



The nexus of
private capital
in Africa

2025 Venture Capital in Africa Report

A Steadying Pulse

Setting the Stage: Private Capital in Africa

2025 unfolded against a backdrop of continued global adjustment for private capital markets, shaped by geopolitical tensions, persistent supply chain disruption, and a more cautious risk environment.

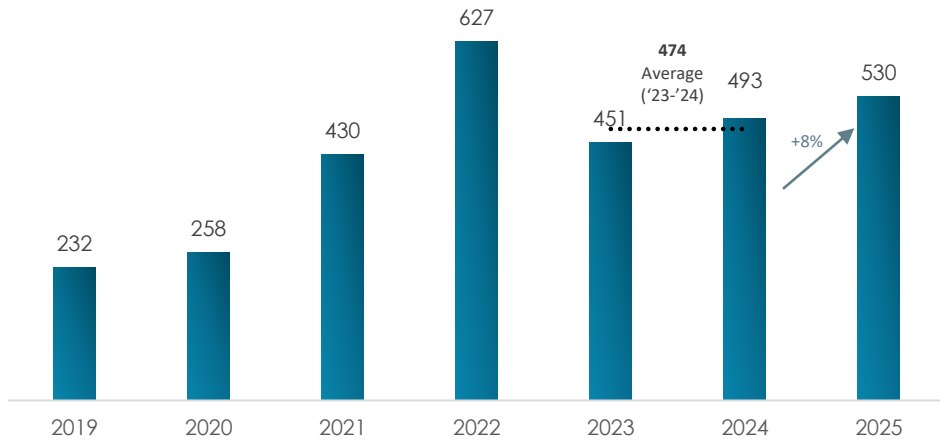
While private capital dealmaking fell with varying intensities across every global region, ***Africa stood out as an exception***, signalling a market that has absorbed the post-2022 correction and begun to stabilise.

We begin with a high-level overview of private capital activity in Africa, examining how deal volumes, values, and deployment patterns have evolved amid this global divergence.

This context sets the foundation for a deeper focus on venture capital, positioning Africa's VC trajectory within broader private capital market dynamics.

Private Capital in Africa: Deal Activity

Volume of Private Capital Deals in Africa, by Year



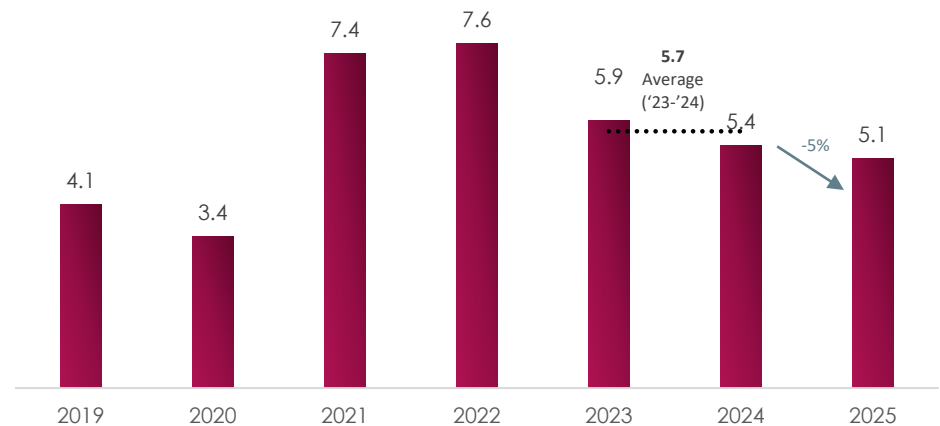
530 private capital deals with a combined value of US\$5.1 billion took place in 2025.

Three years after the 2022 market peak, deal counts appear to have levelled off to a lower but more sustainable baseline.

Although deal value has continued to contract, the pace of decline has slowed compared to previous years (-22% in 2023 and -9% in 2024).

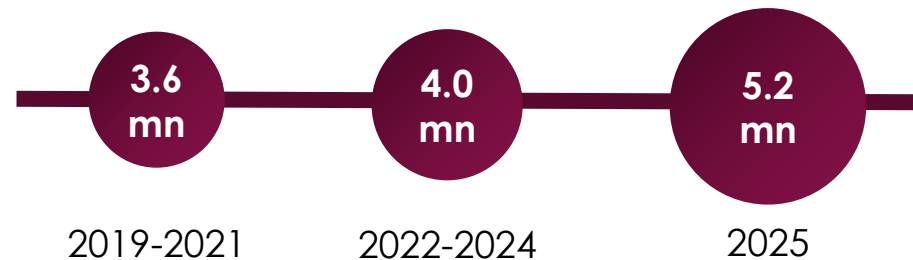
Overall, while deal volume continues to recover faster than deal value, together they reflect an industry **finding equilibrium after an extended period of correction.**

Value (US\$bn) of Private Capital Deals in Africa, by Year



Evidence of this rebalancing is in the evolution of median deal values, which rose to **US\$5.2mn** in 2025.

Evolution of Median Deal Size in Africa, 2019-2025



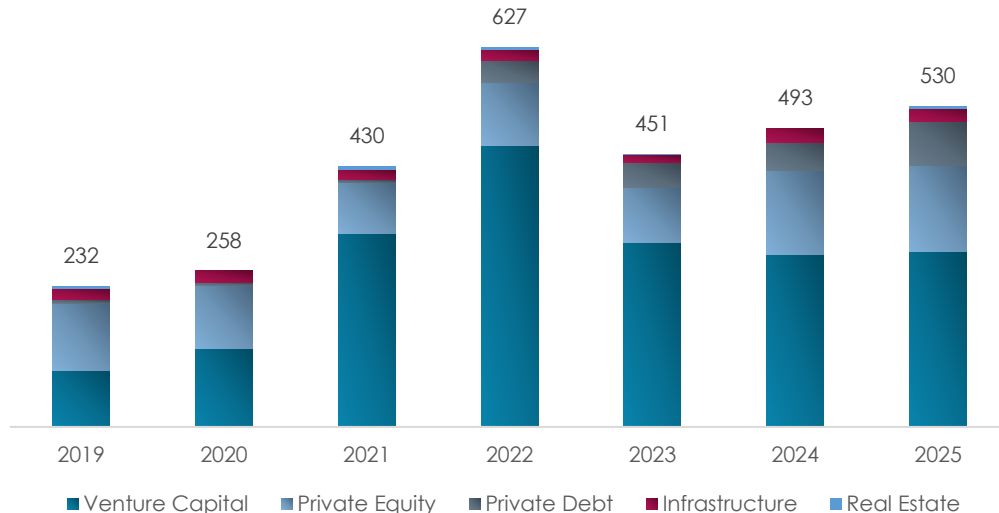
Private Capital in Africa: Breakdown by Asset Class

Deal volume held firm across all asset classes, but total value fell as capital deployment shifted downstream.

