THE ART OF CAPITAL ALLOCATION IN NIGERIA

PLATFORM
CAPITAL

Dr.Akintoye Akindele, CFA,DBA,FICA

Dr. Akintoye Akindele, CFA, DBA, FICA

Dr. Akintoye Akindele is a Lecturer, Nurturer and Builder of future minds at leading schools in Africa, Europe and the United States. He is also an investor, entrepreneur, lecturer and philanthropist.

Dr. Akindele completed his tertiary education in Nigeria, obtaining a bachelor's degree in Chemical Engineering with honours from the Obafemi Awolowo University. He received a doctorate degree in Business Administration (Finance) from the International School of Management - Paris, France. Dr. Akindele is a CFA charter holder and a trustee of the CFA society of Nigeria, and a Fellow of the Institute of Credit Administrators in Nigeria.

Dr. Akindele is Founder & Chairman of Platform Capital; a growth-markets focused, sector agnostic, principal investment firm with a portfolio value in excess of US$1.5bn. Platform has presence in 8 countries across 5 continents, with over 161 investments in 9 verticals. Platform deploys patient, value accretive capital alongside international and local value investors to create champion businesses with the ability for regional scale.

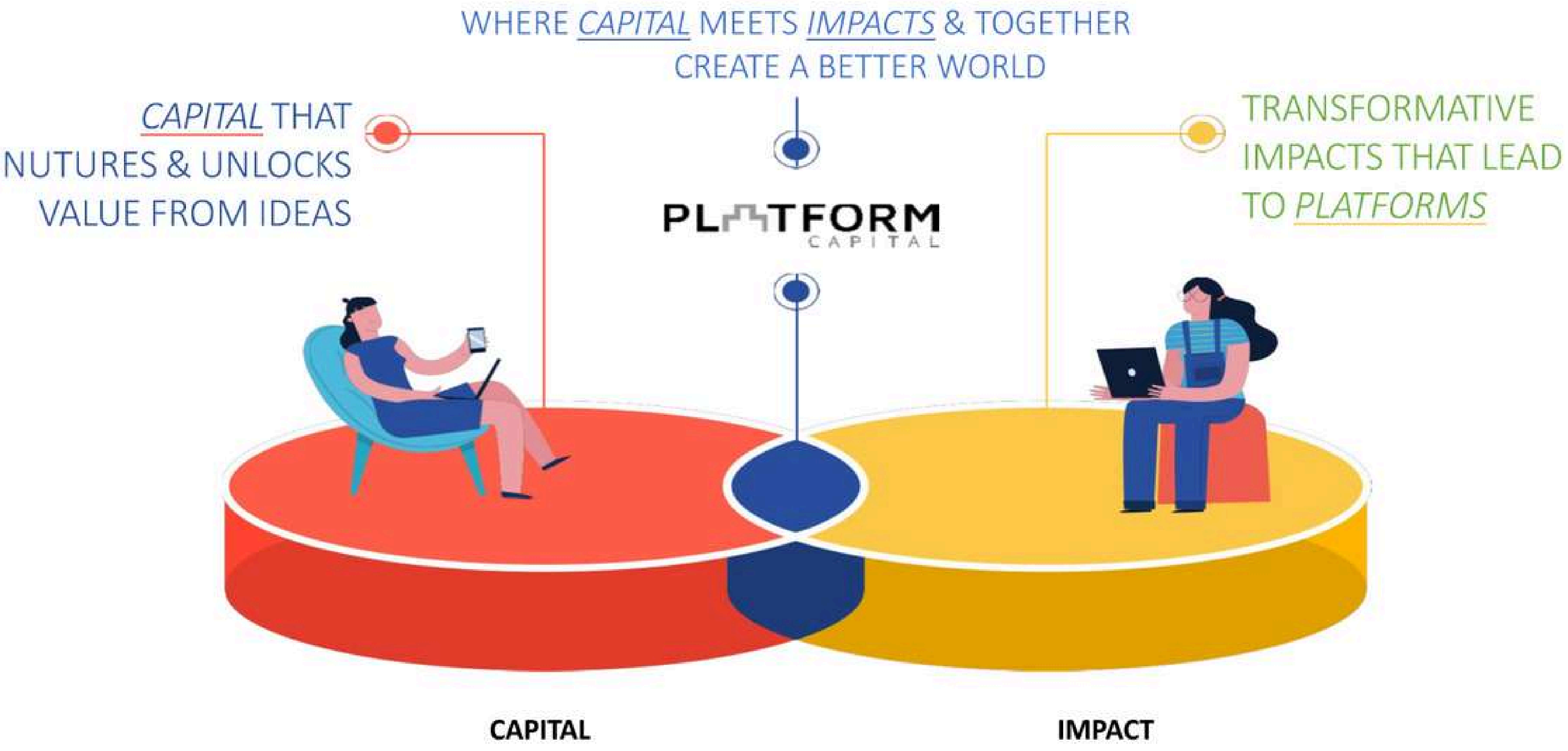
As CEO & Chairman of Duport Midstream Company Limited, Atlantic International Refineries & Petrochemicals Limited and Ajaokuta Gas Park Limited, Dr. Akindele has pioneered much-needed indigenous capital investment in Nigeria's downstream and midstream petroleum industries in the midst of a global recession caused by the COVID-19 pandemic saving and creating jobs, as well as creating value for stakeholders along the energy value chain.

Ajaokuta Gas Park Limited is building the first and largest gas park in Nigeria set to become a hub that caters for the gas needs of the Northern Nigeria and beyond. This gas park will consist of an LNG facility, a CNG Plant and an LPG Plant. Gas will be distributed to customers through virtual pipelines, CNG Skid trucks, and LNG carrier trucks.

As Chairman of the Unicorn Group, a pan-African, investment company targeting innovative ideas, start-ups and early-stage companies in the technology and technology-enabled sectors across Africa; Dr. Akindele has impacted over 10,000 youth entrepreneurs in Africa and internationally.

Dr. Akindele is passionate about the development and growth of entrepreneurs in Africa. He is a faculty member at the University of Lagos Business School, lecturing on finance and entrepreneurship, and a frequent speaker at leading business schools, conferences, and seminars on investing in Africa. He supports and donates to various institutions that provide grants to entrepreneurs, and he regularly donates towards the refurbishment of secondary schools and tertiary institutions in Nigeria.

At Platform Capital, our center of Gravity Is Driven by The Marriage of Capital and Impact to Develop Sustainable Enterprises Driving Innovations,Development and a Future



Platform Capital: A Global Investment & Advisory Firm

Our Mission

To build the leading growth market focused, Investment & Advisory firm, generating globally competitive returns by combining a deep knowledge of the markets we operate in, an entrepreneurial business- building approach, and strong local and global connectivity

Who We Are

Platform Capital is a growth markets focused, sector agnostic, principal investment and advisory firm.

Platform deploys patient, value accretive capital alongside international and local value investors to create champion businesses with the potential for regional or global scale.

Platform also provides end-to - end bespoke Corporate Finance & Capital Markets advisory services.

What makes us different is our obsession with changing the African narrative.

Our People

We are a team of passionate and experienced professionals from diverse backgrounds collectively harnessing our expertise to enhance the companies we advise and invest in.

Everyone at Platform Capital has just one job – to make our investee businesses, clients and partners successful – success as defined by our partners, clients and the promoters of the investee businesses to achieve their goals.

We are driven to exceed the expectations of our stakeholders.

9
Verticals

100+
Direct Companies

1m+
Lives Impacted

$1b
Portfolio Valuation

All data as at December 2021

PLATFORM CAPITAL

OUR STRATEGY

We own & Operate

We operate Undervalued Assets and retain Value

We Invest

We Invest and enable growth & unlock value.

We advice

We provide ende –to-end advisory empowering entrepreneurs

We Grow

We Invest in green,drive sustainable impact

Investments: How we Invest

Growth Thesis Driven

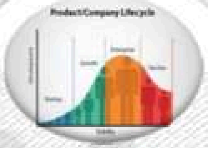
We invest in growth opportunities across several sector and markets

Hands-on Approach

We act as Investpreneurs, investing our own capital, as well as providing strategic and execution support

Investment in all stages of business cycle

We invest at all stages of the business lifecycle excluding turnaround and arbitrage situations



Long-Term Focus / Patient Capital Bias

Our investment approach encourages a long-term focus in business and investment decision making

Value Centric

We adopt a value-accretive approach

We are Africa's "glo-cal" investment firm – taking Africa to the world and bringing the world to Africa

Our global experience and diverse team of professionals allows us offer unique insights and valuable engagements with our partners and clients

offices located across key lobal financial centres

Investments in over 8 countries with a pipeline of investments covering 15 countries

Access to over 50 countries Globally through our own locations and partner network

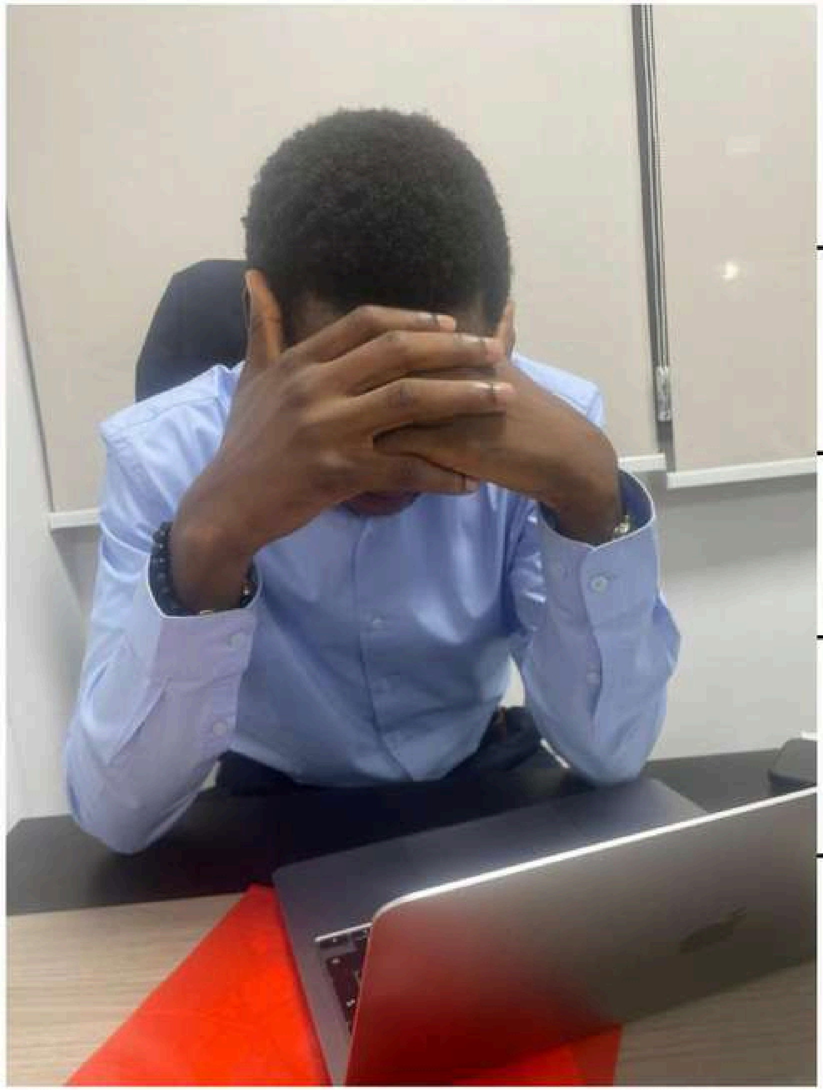
Sector Agnostic

PLATFORM CAPITAL

Over the last 7 years we have seen over 10,200 in our career and we have done over 145 closed deal.

