

Black Representation



in tech:
Europe
and
Africa

Tech investment
and the role of the
Google for Startups
Black Founders Fund

NOTION

Google for Startups

**Black
Founders
Fund**

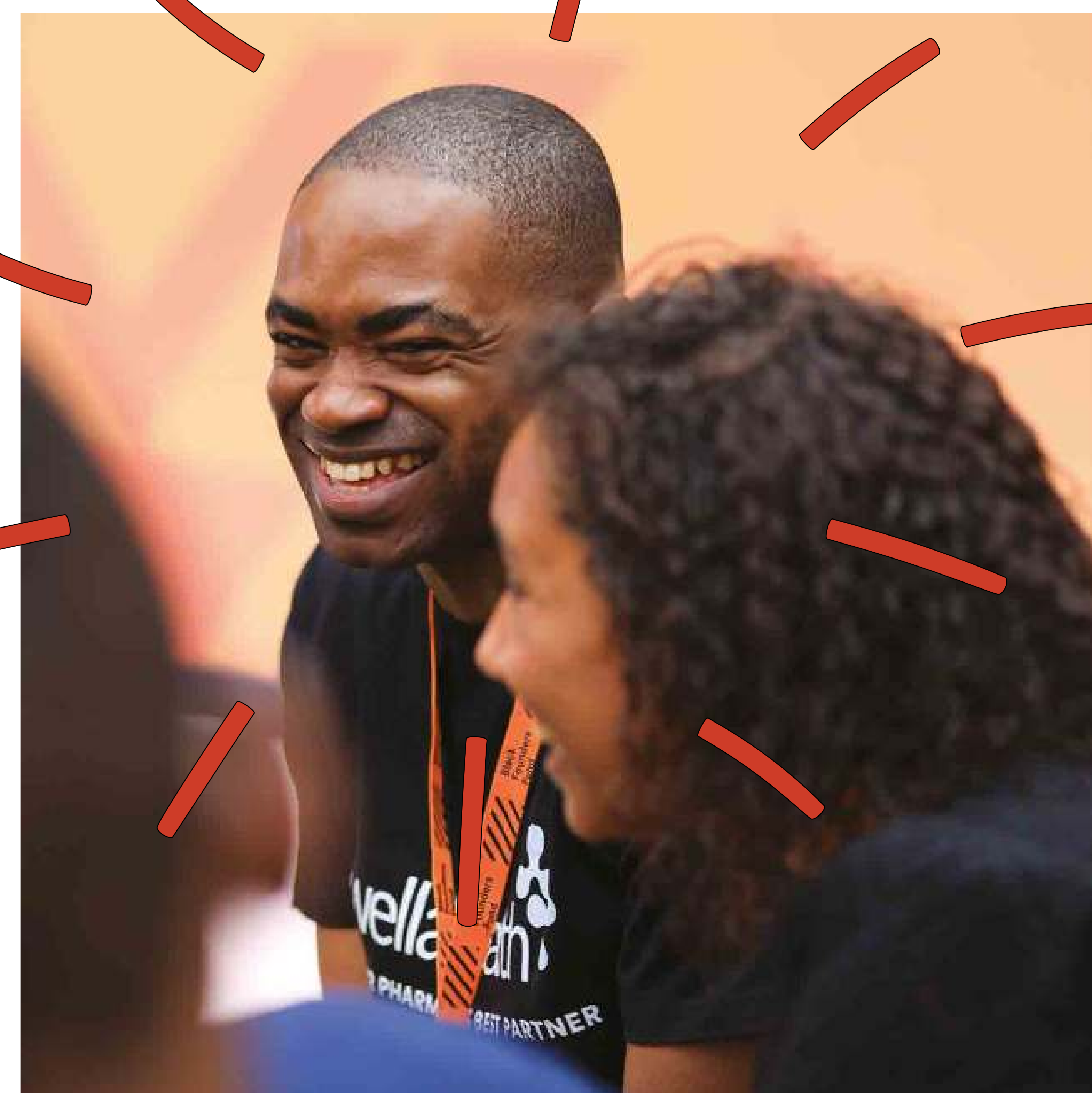
Hello





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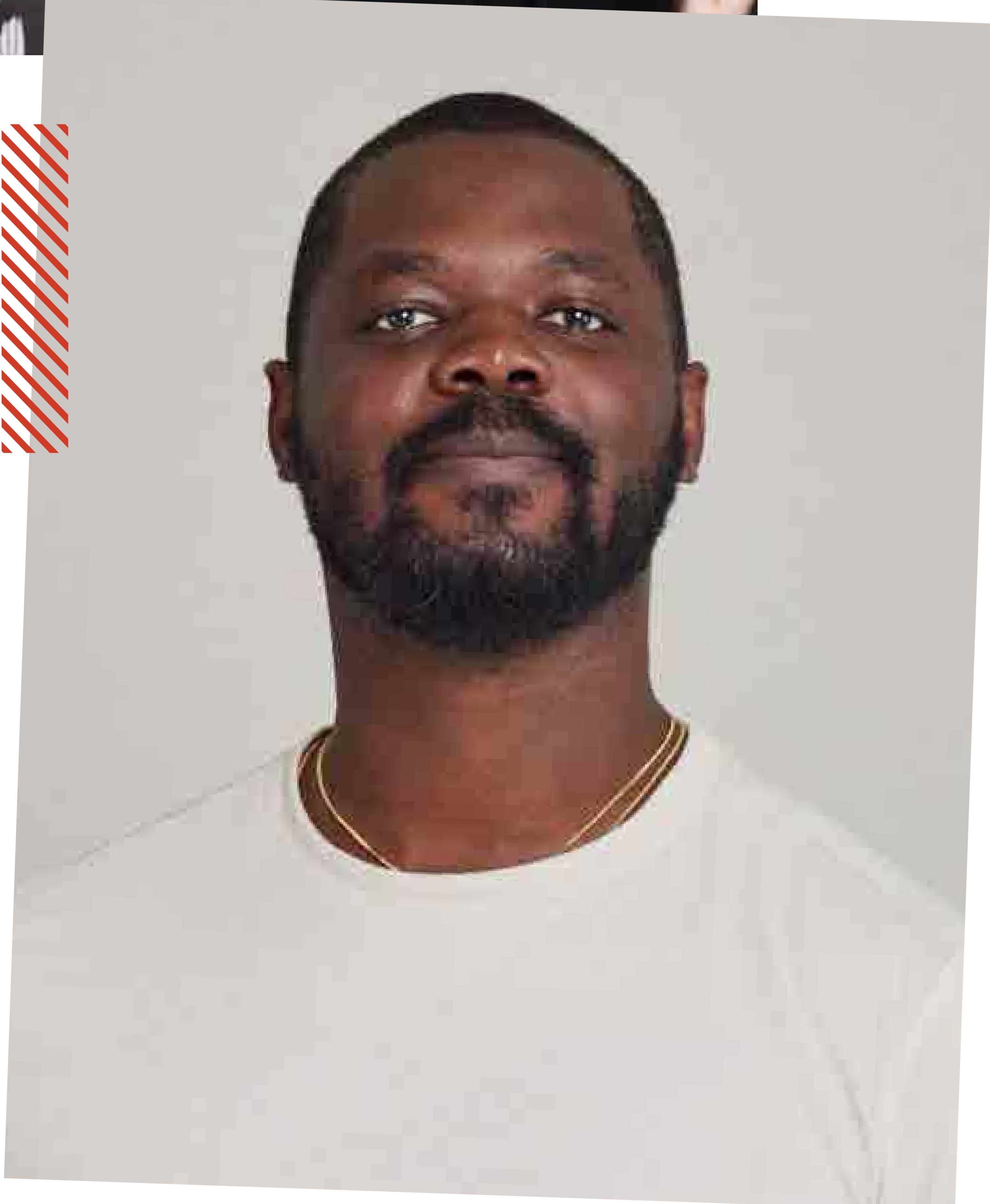
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Foreword



