

# THE STATE OF TECH IN AFRICA

Building Momentum Through  
Strategic Partnerships

H1 2025



**techcabal**  
Insights

# Contents

Foreword

Introduction

H1 2025 Snapshot

Funding

Acquisitions

Layoffs

Shutdowns

Expansions

Building Momentum  
Through Strategic Partnerships

Major Winds (Pivots & Regulations)

Future Outlook

## Foreword

# Building Momentum Through Strategic Partnerships



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The conversation around African tech is evolving. For years, the narrative was dominated by the volume of funding a countdown of capital that, while exciting, often painted an incomplete picture of the ecosystem's health. The market correction of the last two years was not an end, but a necessary winter. It has forced a return to fundamentals and ushered in a new era of strategic maturity.

As we enter the second half of 2025, it's clear that the pace of 2021 and 2022 was an anomaly shaped by unusual global conditions. The current environment is more measured, deliberate, and sustainable. This report shows that H1 2025's momentum was driven not just by funding, but by collaboration.

The period saw a rise in strategic partnerships, steady M&A activity, and pragmatic business model pivots. These are not just signs of survival; they reflect the foundation of a more resilient and connected ecosystem. Companies are now creating capital by building shared infrastructure, integrating financial tools, and prioritizing long-term value.

This report tells that story: how African startups, beyond the headlines, are shaping a new playbook for growth, one built on collaboration as a competitive edge.

## Guest Foreword

# Money is Coming Back, but a Better Narrative is Needed



**Abraham Augustine**  
Norrsken

After a challenging period, the rebound in venture capital for African startups in the first half of 2025 is a welcome sign of relief. However, we must look beyond the encouraging headline numbers.

While it is tempting to label this resurgence as a "flight to quality," it appears to be more of a "flight to safety." Investors are clustering around proven models, particularly in Fintech, which saw a 166% growth in funding concentration.

The previous funding peak was fueled by an era of inexpensive global capital. Now, the landscape has changed. The test for the African tech ecosystem is to build a new, more resilient narrative, one that is less dependent on global capital trends and is grounded in solid commercial viability.

The urgency to update our collective narrative for building and investing in African startups has never been greater. Building this new narrative requires moving beyond assumptions to embrace data-driven decision making.

The "State of Tech in Africa H1 2025" report offers exactly this - a brilliant snapshot of the data behind the funding, M&A activity, and market corrections. I encourage you to read this report not just for the headline figures, but as a tool to challenge your assumptions and refine your understanding of what it truly means to build and invest in commercially successful businesses on the continent.



# Introduction

The first half of 2025 marked a confident rebound for the African tech ecosystem. After a period of correction, the market showed renewed strength, attracting over \$1.42 billion in funding across 243 deals. This resurgence was driven by a flight to quality, with investors concentrating capital in sectors like Fintech, which alone captured nearly 45% of all funding with \$638.8 million.

Beyond funding, the ecosystem's maturity was evident in its strategic activity. The first half of the year saw 29 M&A deals, 20 startup expansions, and at least 34 major strategic partnerships, signaling a clear trend towards consolidation and collaborative growth. This was balanced by a necessary market correction, with ~765 disclosed layoffs and 6 startup shutdowns. This report dives deep into these numbers, unpacking the trends that defined the new, more strategic era of African tech in H1 2025.

## Methodology

Our analysis draws primarily from TechCabal's proprietary research and databases, built from over a decade of consistent reporting on Africa's digital economy. This includes data from TechCabal Insights' internal Funding tracker & ALES Tracker which monitors startup Funding, Acquisitions, Layoffs, Expansions, Shutdowns, Pivot, Regulation and Partnerships.

This was supplemented by structured datasets from Africa: The Big Deal, which offer validated, funding insights. All deal data covered in this report focuses on publicly disclosed information and excludes confidential or partial transactions unless verified through multiple sources.



### Disclaimer

The content of this report is for informational purposes only. Nothing in the content constitutes professional or investment advice. TechCabal Insights or any of its affiliates will not be responsible in any way for any decision made based on the content of this report.

## Q1 2025 Snapshot

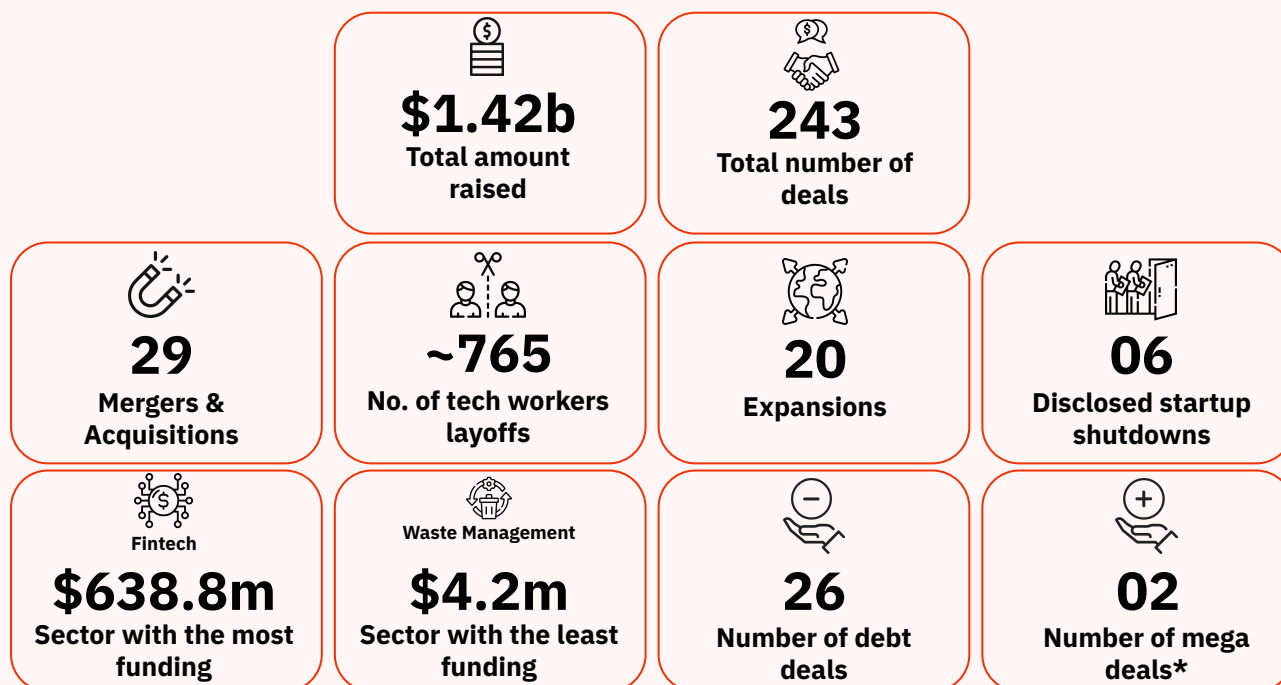


## Q2 2025 Snapshot

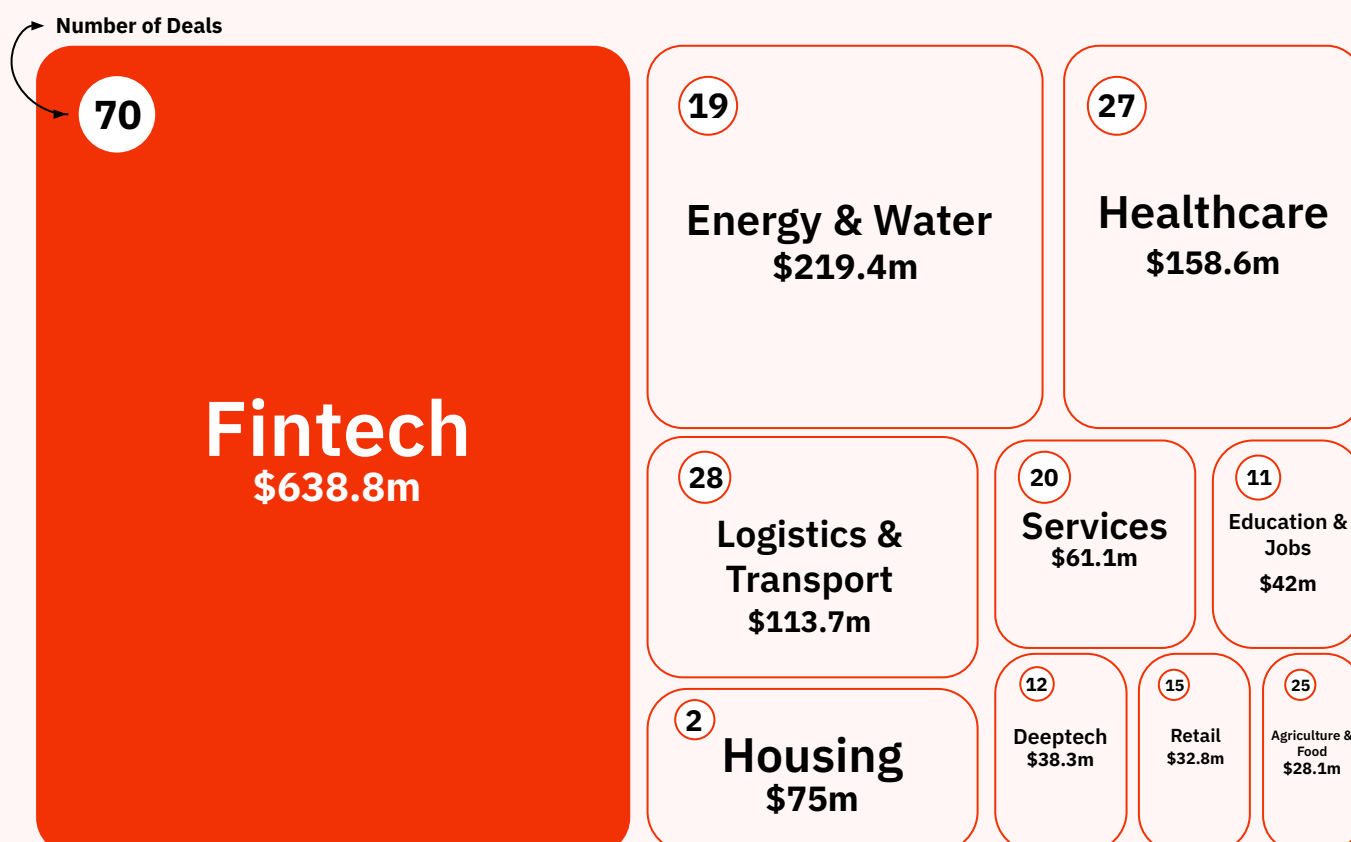


\*Mega deals are venture deals equal to or greater than \$US 100 million ~ Signifies the approximate number gotten from publicly disclosed in the news \* Total Number of deal (equity, debt & grant)