	2018	2019	2020	2021	2022	2023	2024
Origination	400+	700+	1500+	4200+	2000+	1000+	400+
Preliminary Screening	400+	700+	1500+	4200+	2000+	600+	400
Progressed Stage	61	120	312	600	400	100	40
Advanced Stage	15	30	59	62	100	50	10
Closed Deal	4	5	31	47	40	15	3

As you can see on the last slide, our Investment making as slowed down from 2022-2024



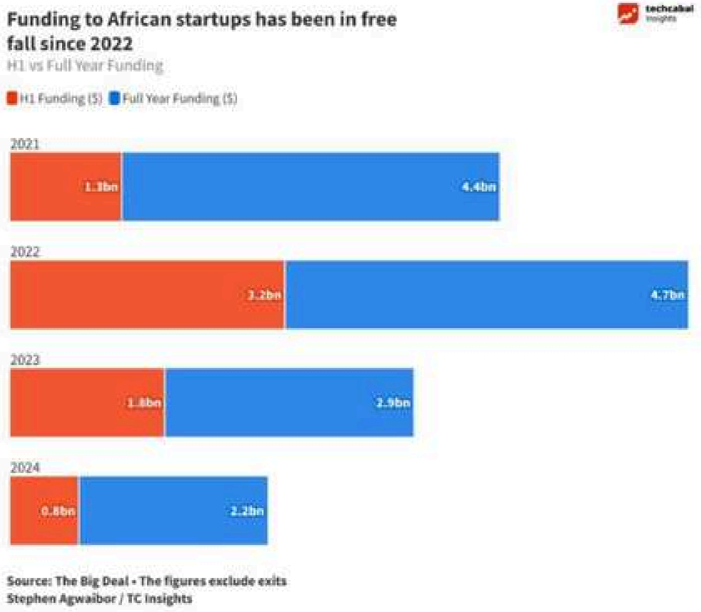
Why did we stop allocating Capital aggressively?

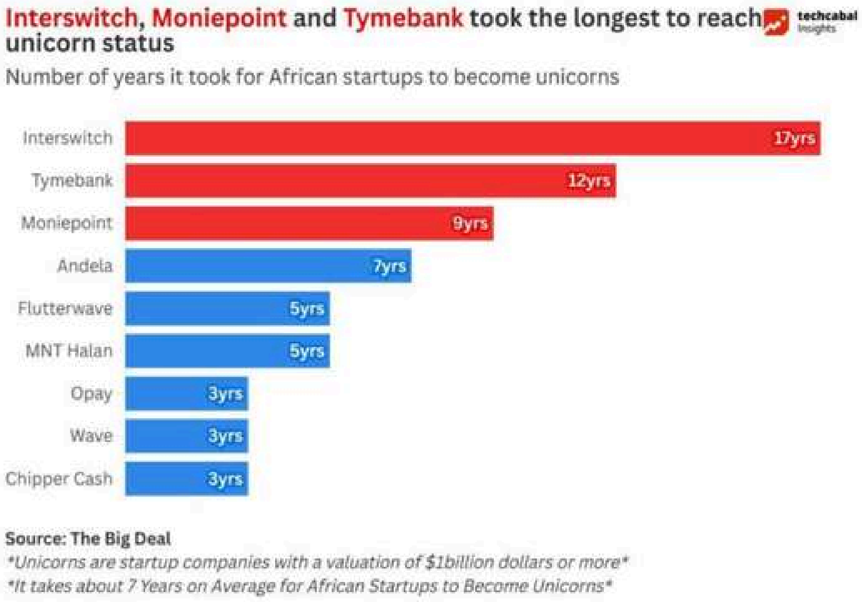
Why did we stop Investing certain investment thesis?

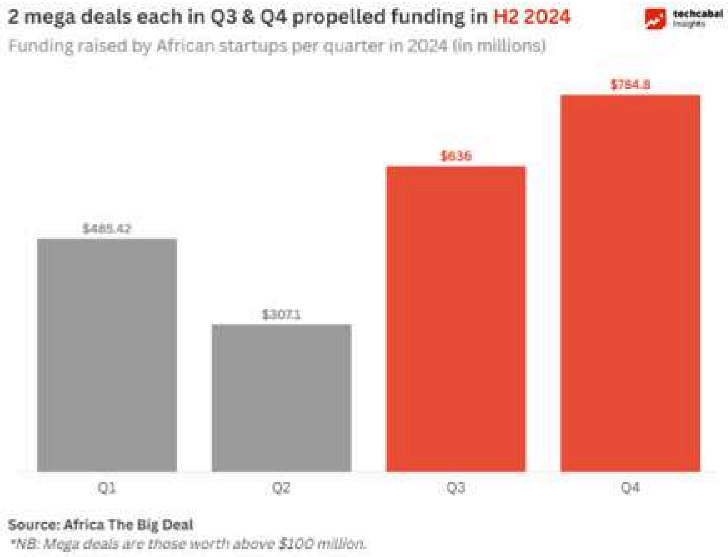
What trends did we notice and what were the root causes ?

How do we resume our commitment to supporting entrepreneurs leveraging on lessons learnt and current market realities ?

Failure of Africa technology companies vs global and how they compare







African tech startups have a high failure rate, sometimes even higher than the global average of ~90%, due to factors like inadequate infrastructure, limited access to funding, market challenges, and a lack of essential resources and native understanding of the local market. While global startups also face high failure rates from issues like poor management and market entry challenges, African startups often contend with more severe infrastructural limitations, such as unreliable electricity and internet, and difficulties in converting traction into sustainable revenue streams.

INDUSTRY, PRODUCT LIFE CYCLE, BUSINESS MODEL

Company Life Cycle, Investor Fit & Instruments

Angel Investor

The business develops products, validates market fit, attracts early customers, and seeks seed or angel investment to survive high-risk, early operations.
Uses SAFE Agreements, Convertible Notes & Direct Equity Investments

Startup Stage

Venture Capital Investor

Growth Stage

The company expands rapidly, secures venture capital, scales operations, increases revenues, and strengthens structures to capture market share and build competitive positioning. Uses Preferred Equity Shares, Convertible Preferred Stock, & Warrant/Option

Private Equity Investor

Business stabilizes with strong revenues and profits, optimizes efficiency, explores diversification, and attracts private equity for expansion, acquisitions, or market consolidation strategies. Buyouts, Mezzanine Financing,& Leveraged Debt Instruments

Maturity Stage

Leverage Buyout Investor

The firm faces slowing growth or disruption, requiring reinvention through innovation, restructuring, or exit strategies such as mergers, acquisitions, or liquidation

Decline Stage

Sales

Time

From Idea Formation to Scale

Idea Formation	Concept Development	Commercialisation	Funding, Growth & Scale

Crystallisation of an idea
- Enabling environment to test the thesis further
- Community environment for cross-pollination of ideas
- Access to successful examples
- Access to resources
- Mentorship

Progressing an idea into a business
- Business Planning
- People
- Partnership
- Licensing
- Funding initial development
- Office infrastructure

Commercializing the business
- Taking product to the market
- Marketing strategy
- Customer acquisition
- Industry recognition
- Access to Networks

Scaling the business
- External Funding
- Advisory
- Governance
- Investor Relations
- Agility

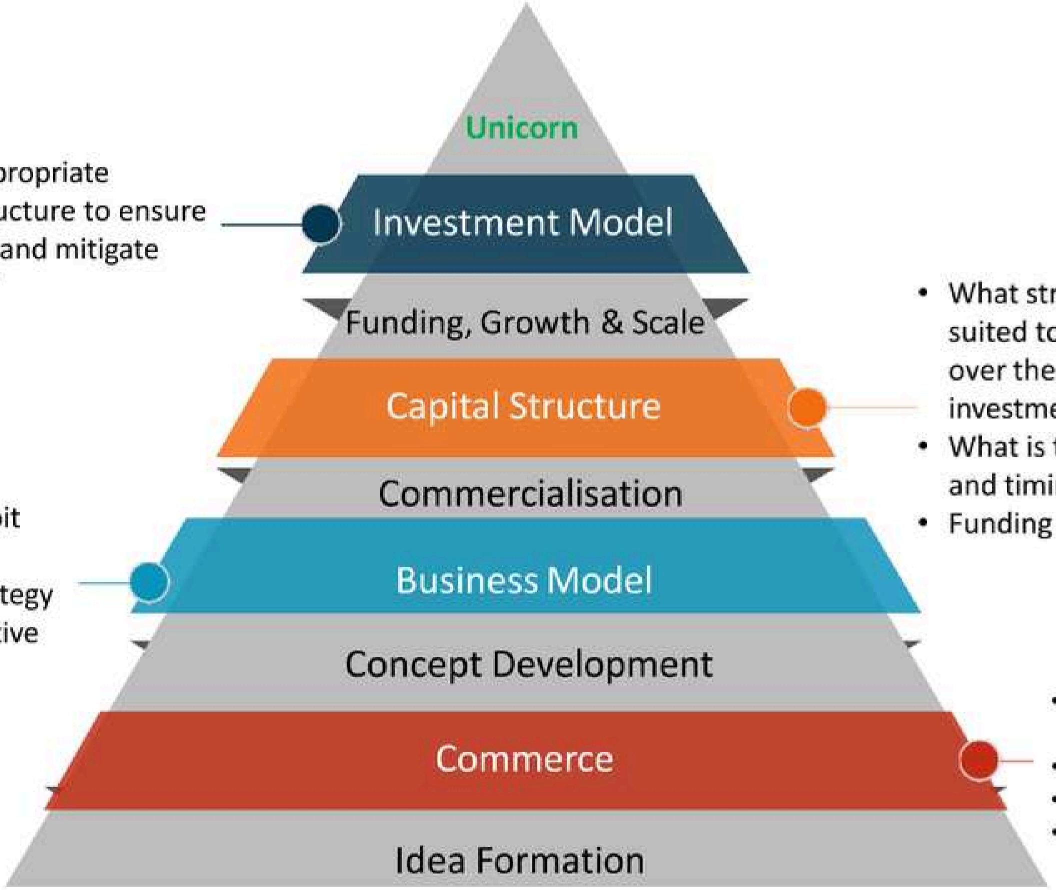
PLATFORM CAPITAL

Investment Ethos

- What is the appropriate investment structure to ensure optimal return and mitigate downside risk?

Venture Capital Investor

- Optimal business architecture to exploit market opportunity
- Route to market strategy
- Developing competitive advantage
- Resourcing
- Execution



- What structure is best suited to unlock value over the life of investment?
- What is the optimal mix and timing?
- Funding plan

Private Equity Investor

- What problem is it solving?
- Who is the customer?
- Where is the market?
- What are the customer's needs?
- How does it scale?

Angel Investor

PLATFORM CAPITAL

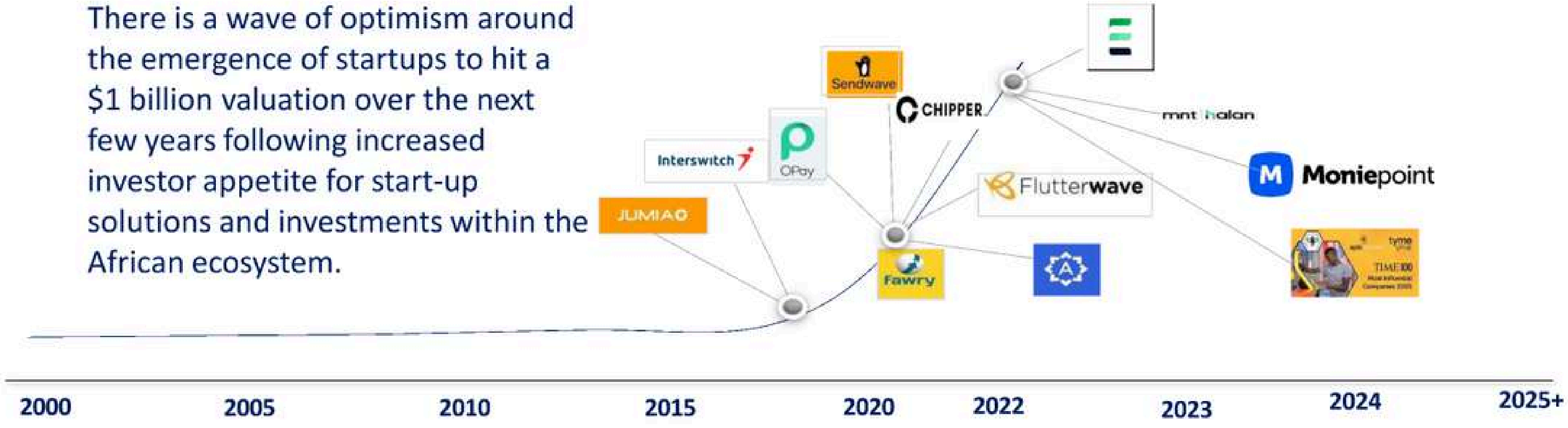
Companies that have emerged through these four stages

	Idea Formulation	Concept Development	Commercialisation	Funding, Growth & Scale
Facebook	2003-2005 Started as Facemash, the precursor to The Facebook in Harvard dorm room; 4 product reviews, 1 feature launch, 1 network inclusion	2005-2009 Met Peter Thiel, he invests $500k; Moved to Palo Alto; Grows from 12 million users to 100 million users in 3 years; 10 feature and product launches	2009-2012 600 million users; positive cashflow position; 14 feature and product launches	2012- Over 1 billion users; Initial public offering; About 60 feature reviews and product launches
airbnb	2007-2008 Started as airbedandbreakfast.com in 2007. Raised enough seed money to sustain their business through the sale of cereal boxes	2009-2010 Accepted into Ycombinator and received $20,000 in funding. Expands offerings; Receives $7.2 million in Series A funding from Greylock Partners and Sequoia Capital; 700,000 nights booked	2011-2014 1 million bookings (2011), raises $112 million in additional funding. Achieves 5 million bookings in 2012. Attains unicorn status in 2014	2015- Raises > $2.3 billion in additional funding. $30 billion valuation. Company intends to launch an airline
UBER	2009-2011 First ever ride; Uber goes international and starts business in Paris	2012-2014 Further expansion to Australia and Mexico, Uber becomes present in 100 cities by 2014	2015-2016 Launches UberPOOL and UberEATS, extends presence to 300 cities, achieves 1 billion trips, achieves 2 billion trips 6 months later	2017- Uber present in 500 cities; Achieved 5 billion trips. $62 billion valuation.