The Google for Startups Black Founders Fund was established in 2021 to **support Black entrepreneurs** and address the longstanding disparities they face in accessing capital and resources.



Mariama Boumanjal, Black Founders Fund Manager Europe, Google for Startups, and **Folarin Aiyegbusi**, Black Founders Fund Manager Africa, Google for Startups

To date, we have supported 220 startups with non-dilutive funding and hands-on support throughout Europe and Africa.

The Google for Startups Black Founders Fund supports Black founders through:

Strategic partnerships:

Beyond financial support, the Google for Startups Black Founders Fund facilitates strategic partnerships with venture capital funds and other ecosystem players. The fund is committed to connecting Black founders with valuable connections and resources to enhance their chances of success.

Community building:

Building a vibrant and supportive startup eco-system is integral to the Black Founders Fund mission. The program connects Black founders with mentors, advisors, and fellow entrepreneurs, fostering an environment of collaboration and learning.

Long-term impact:

Black Founders Fund aims to empower Black founders to build successful startups and establish themselves as leaders in the startup landscape, helping to innovate responsibly, create generational wealth, and shape the tech industry.

This report seeks to assess the impact of this kind of non-dilutive financial support with quantitative and qualitative data, and build on strategic partnerships with investors, like Notion Capital, in order to enable positive long-term impact.

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The Google for Startups
Black Founders Fund
levels the playing field for
Black founders. 99



Introduction

The last decade of global tech has been significant; growth created by founders has been almost unimaginable. The African tech ecosystem is valued at \$482.7B, and European tech at \$20.7T. **This represents 32 times growth in the value of African tech over the last decade, and a 17 time increase in Europe.**

Yet, over the past eighteen months, there has been a reversal of VC investment on a global scale, seeing European investment into business software companies decrease by 59%, and global tech investment record an overall decline of nearly 40% from 2022 to 2023. A similar trend has been seen in Africa, with a 40% decrease in venture capital investment between 2022 and 2023.

Investors have continued to pull back over the last year, a slowdown reflective of broader economic trends also contributing to them. Investment in 2022 receded by 32% globally, and there has been a further 38% global drop from 2022 to 2023. In the UK, there was a 28% drop from a peak in 2021, while other major tech economies saw an even more pronounced downturn—like China and the US (-45%, and -36% respectively). There has also been a reduction in unicorns (\$1B+ valued companies), with just 104 being minted in 2023 globally compared to 787 in 2021.

As European and African tech landscapes continue to mature, we must take every opportunity to collectively reimagine and change ecosystem conditions for the better, which will necessarily take the form of a variety of support mechanisms and shifts in practice to generate greater levels of equity and inclusion.

As we navigate the evolving tech landscapes of Europe and Africa, it is imperative that we address the chronic lack of comprehensive, unfragmented, and robust data pertaining to the Black entrepreneurs driving innovation in the tech industry. In doing this, we need to ensure an alignment of understanding, supported by incentives to smooth the path to future growth.

Driven by our goal of ensuring equitable access to opportunities, fostering equality, and dismantling systemic bias, it is essential to embark on this ambitious and exploratory research project that sheds light on the diversity in tech companies across these two continents.

Drive change in diversity in African and European tech

This report aims to fill a void in our understanding of the global tech landscape. By focusing on data collection and collaboration with key partners in Europe and Africa, this research project will deliver robust and representative insights into the ethnic composition of tech startups and their impact on various facets of the industry.

The report seeks to provide in-depth insights into ethnicity, exploring company performance, location, valuations, and other characteristics. The research consists of three key components:

Firstly, we provide a comprehensive benchmark on diversity in tech startups and scaleups in Europe and Africa, with a breakdown for national and sub-national geographies.

Secondly, we describe, and seek to understand the impact of the Google for Startups Black Founders Fund, assessing the changes resulting from Black Founders Fund in Europe and Africa.

Thirdly, a qualitative examination of Black Founders Fund-funded companies, their leaders, and growth journeys will be conducted. And, finally, recommendations are made to drive change in diversity levels and emphasise the contribution of diverse teams to the tech sector, motivating positive change across ecosystems in Europe and Africa.

This report breaks new ground in a number of respects—1) by taking a continental view of diversity and inclusion, and moving beyond the framework of individual country based analysis, 2) developing a benchmark on the basis of the business population led by Black, and ethnic minority founders, rather than looking solely at population statistics (which for some countries are not available), and 3) establishing indicative measures for the funding made into Black-led businesses across Europe and Africa, dramatically augmenting our understanding of the landscape and helping to better position initiatives like Black Founders Fund to optimise positive impact.