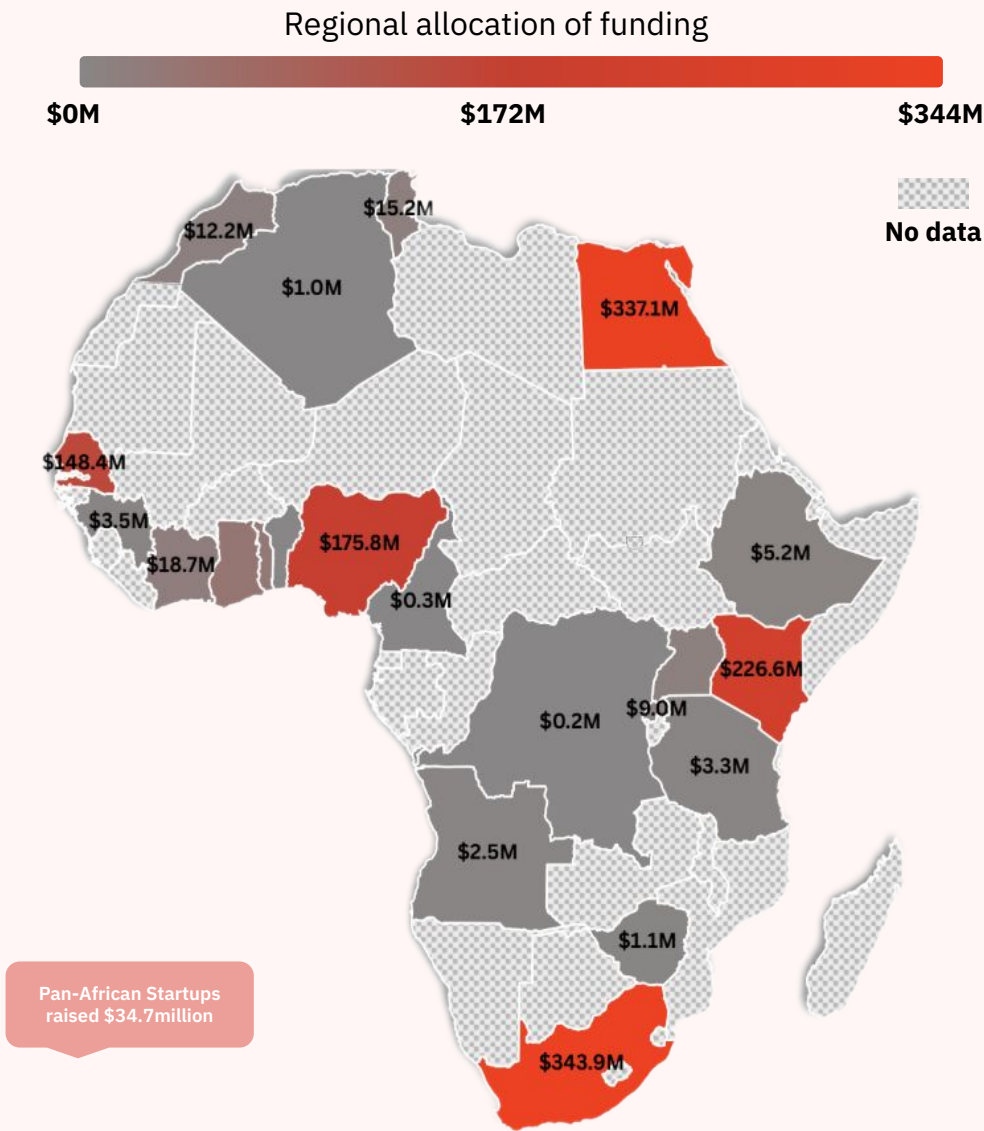
# H1 2025 Snapshot



## Leading sectors by funding



# H1 2025 Snapshot



## Top funded startups





# FUNDING

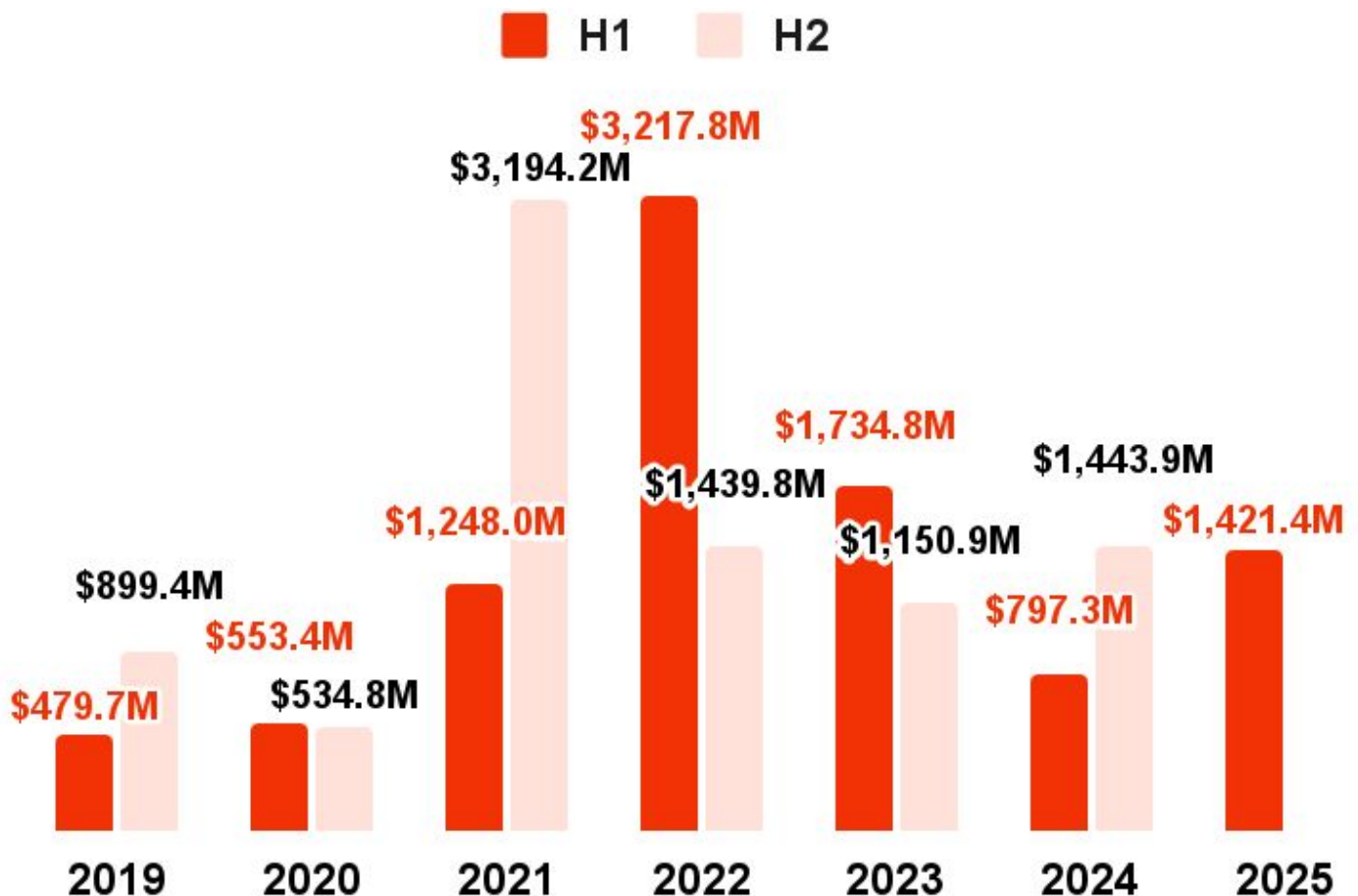


# Funding in **H1 2025** grew by **78.3%** in comparison to H1 2024

The African tech funding landscape showed clear signs of a resurgence in the first half of 2025, with investment growing by 78% compared to the first half of 2024 signaling a strong market rebound.

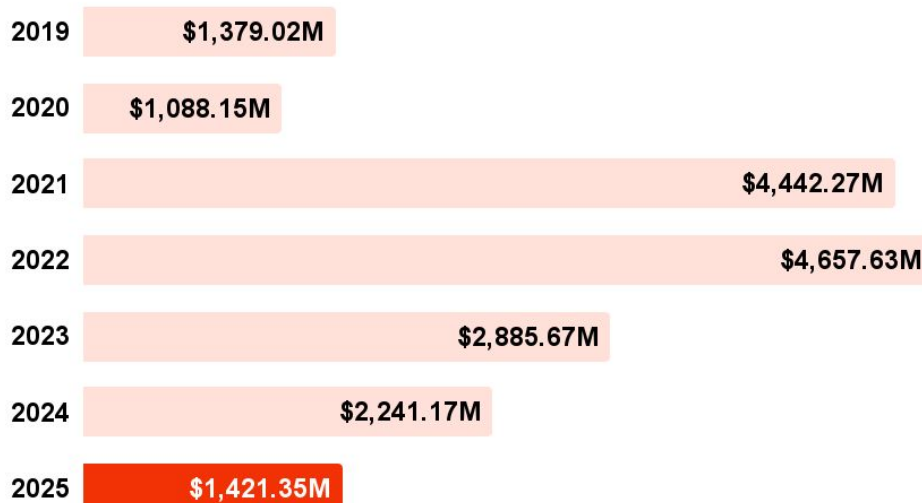
After two years of market corrections that followed the unprecedented peaks of 2021 and 2022, the ecosystem has found a new, more sustainable rhythm. With over \$1.42 billion raised, H1 2025 has not only surpassed the amount raised in the first half of 2024 (\$797.3M) but is also on a strong roadmap to challenge the full-year total of 2024 (\$2.24B), signaling a significant return of investor confidence.

Total funding by half year from 2019 to H1 2025



Source: TechCabal Insights & The BigDeal

## Total Funding Raised by Year, 2019 - H1 2025

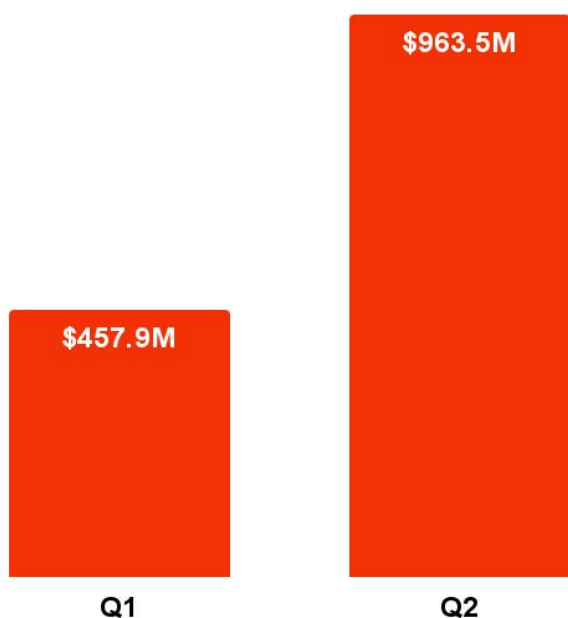


Source: TechCabal Insights & The BigDeal

From a year-on-year perspective, the data shows a clear recalibration after the funding peak of \$4.66B in 2022. As of June 27, 2025, the ecosystem has raised \$1.42B.

This strong first-half performance already accounts for nearly 63% of the total \$2.24B raised in the entirety of 2024. Should this momentum continue, the African tech ecosystem is well-positioned to surpass the previous year's total, marking a decisive end to the recent funding downturn and establishing a new foundation for growth.

## Quarterly Funding Raised, Q1 vs Q2 2025



This outlook is further bolstered by accelerating investment within 2025.

After raising \$457.9M in Q1, activity ramped up to \$963.5M in Q2 which more than double the first quarter's amount. This growth demonstrates building investor confidence, setting a positive and resilient tone for the second half of the year.

Source: TechCabal Insights & The BigzDeal

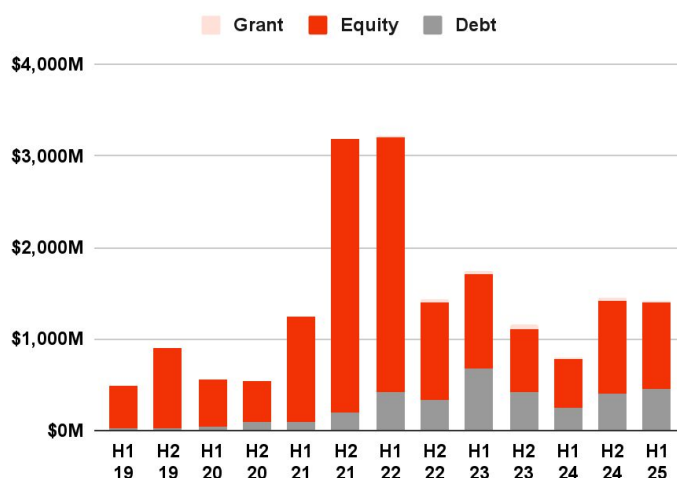


# H1 2025: Equity and debt funding jump to \$947m and \$448m respectively

Equity is still the main driver of the African tech ecosystem, a trend that was clearly shown again in H1 2025. Startups raised \$947M in equity, a large 79% increase from H1 2024. This was matched by a strong comeback in debt financing, which grew 75% year-on-year to \$448M.

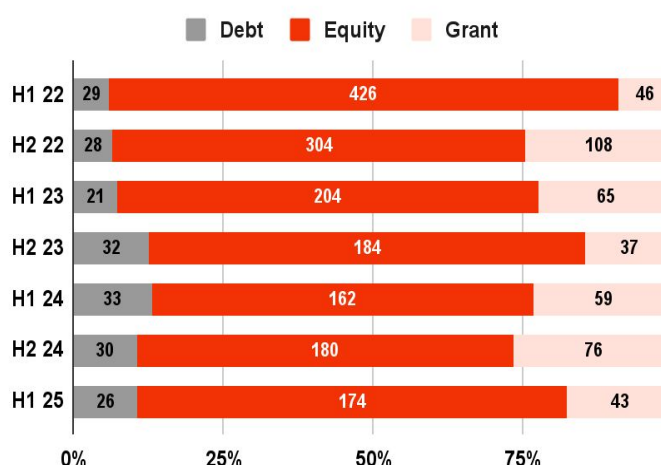
This growth in both equity and debt shows a new willingness from investors and lenders to put significant money into high-growth companies. The equity funding was distributed across various stages, including Venture Round, Series B, Series A, Seed, and Pre-Seed rounds.

## Total funding by half year from 2019 to H1 2025



**Source:** TechCabal Insights & The BigDeal

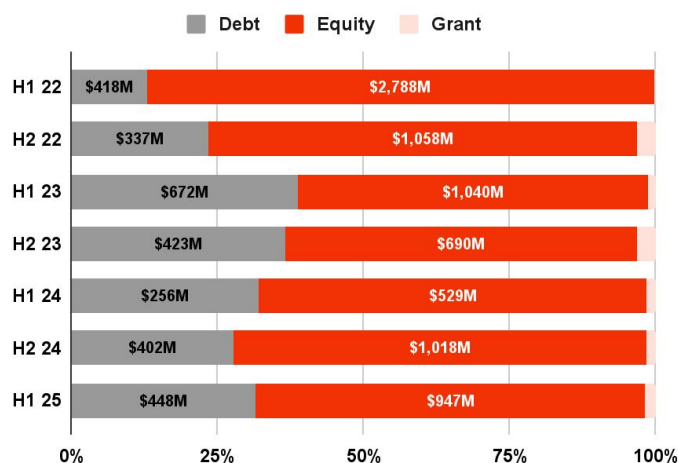
## No. of debt, equity and grant deals since 2022 - H1 2025



**Source:** TechCabal Insights & The BigDeal

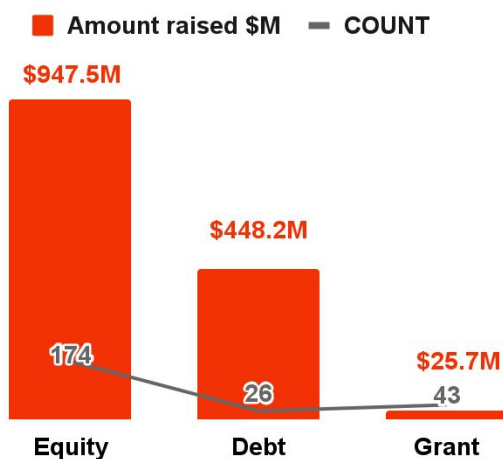
While equity has always brought in the most money, debt financing has become a major part of the funding landscape. After reaching a high of \$672M in H1 2023, debt has made a strong comeback from a dip in 2024. Grant funding also grew, with the total amount doubling to \$26M compared to H1 2024. This shows that while equity pays for large-scale growth, startups are also using a smart mix of different funding types to build their businesses.

### Share of Funding raised from H1 2022 - H1 2025



Source: TechCabal Insights & The BigDeal

### Deal Count vs. Amount Raised in H1 2025



Source: TechCabal Insights & The BigDeal

The H1 2025 data makes this very clear. The 174 equity deals brought in the most money at \$947M, showing again that it is the top funding source. However, the 26 debt deals also added a large amount of \$448M, proving that debt is now a major tool for growth, not just a small alternative. This mix shows a healthy funding environment where startups can choose the right capital for the right purpose, setting a confident tone for the year.

# Housing spikes by 3650%, but investors back fewer sectors with bigger bets

The story of H1 2025 is one of highly concentrated growth. While overall funding is up, the rebound was not felt evenly across all sectors. Instead, a few key areas attracted the lion's share of investment. Fintech claimed its dominance, with funding soaring by 166% to \$638.8M

This figure alone accounts for nearly half (45%) of all capital raised in the first half of 2025.

