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UNICORN



SOLVING REAL PROBLEMS BY
UNEARTHING HIDDEN GEMS OF AFRICA

Evolution of Unicorn Startups solutions within the African Ecosystem

- OCTOBER 2021 -

Africa's fundamentals are strong making it a future investment destination with significant opportunities

60%
of the world's
arable land




1.2bn / 2bn
By 2030
Population

428m / 1.1bn
By 2035
Sub-Saharan African Working
population



850m+ / >1bn
By 2030
Mobile phone users



139m+
Facebook users



75+ / 90+
By 2025 By 2035
Cities with 1m+ people



19 / 17
By 2030
Average Age in Africa



525m+ / 1.1bn
Internet users By 2030

\$2trn+ / \$5trn+
By 2030
Estimated consumer
spending, 2025



**Abundance of natural
resources & Commodities:
Fuels, Metals, agricultural
commodities**



50%
Increase in VC funding for
African tech start-ups



The potential impact of the African diaspora on the prosperity of the Continent cannot be overemphasized

Africa Data

1.2bn+

Population

\$6.7trn

GDP

19

Average Age

50m

SMEs

84%

Mobile Phone
Penetration

26%

Internet
Penetration

African Diaspora

146m+

Population

\$586bn+

Inward Remittance
(2020)

\$40bn+

Annual Savings

\$300m

Size of first FGN
Diaspora Bond

Oversubscribed by 130%

40.6m

No. of African
emigrants in 2020

3.1%

Emigrants as a % of
Pop. in 2020



10 Megatrends currently shaping Africa



Financial Inclusion



**Continental
Integration & Economic
interconnectedness**



**Female Entrepreneurship
& Women Empowerment**



**Remote working & emergence
of the Gig economy**



**Rapid Urbanization & The
Emergence of Superpower
Cities**



**Aggressive & widespread
Digitalisation**



Shifts in Economic Power



Data security & awareness



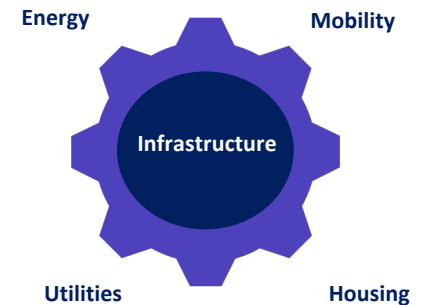
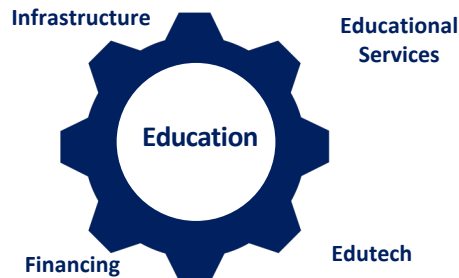
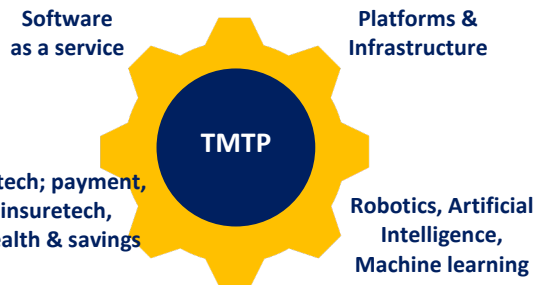
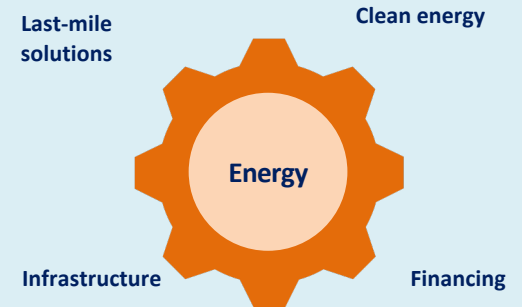
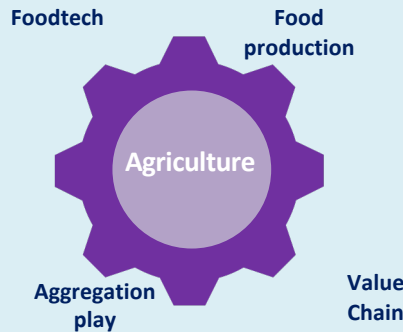
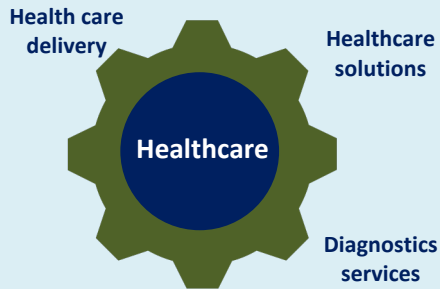
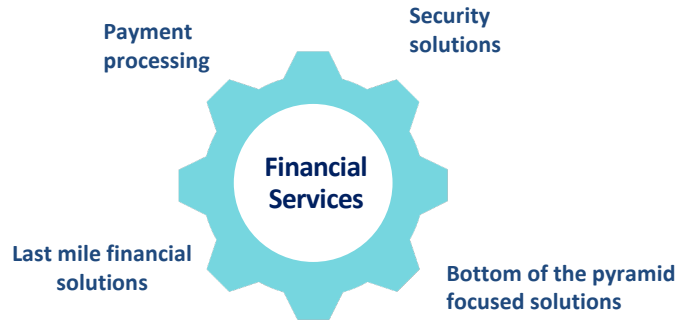
**Increase in interest from
people in Diaspora**