The African tech ecosystem is valued at

\$482.7B

Diversity in African and European tech

Big Picture

- * The African tech ecosystem is valued at \$482.7B, and European tech at \$20.7T. This represents 32 times growth in the value of African tech over the last decade, and a 17 time increase in Europe.
- * Since 2000, \$2.5B investment has been made into Black-led tech businesses in Europe and Africa, representing 0.51% of total investment made into all tech startups (just under \$496B).
- * In Europe, 0.43% of all investment was made into Black founders (\$2.09B, out of \$482.5B), and in Africa, only 3.11% of all investment was made into Black founders since 2000 (\$413M out of \$13.3B).
- * VC investment in European and African tech reached heights of \$138.7bn in 2021, during the pandemic, and has since dropped back to pre-pandemic levels—reaching \$74.1bn in 2023, nearly half that seen just two years earlier.

Key findings



0.43%

Percentage of investment into
Black founders in Europe

Diversity in African and European tech

\$2.09B,
out of
\$482.5B

Black Founders Fund

- * The Google for Startups Black Founders Fund has supported over 220 European and African companies since 2021. Companies funded by Black Founders Fund have over 6,000 employees, which has grown from 902 in 2021—an increase of nearly seven times growth since the Fund commenced.
- * African Black Founders Fund companies currently employ 4,059 employees. This is a more than four time increase from the initial 1,050 in 2021, when the African fund commenced.
- * Of the 135 African Black Founders Fund companies, women represent 50.4% of leadership positions, with startups being women-led or having a female cofounder (68-67 gender split between male and female).
- * Of the 85 European Black Founders Fund companies, women represent 40.8% of leadership positions, with startups being women-led or having a female cofounder (35-50 gender split between male and female).
- * Black Founders Fund companies are outperforming peers at the same growth stage—on average, growing 61% faster over a three year period.
- * Companies supported by Black Founders Fund have collectively raised \$379M. 21 of these companies are AI-first, and have raised \$61M, or 16% of the total raised by Black Founders Fund startups.
- * On average, Black Founders Fund companies have raised \$2.51M and AI companies have raised slightly more, averaging just under \$3M. In the UK, the average funding raised by seed-stage AI companies is just over \$1M, which is skewed by startups raising significantly higher levels of seed capital at a median of \$253k.
- * If the Google for Startups Black Founders Fund had been a structured VC fund which took a 5% stake in companies invested in, averaging a \$100k investment across those startups where data on valuations are available (N=107), the fund would currently sit at 5.8 times the capital deployed (based on current company value). To put this in context, according to research from Cambridge Associates, in the US, valuations as of June 2023 were at 2.2 times capital deployed, down from 3.2 times in December 2021.

Key findings

The investment
opportunity gap

* Based on population data suggesting that 1.3% of people living in Europe are Black, investment into Black-led businesses would be expected to have reached **\$6.3B over 2000-2023** if equity were to be seen as investment reflecting the ethnic composition of the population.



It is thereby estimated that there is an investment opportunity gap of **\$4.21B** in Europe as a whole for Black founders.

* A \$1.73B funding gap for Black-led tech businesses in the UK has emerged since 2000, with \$1.38B received by Black founders (averaging 0.8% of total tech investment), compared to a prospective \$3.11B if funding were proportional to population of people living in the UK^[1].

^[1]Proportion of Black people used is 1.8% based on the 2011 census. This figure subsequently rose to 4.2% in the 2021 census.

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Black founders

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In Africa



80%

of the
continent's
population
identifies
as Black

Diversity in African and European tech

- * In Africa, population data is less robust, but estimates suggest around 80% of the continent's population identifies as Black^[2].

This suggests an investment opportunity gap of nearly \$10B in Africa, if equity were to be seen as investment reflecting the ethnic composition of the continental population.

\$10

**Investment
opportunity
gap in Africa**

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[2.] <https://worldpopulationreview.com/>

66 The Google for Startups **Black Founders Fund** has supported over 220 European and African companies since 2021. 99

Diversity in African
and European tech



Recommendations

To address the challenges uncovered by this report and build on the successes of the Google for Startups **Black Founders Fund**, we recommend the following four-pronged approach:

- * **Policy advocacy:** Collaborate with policymakers to advocate for policies that incentivise diversity in tech and address systemic barriers faced by Black founders in accessing capital.
- * **Investor education:** Implement educational programs for investors to raise awareness about biases and challenges faced by underrepresented founders, fostering a more inclusive investment landscape.
- * **Community building:** Strengthen efforts in community building to create a supportive ecosystem where Black founders can connect, collaborate, and share experiences.
- * **Data collection and transparency:** Advocate for enhanced data collection on diversity metrics in the tech industry, promoting transparency and informed decision-making.

Diversity in African and European tech

The recommendations here are high-level, and require cooperation from a variety of stakeholders.