PLATFORM CAPITAL

MEET AFRICA'S UNICORNS in 2024

There is a wave of optimism around the emergence of startups to hit a $1 billion valuation over the next few years following increased investor appetite for start-up solutions and investments within the African ecosystem.



The Venture Capital (VC) landscape in Africa has gradually evolved over the last two decades to become a recognised and definable investment theme, simultaneously attracting international investment to the continent while also encouraging the development of local venture capital firms and home-grown financing solutions. The growth of startups with Unicorn status in Africa reflects the changing nature and scope of external flows to the continent and the emergence of solutions with Stickier, Diversified & Scalable Business Models, Strong and experienced break-away teams amongst other factors

PLATFORM CAPITAL

TRENDS, INVESTMENT THESIS AND CAPITAL ALLOCATION

The Current Global Macro Environment

The global economy in 2025 faces easing but above-target inflation, weak growth (~2.5–3%), and high interest rates. Bond yields are rising, supply chains remain fragmented, and geopolitical tensions—including tariffs—add pressure. Central banks and investors are rotating into safe assets like gold. Labor markets are cooling, while sticky services inflation raises stagflation risks, leaving policymakers balancing inflation control with growth support

Persistent Global Risks

The world economy faces downside risks from **geopolitical tensions, trade fragmentation, and China's property and growth challenges**.

Rising Polarisation & Uneven Reform

Elections across major economies highlight political polarization, while reform momentum diverges—some advance structural changes, others stall.

Sluggish but Positive Growth

Global GDP is projected at **~2.5–3% in 2025**, below pre-2020 averages, reflecting high borrowing costs and subdued trade.

Sectoral Divergence

Technology, digital services, and energy transition attract capital, while tourism and consumer-driven sectors show uneven recovery.

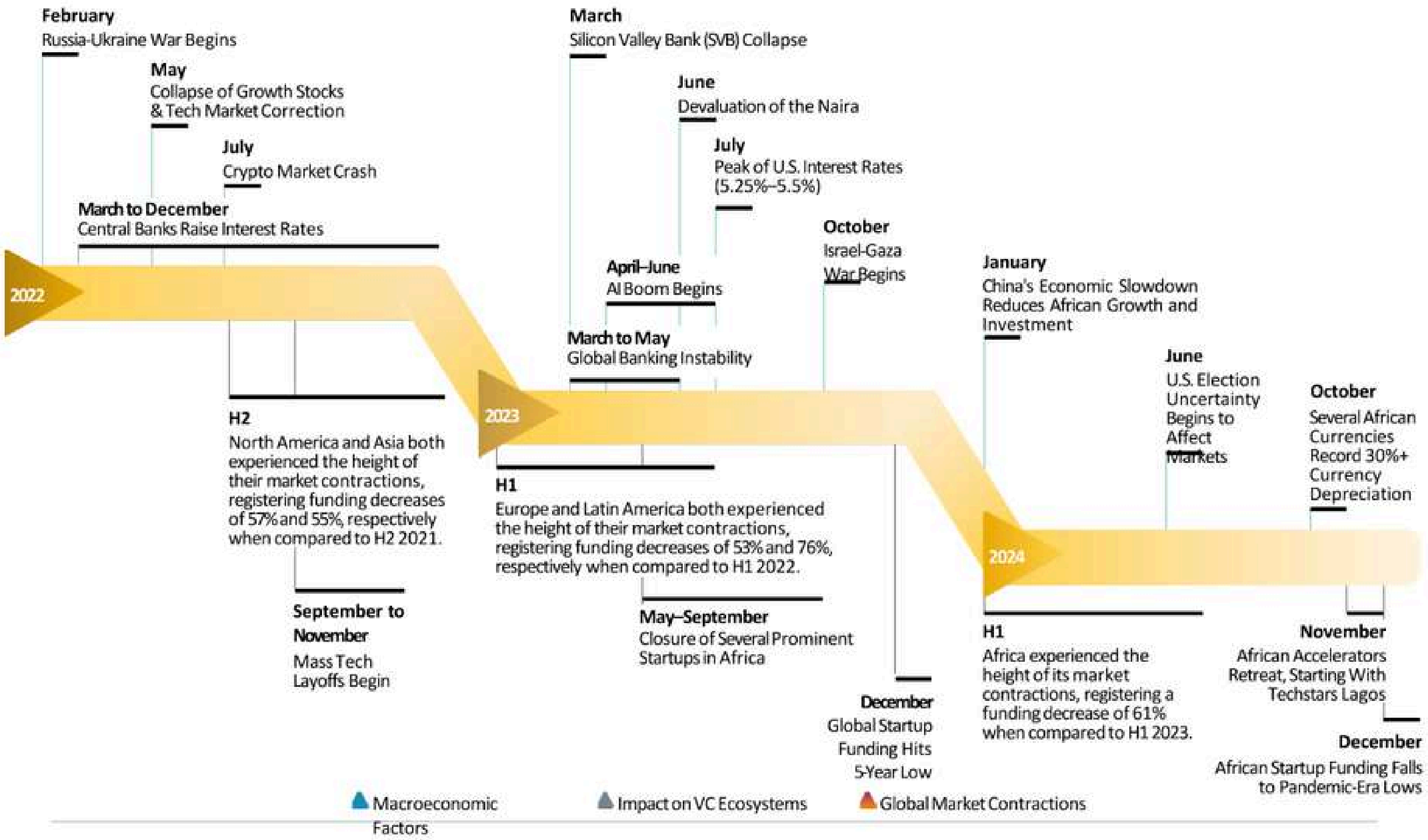
Global Economic Normalization

Markets continue adjusting to a "new normal" shaped by tighter financial conditions, shifting supply chains, and evolving energy dynamics.

Sticky Inflation & High Rates

Inflation has moderated but remains above target in many markets; interest rates and bond yields stay elevated as central banks tread carefully.

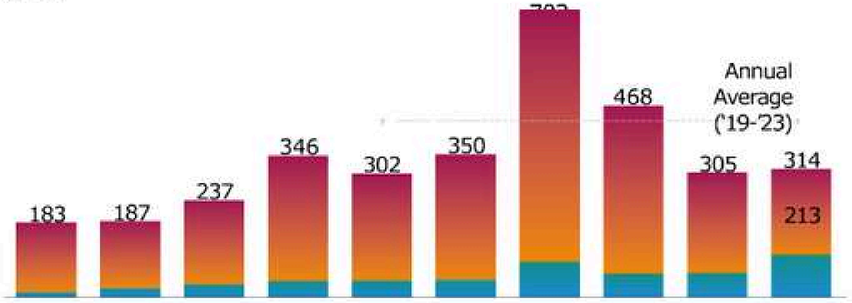
Timeline of Macroeconomic Factors Influencing Global and African Venture Capital, 2022–2024



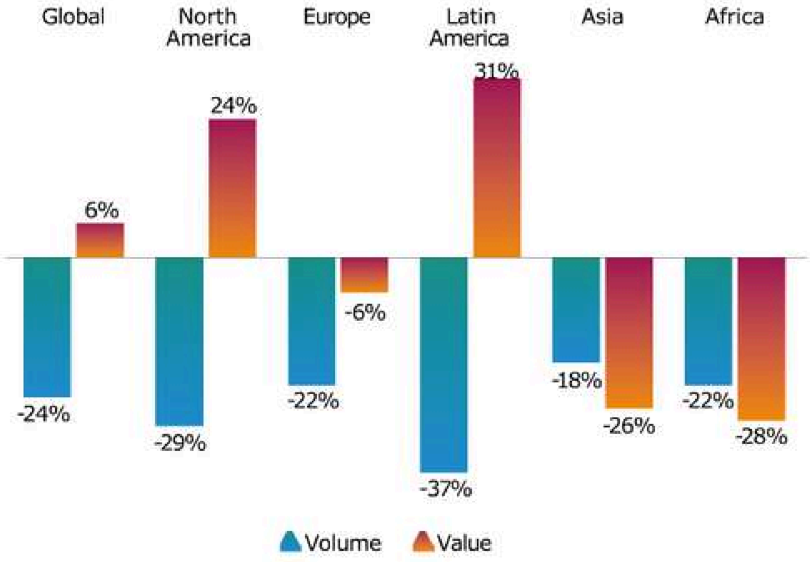
Global Changes to Venture Capital Volume & Value

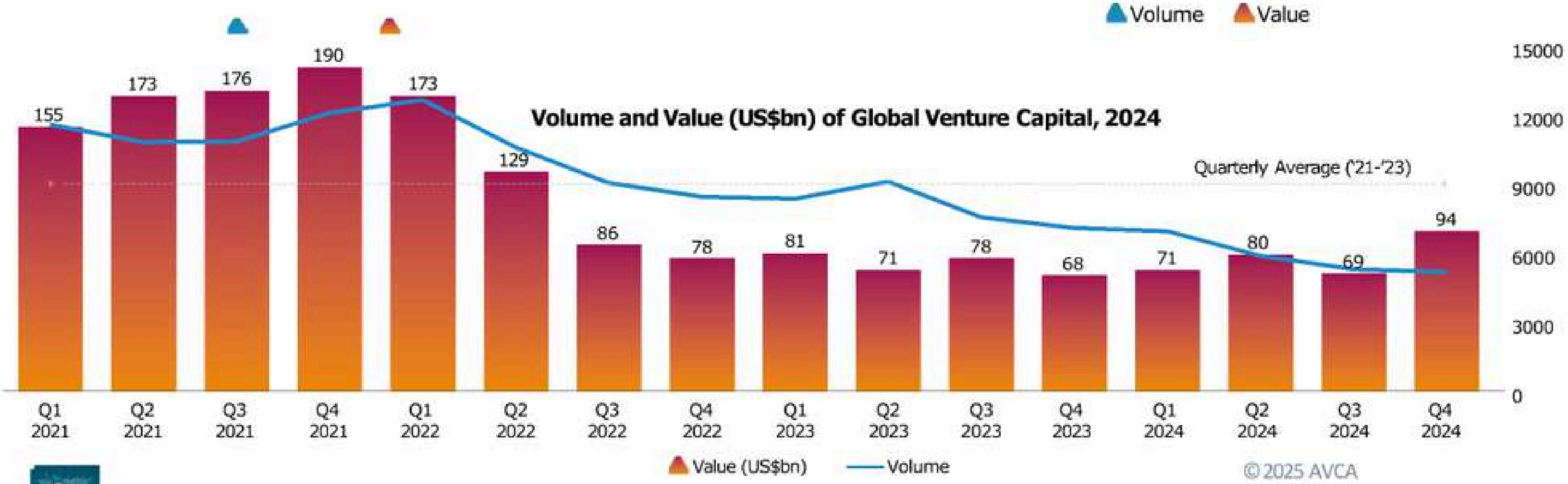
Global venture capital showed signs of stabilisation in 2024, with $314bn invested across 23,000+ deals, up slightly from 2023. Q4 surged to $94bn, driven by eight megadeals worth $36bn. AI dominated, as Databricks, OpenAI, and xAI alone secured $22.3bn, echoing past tech investment waves.