**Implementation of
AfCFTA**

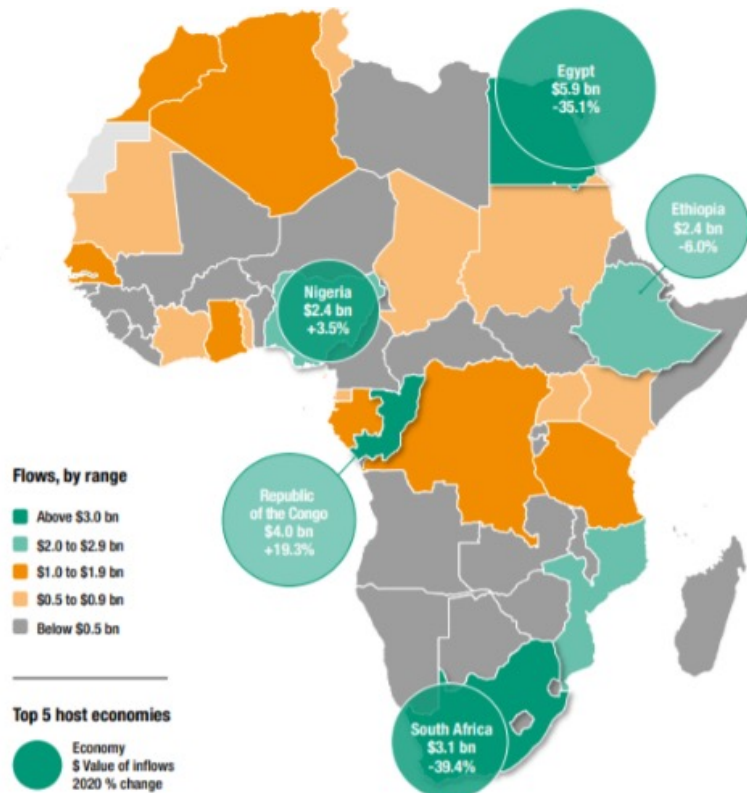


Underpinned by a diverse base of practical growth opportunities emerging on the continent

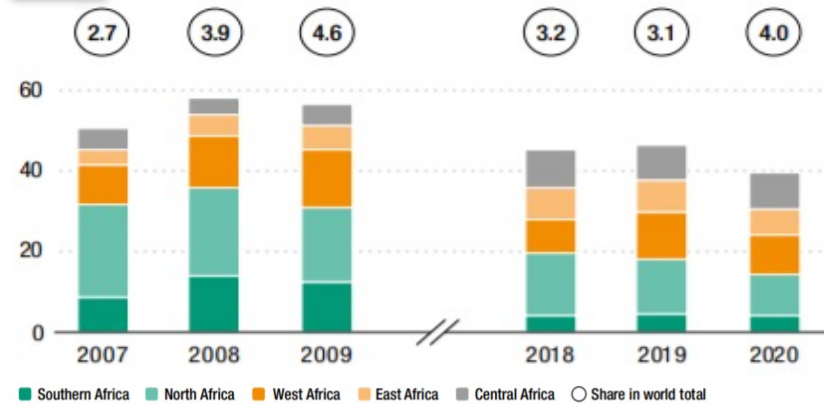


Africa received about \$40bn in Foreign Direct Investments in 2020

Top 5 Country by FDI Inflows in 2020



FDI Inflows, 2007 – 2009, and 2018 – 2020 (Billions of dollars and per cent of GDP)