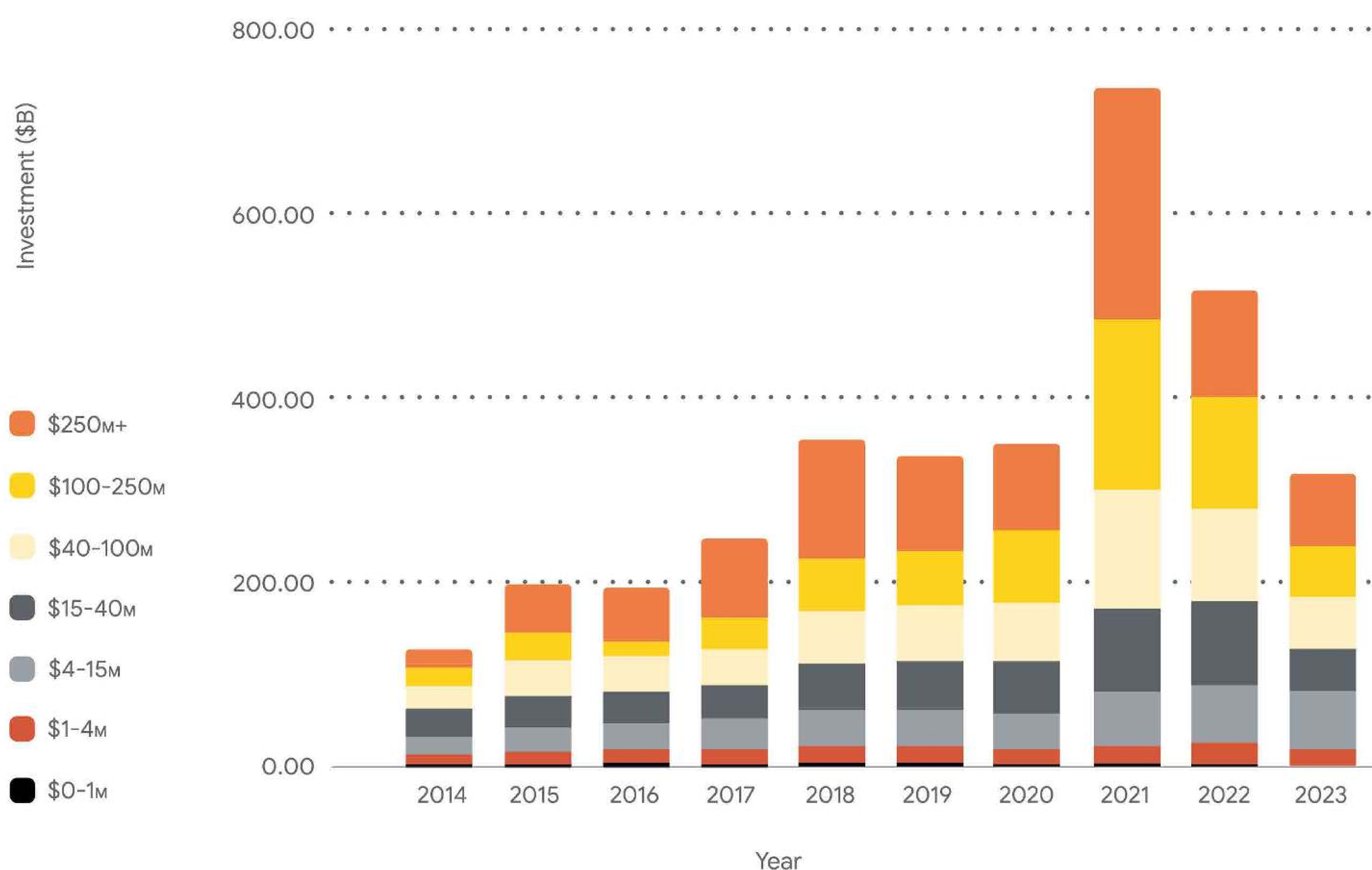
This report seeks to serve as a catalyst for informed discussions, strategic interventions, and collective actions to propel the European and African tech ecosystems towards greater diversity, equity, and inclusion. By building on the successes of initiatives like Black Founders Fund and addressing the identified gaps, we can contribute to a future where innovation knows no boundaries, and every founder has an equal opportunity to thrive.

^[1]Proportion of Black people used is 1.8% based on the 2011 census. This figure subsequently rose to 4.2% in the 2021 census.

The global **tech** landscape

Considerable macroeconomic volatility has been highlighted, and in part driven by changing levels of global tech investment over the past four years, as high inflation and interest rates have squeezed access to capital.

VC investment in all tech companies by round size



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Balqis Chepkwony
FleetSimplify



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It was not just
money that
Black Founders
Fund provided
—there were a whole range
of things we got out of
Google for Startups' support.

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Black Founders Fund, 2023
Nairobi, Kenya



VC investment reached global heights of \$734B in 2021 during the pandemic, and has since dropped back to pre-pandemic levels—reaching \$317B in 2023, nearly half that seen just two years earlier.

This matters universally for founder and founding teams who are seeking to inject capital to enable growth, whether spending people or other capital-intensive areas of business activity—yet, recent research from Extend Ventures^[3] has indicated that underrepresented Black and ethnic founders are most likely to feel funding pressures in times of belt tightening, an increased focus on existing portfolio companies, and a drive to efficiency.

^[3] <https://www.extend.vc/reports>

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VC investment
reached global
heights of

\$734B

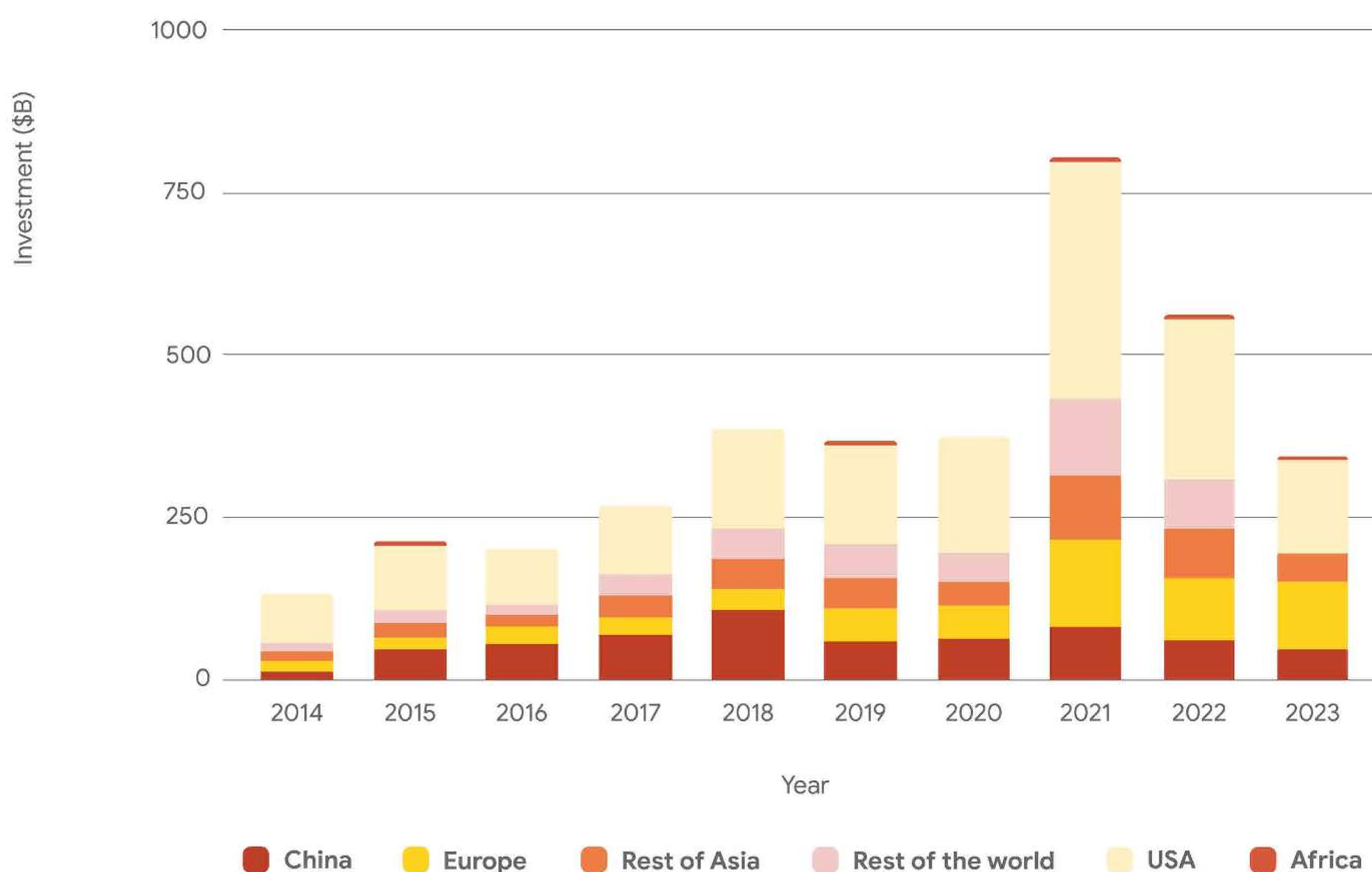
in 2021.