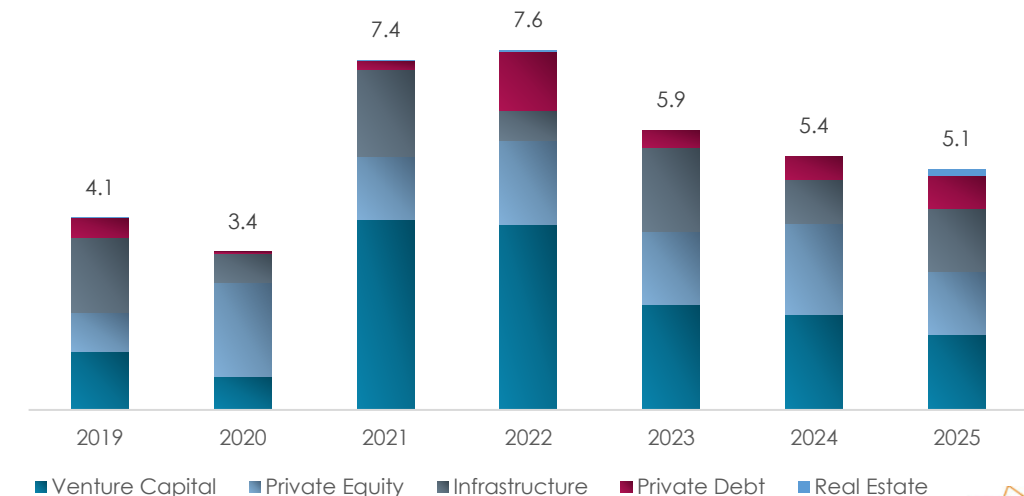
Mid-market VC, surging venture debt, smaller PE ticket sizes, and a selection of Infrastructure megadeals reshaped Africa's investment landscape in 2025. Overall:

- **Venture Capital** stabilised, recording **2% YoY** rise in deal volume amidst **21% YoY** decline in value
- **Private Debt** deal volume surged **57% YoY**, marking the asset class's strongest performance to date
- **Private Equity** deal volume rose **2% YoY**, reaching its highest level in a decade despite a 32% YoY contraction in deal values
- **Infrastructure** deal volume held steady, while **value surged 47% YoY** driven by a handful of landmark transactions

Volume of Private Capital Deals in Africa, by Year & Asset Class



Value (US\$bn) of Private Capital Deals in Africa, by Year & Asset Class



Deep Dive: Venture Capital in Africa

2025 marked a year of consolidation for Africa's venture capital ecosystem.

After two years of retrenchment, the market moved out of correction but stopped short of a full recovery, settling instead into a leaner and more selective equilibrium.

Deal activity stabilised amid global contraction, median deal sizes rose, and Venture Debt emerged as a critical stabiliser, reshaping how capital is deployed and how growth is financed. At the same time, structural frictions persisted, particularly at the Late Stage, where capital scarcity continues to constrain progression.

In the sections that follow, we examine how these dynamics played out across Stages, Geographies, Sectors, Investors, Fundraising and Exits—offering a comprehensive view of a ***venture ecosystem that is not yet rebounding, but whose pulse is beginning to steady.***

Venture Capital in Africa: Deal Activity

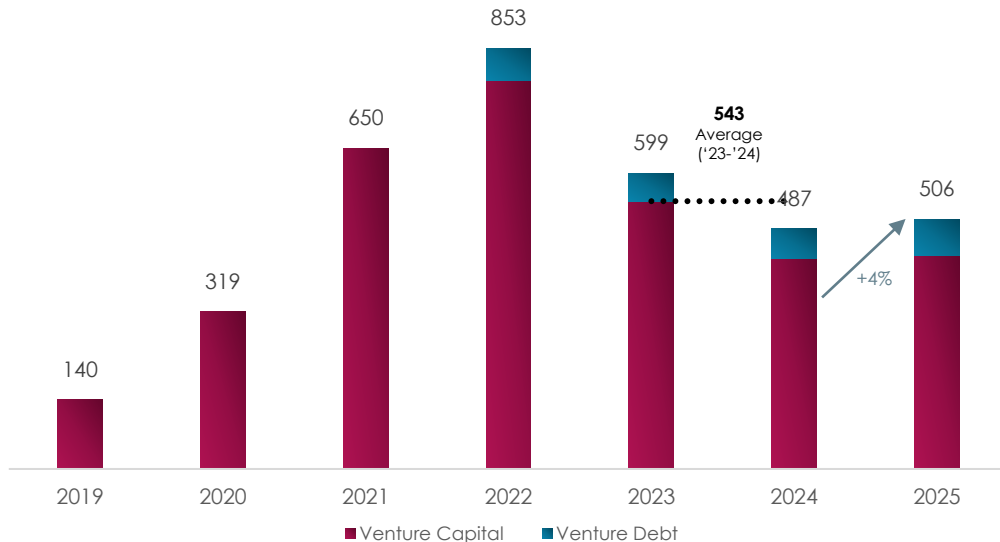
Following pronounced dips in both 2023 and 2024, the downward slide of deal activity is abating.

Volume 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.

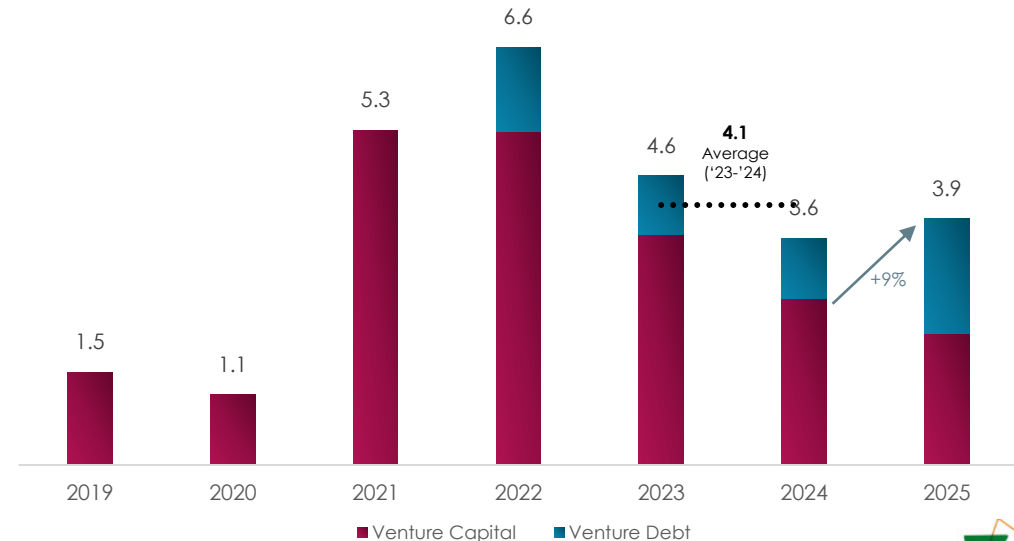
By value, African startups raised US\$2.1bn in equity and US\$1.8bn in debt. While venture capital declined 21% YoY, the near-doubling of venture debt provided a crucial counterweight to aggregate funding.