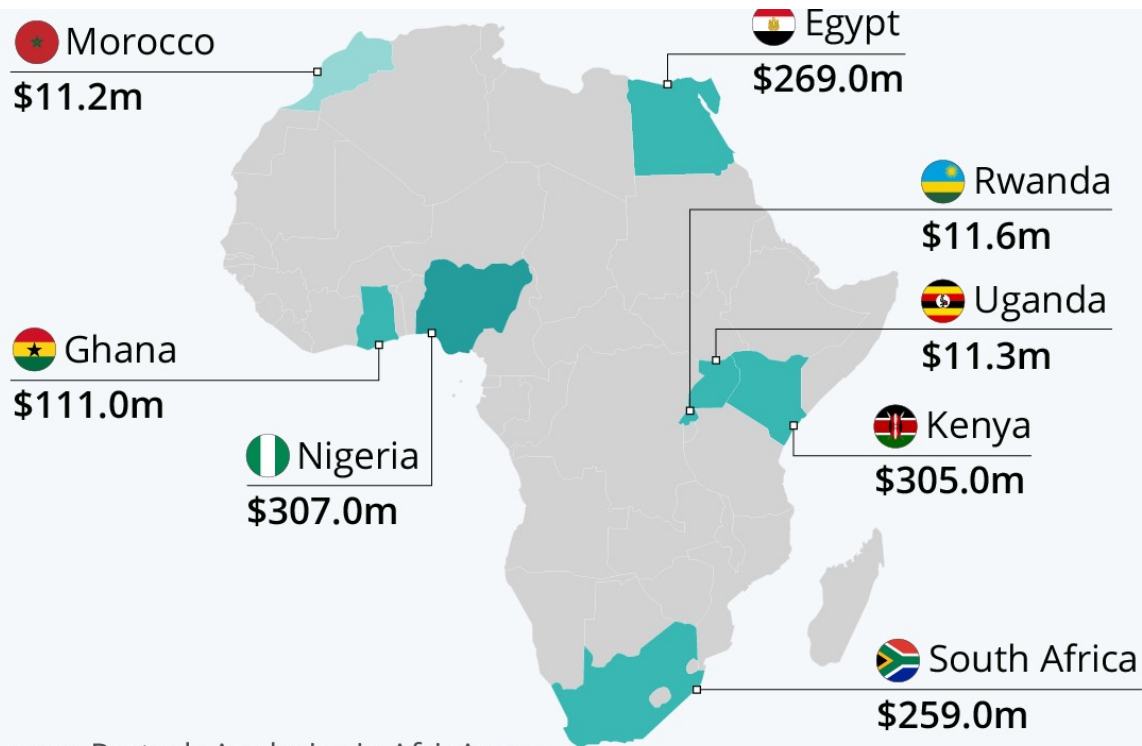


Announced greenfield FDI Projects

Sector/industry	Value (Millions of dollars)		Number	
	2019	2020	2019	2020
Total	76 637	28 997	1 063	556
<i>Top industries by value</i>				
Information and communication	4 639	8 960	100	115
Energy	10 228	5 312	64	37
Coke and refined petroleum	7 727	2 315	13	3
Food, beverages and tobacco	2 448	1 382	54	38
Transportation and storage	5 402	1 277	50	26
Automotive	4 015	1 111	63	29

Of the \$8.9bn FDI into ICT, startups raised \$1.6bn in 2020 and with 2021 already looking like a bumper year, already surpassing 2020

Venture fundraise by African tech in 2020



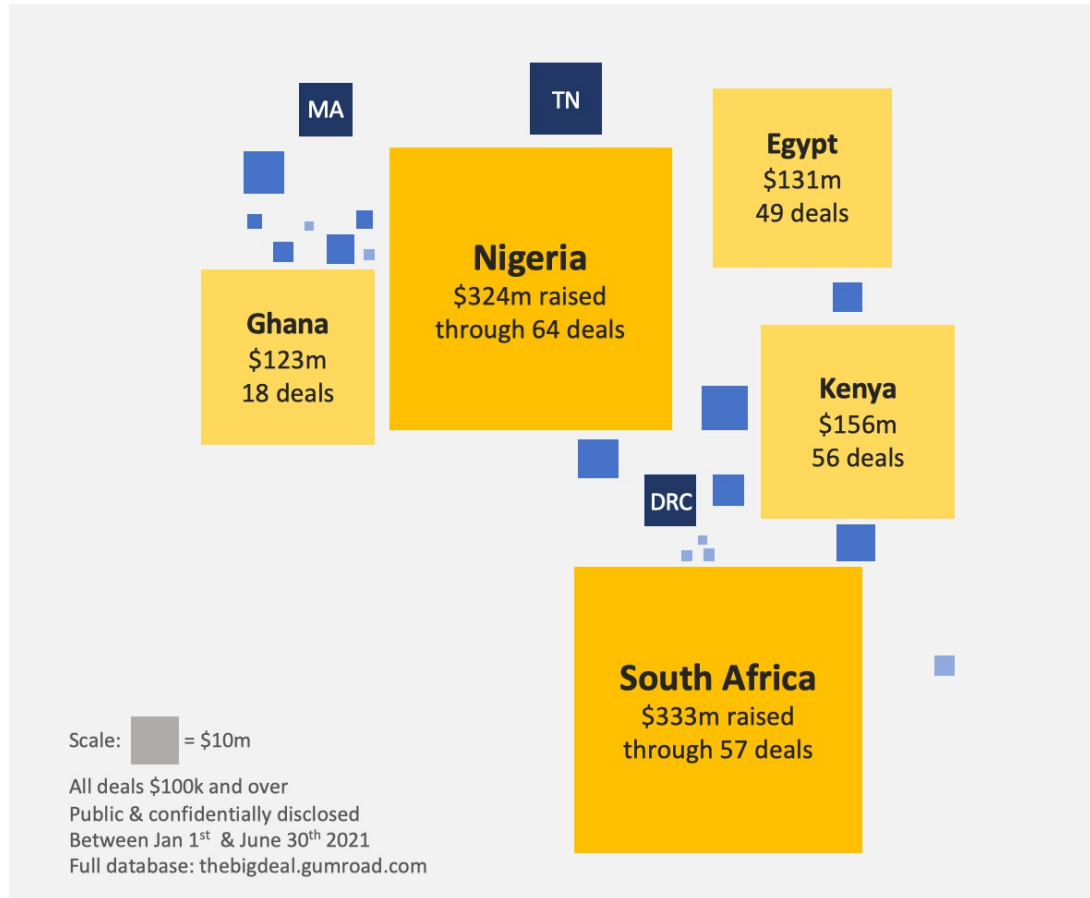
Source: Partech Analysis via AfricArena

While the pandemic resulted in major setbacks in 2020 with growth declining 29 percent, the good news is that major improvements are expected. In 2022, VC investment is expected to climb sharply to between \$3.8 billion and \$4.7 billion while the upper range is expected to be \$6.8 billion by 2023. By 2025, VC investment in Africa is forecast to exceed \$10 billion.



Funding raised by startups in Africa in 2021 by the Big Five Countries

89% of the funding raised in H1 went to the Top5 markets, with South Africa and Nigeria leading the pack



The tech ecosystem in Africa has had a phenomenal first half of the year with ~\$1.2bn+ raised through deals \$100k and over. Let's have a look at where all this money was invested