AI Contribution to Value (US$bn) of Global Venture Capital, 2015-2024



Global Comparison of YoY Changes to VC Deal Volume and Value, 2024

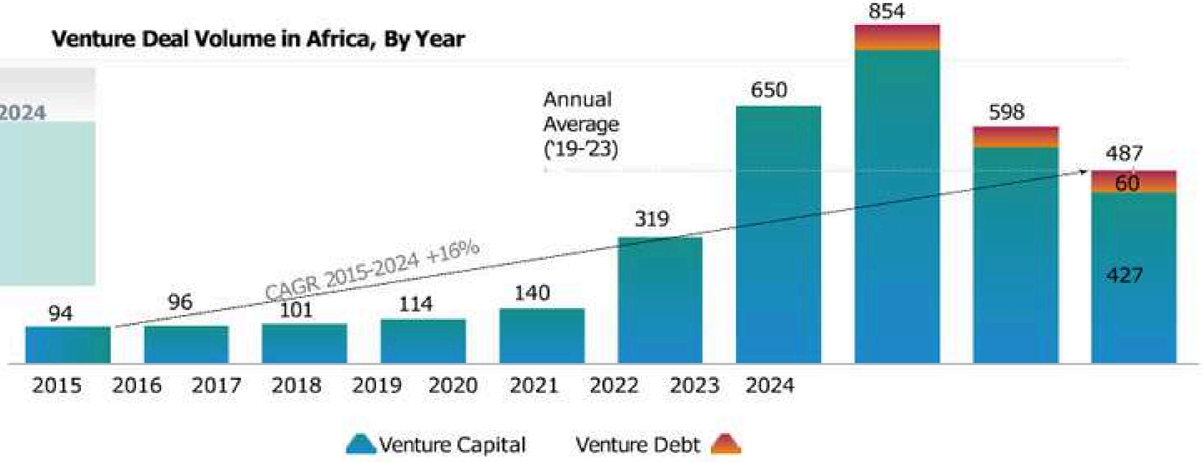


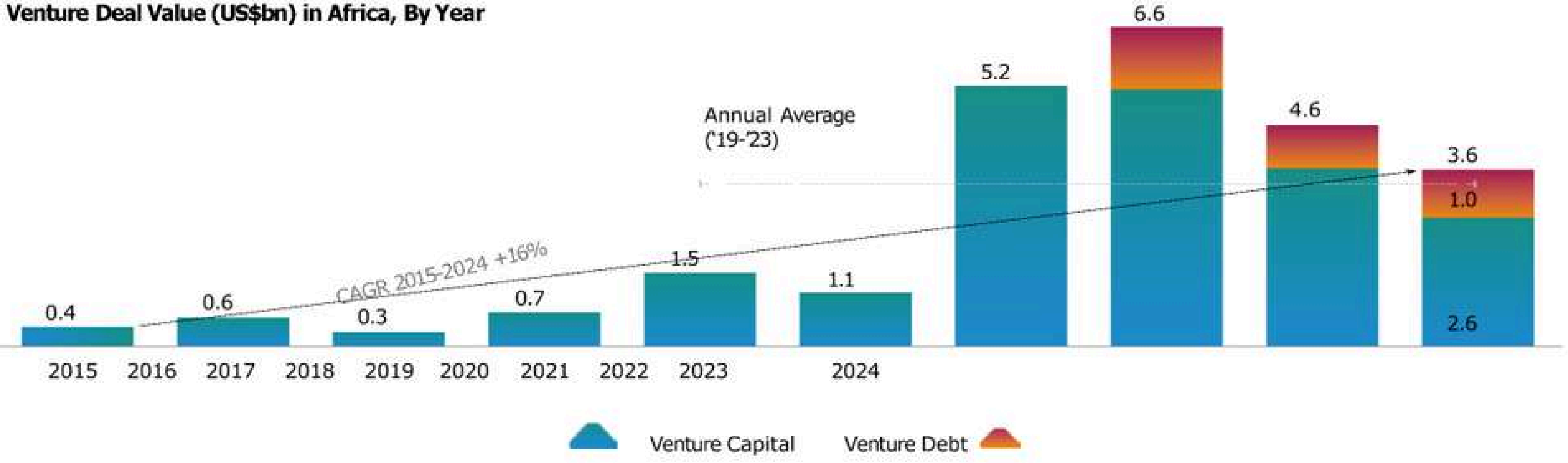


Africa Change to Venture Capital Volume & Value

TOTAL VENTURE DEAL VOLUME, 2015-2024

3,453 Deals

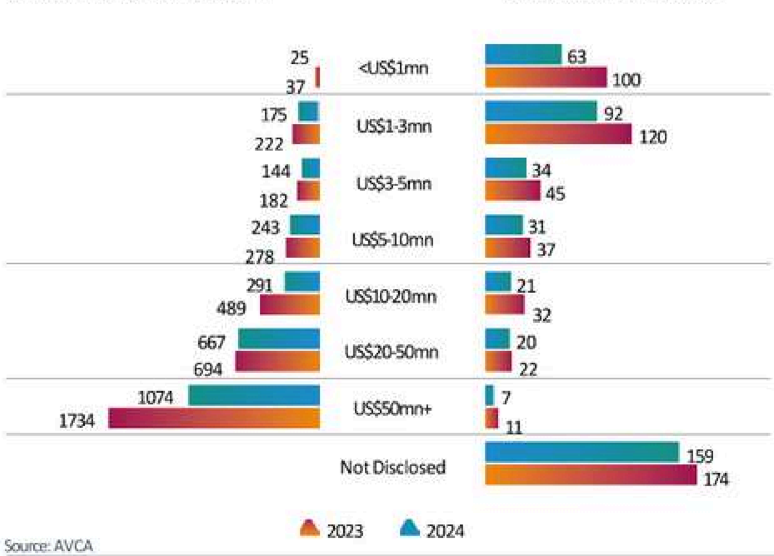




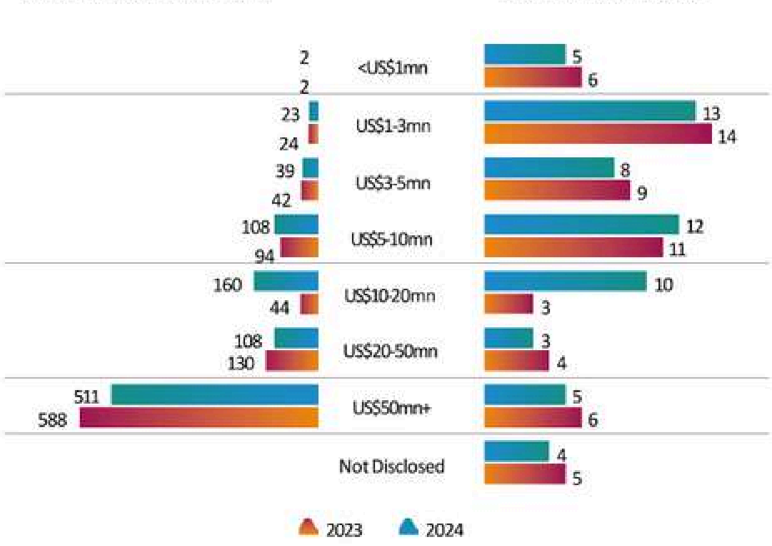
Venture Deal by Ticket Size

In 2024, over half of venture debt and equity deals were below $10m, but debt skewed toward $3–10m (36% vs 15% equity), highlighting its role in growth financing. Mid-tier $10–20m deals surged, reflecting rising confidence, borrower familiarity, and lender appetite in Africa's scaling ventures.

Distribution of Venture Capital Deal Volume and Value by Ticket Size, 2023-2024



Distribution of Venture Debt Deal Volume and Value by Ticket Size, 2023-2024



Source: AVCA

Venture Deal Activity by Region

REGIONAL PROFILE: MULTI-REGION

Multi-Region Venture Profile, 2024: Key Facts

5th Rank in Africa (Volume)

1st Rank in Africa (Value)

OVERALL DEAL ACTIVITY

61 deals with a total reported value of **US$1.3 billion**

VALUE PROFILE

US$8.8 million Median
US$25 million Average

TOP INVESTMENT STAGE

Early Stage
24% of deal volume

TOP INVESTMENT SECTOR

Financials
40% of deal volume

TECH PENETRATION

79% of capital recipients were tech or tech-enabled companies

GENDER PROFILE

24% of capital recipients were female (co)founded companies

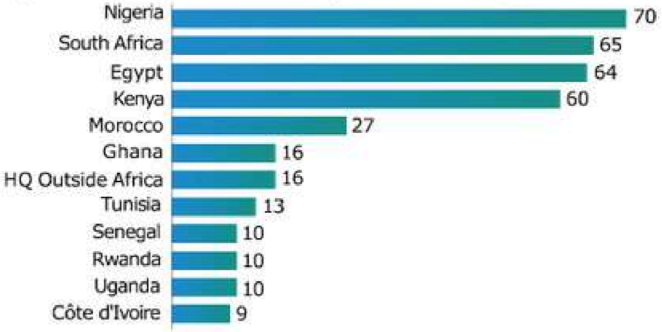
SUPER-SIZED DEALS

4

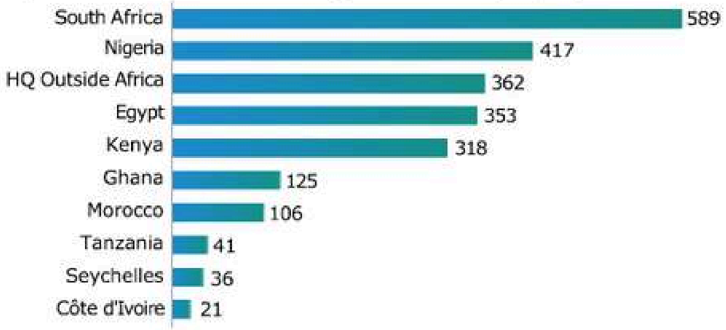
Venture Capital Deal Activity by Country

55% of venture capital deal volume and 64% of deal value in 2024 went to startups headquartered in the Big 4

Top 10 Investment Destinations by VC Deal Volume, 2024



Top 10 Investment Destinations by VC Deal Value (US$mn), 2024



Venture Deal Activity by Region

REGIONAL PROFILE: WEST AFRICA

West Africa Venture Profile, 2024: Key Facts

1st Rank in Africa (Volume)

4th Rank in Africa (Value)

OVERALL DEAL ACTIVITY
113 deals with a total reported value of **US$493 million**

VALUE PROFILE
US$2.3 million Median
US$7 million Average

TOP INVESTMENT STAGE
Seed
44% of deal volume

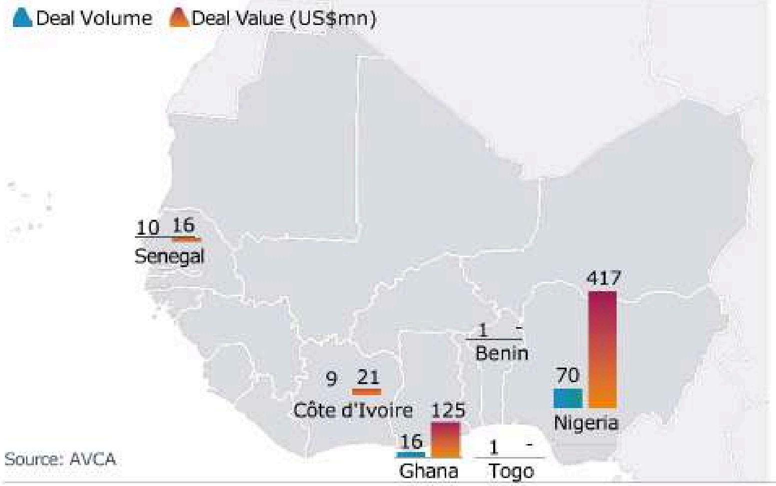
TOP INVESTMENT SECTOR
Financials
41% of deal volume

TECH PENETRATION
76% of capital recipients were tech or tech-enabled companies

GENDER PROFILE
25% of capital recipients were female (co)founded companies

SUPER-SIZED DEALS
1

Volume and Value of Venture Capital Deals in West Africa by Country, 2024



Source: AVCA

In 2024, West Africa led Africa in venture deal volume but lagged Southern, North, and Multi-Region in funding. Financials dominated with 44% of deals, highlighted by Moniepoint's $110m Series C. Nigeria remained the top destination by deal count, followed by Ghana, Senegal, and Côte d'Ivoire, though overall funding was constrained by currency volatility and competition.