Importantly, capital was deployed with greater confidence. The median venture capital deal value increased from US\$3.0mn to US\$4.0mn, while average deal values held steady at US\$11mn.

Volume of Venture Capital Deals in Africa, by Year



Value (US\$bn) of Venture Capital Deals in Africa, by Year



Venture Capital in Africa: Breakdown by Investment Stage

Seed: A Measured Return



- The Seed stage recorded **134 deals** with a combined **US\$274mn** in 2025, representing 6% and 15% YoY increases in deal volume and value, respectively.
- Median deal size climbed to a record **US\$2.2mn**, more than double the pre-pandemic norm, reflecting stronger investor conviction at entry.
- Deal Examples Include:

US\$3.5mn For *Kumulus Water*, a Tunisian producer of atmospheric water generators

US\$6.0mn For South African recommerce startup *FARO*

Early Stage: Conviction Returns, Selectively

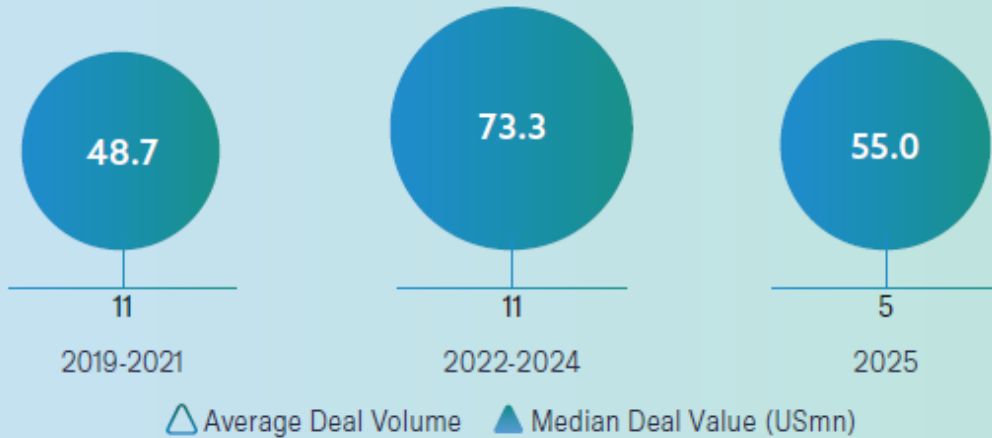


- **63** Early Stage deals (+17% YoY) were completed in 2025. Total capital deployed held steady at **US\$0.8bn**.
- Series A activity anchored this segment, accounting for 52% of both its deal volume and value.
- In contrast, Series B financing was more constrained. Average Series B deal size fell to US\$20mn, down from US\$34mn in 2024.
- Deal Examples Include:

US\$22mn Series A for *Kredete*, a Nigerian credit and remittance platform

Venture Capital in Africa: Breakdown by Investment Stage

Late Stage: A Thinning Apex

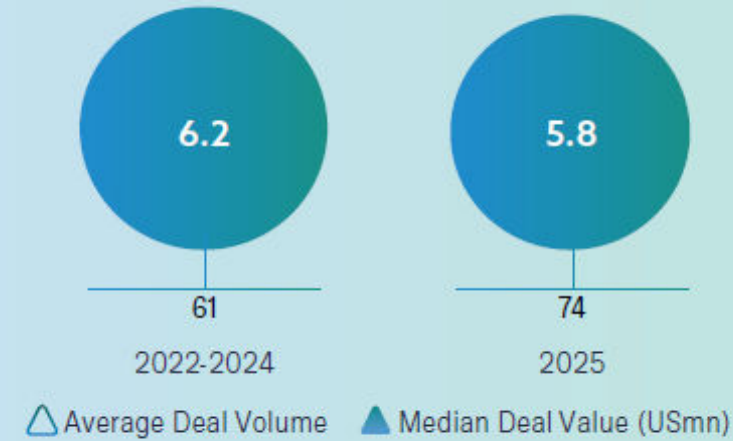


- Late Stage venture activity continued to retreat in 2025, falling to its lowest level since 2020.
- With only **5** deals recorded throughout the year, the segment raised a combined **US\$344mn**.
- This represents a 29% decline in deal volume and a significant 58% drop in deal value compared to 2024.
- Deal Examples Include:

US\$90mn

Series C2 for *MoniePoint*, bringing the FinTech startup's total Series C raise to over \$200mn.

Venture Debt: From Complement to Cornerstone



- **74** Venture Debt deals (+23% YoY) totalling **US\$1.8bn** (+91% YoY) took place in 2025.
- This expansion mirrors the global rise of this asset class, which grew a 14% CAGR between 2018 and 2024.
- While most recipients were repeat fundraisers, **14%** of borrowers accessed institutional capital for the first time.
- Deal Examples Include:

€2.0mn

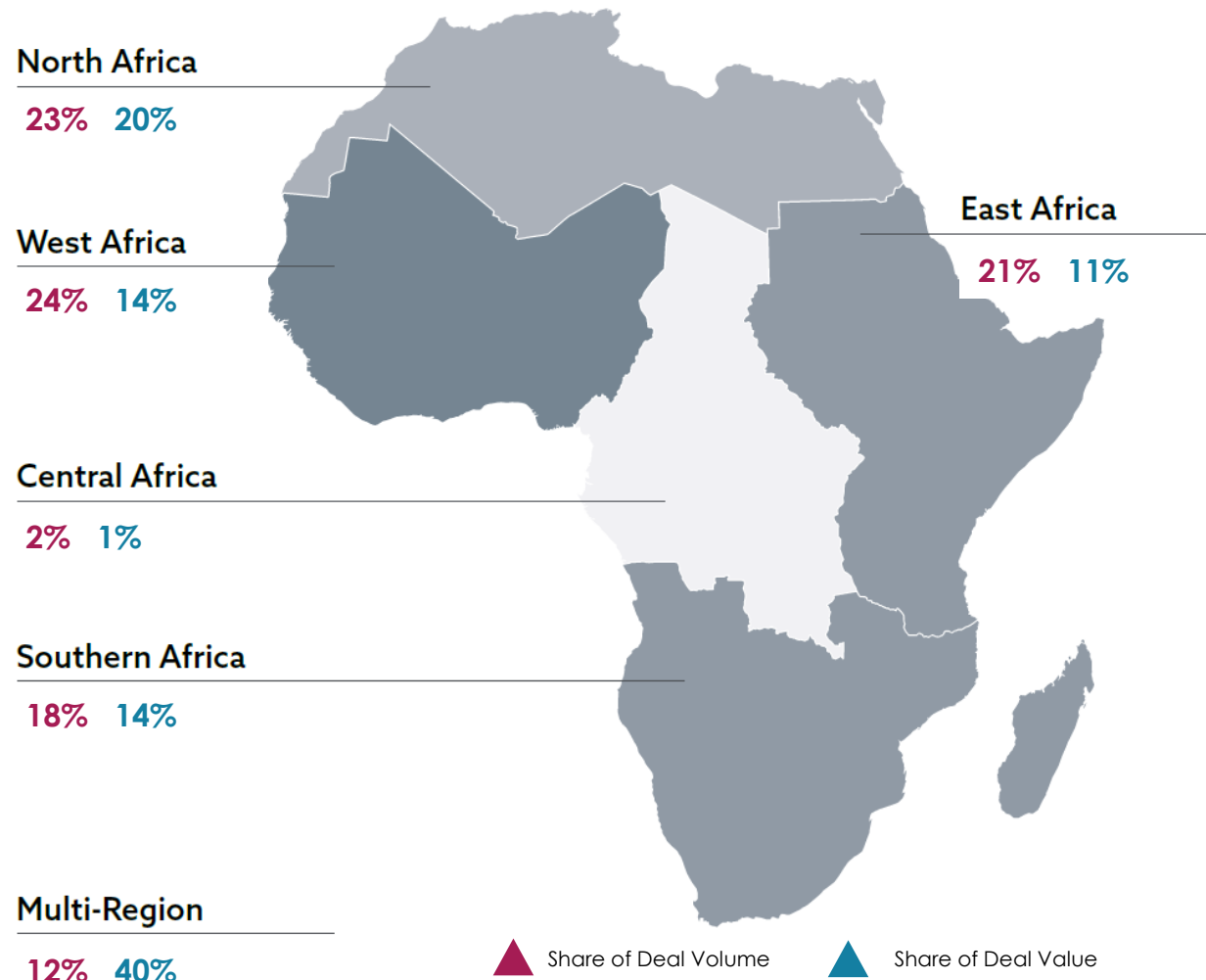
Concessional loan raised by *First African Company*

EGP3.4bn

Securitised bond issuance by Egyptian unicorn *MNT Halan*

Venture Capital in Africa: Breakdown by Geography

Share of VC Deal Volume in Africa by Region, 2025



Regional investment patterns remain diverse.

West Africa attracted the largest share of deal volume, although South Africa eclipsed Nigeria as the most active country by deal count.

North Africa ranked second by both volume and value, while East Africa emerged as the continent's centre of venture debt activity.

Southern Africa maintained the second-highest median deal value on the continent, despite the absence of megadeals.



West Africa: 121 Deals ; US\$547mn in 2025



North Africa 118 Deals ; US\$762mn in 2025



East Africa 105 Deals ; US\$426mn in 2025



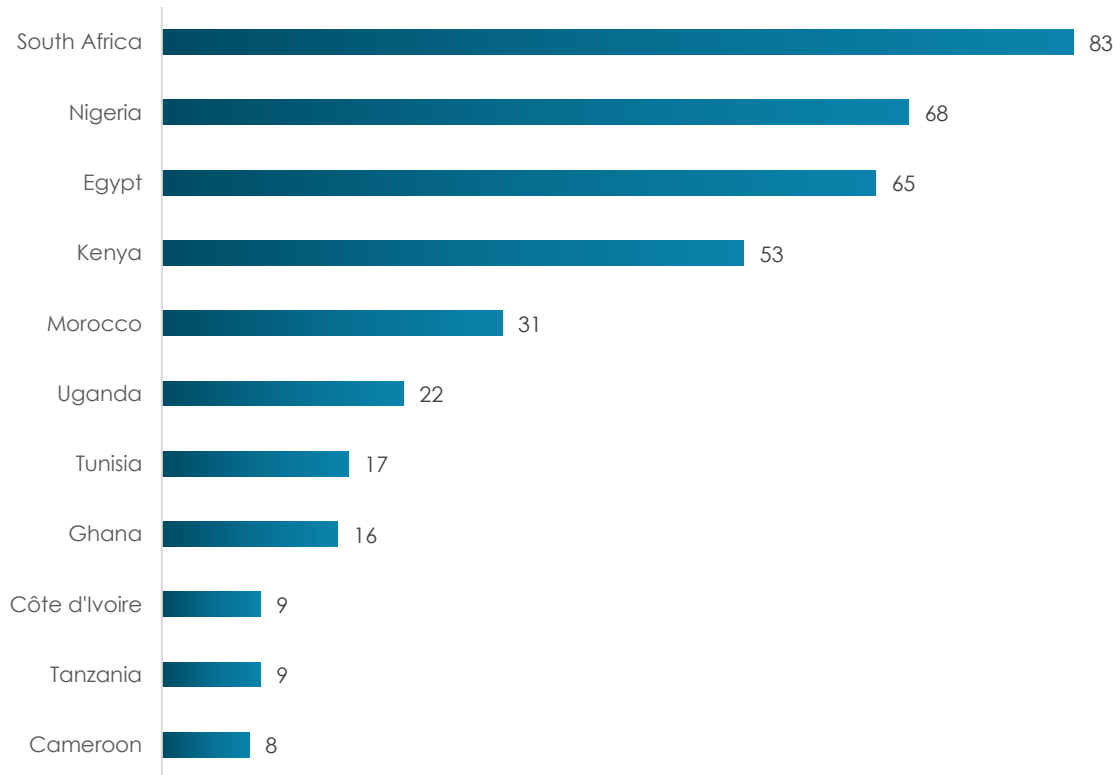
Southern Africa 92 Deals ; US\$560mn in 2025