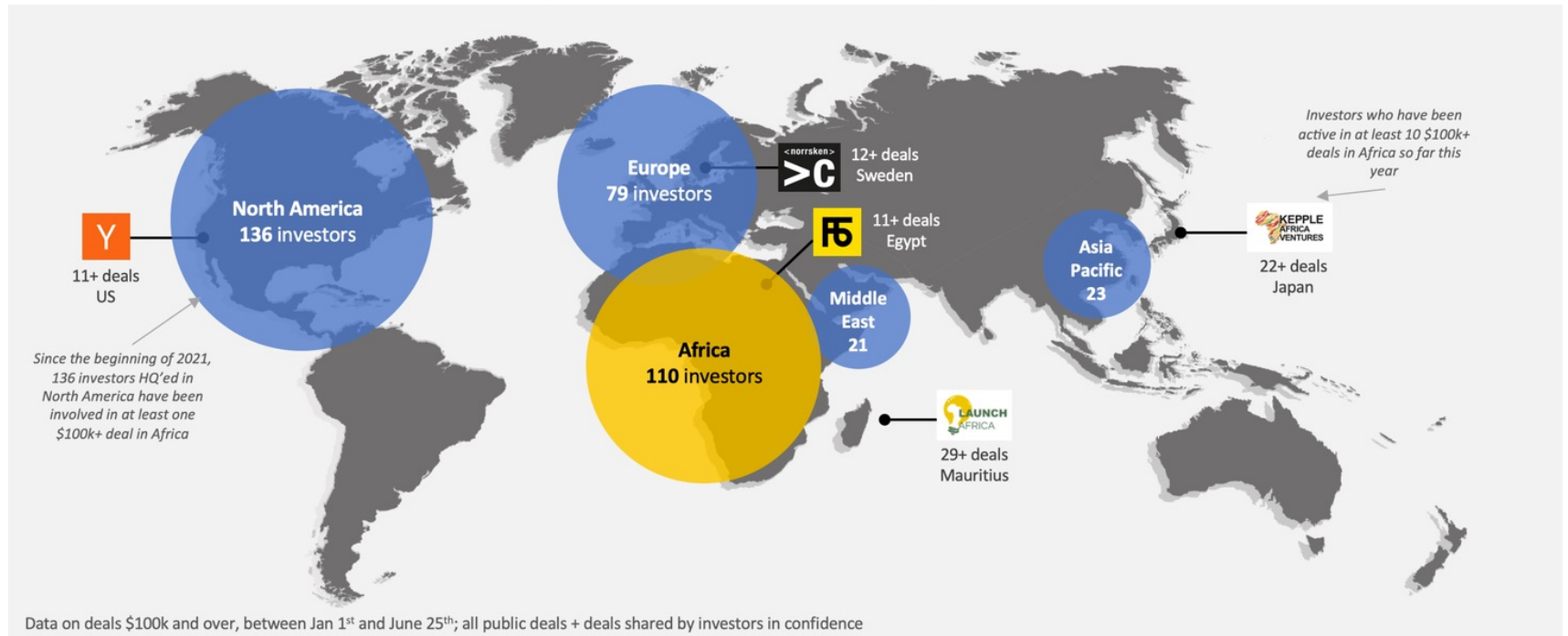
South Africa and Nigeria together attracted more than half of all the funding raised on the continent (28% & 27% respectively, \$300m+ each).

Kenya, Egypt and Ghana complete the Top5 (13%, 11% & 10% respectively). Though with a much smaller number of deals (18) compared to the other four markets (where the number of deal ranges from 49 to 64), Ghana's overall performance - mostly driven by Chipper Cash's \$100m Series C - is on par with some of the 'Big Four'



With increasing interest from African-based investors and fund managers

Of the 369 investors who have been involved in at least one \$100k+ deal in Africa this year, 110 (30%) are headquartered on the continent up from 20% through 2014 – 2019..

