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**Partech Africa publishes its annual report:
African tech start-ups reach a new symbolic milestone with US\$ 2.02 Billion
raised in equity funding, representing 74% YoY Growth.**

Paris-Berlin-San Francisco & Dakar, January 29, 2020

Partech Africa published today its annual report on VC Funding for African Startups. The report shows 2019 was another year of breaking records and achieving new milestones for the dynamic and fast-growing tech investment ecosystem in Africa.

The Partech Africa team published today their now traditional annual report on African tech start-ups. As the report shows with this year's numbers, VC Tech investment is significantly redefining the scope of Private Equity in Africa and, further, the economies of the continent.

The report, which is the fourth the team has produced, is based on the same methodology as the previous years: it covers equity deals in tech and digital spaces, and funding rounds higher than US\$200K. It covers both disclosed and undisclosed deals. The report only focuses on African start-ups i.e. companies with their primary market in Africa (i.e. in terms of operations and revenues).

2019, another year of breaking records in Africa

In 2019, 243 African tech start-ups raised a total of US\$2.02 Billion in equity through 250 rounds, representing a +74% growth YoY. The yearly funding amount continues its exponential growth, having expanded by 5.5x over the last 36 months.

"Africa's tech ecosystem has moved into the mainstream, transforming economies considerably, and while there are certain ups and downs to be expected in the future, this new reality is also redefining the scope of Private Equity on the continent, with Venture Capital on the way to becoming the number one asset class in Africa," says Cyril Collon.

The Partech Africa report tracked 250 rounds raised by 234 start-ups compared to 164 rounds by 146 start-ups the year before, representing +52% growth YoY in deal count. We noticed a massive densification of early stage rounds with 206 transactions (+57% YoY) in Seed and Series A investments, which confirms investors' confidence in taking early bets in Africa.

Talking about investors, 70 of them made two or more transactions in 2019, compared with 20 investors only back in 2017. The Top 5 most active investors have each done 7+ deals.

While Nigeria is still leading the race, Egypt breaks into the Top 3

Nigeria attracted a record high of US\$ 747 M in tech VC investment (37% of all funding), but only takes 4th place behind Egypt in deal count. Meanwhile Egypt breaks into the top 3 both in terms of deal count (+147% YoY) and deal volume (+215% YoY).

The regional landscape has now been redrawn with 85% of the total funding (US\$ 1.7 Billion) going to the top 4 countries: Nigeria, Kenya, Egypt and South Africa.

There were 18 countries with at least one equity tech deal above US\$ 200K this year, compared to 19 countries in 2018. With total funding of US\$ 294 Million (+53%) raised over 47 deals (+24% YoY), the rest of the continent (i.e. excluding the top 4 countries) is absorbing 15% of total investment across the continent. Regarding French-speaking Africa, Senegal confirms again its position as the leading hub with US\$ 16 Million raised in 6 deals.

Sector breakdown: fintech made a clean sweep

Driven by Fintech, financial inclusion remains the main investment sector in the continent, attracting 54.5% of the total funding. However, the online and mobile consumer services sector has witnessed a steep increase to 29.3% of total funding (vs 19.6% in 2018) while B2B and tech adoption represents this year only 16.1% of total deals (vs 30.4% in 2018).

“Fintech is clearly exploding on the continent with more and more digital players enabling startups to serve the segment. This is one of the reasons that VC investors now have a much larger pool to play with than the traditional private equity investors did before. We’re seeing the latter come in into smaller tickets and into the tech space, trying to find interesting opportunities,” explains Tidjane Dème.

Read the full report [on Partech’s website](#).

About Partech Africa:

The Partech Africa Fund achieved a final closing at €125M in January 2019, more than double the size of its first closing a year prior. It is backed by a unique set of financial institutions, major corporate partners and successful entrepreneurs. It set out as the largest VC fund dedicated to technology startups in Africa. Partech Africa focuses on series A and B equity rounds in startups which are changing the way technology is used in education, mobility, finance, delivery, energy, etc. At the end of 2019, The Partech Africa Fund had achieved a total of 11 investments in 9 companies based in 6 countries, focusing mostly on Series A & B tickets.

About Partech:

Partech is a global investment firm with offices in San Francisco, Paris, Berlin and Dakar. We bring together capital, operational experience and strategic support for entrepreneurs at



seed, venture and growth stages across multiple continents, with over \$1.2B investment capacity. Investments range from \$200K to \$50M in a wide range of technologies and businesses for enterprises and consumers, from software, digital brands and services, to hardware and deep tech across all major industries. Companies backed by Partech have completed more than 20 initial public offerings and more than 50 strategic exits above \$100M. Our current portfolio: <https://partechpartners.com/companies/>

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