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Diversity in African and European tech

A significant proportion of the global VC funding pot continues to be allotted to US startups (**43% in 2023**), but since 2014, when US startups garnered the majority of global investment (**57%**), the picture has become considerably more variegated and globally dispersed.

VC investment in all tech companies (global) by location



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

FleetSimplify

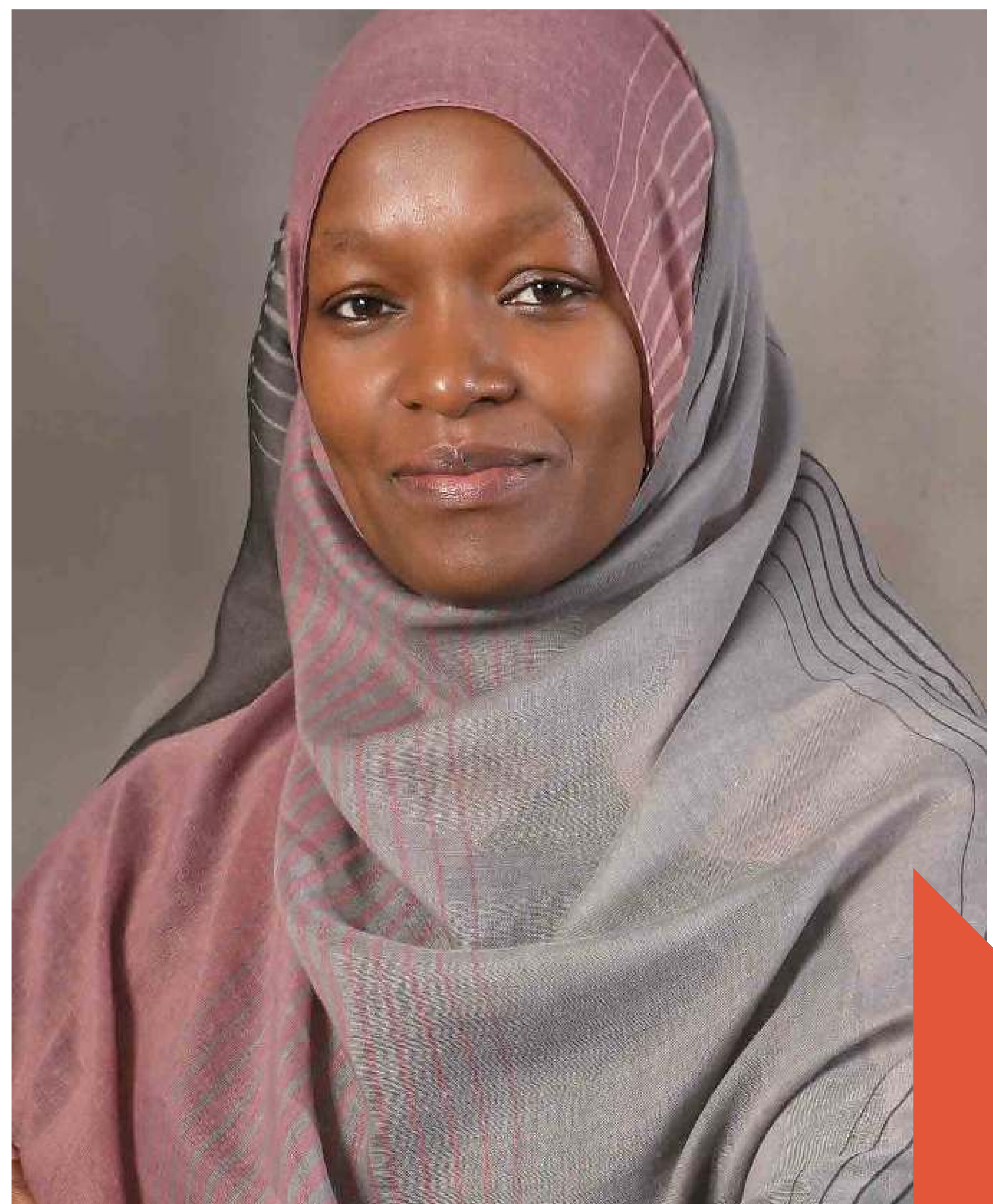
A platform that monetises vehicles in the ride sharing space by providing gig drivers access to rental vehicles while monetising these vehicles on behalf of the owners

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Most important to us was a sense of validation—that what we were doing was supported

Balqis Chepkwony
FleetSimplify

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We raised \$340k prior to the funding from Google for Startups, from a range of different investors including Silicon Valley accelerator, Mobility54, and family and friends, then Google invested \$150k. We used the money to pay for people, like engineers, and to bring on board more vehicles.