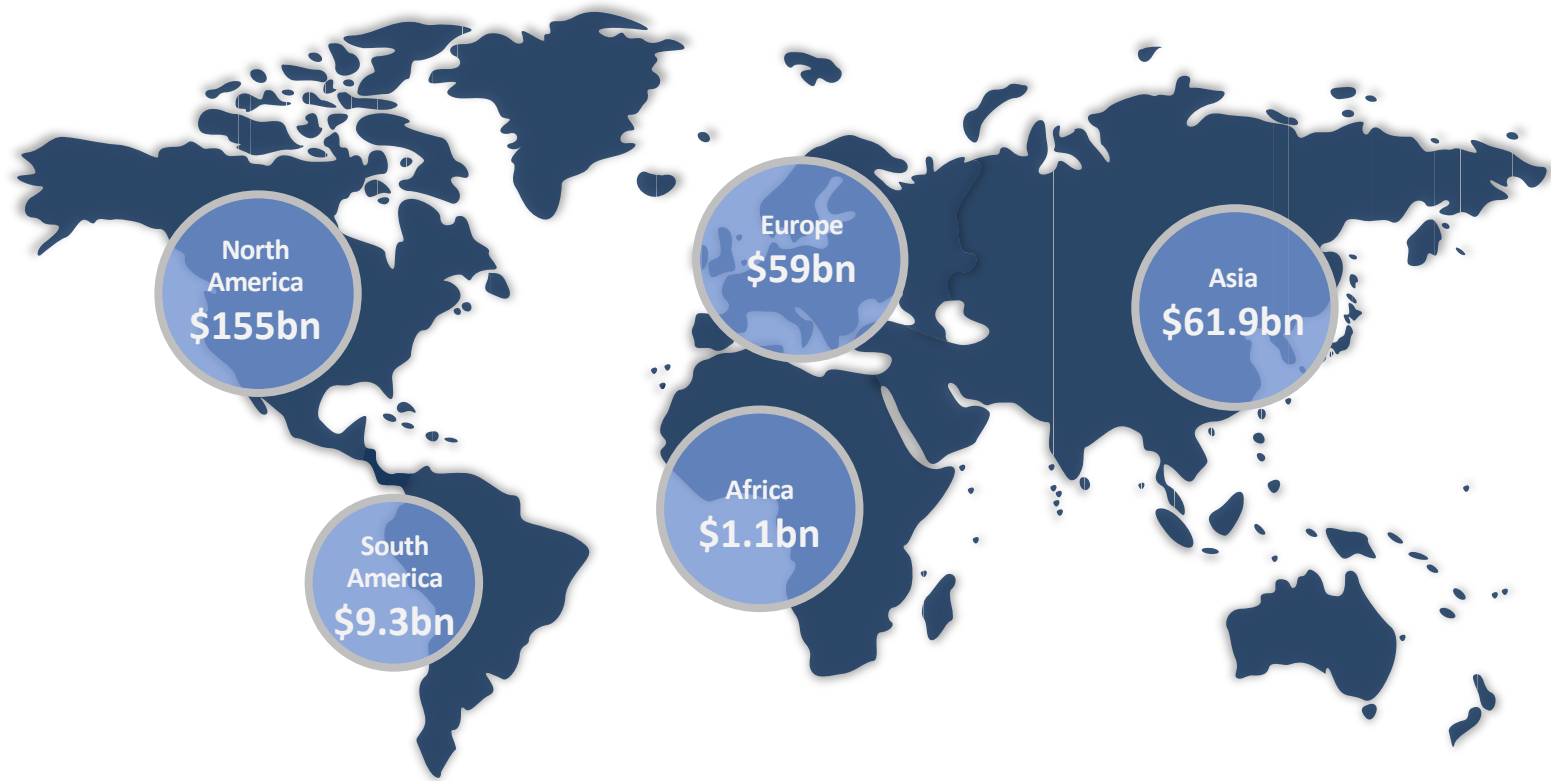


- The US is home to more investors involved in a deal in Africa than Africa itself
- In Europe, the UK and France combined (with 20 each) make up more than half of investors active in Africa this year; the remaining 39 investors originate from quite a diverse group of countries, 12 in total
- Japan (9) is by far the country with the most active investors from Asia-Pacific (23 in total); the absence of almost any recorded activity from China-based investors is worth noting. Finally, of the 21 active investors based in the Middle East, the majority are from either the UAE (8) or Saudi Arabia (7)

Source: The Big Deal



While we have made progress as a continent in terms of startup funding, there is still huge catch-up potential when global activity is considered



Source: Crunchbase



What is a Unicorn?

Cultural / Mythical

“A mythical animal, whose divine horn can neutralize malefic actions and poisons, and detect even the smallest alteration of a diamond's brilliance”

“Along with dragons, mermaids, and fairies, Unicorns have been basking in folklore's brightest spotlight for thousands of years....they have been idolised for their independence and grace”

“A reputation for being an elusive creature – something you could never quite see or catch”

Valuation

“A privately held start-up technology company valued at over \$1 billion”

“An unprecedented 500+ private companies have raised financing at valuations over \$1B since 2010”

“There have been six to eight \$1B IPOs of VC-backed tech companies every year since 2009”

Evolution

“Founders are often serial entrepreneurs who have created other companies before”

“The evolution of unicorns is partly driven by the availability of large pools of private capital”

“US tech companies tend to achieve unicorn status within 76 months of incorporation”

“Global tech companies tend to achieve unicorn status within 66 months of incorporation”

Products

“To build a unicorn, the customers hold the reins, driving major decisions and product development to meet their needs”

“Companies typically go through multiple product iterations and launches on their path to becoming a Unicorn”

“On average, tech companies typically experience 10 - 15 core product revisions before attaining Unicorn status”



Global Overview of Tech Unicorns [1/2]

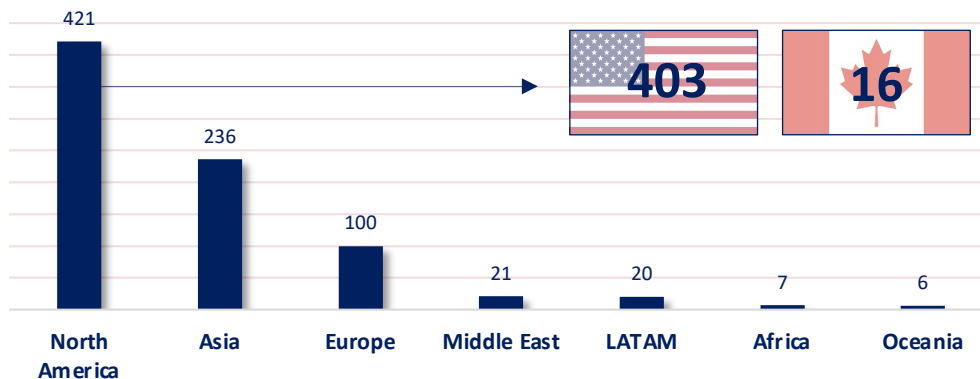
833 Unicorns have been recognized globally, as of September 2021, with **270** of those emerging only in 2021, representing about **32%** of total unicorns globally.