Funding by Sector: A Tale of Growth and Correction (H1 2024 vs. H1 2025)

Lowest

Highest

Sector	Deal Funding (US\$M)			Deal Count		
	H1 2024	H1 2025	YoY growth	H1 2024	H1 2025	YoY growth
Agriculture & Food	\$74.1M	\$28.1M	-62.1%	35	25	-28.6%
Deeptech	\$35.6M	\$38.3M	7.6%	8	12	50.0%
Education & Jobs	\$17.2M	\$42.0M	144.2%	32	11	-65.6%
Energy & Water	\$99.9M	\$219.4M	119.5%	22	19	-13.6%
Fintech	\$240.2M	\$638.8M	166.0%	61	70	14.8%
Healthcare	\$51.3M	\$158.6M	209.0%	26	27	3.8%
Housing	\$2.0M	\$75.0M	3650.0%	1	2	100.0%
Logistics & Transport	\$218.1M	\$113.7M	-47.9%	26	28	7.7%
Retail	\$36.8M	\$32.8M	-10.9%	19	15	-21.1%
Services	\$14.7M	\$61.1M	315.1%	13	20	53.8%
Waste Management	\$4.3M	\$9.2M	114.0%	6	8	33.3%
Telecom, Media & Entertainment	\$3.0M	\$4.2M	40.0%	5	6	20.0%
Total	\$797.3M	\$1,421.2M	78.3%	254	243	-4.3%

Source: TechCabal Insights & The BigDeal



Other sectors also emerged as powerhouses. Healthcare funding grew by a remarkable 209%, while Services and Energy & Water saw investment jump by 315% and 120% respectively.

*The most dramatic shift, however, occurred in the Housing sector, where investment skyrocketed from just \$2M in H1 2024 to \$75M in H1 2025, driven almost entirely by a single landmark deal.*

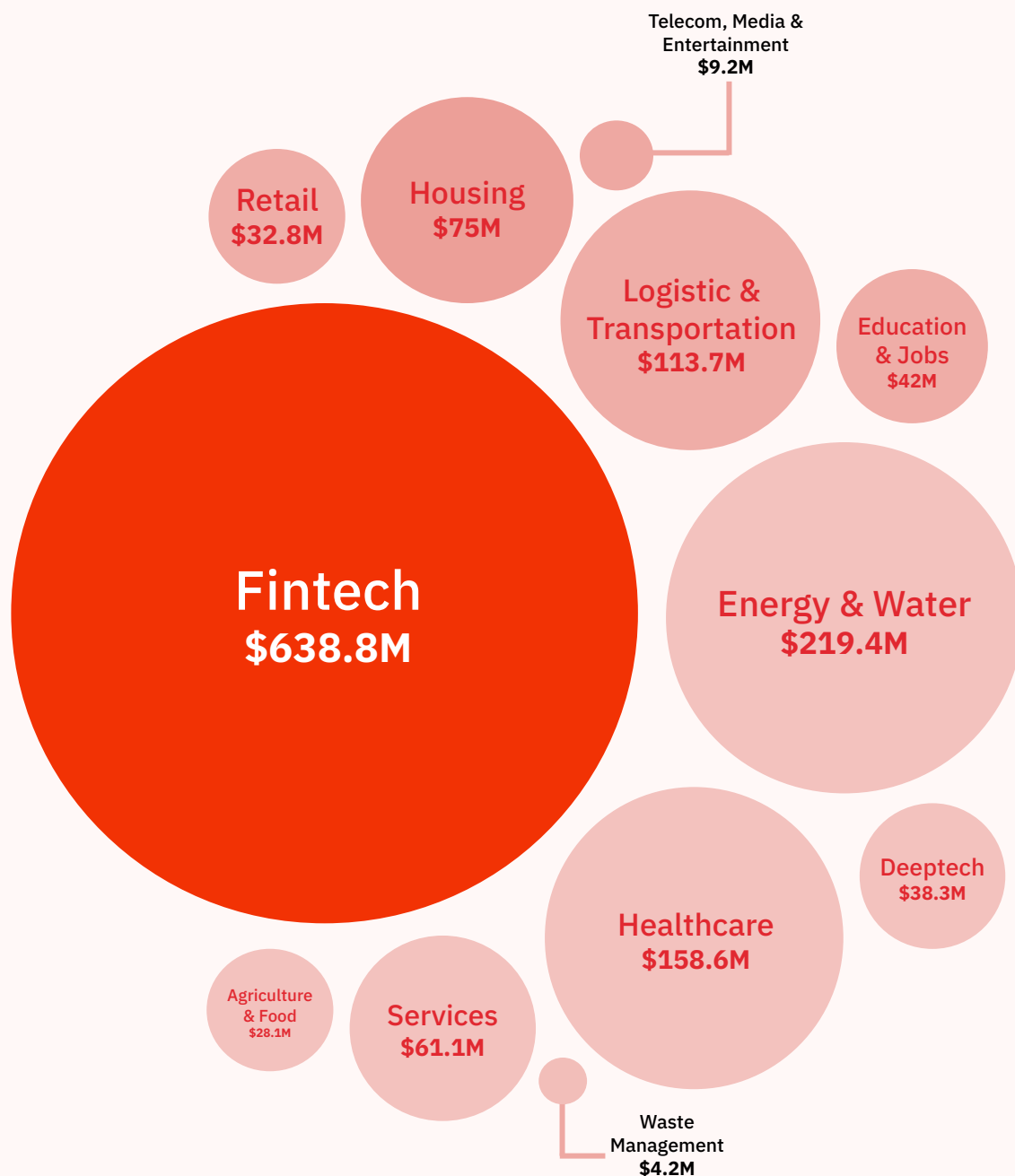
This intense investor focus on specific sectors came as others saw a pullback. Funding for Agriculture & Food and Logistics & Transport dropped by 62% and 48% respectively. This signals a clear shift in investor strategy towards sectors with proven scalability and clearer paths to profitability in the current market.

Investor confidence in the EdTech sector deepened, with funding more than doubling to \$42M even as the number of deals dropped by 66%, signaling a move towards fewer, but larger, strategic bets.



# Fintech, energy and healthcare attract 71% of funding

Africa's Funding in H1 2025, by Sector (in USD millions)



Source: TechCabal Insights & The BigDeal

- **Fintech's Dominance:** Fintech was the clear leader, raising \$638.8M. This amount is more than the next three highest funded sectors, which are Energy & Water, Healthcare, and Logistics & Transport, combined (\$491.7M).
- **Concentrated Investment:** The top three sectors, Fintech, Energy & Water, and Healthcare, collectively attracted over 71% of the total capital invested, showing a strong investor focus on these key areas.



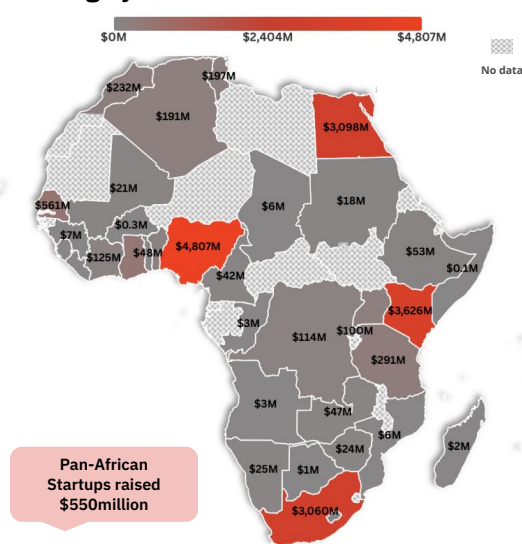
# Africa's funding map (2019 - H1 2025):

## \$18.4bn raised, but funding remains uneven

From the start of 2019 through the first half of 2025, African startups have attracted over \$18.4 billion across more than 3,400 deals, showcasing a period of sustained investor interest. This growth, however, has been heavily concentrated, with the 'Big Four' Tier 1 markets (Nigeria, Kenya, Egypt, and South Africa) commanding over 79% of all capital invested.

While these powerhouse markets continue to define the landscape, a broadening base of investment across a diverse set of challenger markets signals a maturing and increasingly integrated continental ecosystem. This distribution highlights both the established strength of the core hubs and the rising potential of emerging innovation centres (Tier 2 and Tier 3 markets).

Funding by amount raised 2019 - H1 2025



### The "Big Four" Powerhouses:

These nations consistently lead both in funding value and deal volume.

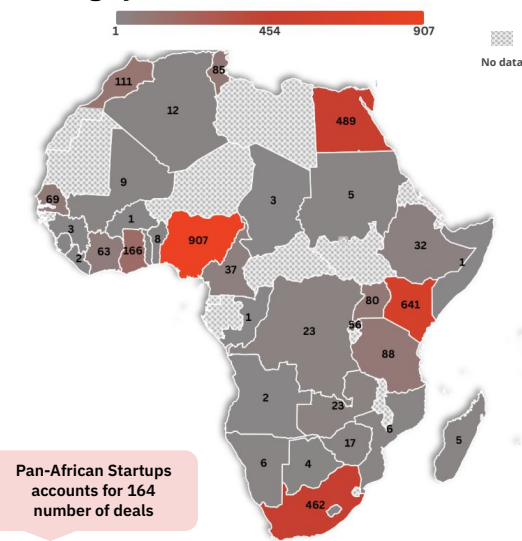
- **Nigeria:** \$4.8 billion across 907 deals.
- **Kenya:** \$3.6 billion across 641 deals.
- **Egypt:** \$3.1 billion across 489 deals.
- **South Africa:** \$3 billion across 462 deals.

### Emerging West African Hubs:

The region shows significant activity beyond Nigeria.

- **Ghana:** \$485 million across 166 deals.
- **Senegal:** \$561 million across 69 deals.
- **Ivory Coast:** \$125 million across 63 deals.

Funding by number of deals 2019 - H1 2025



**Growing North African Markets:** The region displays depth beyond Egypt.

- **Morocco:** \$232 million across 111 deals.
- **Tunisia:** \$197 million across 85 deals.
- **Algeria:** \$191 million across 12 deals.

**Vibrant East African Ecosystems:** The region is a hotbed of growing activity.

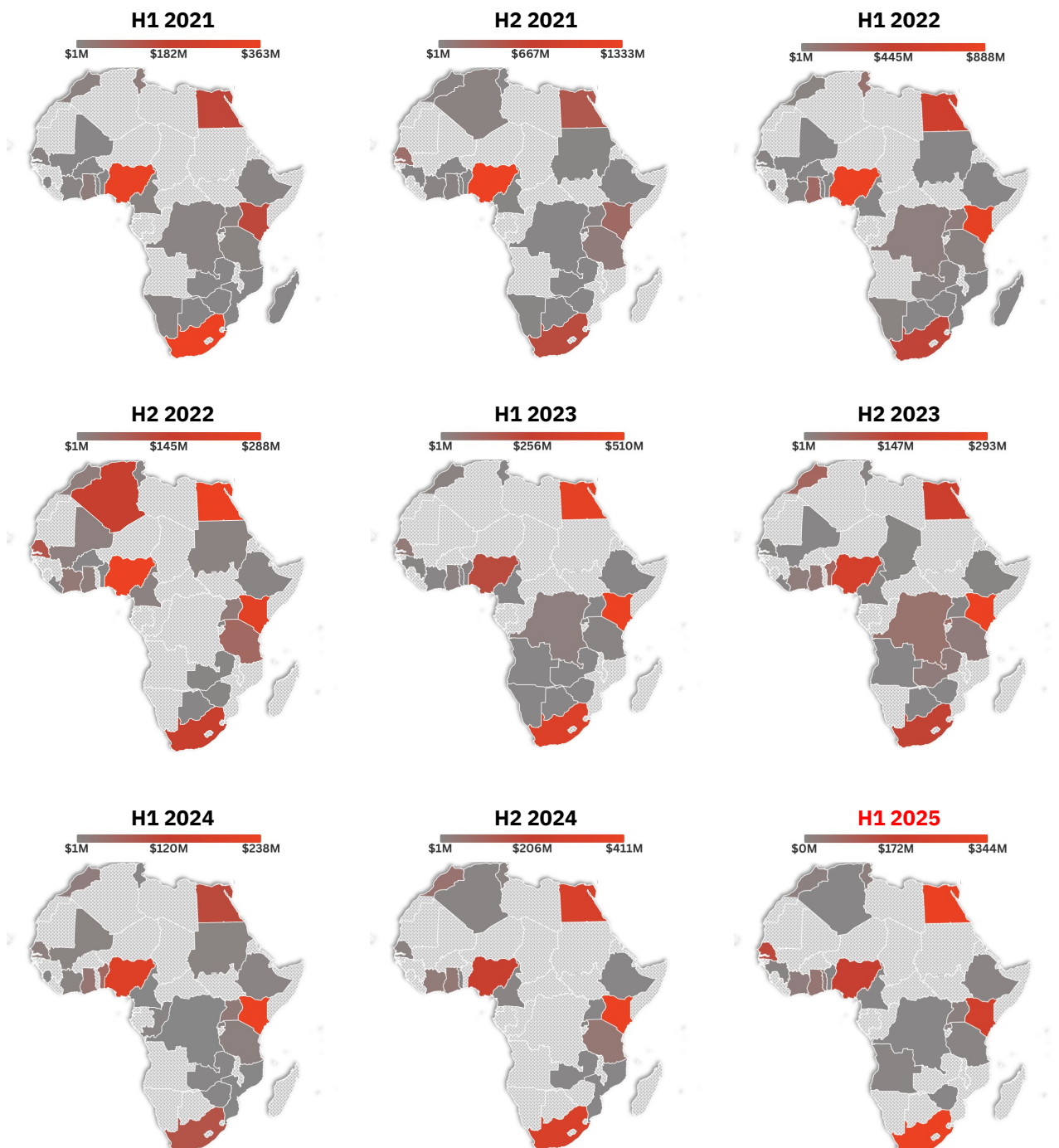
- **Tanzania:** \$291 million across 88 deals.
- **Uganda:** \$197 million across 80 deals.
- **Rwanda:** \$100 million across 56 deals.

# South Africa overtakes Egypt and Nigeria in H1 2025 funding

The funding landscape saw a dynamic shuffle in the first half of 2025. **South Africa** emerged as the new leader, attracting **\$344 million** in investment.

It was closely followed by Egypt at \$337 million, while Kenya (\$227M) and Nigeria (\$176M) rounded out the top four. This highlights a highly competitive environment among Africa's (Tier 1 market) major tech hubs.