It was not just money that Black Founders Fund provided—there were a whole range of things we got out of Google for Startups' support. Most important to us was a sense of validation—that what we were doing was supported by a well-known

and well-respected name in tech. Brand visibility was a huge benefit, it allowed us to attract key talent—because of the awareness being part of the fund provided. Black Founders Fund helped us to build partnerships, and to do so more equitably as we were able to have discussions and negotiate better, from a position of strength. Finally, the funding allowed us to raise some follow-on funding, having developed credibility with investors in the VC space.

Notably, Africa has not seen the same levels of VC investment growth over the last decade as other continents.

Kenya, Nigeria and South Africa lead the way for the volume of VC investment raised; in 2022, tech companies raised \$896M, \$818M, and \$652M respectively.

The global tech landscape

In African and European tech

Both Europe and Africa saw a considerable rise in venture capital allocation over the pandemic period of 2021 and 2022 and have seen similar trends in VC value change. However, the volume of investment being made into these continents are magnitudes different.

This is down to a variety of factors, including prevalence of VCs and dry powder available, ecosystem maturity, different business cultures, and use of equity investment as a mechanism to fuel growth.

Talamus Health

Talamus Health is a digital platform that enables reliable communication and collaboration for health service providers and their clients in frontier markets

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No matter how smart you are, there's nothing like experience.

Dr. Muri Raifu MD
Talamus Health

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The Google for Startups Black Founders Fund support includes access to mentors and people who have done big things—this allows you to get insights into what you're doing. No matter how smart you are, there's nothing like experience. Being able to lean on people who have experience in scaling things from the technology side of things was very, very helpful.

Being part of a community of Black founders who are going through the same challenges that you're going through has been incredibly important to us. There are people I still talk to

from our cohort, and pick their brains, because many of us are within the same stage on our journey.

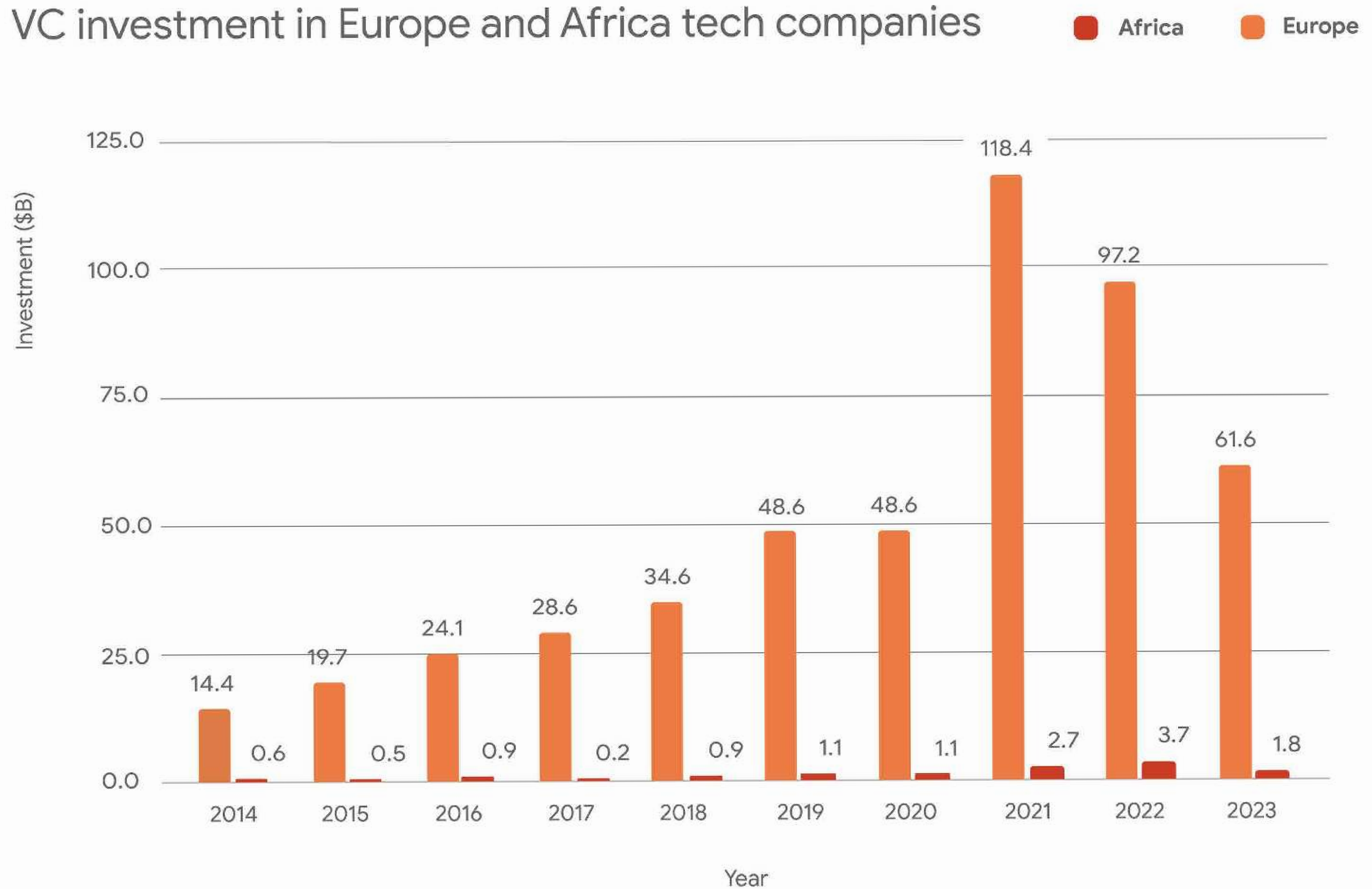
So it's a two-sided thing—on the one hand, you gain access to experienced people from Google that you can plug into, and on the other a cohort of people who are going through the same struggles and being able to lean on them.

The global tech landscape

In African and European tech



VC investment in Europe and Africa tech companies



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Closing the opportunity gap

Examining the venture capital investment landscape in European and African countries for Black founders reveals nuanced trends and disparities across different regions.

In Europe, the United Kingdom has emerged as a prominent hub for VC capital, with a substantial increase in investments into Black-led businesses over the years.

In 2000, the UK received \$5.52M in VC funding for Black-led startups, and by 2022, this figure had soared to \$153M. Germany and France also contribute significantly to the European landscape, with Germany experiencing a steady rise from **\$0.38M in 2000 to \$36.54M in 2021**. France, similarly, shows robust growth, with an increase from **\$0.66M in 2000 to \$50.13M in 2022**. These figures underscore increasing support for Black founders within these European countries.