THE GLOBAL UNICORN CLUB IS GROWING

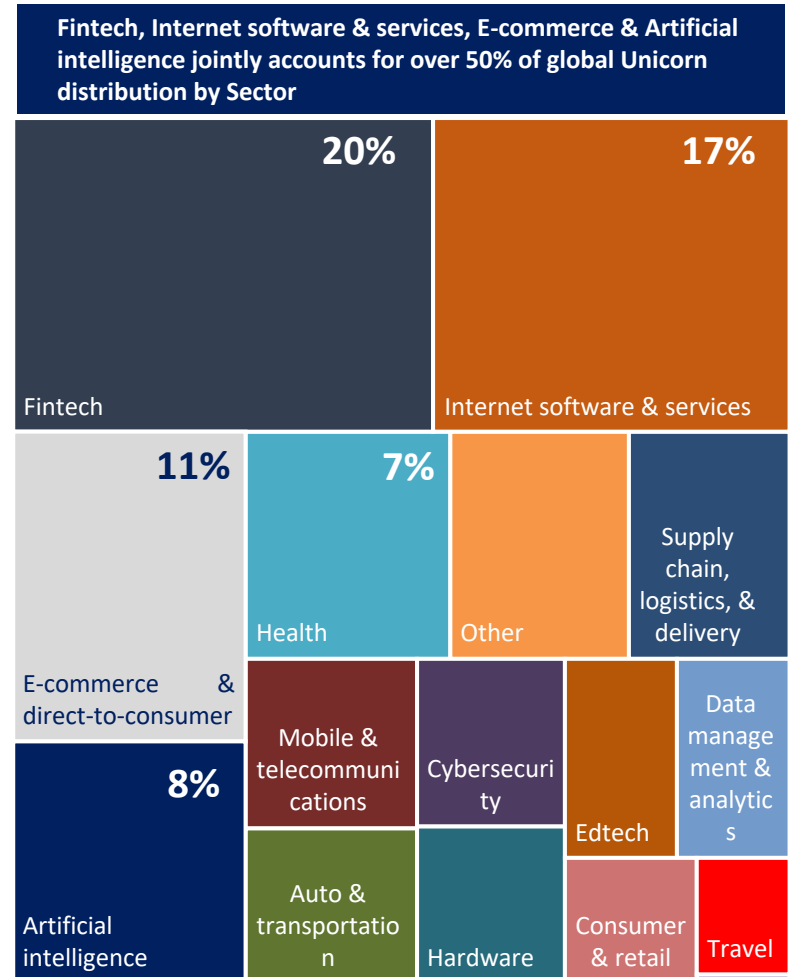
Global unicorn count, 2017 – 2021 YTD (9/23/2021)



North America accounts for about 52% of Global Unicorn



Source: CB Insights, Platform Capital Analysis



Examples of companies that have gone from inception to becoming established Unicorns



2009 - 2015



2013 - 2018



2004-2006



2002 - 2019



2005 - 2017



2010 - 2016



2015 - 2017



2013 - 2014



2001 - 2014



2010 - 2017



2009 - 2014



2012 - 2016



2009 - 2014



2002 - 2012



OpenAI

2016 - 2019



2000 - 2013



2016- 2014



2011 - 2018



2008 - 2020



2008- 2018



Select Unicorns birthed in 2021



2020 - 2021



2007 - 2011



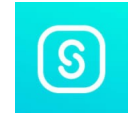
2012 - 2021



2014 - 2021



2005 - 2021
Interos



2013 - 2021
SmartHR



2019 - 2021



2015 - 2021



2019 - 2021
Remote



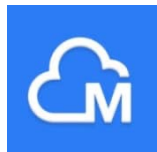
2017 - 2021
MobileCoin



2014 - 2021
ShipBob



2003 - 2021
Freshbooks



2013 - 2021
Moloco



2017 - 2021



2011 - 2021
Zapier



2014 - 2021



2018 - 2021



2014 - 2021
Firefly Aerospace



Unicorns founded by Africans and individuals of African descent birthed in 2021

African Startups



Fintech

2018 - 2021
Opay



Sendwave

Fintech

2014 - 2021



CHIPPER

Fintech

2019 - 2021



Flutterwave

Fintech

2016 - 2021



HRTech

2014 - 2021
Andela



Startups by Black Founders



Internet Software

2013 - 2021
Calendly



Fintech

2010 - 2021



Insuretech

2017 - 2021
Marshmallow



Earlier Unicorns



Healthtech

2017 - 2020



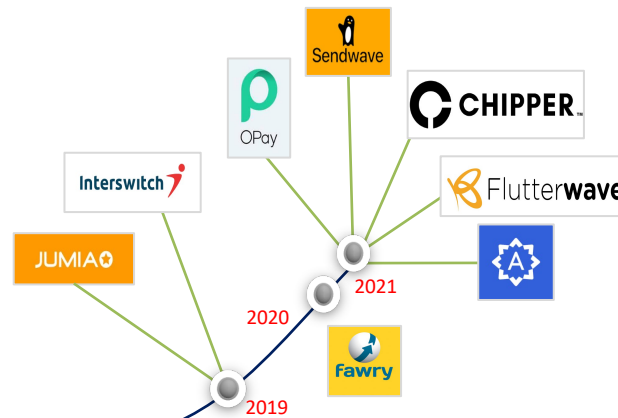
Manufacturing-tech

2015 - 2018



At least 13 More Unicorns in Africa over the next 36 months [1/2]

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.



Emerging Unicorns over the next 3 years

A grid of logos for emerging unicorns over the next 3 years. The logos are arranged in four rows and three columns. The logos include: kuda. (purple box), teamapt (blue and orange logo), Intelligence (red and white logo), Expensya (blue logo), trella. (orange logo), FairMoney (green logo), YOCO (blue logo), SunCulture (green circle), KOKO (blue logo), homzmart (blue logo), paymob. (blue logo), and TymeBank (yellow and blue logo).

2000 2005 2010 2015 2020 → 2024*

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 Forecast



At least 13 More Unicorns in Africa over the next 36 months [2/2]



Kuda is a licensed digital bank that offers free full service banking services to Africans. Kuda has raised a total of \$91.5M in funding over 5 rounds. Their latest funding was raised on Aug 2, 2021 from a Series B round.



Expensya provides software designed to automate expense management for businesses. Expensya has raised a total of \$25.6M in funding over 4 rounds. Their latest funding was raised on Apr 30, 2021 from a Series B round.