## *Regional Distribution of Amount Raised H1 2021 - H1 2025*



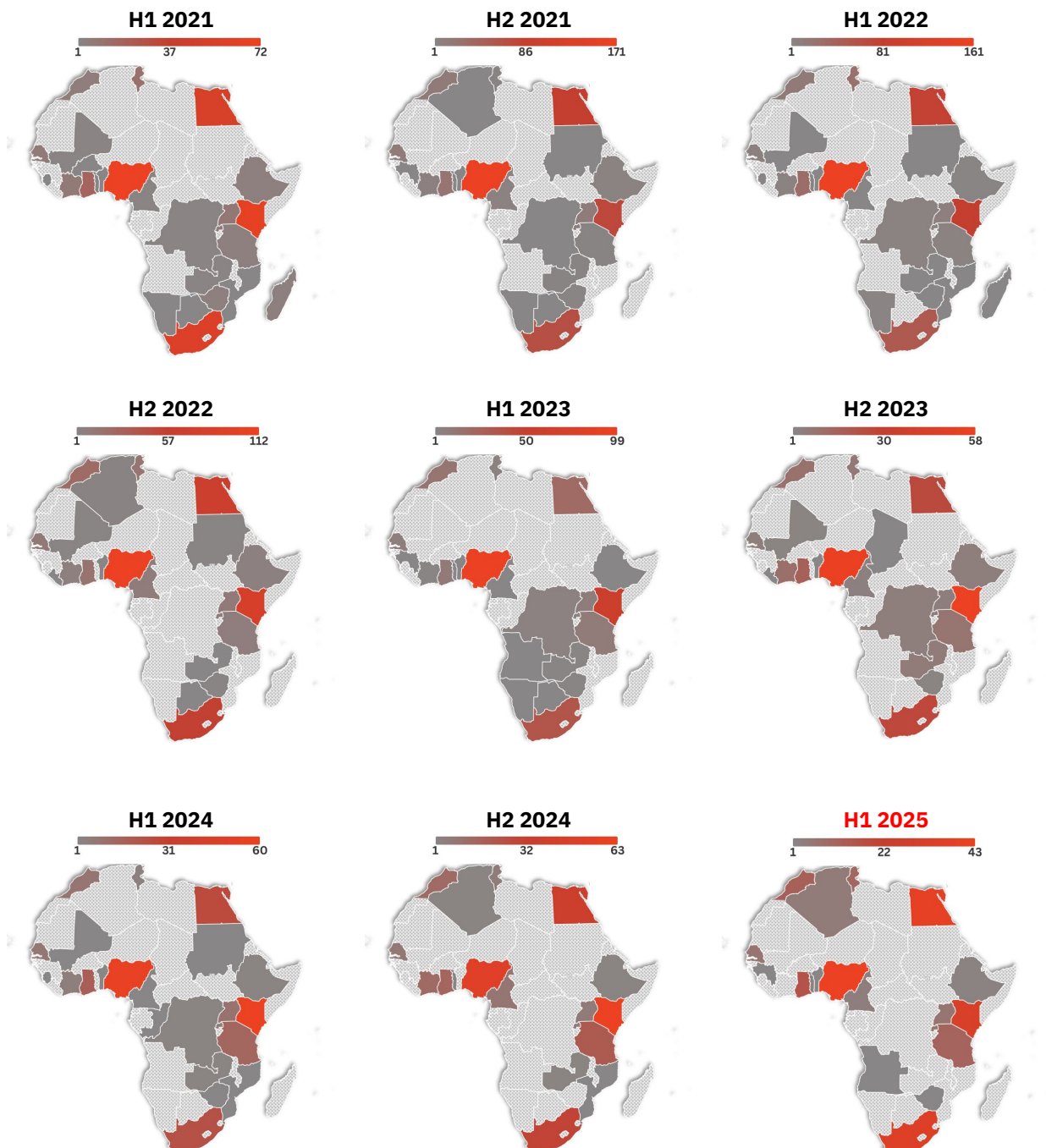


# Nigeria holds slim lead in number of deals amid fierce competition in H1 2025

While **Nigeria** maintained its position as the most active market with **43 deals in H1 2025**, the competition for deal flow has never been tighter. Egypt is now a very close second with 40 deals, followed by South Africa (35) and Kenya (33).





















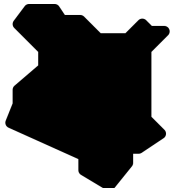



















This shows that while Nigeria remains a primary hub, other major ecosystems are increasingly challenging for the top spot in startup activity.

## Regional Distribution of Deals Count 2021 H1 - H1 2025
































# The tier 1 in **H1 2025**: driving the continent's tech engine

In H1 2025, the 'Big Four' (Tier 1 market) showed they are still the continent's main tech hubs, attracting major funding rounds.

Country	Amount Raised & Number of Deals	Top Funded Companies
 South Africa	<b>\$344m</b> 35 deals	        
 Egypt	<b>\$337m</b> 40 deals	        
 Kenya	<b>\$227m</b> 33 deals	        
 Nigeria	<b>\$176m</b> 43 deals	        

# Senegal leads tier 2&3 markets with \$148m in H1 2025

Beyond the Tier 1 (Big Four), a growing mix of Tier 2 and Tier 3 markets are expanding the continent's innovation base.

Country	Amount Raised & Number of Deals	Top Funded Companies
 Senegal	<b>\$148m</b> 6 deals	 wave  <b>IBRIZ</b> 
 Ghana	<b>\$40m</b> 16 deals	   
 Togo	<b>\$30m</b> 2 deals	
 Ivory Coast	<b>\$19m</b> 5 deals	   
 Tunisia	<b>\$15m</b> 10 deals	   
 Uganda	<b>\$13m</b> 6 deal	   
<b>\$12m</b> 12 deals Morocco 	<b>\$9m</b> 6 deals Rwanda 	<b>\$5m</b> 10 deals Ethiopia 

## Expert take on funding



*“Investors are rewarding founders who combine strong growth metrics with AI-driven efficiency, lifting valuations across top-tier rounds.”*

**Nima Yussuf**

Chief Operations Officer,  
Silverbacks Holdings

H1 2025 saw a dramatic concentration of capital compared to H1 2024, with funding for Fintech growing 166% and Healthcare 209%. With equity funding up 79% overall, is this a long-term strategic move towards more scalable sectors, and how is this renewed confidence impacting founder valuations after the caution of the last two years?

The surge reflects a strategic pivot toward industries with clear unit economics and rapid scale potential. In Fintech, rising digital-payments adoption and stablecoin use drive transaction volume; in Healthcare, telemedicine and diagnostics spur growth. AI now underpins faster customer acquisition, operational automation, and enhanced risk management, accelerating paths to profitability. Founders who successfully blend strong growth with AI-powered efficiency are commanding higher valuations in today's top funding rounds.

At Silverbacks, we've long championed Africa-born platforms as they scale beyond our continent this pivotal inflection point is a true crucible moment, and we couldn't be more excited to support their global journey.

The first half of 2025 showed powerful momentum, with strong funding performance from top markets like Egypt and South Africa putting the ecosystem on track to surpass 2024's total. Do you predict this momentum will continue, and what trends will drive the outcome in the second half of the year?

Yes—barring a major shock from global markets, H1 momentum should carry 2025 past the \$2.24 billion of 2024. Egypt spectacular start and the prospect of further contributions out of Nigeria point to sizeable late-year rounds.

The Silverbacks team expects a busy summer in tech and is navigating H2 with cautious optimism.





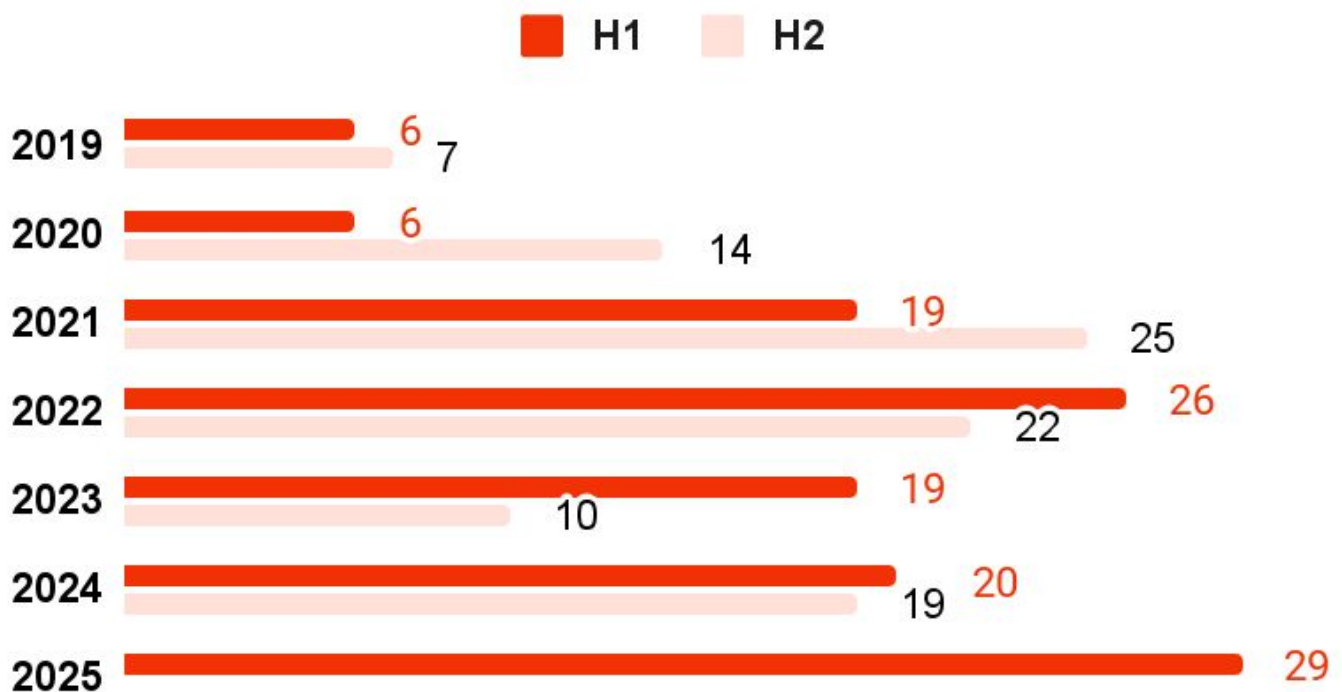
# ACQUISITIONS

# M&A deals rise **45%** to record high in **H1 2025**

Merger and acquisition activity in Africa's tech ecosystem has shown consistent growth since 2019, signaling a maturing market where companies are actively joining forces. In the first half of 2025, a total of 29 M&A deals were recorded, the highest number for any H1 period on record.

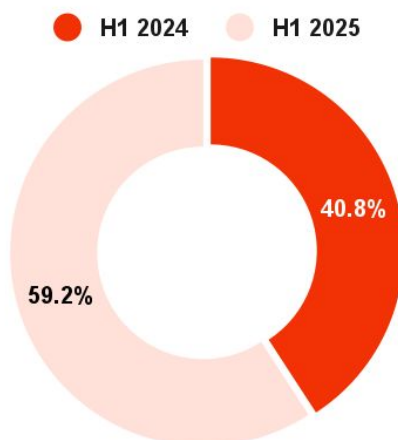
This represents a significant 45% increase compared to the 20 deals seen in H1 2024 and a 53% increase over H1 2023. This sharp rise highlights that strategic acquisitions are becoming an increasingly important growth strategy for established companies looking to expand their market share, technology, and talent pools.

Mergers and Acquisitions by half year from 2019 to H1 2025



Source: TechCabal Insights

## Mergers and Acquisitions in H1 2024 vs H1 2025

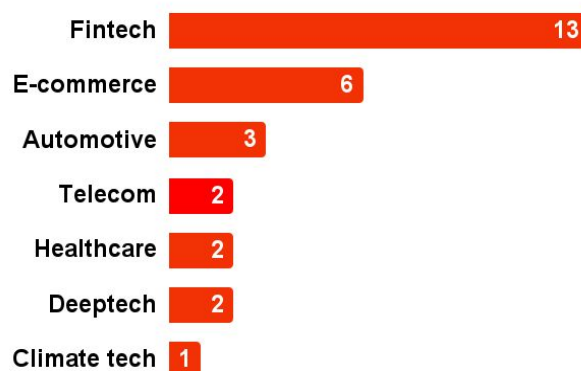


Source: TechCabal Insights

The acceleration in M&A activity is stark when comparing the first half of 2025 to the same period last year. The jump from 20 deals in H1 2024 to 29 deals in H1 2025 marks the most significant year-on-year growth in recent history.

This suggests that as the funding market stabilizes, well-capitalized companies are now more aggressively pursuing acquisitions as a primary path to growth and market leadership.

## Mergers and Acquisitions by sector in H1 2025



Sources: TechCabal Insights

Fintech continues to be the most active sector for acquisitions, accounting for 13 of the 29 deals (45%) in H1 2025. E-commerce also saw a notable increase in activity with 6 deals. This trend shows a clear strategy of established players buying smaller, innovative companies to quickly gain new technology and customers.