Venture Capital in Africa: Breakdown by Geography

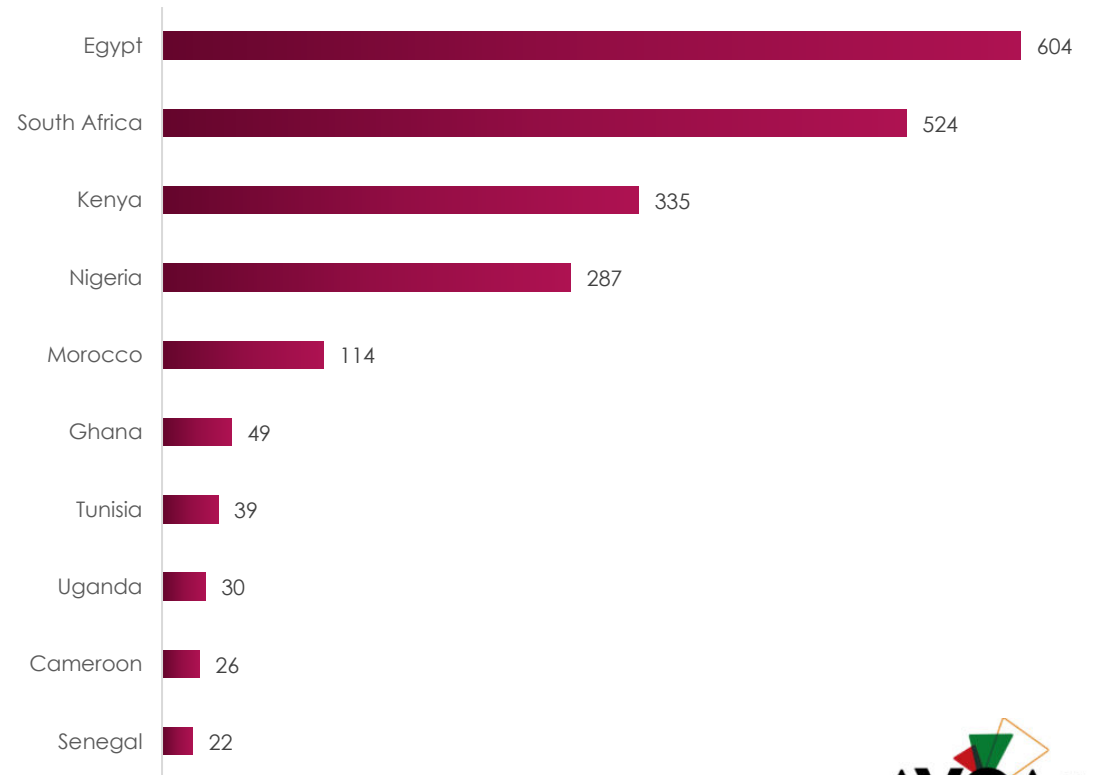
Africa's "Big Four" once again emerged as the primary destinations for venture capital, commanding 53% of deal volume and 45% of deal value in 2025.

Beyond the Big Four, North African markets (Morocco and Tunisia) featured prominently on both leaderboards, while Uganda recorded solid deal activity and Ghana stood out on deal value.

Top 10 Investment Destinations by Venture Deal Volume, 2025



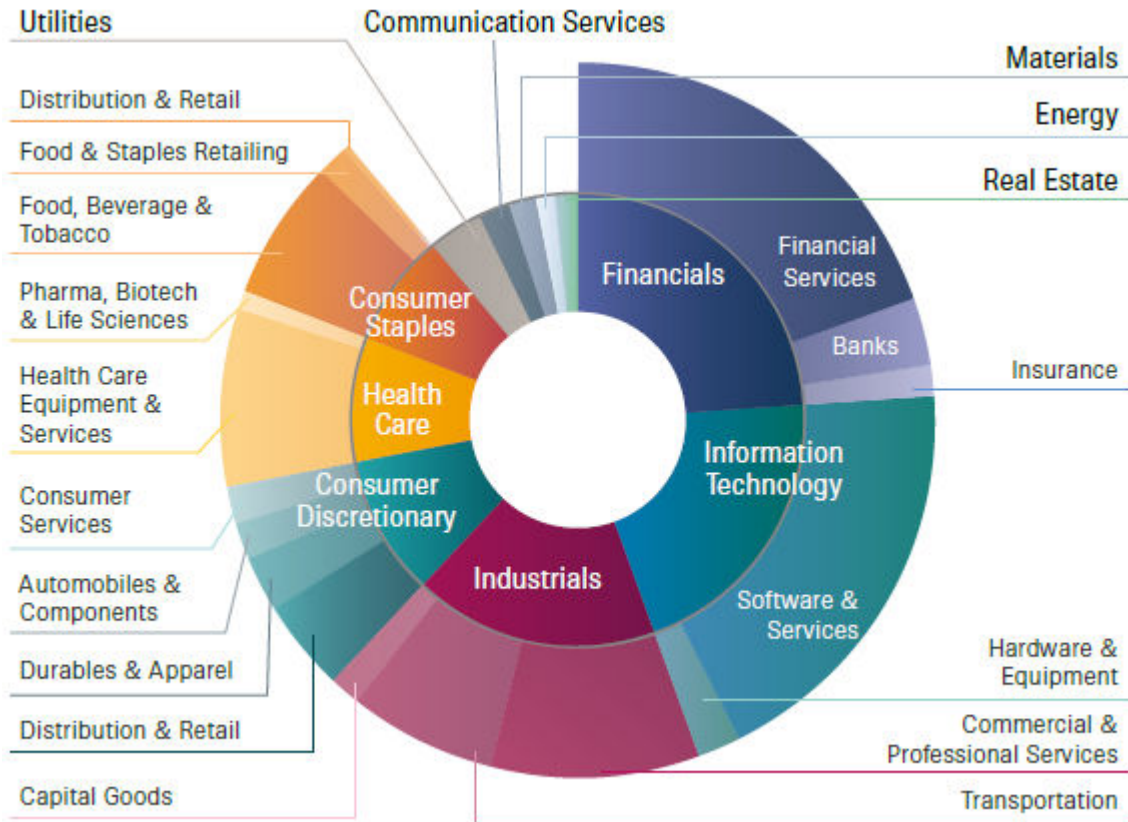
Top 10 Investment Destinations by Venture Deal Value (US\$m), 2025