Gro Intelligence is an AI-powered decision engine across agriculture, climate, and the economy. Gro Intelligence has raised a total of \$115.3M in funding over 5 rounds. Their latest funding was raised on Jan 8, 2021 from a Series B round.



Trella is a b2b technology platform and trucking marketplace that connects shippers with carriers in the highly fragmented freight industry. Trella has raised a total of \$42.8M in funding over 5 rounds. Their latest funding was raised on Jun 21, 2021 from a Venture - Series Unknown round.



FairMoney is a mobile banking platform for emerging markets. FairMoney has raised a total of \$54.4M in funding over 5 rounds. Their latest funding was raised on Jul 2, 2021 from a Series B round.



Paymob is a digital payments enabler for emerging markets helping small and large enterprises accept payments online and in-store. Paymob has raised a total of \$18.5M in funding over 3 rounds. Their latest funding was raised on Apr 8, 2021 from a Series A round.



SunCulture develops & commercializes life-changing technology to solve the biggest daily challenges for the world's smallholder farmers. SunCulture has raised a total of \$27.3M in funding over 5 rounds. Their latest funding was raised on Feb 17, 2021 from a Debt Financing round.



TeamApt is a financial technology company focused developing Digital Banking, Business Solutions and Payments Infrastructure. TeamApt has raised a total of \$35.5M in funding over 3 rounds. Their latest funding was raised on Jul 1, 2021 from a Series B round.



TymeBank is a South African fully black-owned and controlled investment company. TymeBank has raised a total of \$169M in funding over 4 rounds. Their latest funding was raised on Feb 23, 2021 from a Private Equity round.



Yoco is a point-of-sale payments provider for small businesses in Africa. Yoco has raised a total of \$106M in funding over 6 rounds. Their latest funding was raised on Jul 27, 2021 from a Series C round.



Mono (YC'21) enables users to securely and reliably access financial accounts across Africa. Mono has raised a total of \$2.6M in funding over 4 rounds. Their latest funding was raised on May 24, 2021 from a Seed round. Mono is particularly notable for the rapid rise in the companies valuation



The company's first consumer solution is a liquid ethanol cooking fuel, which delivers significant cost savings and quality of life improvements in the multi-billion-dollar market for urban cooking fuel.



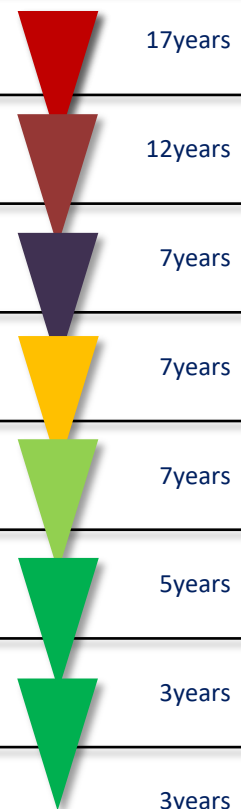
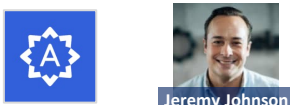
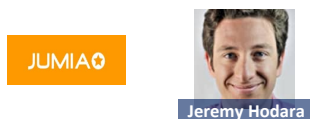
Homzmart is an e-commerce platform that sells home furniture, home décor, lighting, and home supplies. Homzmart has raised a total of \$17.2M in funding over 4 rounds. Their latest funding was raised on May 18, 2021 from a Series A round.



Declining time to Unicorn within the African Startup Ecosystem

Our observation has been that of a downward trend in the maturity time it takes a newly established tech startup to attain the glorified Unicorn status. We have seen this number fall from an all time high of 17years to 3years in the case of Chipper Cash and Opay. We expect this to continue on the back of the aforementioned drivers.

Start-Up	Sector	Country	Start Year	Unicorn Status Year	Time to Unicorn Status
Interswitch	Fintech	Nigeria	2002	2019	17years
Fawry	Fintech	Egypt	2008	2020	12years
Jumia	E-Commerce	Nigeria	2012	2019	7years
Send Wave	Fintech	Senegal	2014	2021	7years
Andela	HRTech	Nigeria	2014	2021	7years
Flutterwave	Fintech	Nigeria	2016	2021	5years
Chipper Cash	Fintech	Ghana	2018	2021	3years
Opay	Fintech	Nigeria	2018	2021	3years



Select Black Founders of non-African Tech Unicorns and Emerging Unicorns



Name: Toyin Ajayi

Origin: Nigeria

Company: Cityblock Health 

Cityblock is a Healthtech company that works with insurance providers to address gaps in current healthcare industry.



Name: Ismail Ahmed

Origin: Somaliland

Company: Zepz 

Zepz is a money transfer service that helps migrants send money to their loved ones all over the world



Name: Tope Awotona

Origin: Nigeria

Company: Calendly 

Calendly is an appointment scheduling app, for scheduling meetings professionally and efficiently, eliminating the hassle of back-and-forth emails



Name: Oliver and Alexander

Origin: British-Jamaican

Company: Marshmallow 

Marshmallow is a digital-first car insurance company with a mission to deliver great prices, service, and coverage.



Name: Oshiofenoya Agabi

Origin: Nigeria

Company: Koniku 

Koniku's current device, Konikore uses biological cells/neurons embedded in silicon to detect VOCs



Name: Ruben Harris

Origin: --

Company: Career Karma 

Career Karma helps people from all backgrounds become software engineers in less than 12-months.