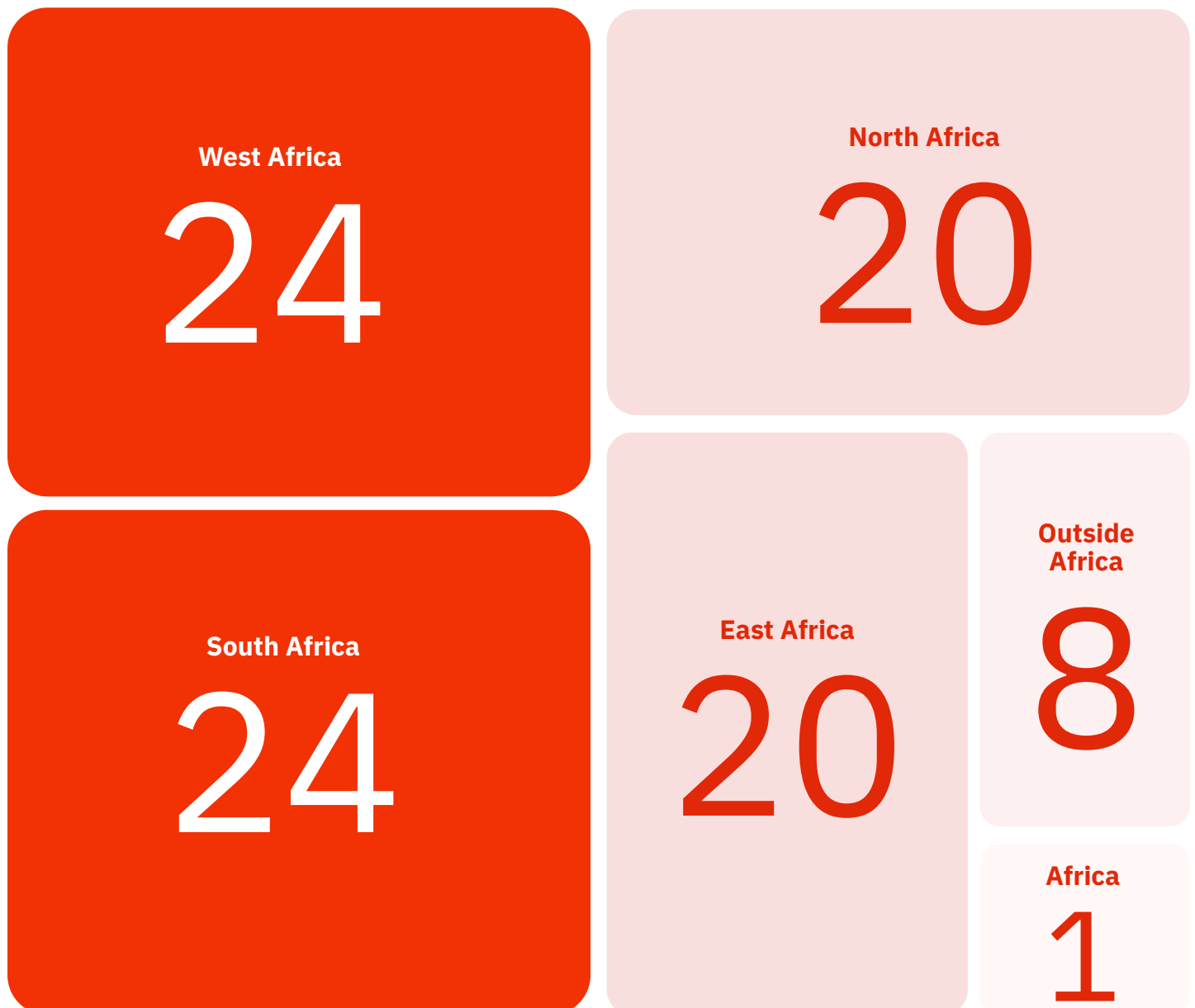


# Egypt and Kenya Drive M&A Activity in H1 2025

Since the start of 2023, M&A activity has been relatively balanced across Africa's major regions. West Africa and Southern Africa lead with 24 deals each, followed closely by North Africa and East Africa with 20 deals apiece.

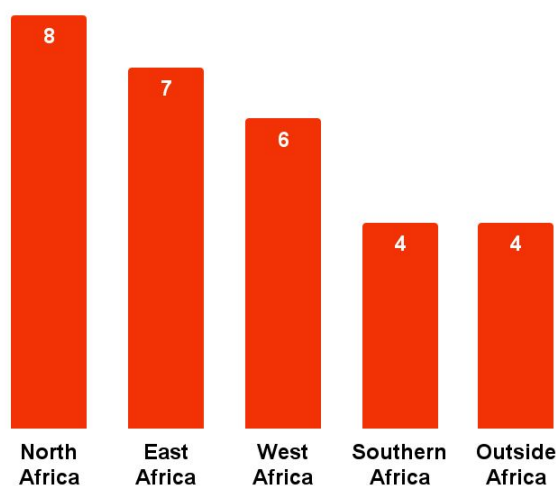
This even distribution highlights that strategic acquisition opportunities are not confined to one or two regions, but are a continent-wide trend. A notable 8 deals involved acquisitions outside of Africa, highlighting a growing ambition to expand onto the global stage.

## M&A by region of acquired startup 2023- H1 2025



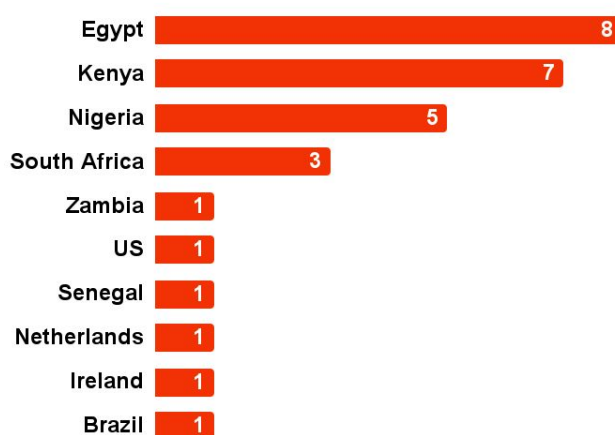
In the first half of 2025, North Africa emerged as the hotspot for M&A activity, leading all regions with 8 deals. It was followed closely by East Africa with 7 deals and West Africa with 6. This shows a concentration of strategic deals in the continent's most active and mature tech hubs during this period.

### M&A by region of acquired startup in H1 2025



Source: TechCabal Insights

### M&A by country of acquired startup in H1 2025



Source: TechCabal Insights

Egypt was the clear leader for acquisition targets in H1 2025, with 8 Egyptian startups being acquired. Kenya followed with 7 acquisitions, while Nigeria saw 5 deals. This concentration of activity in Egypt, Kenya, and Nigeria underscores their status as the most dynamic markets for strategic acquisitions in the first half of the year.

**\*On the next page, we explore the key M&A deals of H1 2025, providing a full list of the acquirers, the companies they acquired, and a short note on each transaction.**

# Acquisitions

## List of African startup acquisitions in H1 2025

Acquirer	Acquired	Note
Stitch	ExiPay	South African fintech Stitch acquires ExiPay to expand into in-person payments
Moove	Kovi	Uber-backed Moove acquires Brazil's Kovi to continue global expansion
LemFi	Bureau Buttercrane	LemFi acquires Irish currency exchange platform Bureau Buttercrane
Raseedi	Kashat	Egyptian fintech Raseedi acquires counterpart Kashat to broaden its product offering
Dsquares	Prepit	Egyptian B2B loyalty platform Prepit acquired by bigger counterpart Dsquares
Dubizzle Group	Hatla2ee	Egyptian online car marketplace Hatla2ee acquired by UAE's Dubizzle Group
Motorola Solutions	RapidDeploy	SA-founded public safety startup RapidDeploy acquired by Motorola Solutions
Basata	MadfoatCom	Egyptian fintech startup Basata acquires additional stake in Jordan's MadfoatCom
Grinta	Citi Clinic	Grinta acquires Citi Clinic aided by strategic investment from Beltone, Raed Ventures
Silver Box	Mobius Motors	Silver Box acquires Kenya's Mobius Motors after failed rescue attempts
Peach Payments	PayDunya	SA's Peach Payments acquires West African payments gateway PayDunya
Refiber & OPI	Fibertime	Competition Commission of South Africa Approves Refiber & OPI's Acquisition
Maseera	ADVA	Maseera Acquires ADVA to Power Fintech Expansion in Egypt
Twiga Foods	Raisons	Twiga Acquires Majority Stake In 3 FMCG Distributors

Source: TechCabal Insights

# Acquisitions

## List of African startup acquisitions in H1 2025

Acquirer	Acquired	Note
Twiga Foods	Sojpar	Twiga Acquires Three Kenyan Food Distributors to Avoid Insolvency
Twiga Foods	Jumra	Twiga Foods Acquires Three FMCG Firms to Broaden Kenya Footprint
Access Bank	NBK	Kenya's Central Bank and Treasury approve Access Bank's acquisition of struggling NBK
HearX	Eargo	South Africa's hearX merges with Eargo to tackle global hearing loss with \$100m boost
C-One	Bankly	C-One acquires Bankly to strengthen fintech footprint in Nigeria
Catalyst Partners Middle East	Qardy	Egyptian lending startup Qardy acquired in landmark SPAC deal
MaxAB-Wasoko	Fatura	African e-commerce super app MaxAB-Wasoko acquires Egypt's Fatura
First Ally Capital	Migo	First Ally Capital Acquires Majority Stake in FinTech Migo
Moniepoint	Sumac Microfinance Bank	Nigerian fintech unicorn Moniepoint expanding into Kenya with microfinance bank acquisition
dLocal	AZA Finance	Pioneering African fintech company AZA Finance to be acquired by dLocal
Jumia	AXIAN Telecom	AXIAN Telecom acquires minority stake in Jumia
Chowdeck	Mira	Chowdeck is digging deeper into restaurants; and it just acquired Mira to do it
Solar Panda Corporation	VITALITE Zambia	Solar Panda Acquires VITALITE Zambia Limited, marking expansion into 3rd country in Africa
ACKWEST Group	Safiyo	ACKWEST Expands Into Africa with Acquisition of Safiyo
BAS Group	Zuvy Technologies	BAS Group targets Nigeria's \$236 billion credit gap with Zuvy acquisition

Source: TechCabal Insights

## Expert take on mergers & acquisitions



*“Many good, early-stage fintechs will struggle to raise larger rounds and become good acquisition targets for larger VC-backed companies as they focus on aggressive expansion”*

**Matthew Davis, CFA**  
co-CEO and Managing Partner  
Renew Capital

In H1 2025, Fintech drove half of all M&A activity. Looking at the deals, we saw a mix of acquisitions for market entry versus takeovers of struggling companies. What do you see as the primary driver for M&A in the near future, will it be aggressive expansion or a necessary market clean-up?

Likely both. We'll have to see how the funding gap from pre-seed to later series develops, but my sense is that many good, early-stage fintechs will struggle to raise larger rounds and become good acquisition targets for larger VC-backed companies as they focus on aggressive expansion. We think acquiring companies will prioritize acquisitions of startups with robust alternative datasets and licenses.

South Africa and Egypt was the top M&A hotspot in H1 2025, and we also saw African startups buying companies outside of the continent. Do you see these two trends continuing, and which other regions or countries do you predict will become the next hubs for M&A activity?

We believe South Africa and Egypt will remain a strong Mergers and Acquisitions hub. While African startups acquiring companies outside the continent may occur, we anticipate the primary focus will be within Africa itself. The continent offers significant untapped opportunities and competitive advantages for African-based startups. Nigeria and Kenya, which have seen substantial early-stage startup investments over the past five years, are likely to experience increased M&A activity. It's also probable we'll see more cross-border acquisitions between Nigerian and Kenyan companies.



# LAYOFFS

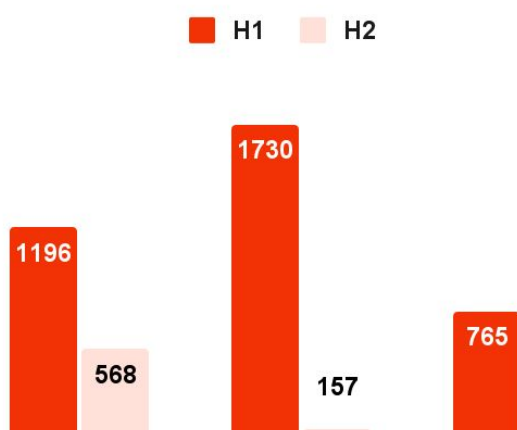


# Layoffs fall by over 55% in H1 2025, signaling a relative market stabilization

Based on publicly disclosed information we have been tracking, African startups laid off at least 765 employees in the first half of 2025. This continues a necessary trend of workforce adjustments seen since 2023, though it's important to note that the actual number of layoffs across the ecosystem is likely higher as many are not publicly announced.

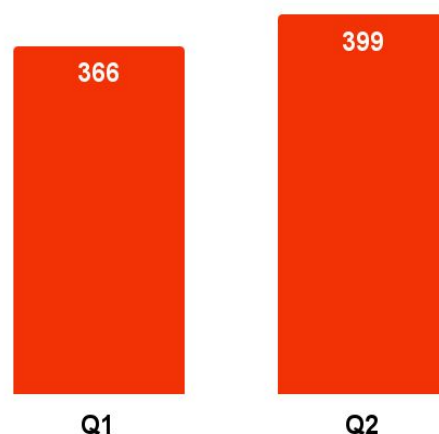
The current figures reflect a significant shift in how companies are managing their operational costs and growth expectations in today's market, moving from rapid hiring to more sustainable team structures.

Number of Layoffs from 2023 - H1 2025



Source: TechCabal Insights

Quarterly Layoffs between Q1 & Q2 2025

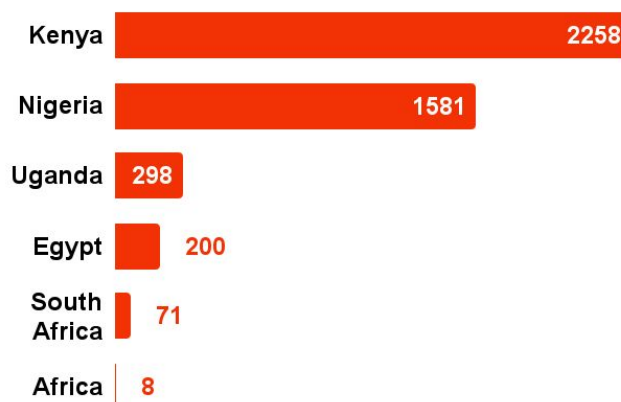


Source: TechCabal Insights

The pace of layoffs in H1 2025, with 366 in Q1 and 399 in Q2, shows a marked improvement compared to the same period last year. The 765 employees laid off in the first half of 2025 is a sharp 56% decrease from the 1,730 layoffs recorded in H1 2024. This dramatic slowdown suggests that the most difficult period of workforce corrections may be over, as the ecosystem settles into a more stable operational rhythm.



### Layoffs from 2023 to H1 2025, by Country

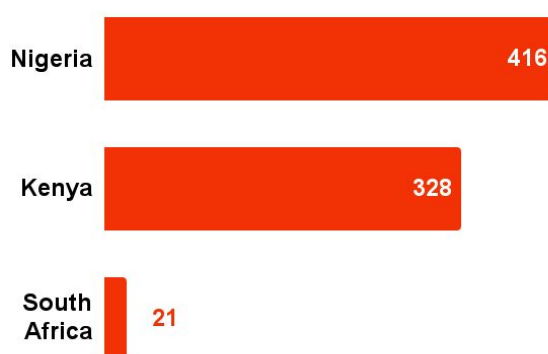


Source: TechCabal Insights

Since 2023, workforce reductions have been most heavily concentrated in the 'Big Four' markets, based on disclosed data. Kenya saw the highest number of layoffs with 2,258, followed closely by Nigeria with 1,581.