Diversity in African and European tech

\$2.5

Investment made
into Black-led
tech businesses
since 2000

B

- * Since 2000, \$2.5B has been invested into Black-led tech businesses in Europe and Africa; however, this seemingly large figure represents just 0.51% of total investment made into all startups.

In Europe, 0.43% of all investment was made into Black-led startups (**\$2.09B, out of \$482.5B**), and in Africa, 3.11% of all investment was made into Black-led startups (**\$413M out of \$13.3B**).

Jumba

Black Founders Fund
Nairobi, Kenya, 2023

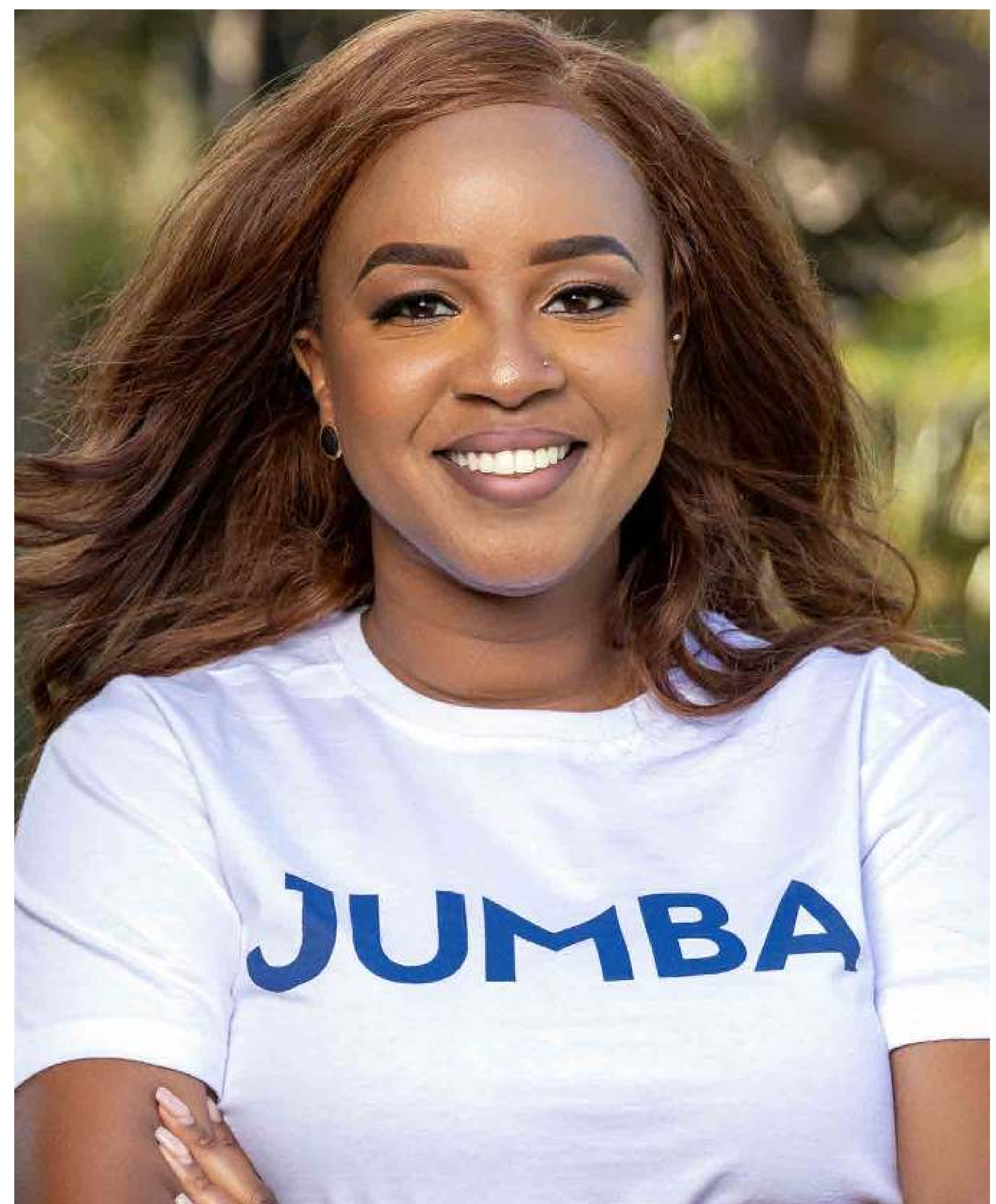
Jumba simplifies the sourcing of construction materials through a common marketplace for retailers and developers, that takes away the headache of dealing with multiple suppliers

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Having champions helps, people who can say, ‘Yes, you can trust her’, has helped a huge amount.

Kagure Wamunyu
Jumba

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Jumba is a construction technology company that is looking to simplify construction in Africa by transforming the supply chain ecosystem through technology. We've been in existence since 2022, and currently operate in Kenya.

We have a B2B marketplace platform that focuses on construction materials. We are focused on reliability, efficiency and transparency in how construction materials are procured and delivered to hardware stores and construction sites.

I've not struggled with raising funding as a Black woman. However, I have a strong group of Black people who've been through it, and they helped me access capital. So having champions helps, people who can say, 'Yes, you can trust her', has helped a huge amount.

Sojo

Sojo is a fashion-tech platform offering emission-free, door-to-door repair and alterations services to help reduce the waste cycle of fast fashion

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**I had a very successful
fundraise—in terms
of the amount raised
and the time it took
to raise it.**

Josephine Phillips
Sojo

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I had a very successful fundraise—in terms of the amount raised and the time it took to raise it—and I think that's because I had a really rigorous strategy ahead of the fundraise. Essentially, the plan was to speak to as many investors as I possibly could within a four-week period. I pitched to upwards of 100 investors, and got rejected by a lot. There was even a day where I did 13 pitches in one day, back-to-back.

Our lead investor was a female-founded fund from the Netherlands and I think it's important to point out that the person who led our funding round, who put the term sheet down on the table, was a female investor from a fund with only female GPs [general partners]. In my view, this is definitely one of the reasons that we raised the capital.

Robin AI

Leader in legal AI, using machine learning and human intelligence to read and edit contracts

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If you don't have the network, you're far less likely to raise the money.