Venture Deal Activity by Region

REGIONAL PROFILE: EAST AFRICA

East Africa Venture Profile, 2024: Key Facts

2nd Rank in Africa (Volume)

5th Rank in Africa (Value)

OVERALL DEAL ACTIVITY

112 deals with a total reported value of **US$472 million**

VALUE PROFILE

US$2.0 million Median
US$5.5 million Average

TOP INVESTMENT STAGE

Seed
36% of deal volume

TOP INVESTMENT SECTOR

Financials
23% of deal volume

TECH PENETRATION

71% of capital recipients were tech or tech-enabled companies

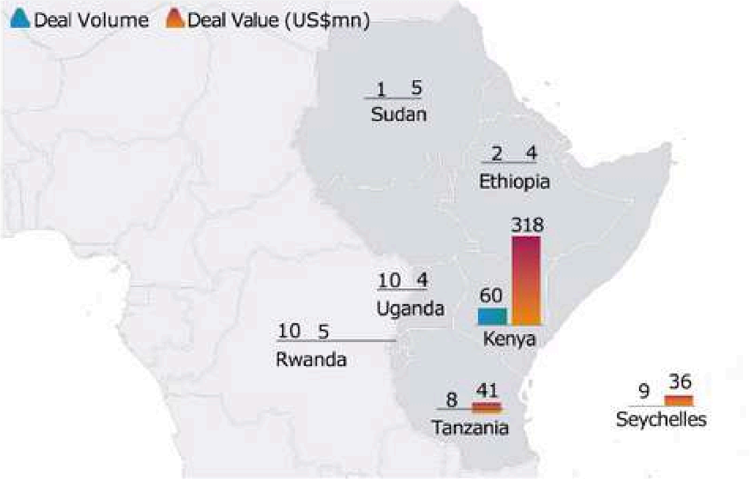
GENDER PROFILE

28% of capital recipients were female (co)founded companies

SUPER-SIZED DEALS

0

Volume and Value of Venture Capital Deals in East Africa by Country, 2024



Source: AVCA

In 2024, East Africa ranked second by deal volume but only fifth by value, hurt by the absence of mega-deals and a steep 88% funding drop in Rwanda. Kenya's regulatory changes and political volatility slowed activity, while Tanzania's share rose to 9% with strong policy support. Consumer sectors dominated, and Seychelles gained traction in blockchain and FinTech.

Venture Deal Activity by Region

REGIONAL PROFILE: NORTH AFRICA

North Africa Venture Profile, 2024: Key Facts

3rd Rank in Africa (Volume)

3rd Rank in Africa (Value)

OVERALL DEAL ACTIVITY

110 deals with a total reported value of **US$561 million**

VALUE PROFILE

US$2.3 million Median
US$7 million Average

TOP INVESTMENT STAGE

Seed
45% of deal volume

TOP INVESTMENT SECTOR

Financials
26% of deal volume

TECH PENETRATION

88% of capital recipients were tech or tech-enabled companies

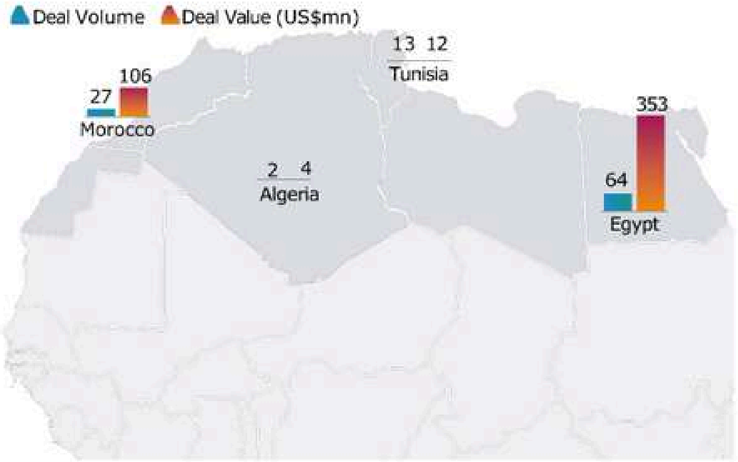
GENDER PROFILE

17% of capital recipients were female (co)founded companies

SUPER-SIZED DEALS

1

Volume and Value of Venture Capital Deals in North Africa by Country, 2024



Source: AVCA

In 2024, North Africa's dealmaking held steady, led by Egypt's 5% rise in deal count and a $157m megadeal for MNT-Halan. Morocco saw $106m across 27 deals, boosted by the Africa Investment Forum. Financials dominated at 26%, tied to consumer demand, though gender-diverse startups secured only 17% of funding.

Venture Deal Activity by Region

REGIONAL PROFILE: SOUTHERN AFRICA

Southern Africa Venture Profile, 2024: Key Facts

4th Rank in Africa (Volume)

2nd Rank in Africa (Value)

OVERALL DEAL ACTIVITY
78 deals with a total reported value of **US$754 million**

VALUE PROFILE
US$2.3 million Median
US$13.6 million Average

TOP INVESTMENT STAGE
Seed
28% of deal volume

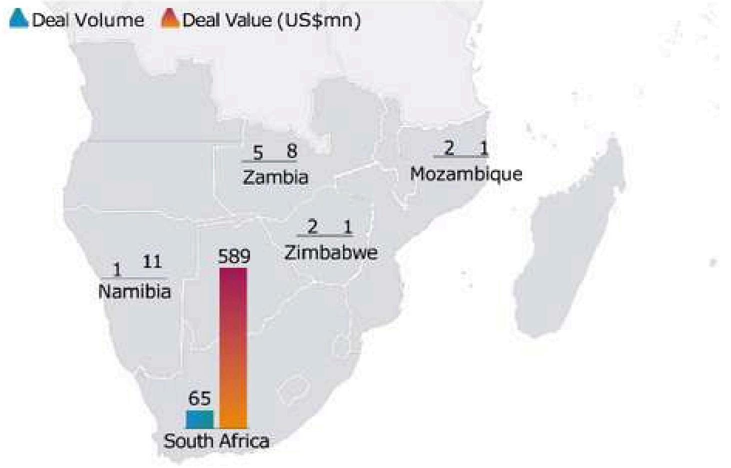
TOP INVESTMENT SECTOR
Information Technology
28% of deal volume

TECH PENETRATION
84% of capital recipients were tech or tech-enabled companies

GENDER PROFILE
19% of capital recipients were female (co)founded companies

SUPER-SIZED DEALS
2

Volume and Value of Venture Capital Deals in Southern Africa by Country, 2024



Source: AVCA

In 2024, Southern Africa secured 78 deals worth $754m, ranking fourth by volume but second by value, led by TymeBank's $250m Series D, making it a unicorn. With 88% tech penetration, South Africa dominates over 80% of funding. Regional diversification is emerging, though gender-diverse startups attracted only 19%.

Venture Deal Activity by Region

REGIONAL PROFILE: CENTRAL AFRICA

Central Africa Venture Profile, 2024: Key Facts

6th Rank in Africa (Volume)

6th Rank in Africa (Value)

OVERALL DEAL ACTIVITY

13 deals with a total reported value of **US$9.2 million**

VALUE PROFILE

US$2.0 million Median
US$1.8 million Average

TOP INVESTMENT STAGE

Seed
41% of deal volume

TOP INVESTMENT SECTOR

Health Care and Financials
23% of deal volume

TECH PENETRATION

77% of capital recipients were tech or tech-enabled companies

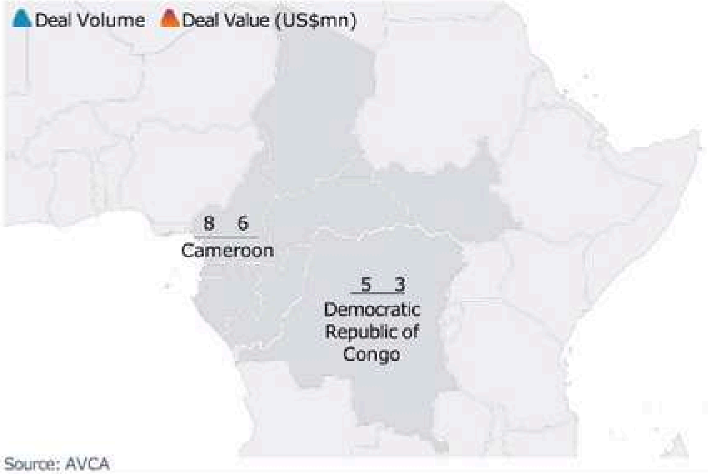
GENDER PROFILE

31% of capital recipients were female (co)founded companies

SUPER-SIZED DEALS

0

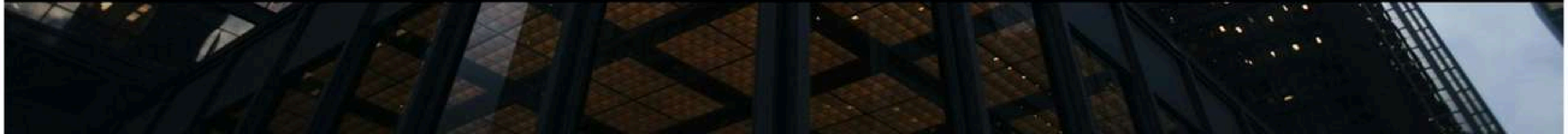
Volume and Value of Venture Capital Deals in Central Africa by Country, 2024



Source: AVCA

Central Africa saw a modest 13 deals totalling US$9.2 million in 2024, placing it last among Africa's six primary regions by both volume and value. Despite its limited footprint, the region had the highest proportion of funded startups led or co-led by female founders at 31%. Seed-stage deals predominated, accounting for 41% of the activity, with a particular emphasis on Health Care and Financials (each making up 23% of overall deal flow). A 77% tech penetration rate indicates rising adoption of digital solutions, though the small scale of investments continues to constrain momentum. Cameroon served as the focal point for the majority of these deals, while the Democratic Republic of Congo made measured strides away from resource-driven investments toward more diverse entrepreneurial ventures.

LIQUIDITY, RETURNS, EXIT AND DEATH



Returns, Liquidity, Exits

Africa's multi-year decline extended into Q1 2025 which closed with 116 deals. While this 3% YoY decrease is milder than the significant 25% YoY drop seen in Q1 2024, deal volume still sits 21% below the five-year average, indicating an incomplete market recovery.