This indicates that the largest and most-funded ecosystems also experienced the most significant adjustments as startups recalibrated their operations after a period of aggressive growth and hiring.

### Layoffs in H1 2025, by Country



Source: TechCabal Insights

In H1 2025, Nigeria (416) and Kenya (328) continued to see the most layoffs.

This reflects ongoing adjustments in Africa's largest markets as companies navigate local economic pressures and optimize their operations for sustainable, long-term growth.

**\*See the following page for a detailed snapshot of H1 2025 layoffs, including a full list of the affected companies, their regions, and their sectors.**

# Layoffs

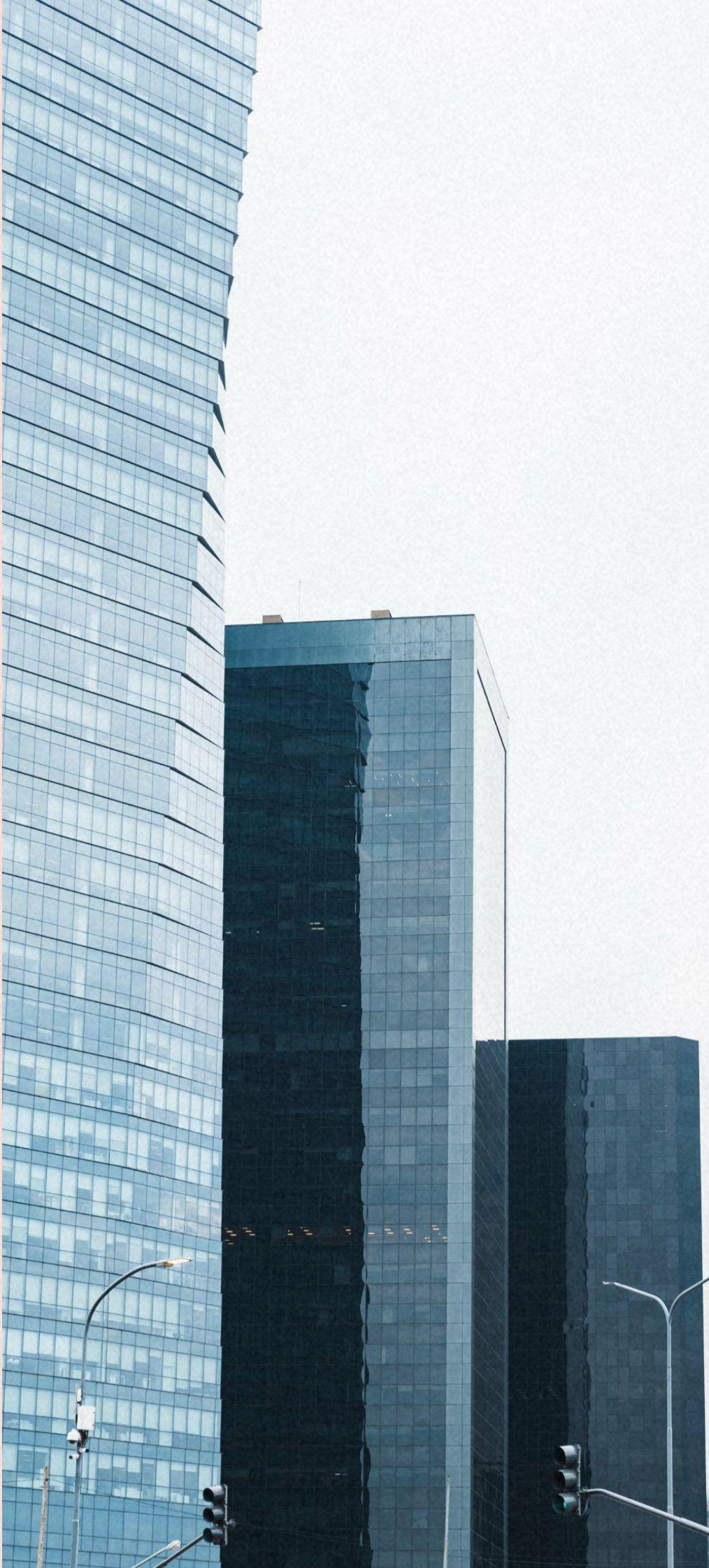
List of African startups that laid off workers in H1 2025

Region	Startup	Sector	Number of staff members laid off	Note
Western Africa	Bento	HR tech	10	Bento laid off its 10-person tech team amidst controversies around CEO resignation and allegations of fraud and unpaid salaries.
Western Africa	Vendease	Food tech	120	Vendease implements a second round of layoffs in five months as part of a restructuring effort to achieve profitability and extend its financial runway.
Western Africa	Metro Africa Xpress (MAX)	Transportation & Logistics	150	MAX laid off 150 employees in January amid EV push
Western Africa	Chodeck	Food tech	86	Chowdeck cuts 68% of contract staff after operational improvements, eyes Ghana launch
Eastern Africa	Tala	Fintech	28	Tala lays off 28 staff as loan defaults and customer queries fall
Eastern Africa	Twiga Foods	e-Commerce	300	Twiga Foods creates holding company, cuts over 300 jobs in major restructuring push
Western Africa	Sabi	e-Commerce	50	Sabi cuts staff as it narrows its focus to commodities' trade
Southern Africa	Link Africa-BitCo	Telecommunication	21	South African Fibre Company Announces Job Cuts

Source: TechCabal Insights



# SHUTDOWNS

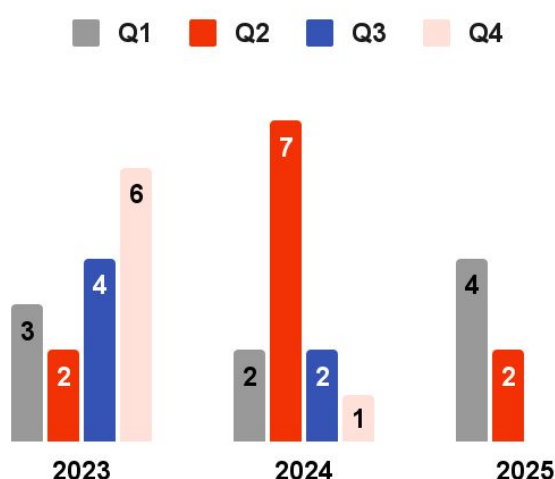


# Startup shutdowns fall by **33%** in **H1 2025** as market shows signs of stability

Based on disclosed information we tracked, the African tech ecosystem has recorded at least 33 startup shutdowns since the beginning of 2023, reflecting a period of necessary market correction. In the first half of 2025, there were 6 shutdowns (4 in Q1 and 2 in Q2).

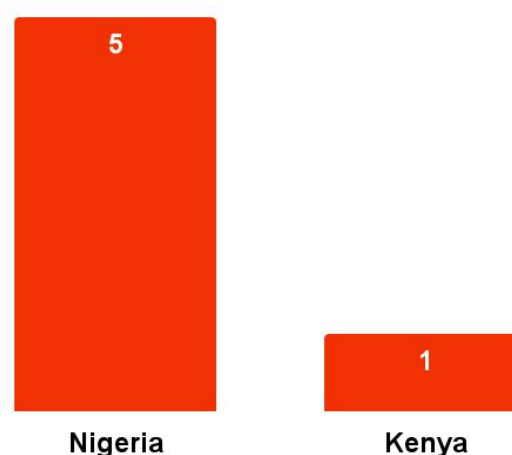
This represents a significant 33% decrease from the 9 shutdowns recorded in H1 2024, suggesting that the wave of post-boom market corrections may be slowing down. This indicates a potential move towards a more stable and resilient ecosystem where companies are building more sustainable business models from the outset.

Number of Shutdown from 2023 - H1 2025



Source: TechCabal Insights

Shutdowns in H1 2025, by Country



Source: TechCabal Insights

Based on disclosed information for H1 2025, startup shutdowns were concentrated in the continent's largest tech hubs. Nigeria saw 5 shutdowns, while Kenya had 1. This highlights the intense competition and significant operational pressures that startups face in Africa's most developed, but also most competitive, markets as they navigate tough local economic conditions.



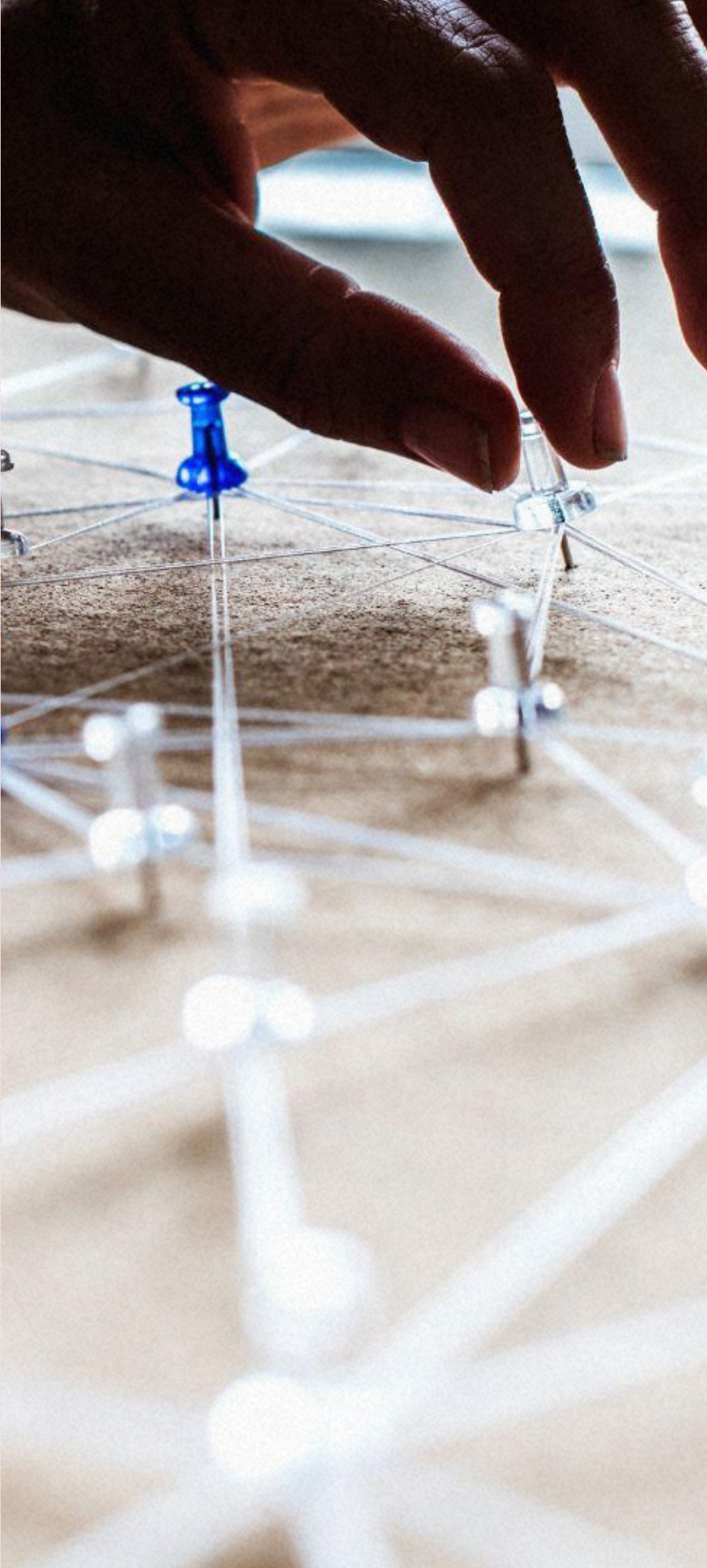
**\*The table below provides insights into Shutdowns in H1 2025 with the Startup, Country, Sector, and Amount raised before shutdown.**

**List of African startups that have shut down in H1 2025**

Startup	Country	Amount raised before shutdown	Notes
Joovlin	Nigeria	\$100,000	Joovlin Shuts Down After Four-Year Journey Amid Funding Challenges
Bento Africa	Nigeria	\$3,100,000	Bento Africa “temporarily” halts operations after rehiring staff to handle backlog
Edukoya	Nigeria	\$3,500,000	Edukoya shuts down, to return investment after three years in Nigeria’s edtech space
Lipa Later	Kenya	\$1,660,000	Lipa Later enters administration after failed fresh fundraising efforts
Heroshe	Nigeria	Undisclosed amount in 2022	After delaying customer orders for eight months, Heroshe faces shutdown
Okra	Nigeria	\$16,500,000	Okra refunds investors as it shuts Nigeria’s once hyped open banking API

**Source:** TechCabal Insights





# EXPANSIONS

# Global ambitions grow as expansion pace holds steady in H1 2025

The ambition of African startups grew in H1 2025, with a notable focus on global markets. Of the 20 expansions recorded, nearly half (9) were directed outside of Africa, highlighting a clear strategy to compete on a global stage.

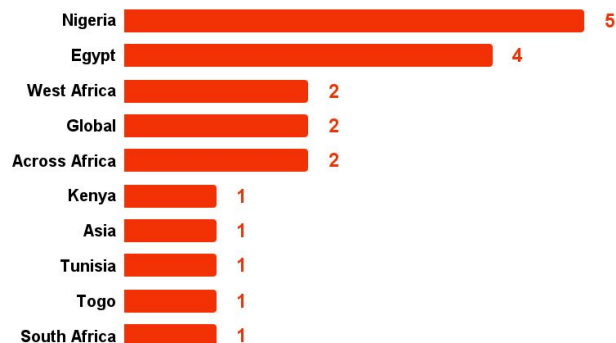
Within the continent, companies focused on broad regional plays rather than single-country entries. There were 5 expansions across multiple African countries and 4 into new West African markets, showing a strong push for pan-African and regional dominance.