Name: Kike Oniwinde

Origin: Nigeria

Company: BYP Network 

The Black Young Professionals Network is a platform that connects Black professionals around the world to job opportunities



Name: Delane Parnell

Origin: Somaliland

Company: PlayVS 

PlayVS provides a platform for schools to establish their own eSports programmes and host competitions across games



Name: Michael Carvin

Origin: --

Company: SmartAsset 

SmartAsset is the web's go-to resource for financial advice connecting consumers with financial advisors.



Name: Diishan Imira

Origin: --

Company: Mayvenn 

Mayven enables stylists to sell products directly to their clients without the upfront costs and burdens of holding inventory.



Name: Iman and Rome

Origin: Somaliland

Company: Incredible Health 

Incredible Health is a matching platform for nursing vacancies. It uses custom matching algorithms to get the right fit for jobs and to pre-screen nurses.



Name: Songe LaRon and Dave Salvant








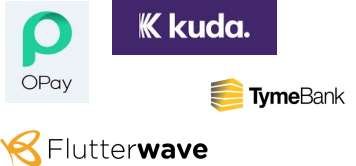


Origin: --

Company: Squire 

Squire is a barbershop point of sale and management system that helps businesses improve operations.



Drivers of Increased Unicorn emergence in Africa

Drivers	Drivers Explained	Company Examples
 <p>Business Models</p>	<p>Stickier, Diversified & Scalable Business Models</p> <p>The ecosystem has seen the emergence of startups with strong and scalable business models, addressing fundamental problems, resulting in the development of resilient companies</p>	
 <p>Teams</p>	<p>Experienced founders, Break-away teams from successful startups</p> <p>Over the last few years, the startup ecosystem in Africa has increasingly seen founders and teams break-away to set up their own successful businesses, leveraging their experience, network and industry knowledge</p>	
 <p>Exposure</p>	<p>Growing Investors and Stakeholders interests in Africa's Macroeconomics</p> <p>Increasing exposure coupled with Africa's attractive macroeconomics has catalysed investor interest and appetites for the continent's start-ups. This has resulted in increased deal making and presence in Africa by global investors</p>	
 <p>Data</p>	<p>Increasing data availability to enhance investor understanding</p> <p>The availability of Africa tech ecosystem data has resulted in increased transparency, providing investors with a better understanding of trends, drivers, and performance metrics enabling them to benchmark the continent against other markets they invest in.</p>	
 <p>Partnerships</p>	<p>Global Partnership structures being adopted by startups and founders</p> <p>To unlock new business areas and markets, African startups have overtime increasingly adopted strategic partnerships and collaborations with their International counterparts, to leverage already existing purpose-built infrastructure to facilitate growth</p>	



In line with multiple future trends that will emerge over the next 2-5 years and shape the direction of investments



Our Ecosystem approach to developing Unicorns

Accelerators & Incubators

We have partnerships with a global network of incubators and accelerators that provide access to best-in class advice, cutting-edge technical expertise, mentorship, and unparalleled global access

Advisers

We have identified experienced global professionals to provide governance, strategic direction, and value-add to Unicorn and its investee companies

Partners

We have signed partnerships with leading global organisations to provide thought leadership, cutting edge content, peer to peer information exchange and access to a global talent pool.

We have also partnered with local and international advisers to run monthly legal, accounting, business, finance, ESG, HR, branding and marketing support for the participants in the Unicorn programs.

Campuses

The design and structure of these campuses are tailored to embody Unicorn's investment ethos, and solve the challenges faced by start-ups and early stage companies in Africa around inadequate infrastructure, mentorship, execution, scaling and availability of patient capital

Programs

We have developed programs that provide start-ups and early stage companies with the resources to grow and thrive

Resident Operating Partners

We have curated a faculty of successful startup founders, consultants and investors with global and African experience from leading institutions, and also have a strong track record of identifying ideas, nurturing businesses and creating champions.



Platform Capital: A Unique Investment & Advisory Firm

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.

123
Companies invested in
Directly and indirectly

60 
employees across the firm


30%
of Platform Capital
employees are women

11
nationalities

9
Verticals

8
Offices

3,000
employees across our
portfolio

45% 
of portfolio company employees are
women

\$1bn+
Portfolio Value



About Dr. Akintoye Akindele DBA CFA

Dr. Akintoye Akindele is a Lecturer, Nurturer and Builder of future minds at leading schools in Africa and globally. An intellectually astute Investor, Entrepreneur, and Philanthropist, leveraging over two decades of industry experience. Dr. Akindele is Founder & Chairman of Platform Capital; Founder & CEO of Duport Midstream; Founder, CEO & Chairman of Atlantic; Chairman of Unicorn; Co-Chair of WhiteSpaceX, and Chairman of Diatom Impact. He is also the Founder of Synergy Capital Managers and Advisers and was Managing Partner of Synergy Capital Managers up until November 2019.

Dr. Akindele's family office, Platform Capital, is a growth markets focused, sector agnostic, principal investment firm. Platform Capital deploys patient, value accretive capital alongside international and local value investors to create champion businesses with the ability for regional scale. It has multiple investments in various sectors across the world. He is also a faculty member at the University of Lagos Business School, lecturing on finance and entrepreneurship.

Dr. Akindele completed his tertiary education in Nigeria, obtaining a bachelor's degree in Chemical Engineering with honors 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. He is also an alumnus of the London and Said Business Schools, having attended various senior executive programs in Management and Strategy, Advanced Corporate Finance and Private Equity amongst others.

He is passionate about the development and growth of entrepreneurs in Africa. He is a frequent speaker at leading business schools, conferences and seminars on investing in Africa, private investment in Africa and the role of entrepreneurship in Africa's evolution. He supports and donates to various institutions that provide grants to entrepreneurs.