Figure 1: **Volume of Venture Capital Deals in Africa, by Year & Quarter**

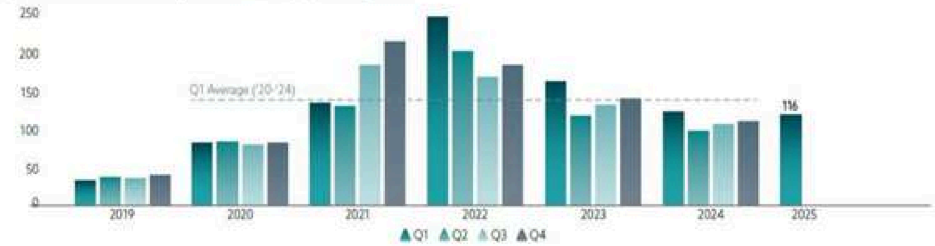


Figure 2: **Volume of Venture Capital Deals in Africa by Year, Q1 vs. Q2-Q4**

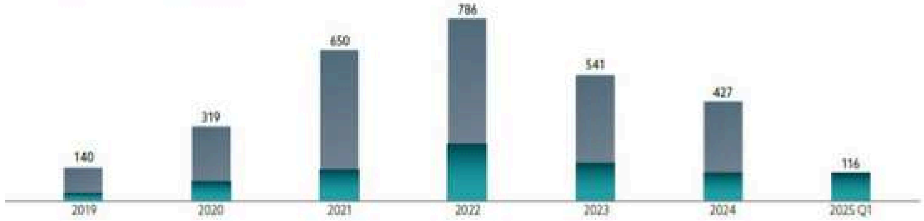
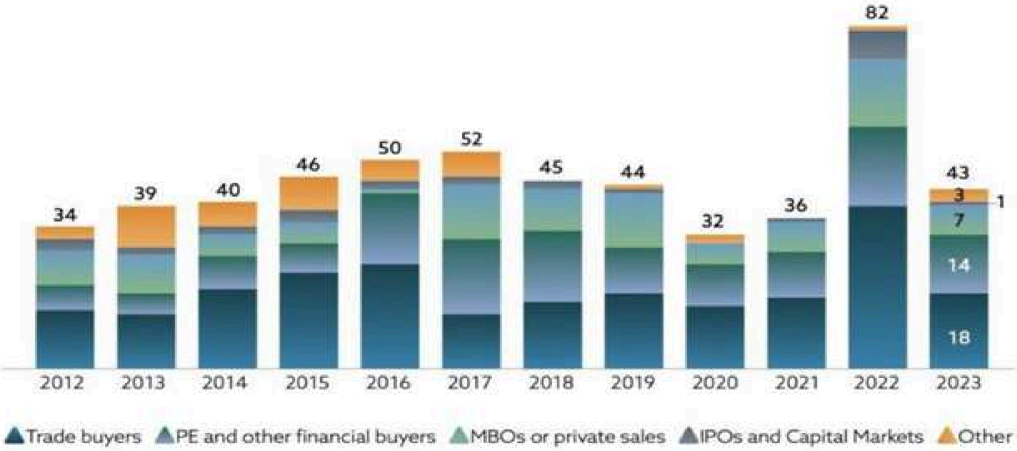
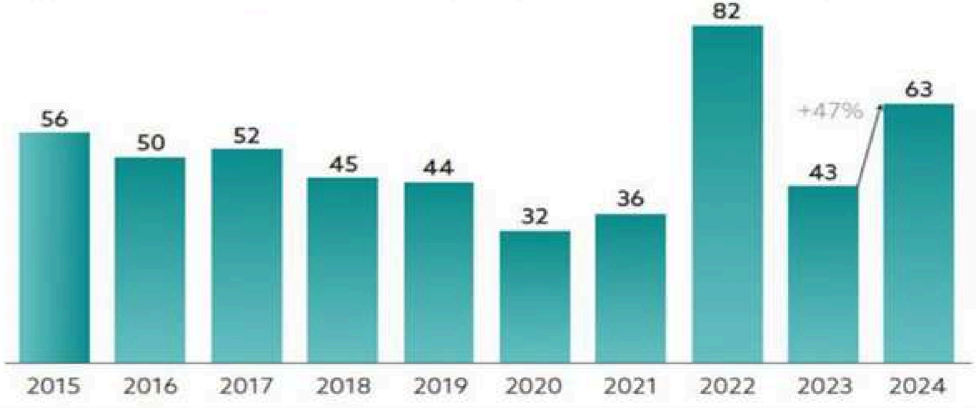


Figure 2: **Total Volume of Private Capital Exits in Africa, by Year & Exit Routes, 2012 - 2023**



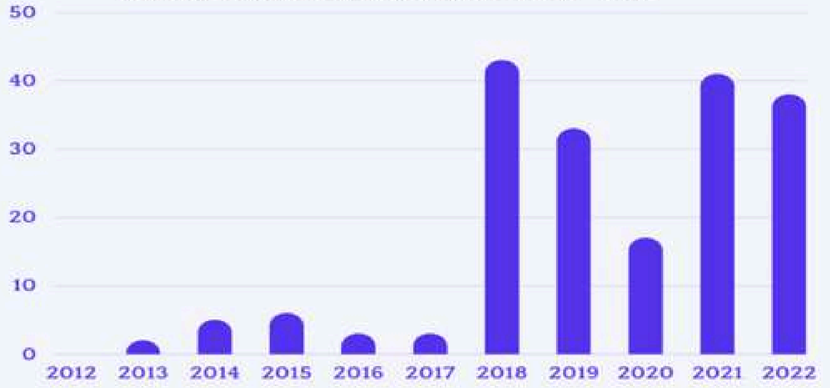
Source: AVCA

Figure 1: **Total Volume of Private Capital Exits in Africa, by Year, 2015-2024**



The Last Five Years Show Record-Breaking Exit Activity in Africa's Tech Ecosystem

Number of acquisitions per year from 2012 - 2022



**Only includes deals in which the acquired company is African*

Sources: Digest Africa, TechCabal

by Boluwatife Sanwo | Included

Africa's multi-year decline extended into Q1 2025 which closed with 116 deals. While this 3% YoY decrease is milder than the significant 25% YoY drop seen in Q1 2024, deal volume still sits 21% below the five-year average, indicating an incomplete market recovery.

Figure 1: **Volume of Venture Capital Deals in Africa, by Year & Quarter**

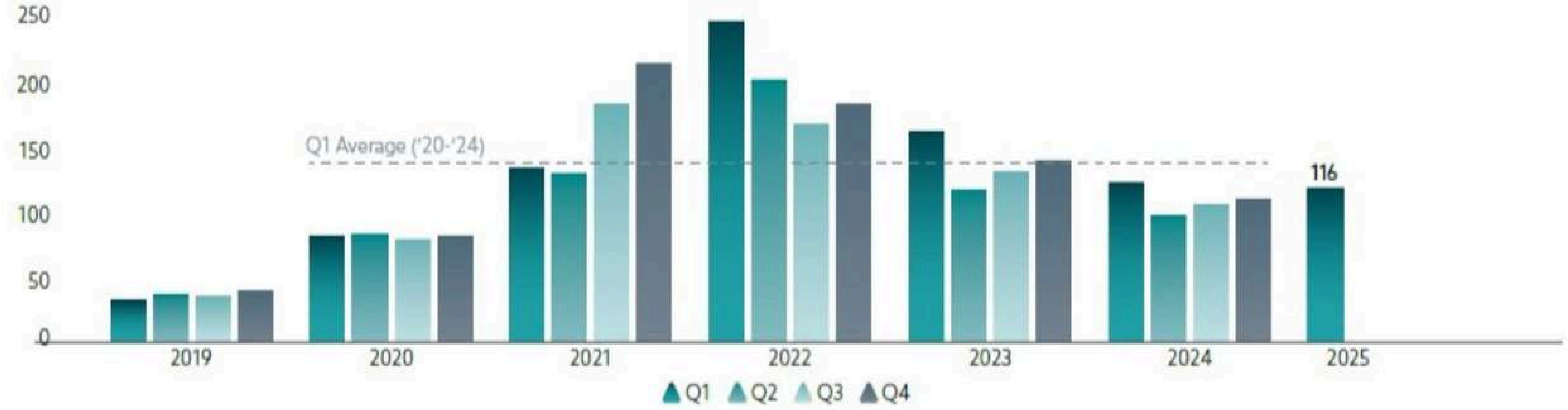


Figure 2: **Volume of Venture Capital Deals in Africa by Year, Q1 vs. Q2-Q4**

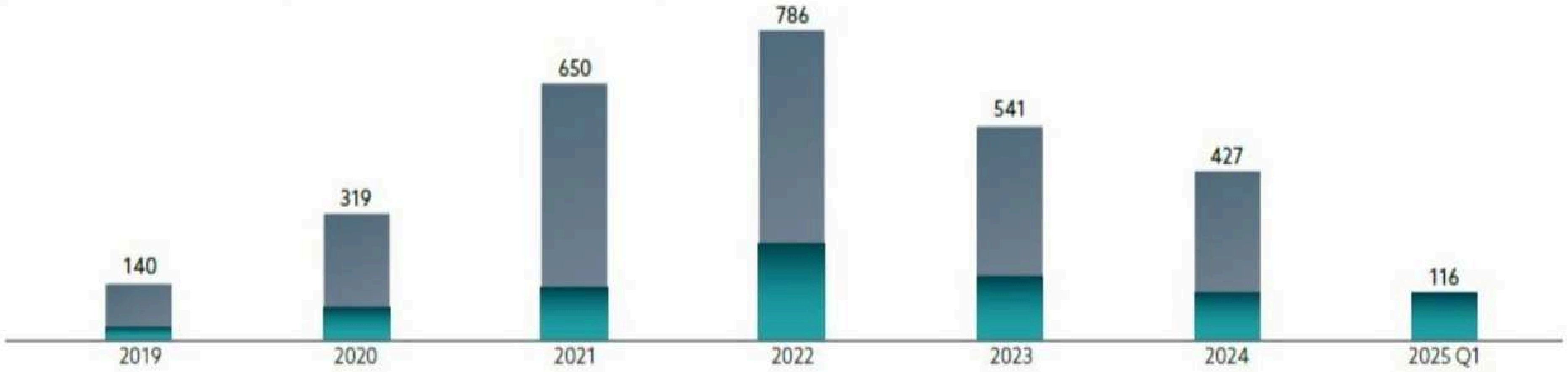


Figure 1: **Total Volume of Private Capital Exits in Africa, by Year, 2015–2024**