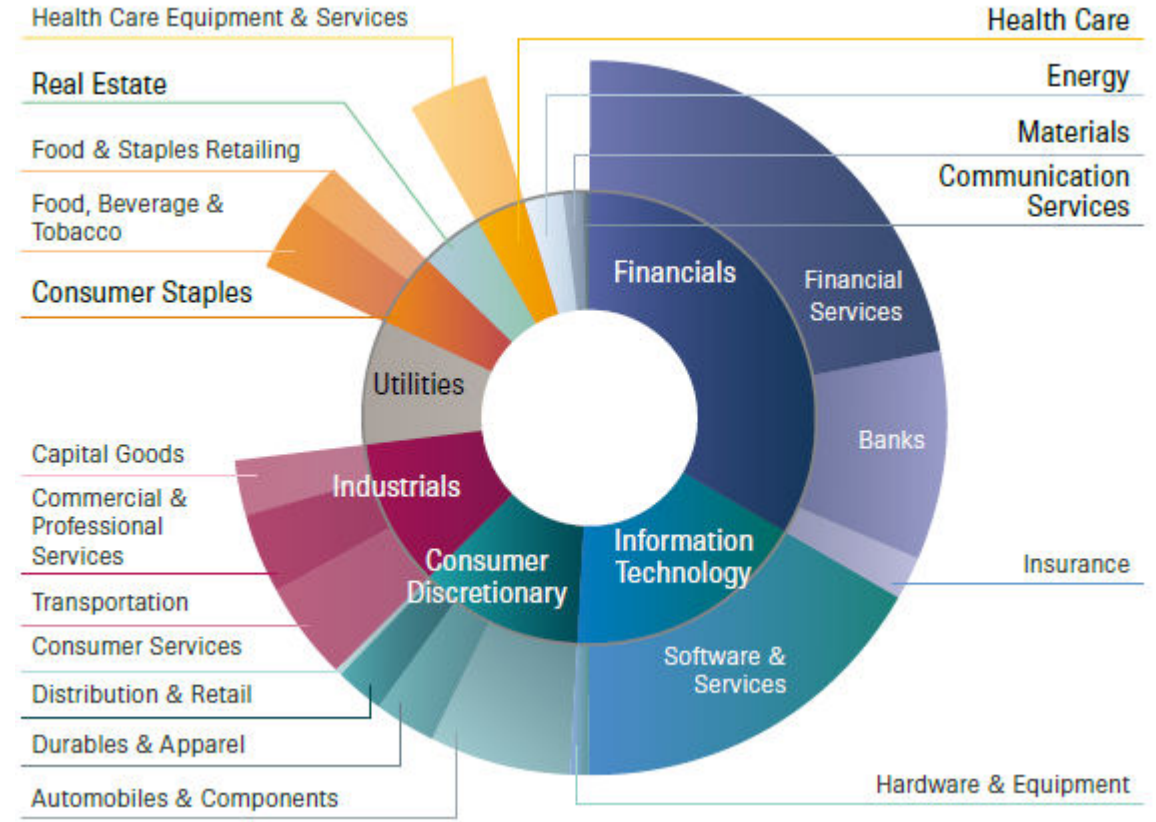
Venture Capital in Africa: Breakdown by Sector & Tech-Enabled Verticals

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

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



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

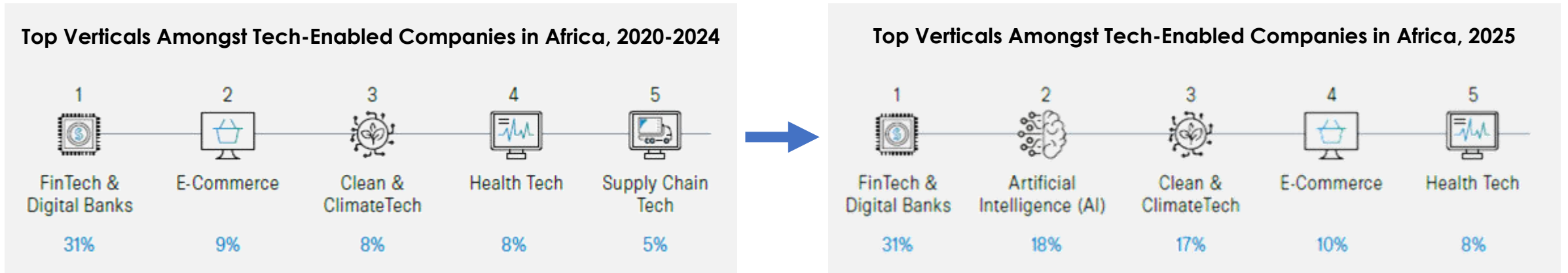


Venture Capital in Africa: Breakdown by Sector & Tech-Enabled Verticals

Technology remains the backbone of Africa's venture capital ecosystem, accounting for 85% of all venture deals in 2025.

Within this landscape, a clear hierarchy of core verticals has taken shape:

- **FinTech and Digital Banks** retained their long-standing lead, underscoring their continued relevance as Africa's most proven commercial technology segment.
- **Artificial Intelligence** and **Clean & ClimateTech** consolidated their ascent into the top tier, collectively capturing over one-third of tech-enabled deal activity.
- **E-Commerce** and **HealthTech** rounded out the top five. Their relative positioning reflects a gradual reordering of priorities as investors increasingly concentrate on technologies with broad, cross-sector application.



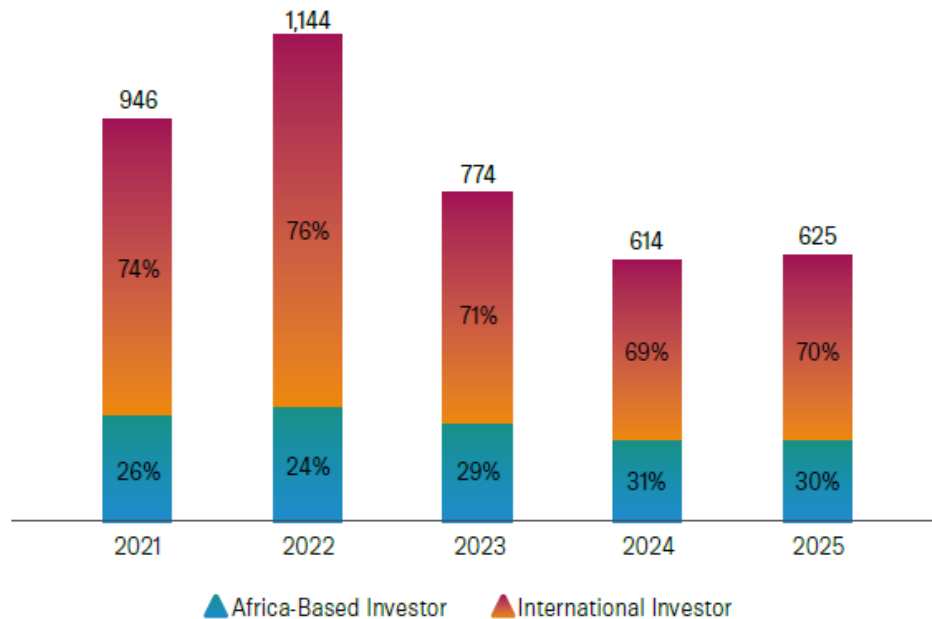
Venture Capital in Africa: *Investor Profile*

625 unique investors backed venture-funded African companies in 2025; a mild recovery after two consecutive years of decline. 538 of these were venture capital-only investors, 16 focused exclusively on venture debt, and 71 pursued a dual strategy.

There remains a **dynamic but consistently international** investor participation in Africa's venture market, signalling a continued commitment to the continent despite shifting global interests and priorities.

Although **Fund Managers (38%)** and **Investment Firms (14%)** remained the most prominent investor categories, 2025 saw a noticeable rise of investor participation by **Corporate Venture Firms (14%)**.