Startup Expansions by new region in H1 2025



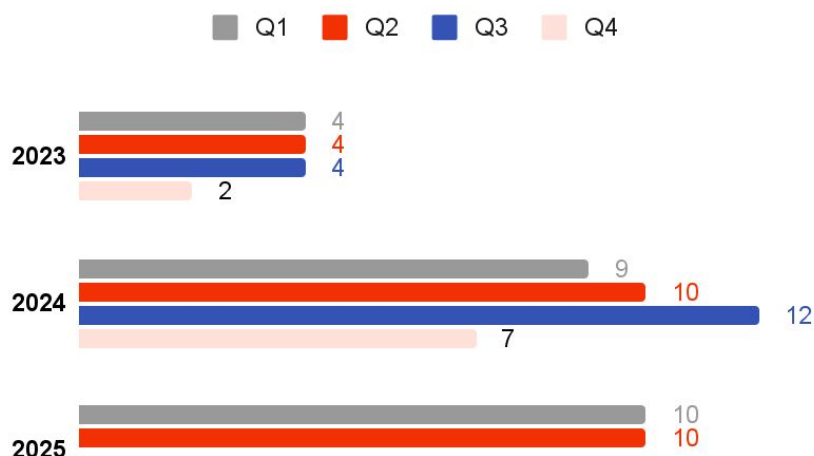
Source: TechCabal Insights

Startup Expansions by previous Country between Q1 & Q2 2025



Source: TechCabal Insights

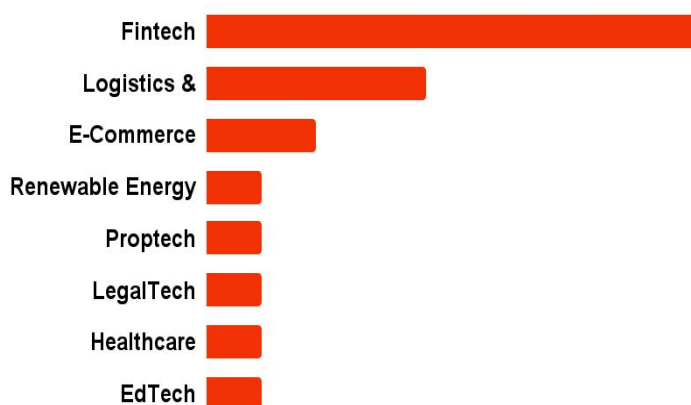
The continent's most mature and well-funded ecosystems are the primary launchpads for expansion. In H1 2025, startups based in Nigeria led the charge with 5 expansions, followed closely by those in Egypt with 4. This shows that companies from these powerful hubs are leveraging their strong local footing and significant funding to scale their operations both across Africa and globally.

**Startup Expansions by quarter 2023 to Q2 2025**

Source: TechCabal Insights

The pace of expansion remained steady and consistent throughout the first half of the year. With 10 expansions in Q1 and another 10 in Q2, the total of 20 expansions in H1 2025 shows a slight increase from the 19 recorded in H1 2024.

This deliberate pace suggests that companies are pursuing strategic, sustainable growth rather than rapid, high-risk expansion.

**Startup expansions by sector in H1 2024**

Source: TechCabal Insights

Fintech continues to be the most aggressive sector in expanding its footprint, accounting for 9 expansions in H1 2025, nearly half of the total.

Logistics & Transport followed with 4 expansions, as companies in these sectors push to scale their successful models into new markets.



# Expansion

## List of African startup expansions in H1 2025

Startup	New Location(s)	Previous Location(s)	Notes
Moove	Brazil	Nigeria	Uber-backed Moove acquires Brazil's Kovi to continue global expansion
Mastercard	Ghana	Global	Mastercard strengthens West African footprint with Accra expansion
LemFi	UKnited Kingdom and Germany	China, India, and Pakistan (Asia)	LemFi raises \$53 million as it expands remittance services into Europe
Paymob	UAE, Saudi Arabia and Oman	Egypt	Egypt's Paymob secures UAE Central Bank retail payment services licence
Startbutton Africa	Benin, Togo, Senegal, Mali, Guinea Conakry, Burkina Faso, and Cameroon	Nigeria	Startbutton's Francophone launch lets business enter the region without setting up local entities
Raenest	United States and Egypt	Across Africa	Raenest raises \$11 million in Series A funding to expand operations in the US and Egypt
Khazna	Saudi Arabia	Egypt	Egyptian fintech startup Khazna raises \$16m pre-Series B round to fuel expansion
Gozem	West and Central Africa	Togo	Gozem nets \$30M to expand vehicle financing, digital banking in Francophone Africa
BasiGo	Rwanda	Kenyan	Kenyan electric bus startup BasiGo delivers 28 new vehicles in Rwanda
Juridoc	17 West and Central African countries	Tunisia	Tunisia's Juridoc.tn raises investment round to fuel Africa expansion
Peach Payments	Senegal	South Africa	Peach Payments Enters Francophone Africa with PayDunya Deal
Chowdeck	Ghana	Nigeria	Chowdeck taps Bolt manager to lead Ghana expansion
Rabbit	Saudi Arabia	Egypt	Egyptian q-commerce startup Rabbit secures funding to enter Saudi market
OmniRetail	Other West African Countries	Nigeria, Ghana, and Ivory Coast (West Africa)	OmniRetail secures \$20m to expand across West Africa
Cargoplug	United Kingdom and Germany	Nigeria	Bootstrapped Cargoplug expands to UK after 1 million deliveries in Nigeria
PalmPay	South Africa, Côte d'Ivoire, Uganda, and Tanzania	Nigeria	PalmPay Expands into Four African Markets After Nigerian Success
Craydel	Rwanda	Kenya, Nigeria, Uganda, and Zimbabwe (Across Africa)	Kenyan edtech Craydel expands to Rwanda, taps Nigerian talent in Pan-African push
AURA	US	South Africa, Kenya, the United Kingdom (Global)	South Africa's AURA raises \$14.6 million to drive U.S. expansion and global ambitions
Nawy	Middle East and North Africa (MENA) region	Egypt	Egyptian prop-tech startup Nawy secures \$75m funding to fuel MENA expansion
Fincra	Tanzania	Nigeria, Ghana, and Ivory Coast (West Africa)	Fincra secures Tanzanian licence as it expands footprint across East Africa

## Expert prediction on expansion



*“What we’re seeing isn’t an abandonment of Africa, but a strategic response to evolving challenges and opportunities.”*

**Dotun Olowoporoku**

Managing Partner,  
Ventures Platform

In H1 2025, we saw that nearly half of all startup expansions were to markets outside of Africa. From your perspective, what is driving this strong push for global expansion, and how does this strategy compare to the traditional pan-African expansion model in terms of challenges and potential rewards?

This isn't an abandonment of Africa, but a strategic response to new challenges and opportunities. Three main drivers stand out: First, currency devaluation in major markets like Nigeria and Kenya is pushing founders to de-risk by tapping into more stable, dollarized economies to protect their growth from FX shocks.

Second, many African startups are solving problems that are global in nature, such as access to credit or cross-border payments, making expansion into other emerging markets a natural next step. Finally, the globalization of African talent creates diaspora networks that serve as bridges to new ecosystems, providing crucial market understanding and operational know-how.

While this global push presents unique regulatory and cultural hurdles that require careful navigation, the rewards are significant. Startups gain stronger global positioning, more resilient revenue streams, and broader investor appeal, accelerating their transformation into world-class companies. This strategic expansion is a sign of a maturing ecosystem that is ready to compete on a global stage, leveraging its unique insights to solve universal problems while building more durable and valuable businesses for the long term.

Fintech startups accounted for almost half of all expansions in H1 2025. What makes this sector so successful at scaling into new markets, and which other sectors, like Healthtech or E-commerce, do you predict will be the next to follow this aggressive expansion trend?

Fintech's dominance is neither surprising nor temporary. It is a fundamental layer for all other business models; without seamless payment infrastructure and credit systems, other sectors can't function properly. Fintech is foundational because it solves core challenges in financial access that are still unresolved across many emerging markets.

This creates cross-sector dependencies, where even startups in healthtech or e-commerce encounter fintech bottlenecks and must build financial tools themselves. While other sectors hold promise, they are often built on fintech infrastructure. Until we solve foundational financial problems, fintech will continue to dominate not because it's trendy, but out of necessity. It enables the entire ecosystem to thrive, making its expansion a prerequisite for broader market growth.



# **BUILDING MOMENTUM THROUGH STRATEGIC PARTNERSHIPS**





# Down the partnership lane of momentum

In the first half of 2025, the narrative of the African tech ecosystem was defined not just by funding rounds or valuations, but by a deliberate and strategic move towards collaboration. As the market matures, startups and established corporations alike are increasingly leveraging partnerships as a primary tool to solve complex challenges, accelerate market entry, and build more resilient, capital-efficient businesses.

This shift from pure competition to strategic co-opetition was the most significant undercurrent of H1 2025, revealing a more interconnected and sophisticated ecosystem.

This trend was most visible in Fintech, where partnerships became essential for innovation and expansion.

- **Broadening BNPL:** Providers like **Float** and **Happy Pay** teamed up with gateway **Peach Payments** in South Africa to expand their merchant networks.
- **Tackling Cross-Border Payments:** Alliances like **Ecobank's** partnership with **Xtransfer** to serve SMEs and **Chipper Cash's** collaboration with **Ripple** were formed to use blockchain for faster settlement.
- **Strengthening Infrastructure:** **Stitch** partnered with giants like **Standard Bank** to enable instant wallet top-ups. In Egypt, **Fawry** partnered with **Contact** to expand its BNPL services and with **Truecaller** to improve customer communication.
- **Telco-Fintech Synergy:** **Airtel Nigeria's SmartCash PSB** partnered with **Leadway Assurance** to offer insurance, and **Orange Tunisia** joined forces with **Flouci** for seamless mobile payments.

The Telecommunications sector focused on deep, strategic moves to lay the groundwork for the continent's digital future.

- **Solving Last-Mile Connectivity:** Major telcos like **Airtel Africa** and **MTN Zambia** partnered with **SpaceX's Starlink**. In Mauritius, **Emtel** partnered with **Eutelsat** for the same purpose, as did **NigComSat** in **Nigeria**.
- **Enabling the Next Tech Wave:** **Safaricom** partnered with **iXAfrica** to launch East Africa's first AI-ready data center, and the **Nigerian Government** collaborated with **Meta** to launch an AI Accelerator program.
- **Digitizing Businesses:** In Morocco, **Maroc Telecom** teamed up with both **Inwi** to boost digital infrastructure and with **Zoho** to help digitize small businesses.



Beyond these core sectors, partnerships were instrumental in driving growth and enabling access to new services.

- **Healthcare:** Collaborations like the one between **Blueroomcare** and **EHA Clinics** in Nigeria, and the major merger between South Africa's **hearX** and US-based **Eargo**, addressed specialized health needs.
- **EdTech & B2B Tech:** Egypt's **Eyouth** secured a major partnership with **EDT&Partners** to deliver digital skills across the region. South Africa's **Sensor Networks** partnered with global giant **Ariston** on smart geyser technology.

These deals collectively show that across Africa, building together has become the most effective way to build momentum.



## **Case Study 1:** **How Airtel and SpaceX are Connecting** **Africa's Underserved**



As of 2025, approximately 600 million people in Africa still lack internet access, largely due to the immense cost and logistical challenges of building traditional telecom infrastructure in remote and underserved areas.

In a landmark deal, Airtel Africa, with its 163 million subscribers, partnered with SpaceX to leverage its Starlink satellite internet service. The collaboration aims to bring high-speed, reliable connectivity directly to communities where fiber or mobile networks are absent, starting with nine countries including Nigeria, Kenya, and the DRC.

This partnership is a game-changer for digital inclusion. For consumers, it promises consistent voice and data connectivity for the first time. For businesses, it enables essential services in rural areas, from healthcare clinics to educational institutions. Strategically, it also allows Airtel to use Starlink for cellular backhauling, extending its own mobile network far more efficiently than with ground-based infrastructure alone.

*“Next-generation satellite connectivity will ensure that every individual, business, and community has reliable and affordable voice and data connectivity even in the most remote and currently underserved parts of Africa.”*



— Sunil Taldar, CEO, Airtel Africa

## Case Study 2:

### Onafriq and Circle Tackle Cross-Border Fees



Intra-African trade is hampered by slow and expensive payment systems. Over 80% of cross-border payments are routed through banks outside the continent, resulting in an estimated \$5 billion in transaction fees annually.

Onafriq, partnered with Circle, the issuer of the USDC stablecoin, to revolutionize this process. The collaboration will pilot the use of USDC-powered settlement solutions directly within Onafriq's vast network, which connects over 500 wallets and 200 million bank accounts across 40 African markets.

By using blockchain technology, this partnership aims to drastically reduce the cost and time of cross-border transactions, bypassing the need for foreign correspondent banks. It represents a major step towards creating a more efficient and self-reliant pan-African financial system, demonstrating how digital assets can be applied responsibly to solve real-world economic challenges and promote financial inclusion.

***“By integrating USDC, we aim to simplify financial transactions for institutions and individuals, reduce costs, and strengthen trust. This collaboration underscores our vision to democratise access to payments.”***



— Dare Okoudjou, Founder and CEO, Onafriq

### Case Study 3:

Chpter's Flutterwave deal opens 11 new markets for WhatsApp-based selling



Selling directly to customers on social media platforms like WhatsApp and Instagram is a massive opportunity in Africa. However, converting conversations into sales is often difficult because of fragmented payment systems. Merchants struggle to accept various local payment methods seamlessly within the chat interface, leading to lost sales and a disjointed customer experience, especially when expanding across multiple countries.

To solve this, Chpter, a Kenyan startup building social commerce infrastructure, has partnered with Flutterwave, a leading African payments technology company. The collaboration integrates Flutterwave's robust payment gateway into Chpter's platform, which is also an approved Meta Business Partner. This allows merchants to sell and accept payments including cards, mobile money, and bank transfers directly within WhatsApp and Instagram across 14 African markets.

This partnership is a powerful example of "partnership-led growth" and ecosystem collaboration. By leveraging Flutterwave's extensive payment network, Chpter can now offer a one-stop solution for businesses looking to capitalize on social commerce. Merchants can manage customer chats, automate marketing, and, most importantly, close sales with secure, localized payment options without customers ever leaving the chat. The integration of Chpter's AI-powered sales agents further enhances this by ensuring that customer inquiries are handled instantly, boosting sales conversions. This alliance not only accelerates Chpter's expansion into 11 new markets but also provides the critical financial infrastructure needed to unlock the full potential of social commerce across the continent.