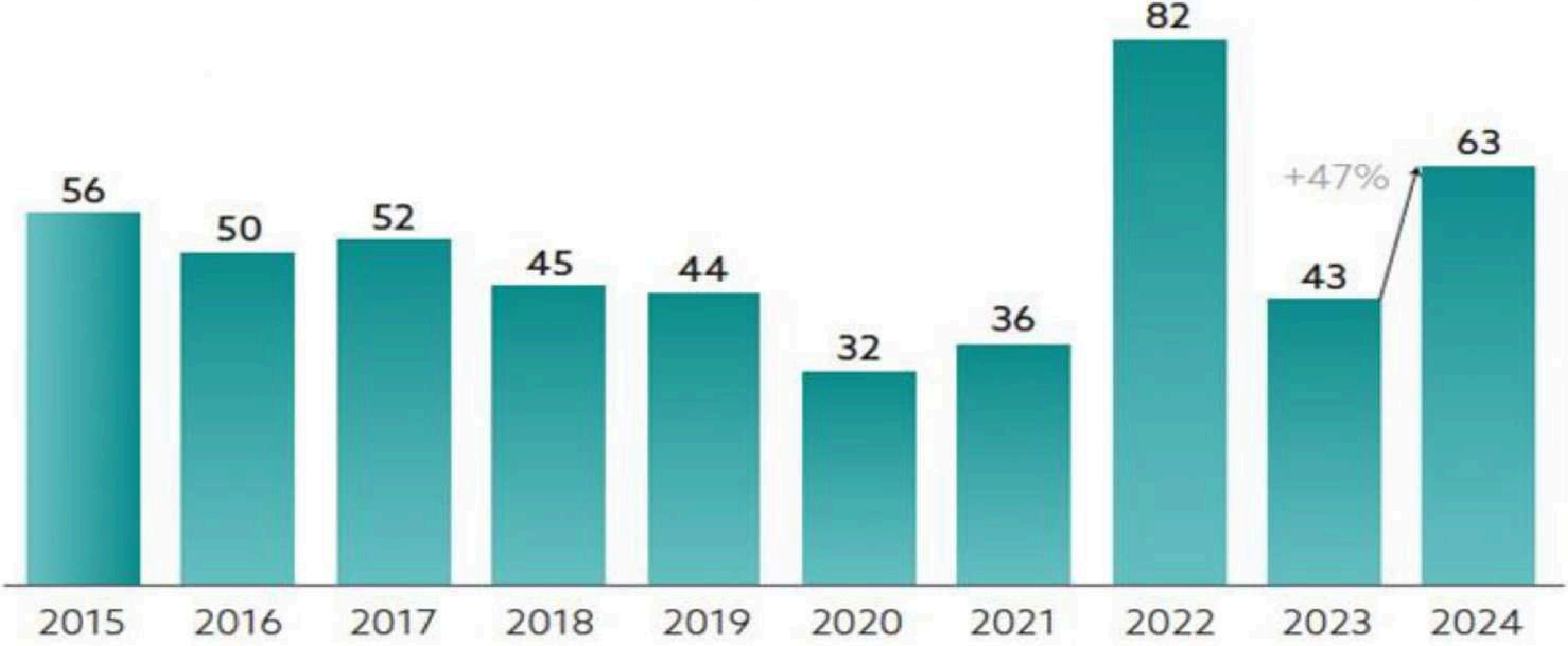
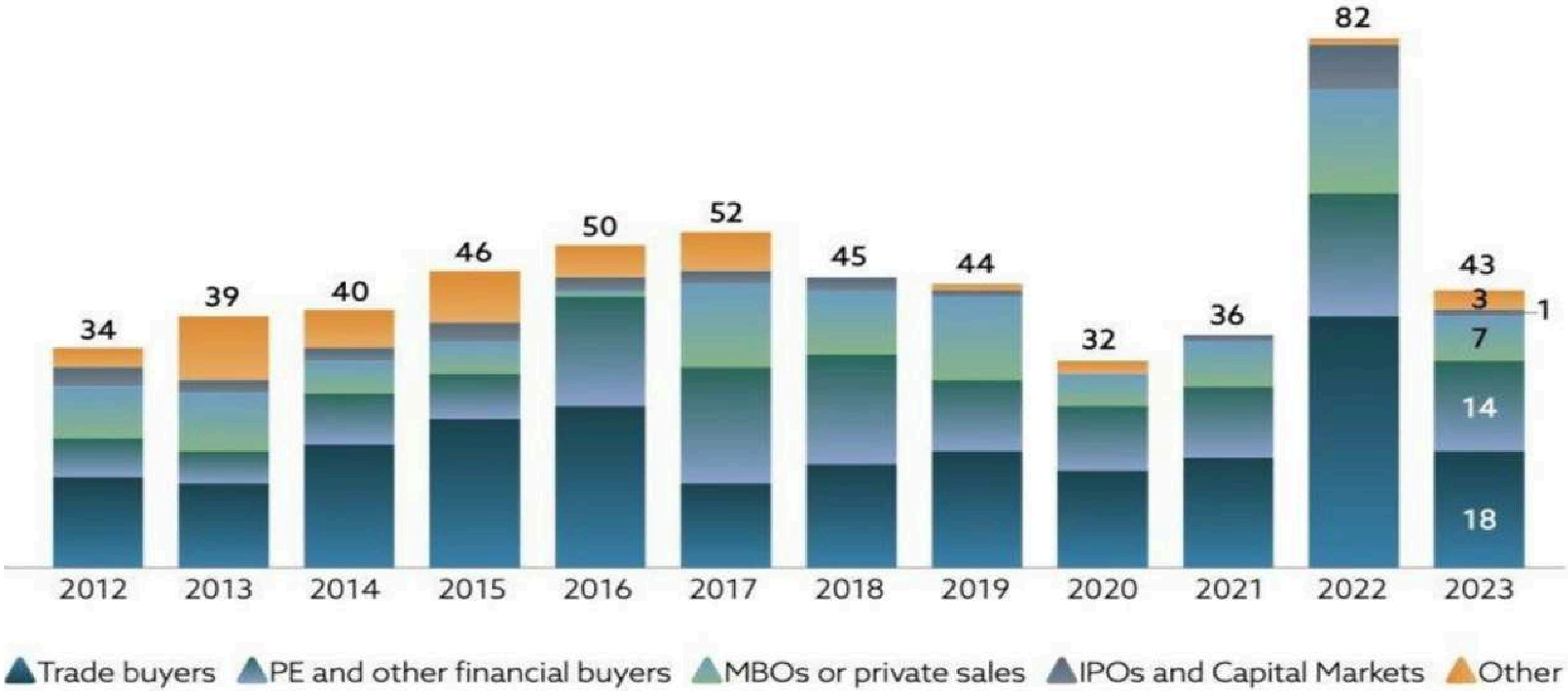


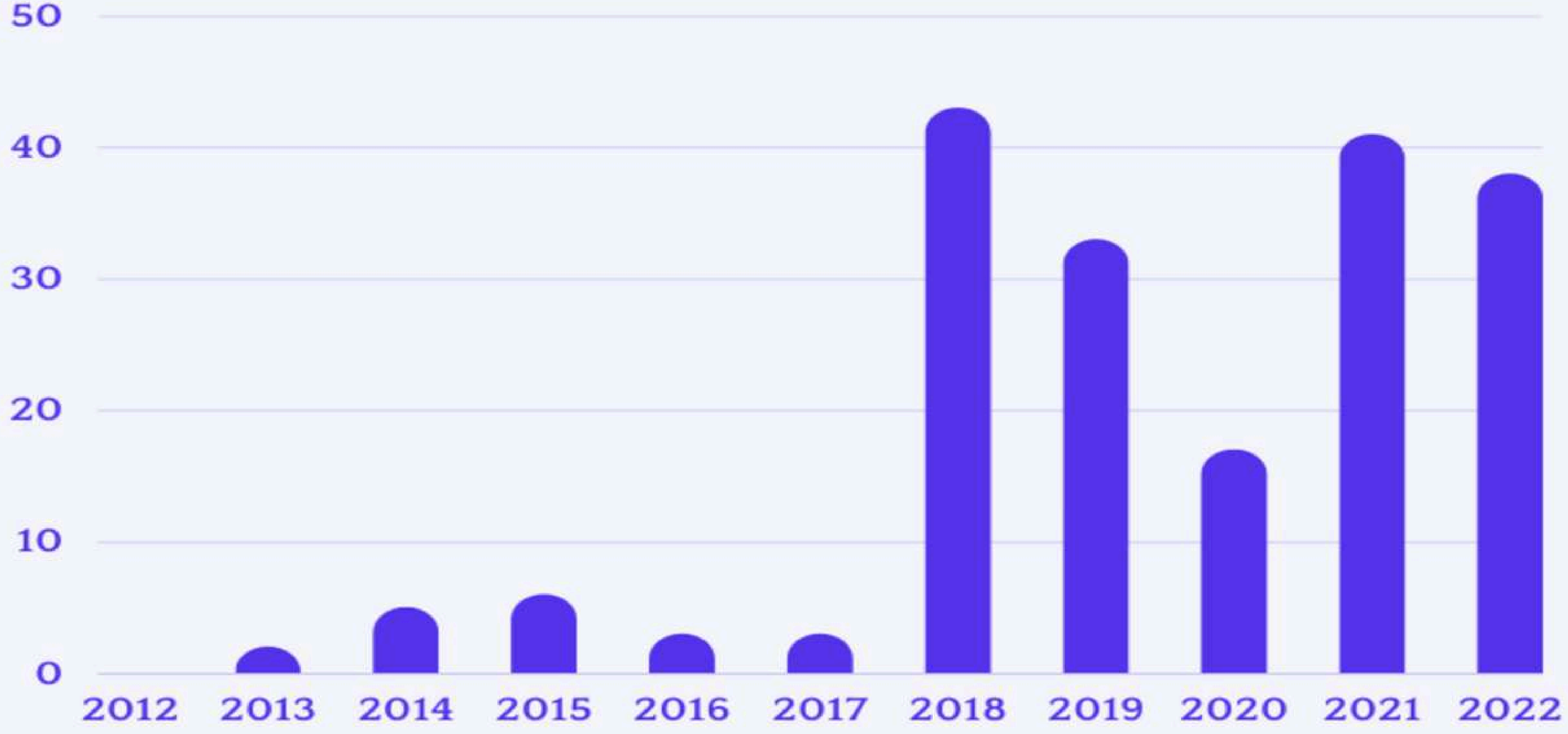
Figure 2: **Total Volume of Private Capital Exits in Africa, by Year & Exit Routes, 2012 - 2023**



Source: AVCA

The Last Five Years Show Record-Breaking Exit Activity in Africa's Tech Ecosystem

Number of acquisitions per year from 2012 - 2022



**Only includes deals in which the acquired company is African*

Sources: Digest Africa, TechCabal **by Boluwatife Sanwo | IncludedVC**

Returns, Liquidity, Exits

Africa's multi-year decline extended into Q1 2025 which closed with 116 deals. While this 3% YoY decrease is milder than the significant 25% YoY drop seen in Q1 2024, deal volume still sits 21% below the five-year average, indicating an incomplete market recovery.

Figure 1: Volume of Venture Capital Deals in Africa, by Year & Quarter

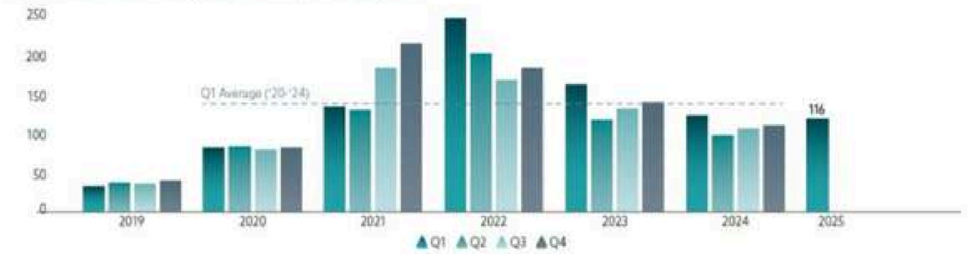


Figure 2: Volume of Venture Capital Deals in Africa by Year, Q1 vs. Q2-Q4

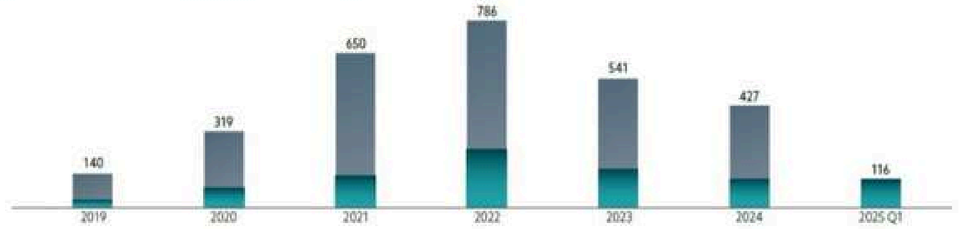


Figure 2: **Total Volume of Private Capital Exits in Africa, by Year & Exit Routes, 2012 - 2023**