Investors Participating in Venture Deals in Africa, by Year

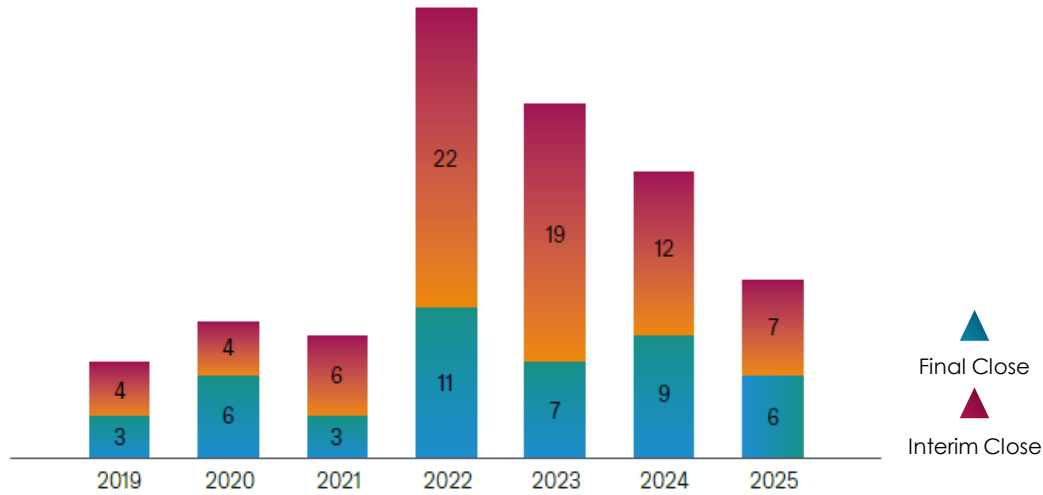


Investors Participating in Venture Deals in Africa, by Category (2025)

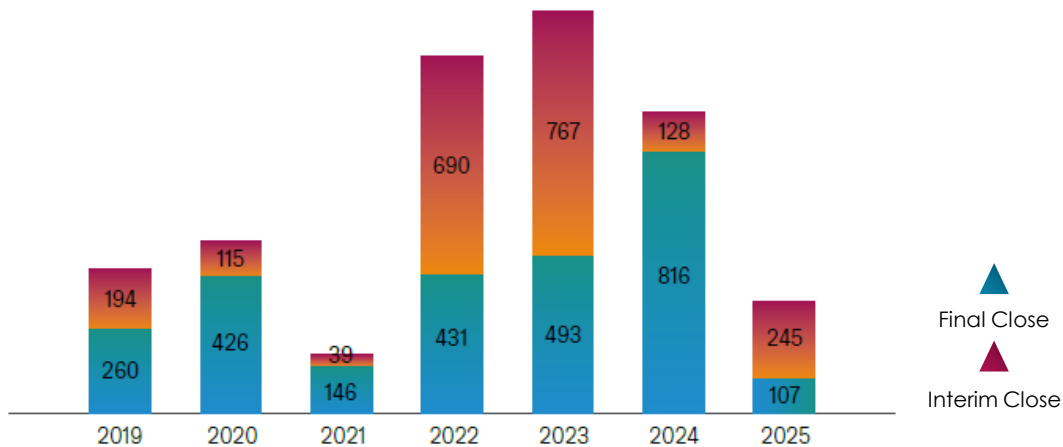


Venture Capital in Africa: Fundraising

Volume of Venture Capital Funds in Africa by Closing Type



Value (US\$m) of Venture Capital Funds in Africa by Closing Type



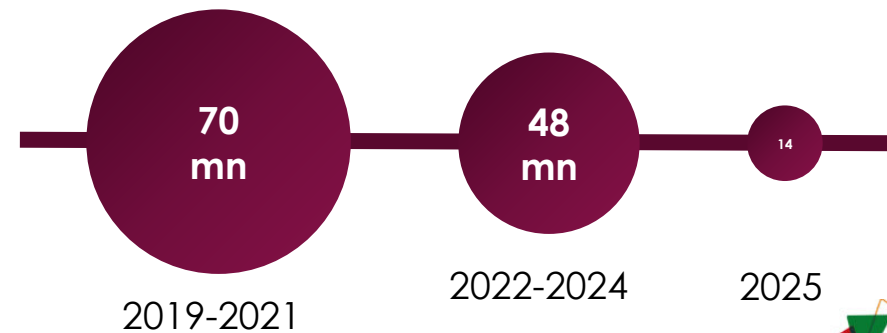
Venture capital fundraising in Africa fell for the first time in four years.

Africa-focused fund managers raised **US\$107mn** across **6 final closes** in 2025, representing an 87% YoY decline by value.

The contraction was shaped by the absence of large fund closes. No funds reached a final close of US\$100mn+ in 2025: the first such occurrence since 2021.

Africa's performance mirrors the wider, ongoing fall of venture capital fundraising globally. New commitments dropped by 46% YoY to US\$118bn in 2025, weighed down by slower fundraising in both Asia and North America.

Evolution of Median Fund Size in Africa, 2019-2025



Venture Capital in Africa: Origin of Fundraising

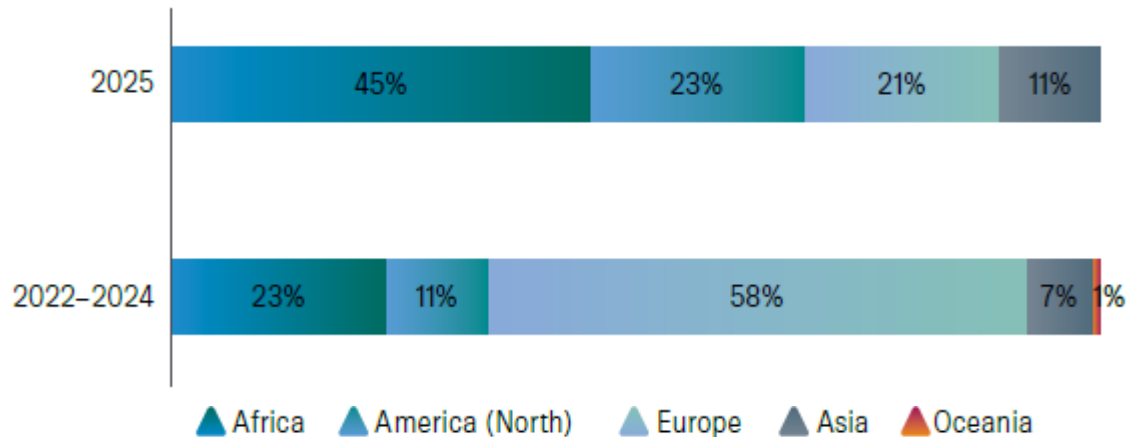
Africa-focused VC funds saw a clear reconfiguration in the sources of new capital commitments in 2025.

Corporate Investors emerged as the largest contributor to Africa's VC fundraising, accounting for **41%** of aggregate commitments.

