Unveils the National Payment Stack to Power the Future of Instant Payments in Nigeria](#)
- 5 Launch Base Africa, 2025. [Inside Egypt's 80-Point Plan to Win Back Its Startups](#)
- 6 Africa's Pulse, 2025. [An Analysis of Issues Shaping Africa's Economic Future](#)
- 7 BCG, 2025. [119 Million Reasons for Optimism: How Young Consumers Are Reshaping Africa's Retail Future](#)
- 8 This report draws on the Global Impact Investing Network's definition of impact investing to define impact investors as: investors with an intentional desire to solve problems, address opportunities, and generate positive, measurable social and environmental impact alongside a financial return.
- 9 This chart combines four investor groups with limited representation into the 'Other' category, as follows: Endowments, Impact Investors, Pension Funds, and Sovereign Wealth Funds.
- 10 Financial Times, 2025. [What Is Corporate Venture Capital and Why Is It On The Rise?](#)
- 11 Pitchbook, 2026. [Q4 2025 Global VC First Look](#)
- 12 Four exits between 2021 and 2023 involved undisclosed buyers. As a result, the proportions shown in this chart exclude these transactions and reflect only the exit deals where the buyer type could be clearly categorised.
- 13 Calculated using data from Pitchbook, 2026, [Q4 2025 Global VC First Look](#)
- 14 Pitchbook, 2026. [Q4 2025 Global VC First Look](#)
- 15 Based on 75% of the total value of venture capital fundraising for which the sources of commitments were available





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With a global and growing member base, AVCA members span private equity and venture capital firms, institutional investors, foundations and endowments, pension funds, international development finance institutions, professional service firms, academia, and other associations.

This diverse membership is united by a common purpose: to be part of the Africa growth story.

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