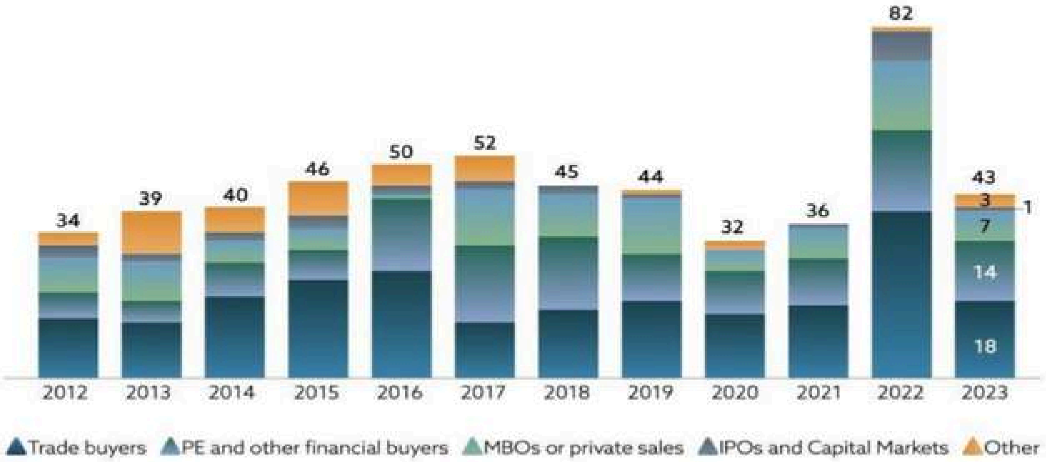
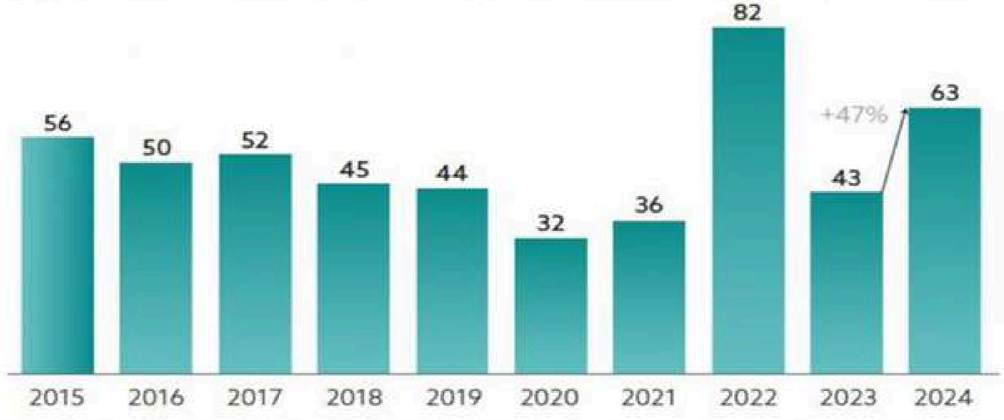
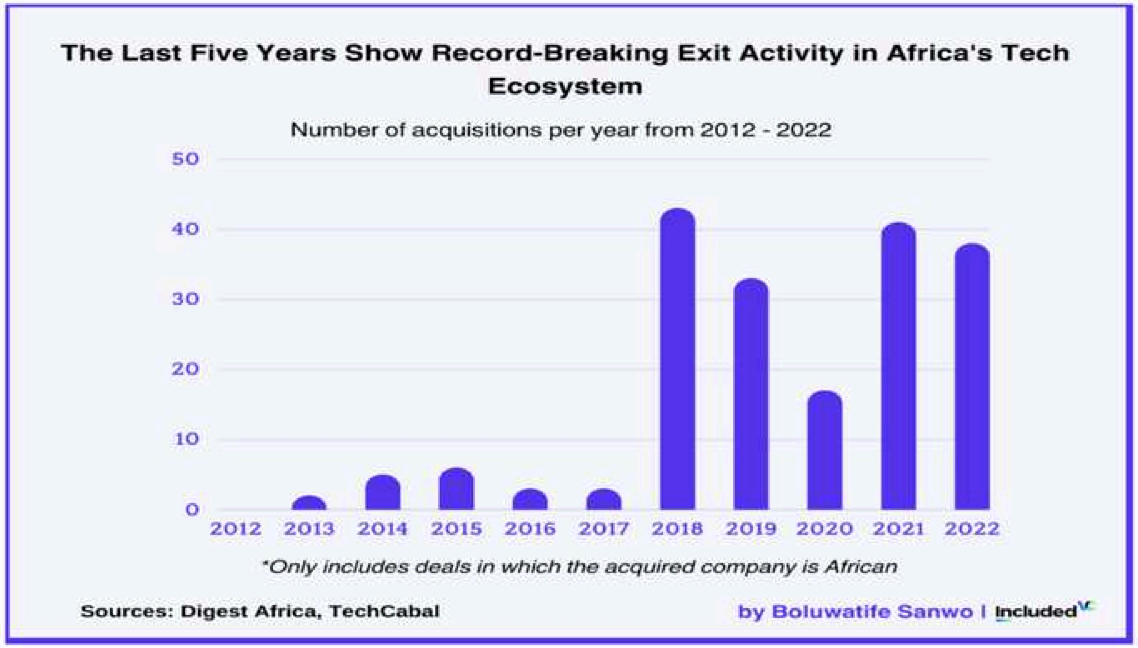
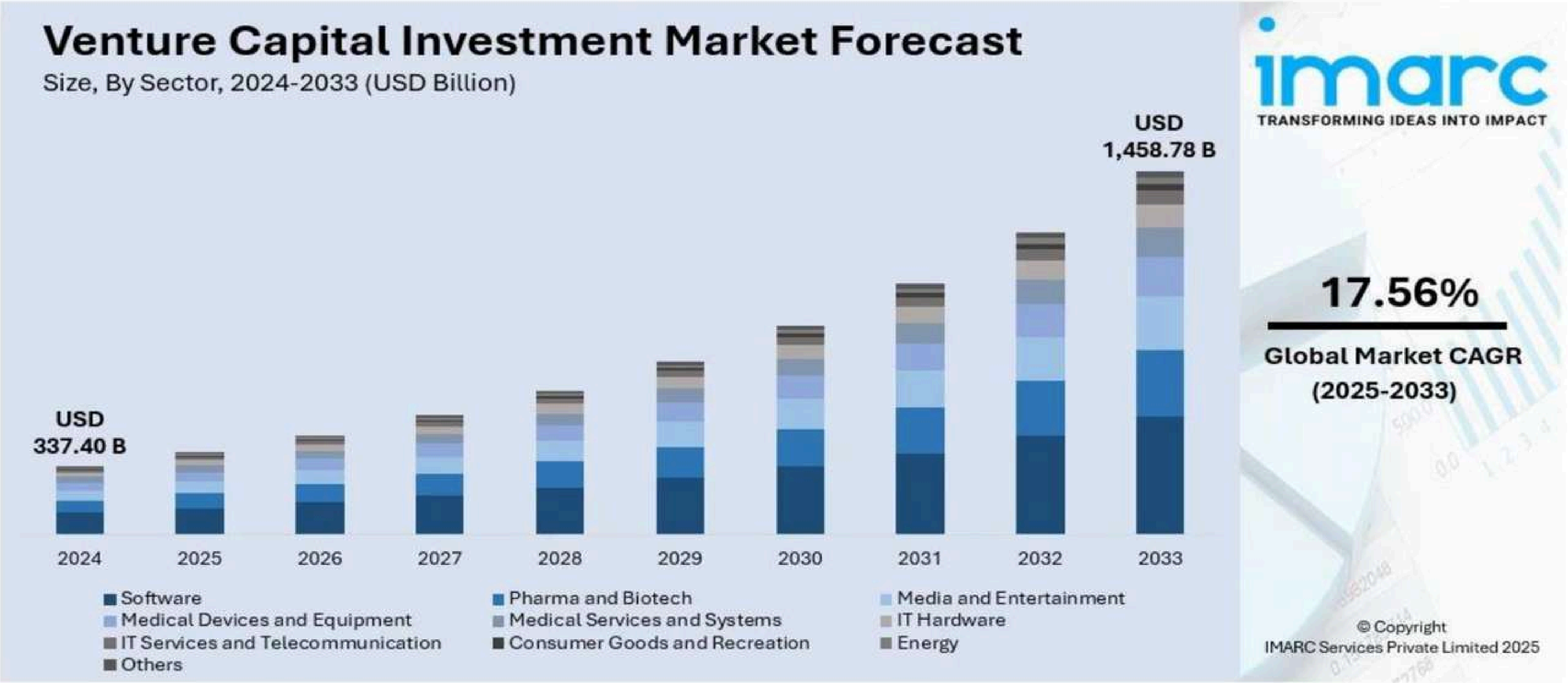


Figure 1: **Total Volume of Private Capital Exits in Africa, by Year, 2015-2024**





Venture Capital Investment Forecast 2025-2033



- The global venture capital investment market size was valued at USD 337.40 Billion in 2024. Looking forward, it is estimated that the market will reach USD 1,458.78 Billion by 2033, exhibiting a CAGR of 17.56% during 2025-2033.
- North America currently dominates the market in 2024, with a significant share of around 49.8%.
- The rapid technological advancements, a surge in startup formations, increasing digital transformation across industries, supportive government initiatives and tax incentives, growing investor interest in high-growth sectors like fintech and biotech, enhanced access to capital through crowdfunding platforms, and expanding corporate venture arms are some of the major factors augmenting venture capital investment market share.

PLATFORM CAPITAL

Private Equity Investment Forecast 2025-2033

Global Outlook

2022-2033

Global Private Equity Market
Market Size (USD Million), Forecast and Y-o-Y Growth, 2022-2033

Global Private Equity Market
Market Absolute $ Opportunity, in USD Million, 2024-2033

By Investment Type

Venture Capital
Buyouts
Growth Capital
Mezzanine Financing

By End-User

Institutional Investors
High Net Worth Individuals
Family Offices
Others

By Industry Vertical

Healthcare
Technology
Consumer Goods
Energy

- The global private equity market size was valued at USD 4.5 trillion in 2023 and is projected to reach USD 7.9 trillion by 2032, growing at a compound annual growth rate (CAGR) of 6.5% during the forecast period.
- One of the key growth factors in the private equity market is the increasing diversification of investment portfolios by institutional investors.
- Institutions such as pension funds, endowments, and sovereign wealth funds are increasingly allocating a significant portion of their portfolios to alternative investments, including private equity, to enhance returns and mitigate risks.
- Private equity firms are capitalizing on opportunities in tech-driven sectors such as fintech, healthtech, and artificial intelligence.

PLATFORM CAPITAL

African venture capital investment outlook for the next five years

Projected Economic Growth
The African Development Bank anticipates Africa's real GDP growth to average between 3.8% and 4.2% in 2024 and 2025 respectively.

Focus on Local Solutions
Investors are increasingly keen on startups addressing local challenges and tailoring solutions to the African context, rather than simply replicating foreign models

Increased Local Investor Engagement
The rise of local fund managers, angel syndicates, and pension-backed initiatives will provide a steadier flow of capital and enhance local expertise in the VC space

Growing Tech Ecosystem & Innovation
Africa's vibrant tech and innovation scene, particularly in sectors like fintech, healthtech, and agritech, will continue to draw investor interest seeking high-growth market opportunities.

Strategic Consolidation & Profitability
Experts predict increased merger and acquisition (M&A) activity as companies seek operational efficiencies and profitability, with exits likely to favor M&As over traditional IPOs in the near term.

Sector Focus & Diversification
While Fintech is expected to remain dominant, sectors like AI, climate tech, and renewable energy are anticipated to gain significant traction, attracting increased funding.

Venture Debt as a Growing Funding Source
Startups may increasingly turn to venture debt as an alternative to traditional equity financing, particularly for later-stage companies with established operations and strong financials

PLATFORM CAPITAL

Potential Challenges for African venture capital investment for the next five years

Macroeconomic Challenges

Continued currency volatility, high inflation rates, and potentially unsustainable debt levels in certain regions pose risks that could affect investment flows and startup growth

Regulatory Frameworks

Navigating the complex and sometimes fragmented regulatory landscapes across different African countries will require careful attention from both startups and investors

Infrastructure Gaps

Inadequate infrastructure in some areas may hinder the scaling and growth of tech-enabled businesses, requiring dedicated investment and innovation to overcome these limitations

Overall sentiment

While challenges persist, the African venture capital landscape is demonstrating resilience and adaptability. The shift towards building sustainable businesses with strong fundamentals, coupled with a growing focus on local solutions and sector diversification, suggests a promising long-term outlook for the continent's startup ecosystem. African startups are increasingly seen as globally competitive, particularly in later funding stages. The continent's young population and increasing internet penetration present a compelling market opportunity for investors seeking to generate impact alongside financial returns.

PLATFORM CAPITAL

Conclusion

Entrepreneurs

Entrepreneurs must prioritize solving tangible problems. The era of funding speculative ideas is ending; only ventures addressing real pain points with practical solutions will secure sustainable investment, creating resilience and measurable value in competitive global markets.

Risk management

Risk management now defines survival and success. Investors demand disciplined planning, strong governance, and transparent safeguards against shocks. Startups that build risk-aware cultures will attract lasting backing and thrive despite volatile capital cycles or economic downturns.

Valuations

Valuations are shifting toward traction over hype. Evidence of customer growth, retention, and revenue will outweigh speculative projections. Ventures proving clear adoption and measurable impact will command investor confidence and premium valuations, unlike inflated, untested ideas.

Consumer Centric

Winning businesses are consumer-centric. Startups grounded in user needs—not inflated valuations—will dominate. Building trust, accessibility, and customer loyalty creates defensible market positions, turning ventures into long-term leaders, while shallow hype-driven plays collapse under scrutiny.

Africa Centric

Africa remains investment's new frontier. With abundant talent, youthful demographics, and rapid skilling, the continent offers unmatched opportunities. Entrepreneurs aligning learning, innovation, and impact will define growth narratives, positioning Africa as the world's most promising investment hub.

Thick Skin

Entrepreneurs must have thick skin in the game. Personal stakes—time, capital, and reputation—create accountability, strengthen resilience, and ensure founders remain committed when challenges arise, making it harder to abandon ventures prematurely.

PLATFORM CAPITAL

The Platform Tribe

THE ALKEBULANS

We know.
We have seen.
And we believe.