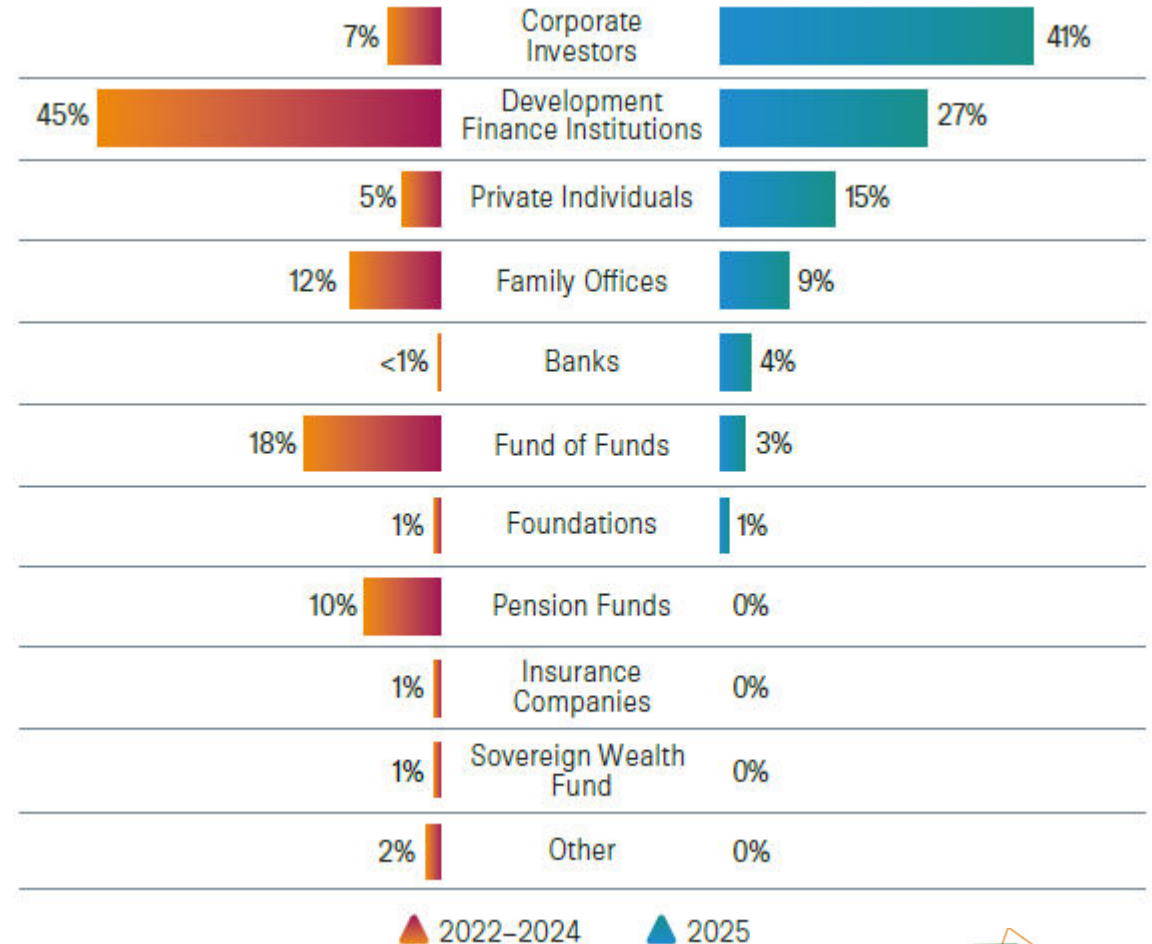
DFIs remained an important source of capital but their share declined to **27%**, down from 44% in 2024.

African Investors played a leading role in 2025, collectively accounting for **45%** of total VC fundraising.

Share of Venture Capital Share of Venture Capital Fundraising by Geographic Origin, 2022- 2025



Share of Venture Capital Fundraising by Investor Type, 2022-2024 vs. 2025



Venture Capital in Africa: Exits

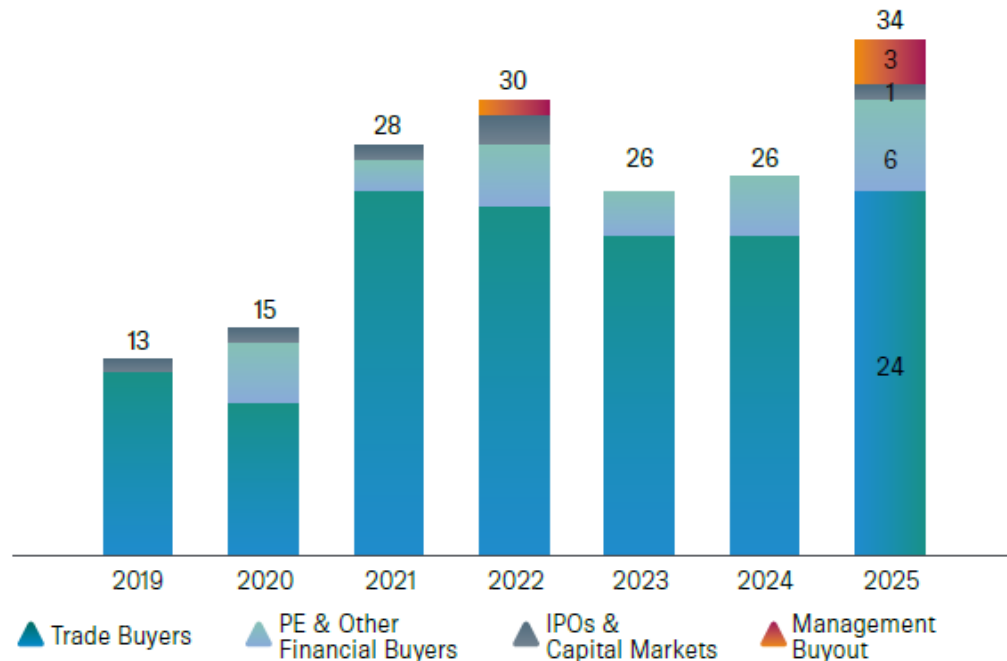
Venture-backed exits reached a new high of 34, rising 31% YoY to outpace the more marginal 1% growth recorded globally.

Trade Sales continued to anchor exit activity, accounting for over **70%** of both exit volume and value, reinforcing their role as the primary liquidity pathway for investors.

In a modest broadening of exit routes, financial sponsors also increased their participation and reached a new high in 2025.

Overall, A total of **159 unique buyers** were disclosed between 2019 and 2025. **Africa-based buyers** accounted for **54%** of exits, signalling a growing base of local and regional acquirers alongside continued international participation.

Volume of Venture Capital Exits in Africa, by Year & Exit Route



Share of Volume of Venture Capital Exits in Africa, by Year & Buyer Region