*“ We have been onboarding dozen of new businesses every week and many of there businesses are coming from markets such as Senegal and Tanzania, Despite us not having done any direct outreach there yet. This partnership reflects our excitement and commitment to meeting that growing demand. It means these businesses can now go live on Chpter and start accepting payments directly via WhatsApp and Instagram, which drive up to 60% of their inbound traffic.”*



— Mark Kiarie, CEO, Chpter



# Expert Take on Building Momentum



***“Strategic partnerships are not just a tool to lay the foundation for scale, but also to solve complex challenges and accelerate market entry.”***

**Akinyi Wavinya**

Head of Portfolio Success,  
Madica

H1 2025 was defined by a surge in strategic partnerships, from major infrastructure deals like Airtel/SpaceX to deep Fintech collaborations. In your view, is this trend primarily an offensive strategy for capital-efficient growth, or is it more of a defensive move for market survival and consolidation in today's tougher economic climate?

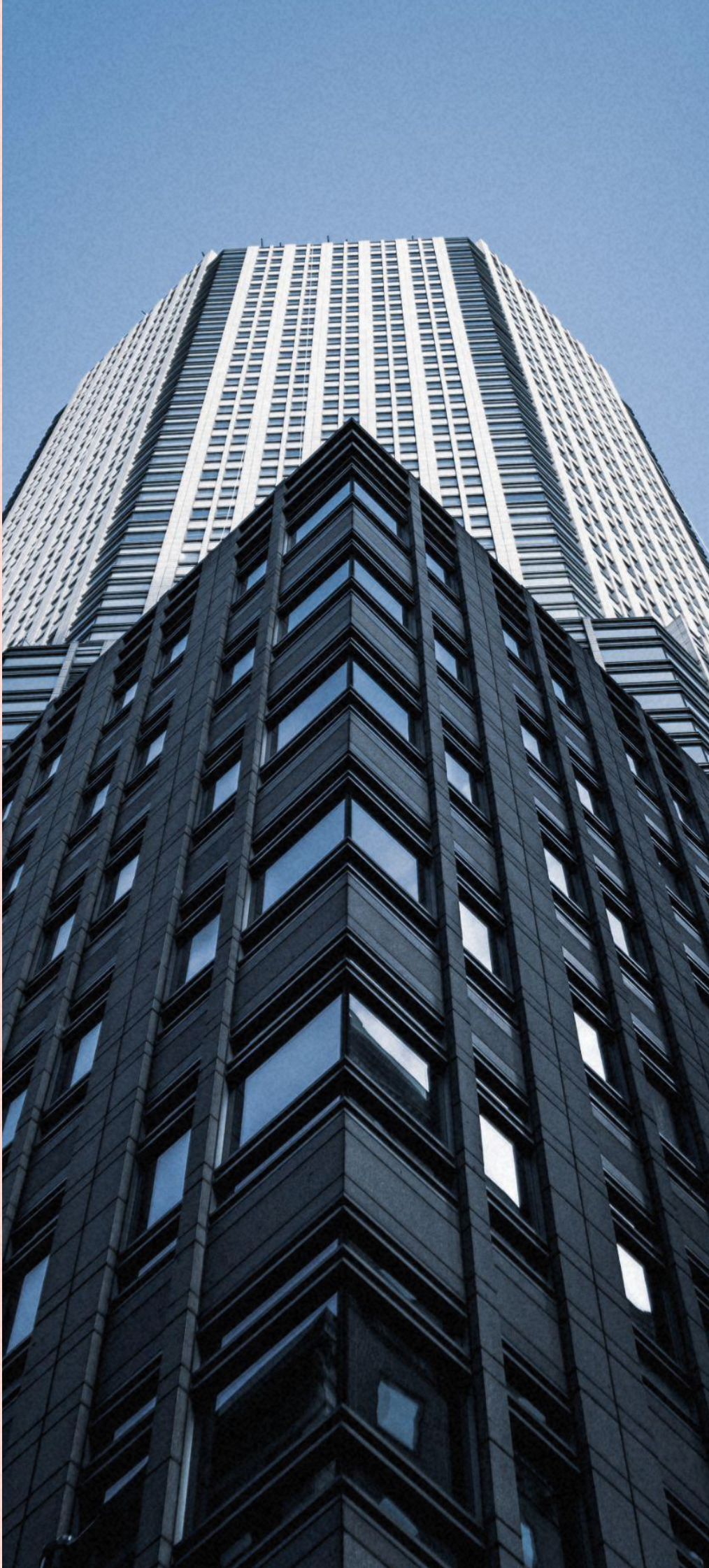
I think it's still a little premature to tell...it's most likely a blend of both. For instance on the offensive side, strategic partnerships are not just a tool to lay the foundation for scale, but also to solve complex challenges and accelerate market entry. As is evident from deals such as Airtel's partnership with SpaceX's Starlink, the opportunities to tap into inaccessible markets, access new customer segments, share infrastructure and reduce duplicative efforts are very clear. Such strategies ultimately result in more resilient and capital efficient businesses. Comparatively on the defensive side, the harsher economic climate continues to be marked by layoff and shutdowns on one end and major sector pivots and "forced / premature" mergers or acquisitions on the other end.

While defensive strategies are undeniably our current and present state, I believe that capital-efficient growth will continue to be the dominative trend we see and that we will continue to see signals for more collaboration and interconnectedness and the VC space matures.

The synergy between Telcos and Fintechs was a dominant theme in H1 2025. Looking forward, do you believe this is the most critical partnership model for the continent's digital economy, or do you foresee another cross-sector collaboration perhaps between Logistics and E-commerce, or Healthcare and AI becoming the next major engine for growth?

The continued growth and investment in Africa's Fintech could not have been possible without Telcos. The same can be said for Telcos. The symbiotic relationship between the two has opened new opportunities for millions who lacked access to financing of any form. Taking into consideration how deeply entrenched the technology and infrastructure of both are to essential services, the synergies will continue to underpin significant growth due to an unmatched capacity to extend reach, support scale, and drive down costs. Even when considering emerging sectors, the Telco-Fintech partnership will still play a major role. For instance in logistics and e-commerce demand for faster and more reliable fulfillment is necessitated not just by seamless digital payments, but ease of access to mobile-based platforms across large geographies.





**MAJOR WINDS**



# Pivots



## Jumia Leverages Its Logistics Network

In a classic platform play, **e-commerce giant Jumia launched Jumia delivery**, a new logistics-as-a-service offering. This move allows the company to monetize its extensive, existing logistics infrastructure by offering nationwide package delivery to third-party businesses, turning a significant operational cost into a new revenue stream.



## From Fintech to Greentech

Nigerian fintech **Payhippo rebranded as Rivy** and raised \$4 million to pivot from providing general SME loans to focusing on clean energy financing. This strategic shift highlights a growing trend of startups moving into high-impact, specialized verticals like greentech to align with global investor interest and sustainability goals.



## Telcos and Retailers Enter New Arenas

The lines between sectors blurred further. In South Africa, retail giant **Spar entered the mobile market** with an MTN-backed MVNO, aiming to drive loyalty by bundling mobile data with grocery purchases. Not to be outdone, **MTN South Africa pushed deeper into fintech with the launch of MoMo Pay**, a low-cost payment platform targeting the informal sector.



**Twiga Foods Moves to an Asset-Light Model**, Kenyan B2B e-commerce leader **Twiga Foods announced a major strategic shift, acquiring three FMCG distributors** to move from a capital-intensive, asset-heavy model to a more asset-light, hybrid approach. This move is designed to improve margins and increase scalability in the highly competitive B2B supply chain space.

# Pivots



## Decagon Finds a New Niche in Edtech

Nigerian edtech company Decagon pivoted from its original model as a tech training institute facing challenges with loan repayments. The company now focuses on a new service: assisting African learners in gaining admission to master's programmes abroad, tapping into the global education market.



## Glovo Expands into Embedded Finance

Leveraging its vast network of merchants and customers, logistics player Glovo partnered with Salad Africa to provide financing for SMEs. This pivot into embedded finance allows Glovo to create a new revenue stream and increase the stickiness of its platform for its business users.



## Raseedi Broadens Its Product Offering

Egyptian fintech Raseedi acquired its counterpart Kashat in a strategic move to pivot beyond its initial product. The acquisition allows Raseedi to integrate new features and broaden its service offerings to a wider customer base. Karim Nour said the deal unified efforts to further scale financial inclusion in Egypt and beyond.



**Maroc Telecom Pivots to SaaS Solutions.** In a strategic move beyond core connectivity, Maroc Telecom partnered with global software firm Zoho to offer a suite of business digitalization tools. This pivot allows the telco to provide value-added services like CRM and HR management to its enterprise customers, creating a new, recurring revenue stream.



# Regulations



## Nigeria Overhauls Its National Credit Infrastructure

**The Regulation:** Nigeria announced two major initiatives to transform its credit system. First, the Nigerian Consumer Credit Corporation (**CREDICORP**) will link all borrowing history to a citizen's National Identification Number (NIN). Second, after a four-year wait, the **Central Bank of Nigeria (CBN)** approved the official launch of **Open Banking**, mandating banks to share customer data with other financial institutions upon consent.

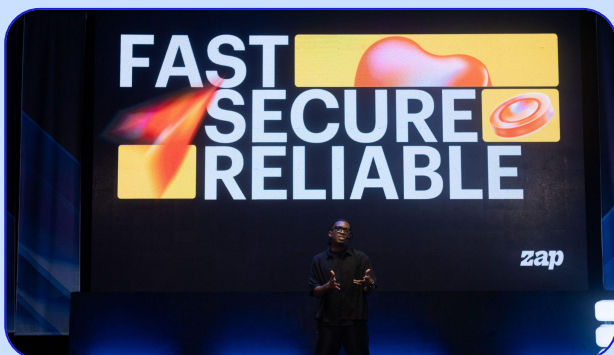
**Implication:** This dual push creates a powerful, unified credit system. It could dramatically increase lending by providing fintechs and banks with comprehensive, traceable credit histories, while also making borrowers more accountable and rewarding financial discipline.



## Egypt Pushes for Digital Governance & Citizen Engagement

**The Regulation:** As part of its Vision 2030, **Egypt** introduced two new civic-tech platforms, an **e-voting app designed to streamline election processes** and a **government service monitoring app** that allows citizens to evaluate services and lodge complaints.

**Implication:** This integrated approach to digital governance aims to increase transparency, accountability, and citizen participation. It sets a precedent for other African nations on how to use technology not just for elections, but to improve the everyday relationship between the state and its citizens.



## Paystack Fined as Nigerian CBN Tightens Fintech Oversight

**The Regulation:** The **Central Bank of Nigeria (CBN)** imposed a **₦250 million (\$190,000) fine on fintech giant Paystack for launching its new peer-to-peer payment product, Zap**, allegedly without the appropriate wallet or banking license.

**Implication:** This signals a new era of muscular oversight from the CBN. It's a clear message to the ecosystem's largest players that the "move fast and break things" era is over, and strict adherence to licensing frameworks is now non-negotiable.



# Regulations



## Kenya Proposes Its First Comprehensive Crypto Bill

**The Regulation:** Kenya introduced the [Virtual Asset Service Providers Bill 2025](#), a landmark proposal to regulate the entire crypto ecosystem. The bill covers licensing for stablecoin issuers, crypto exchanges, wallet providers, and ICOs, with oversight split between the Central Bank and the Capital Markets Authority.

**Implication:** This marks a major policy shift in one of Africa's most active crypto markets. If passed, it will bring much-needed regulatory clarity that could boost investor confidence, but it will also introduce significant compliance costs for startups in the space.



## The Legal System Grapples with Artificial Intelligence

**The Regulation:** The judiciary in both Kenya and Nigeria began publicly addressing the challenges of AI-generated evidence. [Kenya's Supreme Court issued a strong warning against lawyers using AI tools like ChatGPT after fabricated legal citations were submitted in a case, while Nigerian legal experts debated the admissibility of AI content under the country's existing Evidence Act.](#)

**Implication:** This represents the first major regulatory engagement with generative AI in Africa's legal systems. It highlights a growing awareness of the risks and signals that clear guidelines and frameworks for the use of AI in professional services are becoming an urgent necessity.



## South Africa's Regulatory Standoff with Starlink

**The Regulation:** The [South African government introduced a new ICT policy requiring 30% local ownership for licensees, a move seen as creating a path for Starlink's official entry. Simultaneously, the communications regulator \(ICASA\) began seizing Starlink kits from grey market resellers and Starlink itself disconnected unauthorized users.](#)

**Implication:** This created a complex standoff between policy and enforcement. It highlights the tension many African governments face in trying to attract global tech giants while upholding local economic empowerment laws, leaving users in underserved areas caught in the middle.



# FUTURE OUTLOOK





## Future Outlook

The first half of 2025 has set a new tone for the African tech ecosystem. After the funding frenzy of 2021-2022 and the sharp correction that followed, the market is now operating with a renewed sense of pragmatism. The theme is no longer "growth at all costs," but rather "growth through strategy." With funding up 78% year-on-year and layoffs down by over 56%, the ecosystem has entered a phase of confident stabilization. The outlook for the second half of the year is cautiously optimistic, shaped by a powerful new playbook centered on collaboration and sustainable business models.

Looking ahead, we expect the trends from H1 to solidify and accelerate. The emphasis on strategic partnerships will continue to be the primary engine of momentum. Rather than relying solely on venture capital, companies will increasingly look to collaborations to enter new markets, acquire new technologies, and build more resilient revenue streams. This "partnership-led growth" will be a defining feature of the ecosystem's next chapter.

The most significant development on the horizon could be the emergence of a new African unicorn. Moove, the Nigerian-born mobility fintech, is reportedly raising a substantial funding round that could push its valuation past the **\$1 billion mark**. This potential mega-round, largely driven by debt to fuel its global expansion with partners like **Waymo**, signals a new phase of maturity. It shows that Africa's most ambitious companies can now command significant international capital not just for early-stage growth, but for large-scale global operations.

The wave of M&A and strategic pivots will also continue. With at least 29 acquisitions and 8 major pivots in H1, it's clear that the market is actively right-sizing and re-strategizing. Expect to see more companies joining forces, especially in the crowded fintech space, as well as more companies pivoting into high-growth, specialized areas like climate tech and embedded finance.

Finally, the regulatory landscape will be a critical factor to watch. The implementation of Kenya's crypto bill, the impact of Nigeria's aggressive fintech oversight, and the changes to ESOP tax breaks in Kenya will all have significant ripple effects. How startups and investors navigate this increasingly complex regulatory environment will be crucial to their success.

Overall, the African tech ecosystem is moving beyond the funding winter and into a new season of strategic, collaborative, and ultimately, more sustainable growth.

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## About TechCabal Insights

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

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

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