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Richard Robinson
Robin AI



Fundraising is hard for everybody. First, it's just a brutal, gruelling enterprise. Second, it was especially hard for companies in the legal space because the legal industry hadn't had a lot of successful breakout billion dollar technology businesses at the time (2019/2020). Third, raising capital as an AI company was difficult.

Compound those three factors with raising as an underrepresented founder, and there are multipliers on those because you will very rarely interface

with anybody who has a similar journey or similar experiences to you who are unlikely to have people in your network to hold the capital.

You very rarely pitch to familiar faces. Layer into the equation that a lot of venture funds will only back one company in a particular space, so if you don't have the network, you're far less likely to raise the money.

Closing the opportunity gap

In African and European tech

Nigeria stands out in Africa, with a substantial increase from negligible amounts in the early 2000s to **\$55.16M** in 2021. South Africa, another key player, displays a consistent upward trajectory, securing **\$1.85M** in investment in 2018 and reaching **\$4.8M** in 2022.

However, challenges persist in securing funding in some African nations. It's essential to acknowledge that these disparities highlight the need for targeted initiatives and policies to foster a more inclusive investment landscape across the African continent.

Overall, the data reflects a positive trend, especially in recent years, pointing to increasing recognition of the value and potential within the Black entrepreneurial community in both European and African countries.

Benchmarking

→ Black Founders Fund

135 equity-free cash awards have been given through Black Founders Fund to African startups, and 85 to European startups. This section explores who these companies are, and the impact they have created, by looking at job creation, revenue generation, and investment raised.

* Fintech is the highest represented sector among Black Founders Fund companies.

There are over 33,000 funded fintech startups globally. Investment into these companies has doubled from 2019-2023, with \$42B worth of deals done. There are over 45,000 healthtech companies, who have attracted \$62B investment over the past four years, and minted 486 unicorns (\$1B+ valued companies).

Diversity in African and European tech

\$42

Investment into
fintech startups
globally since
from 2019–2023

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The funding allocated by Black Founders Fund reflects the global emphasis on fintech over the best part of the last decade, while health has long been a global leader in investment, with tech solutions applied across Africa and Europe.

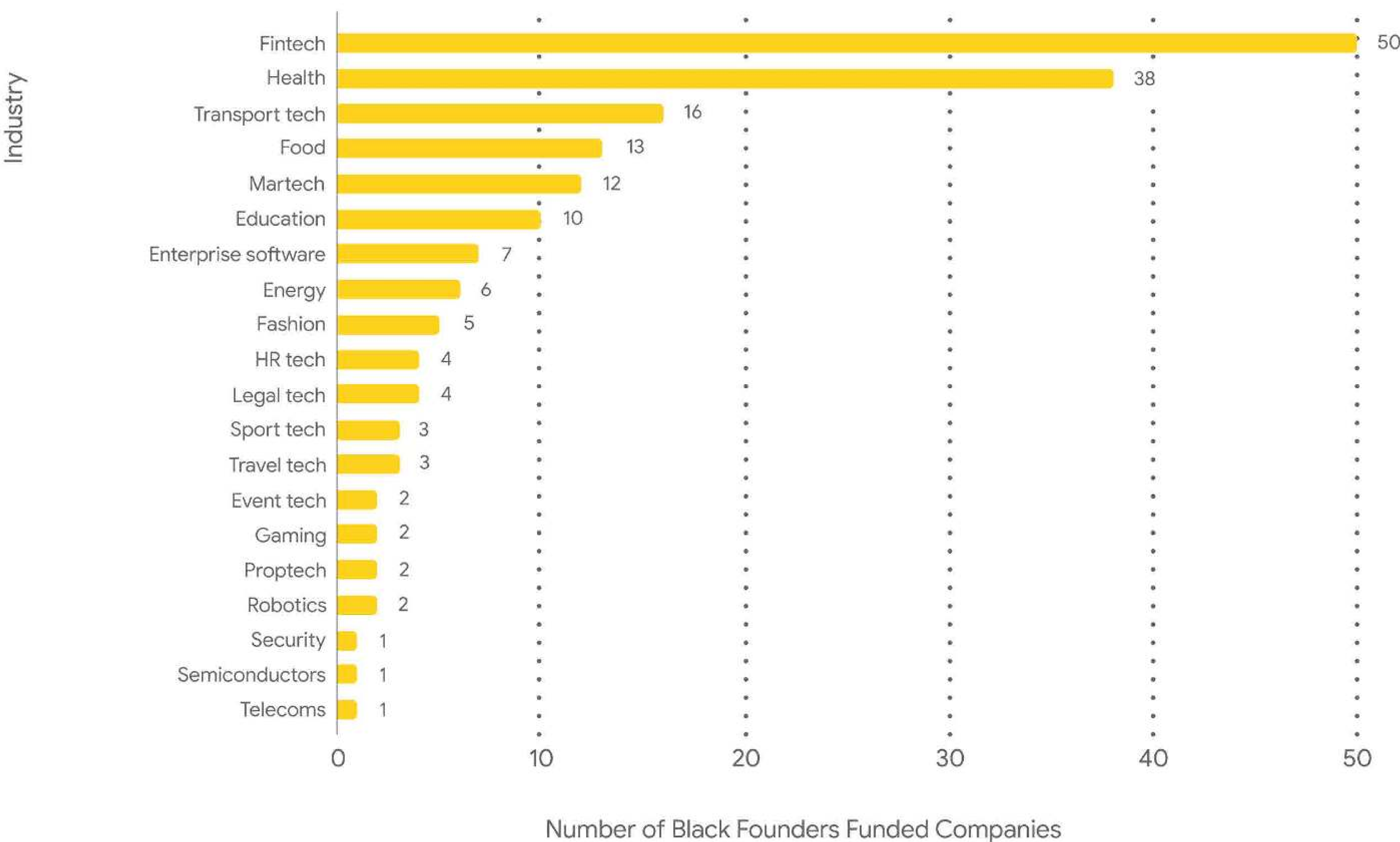
Benchmarking

Black Founders Fund

On average, Black Founders Fund recipients raised **\$2.51M**, Black Founders Fund AI enabled companies have, on average, raised slightly more, at just under **\$3M**.

21 of these companies use AI in their stack, and have raised **\$61M**, or 16% of the **\$379M** total raised by Black Founders Fund recipient startups.

Number of Black Founders Fund companies by sector



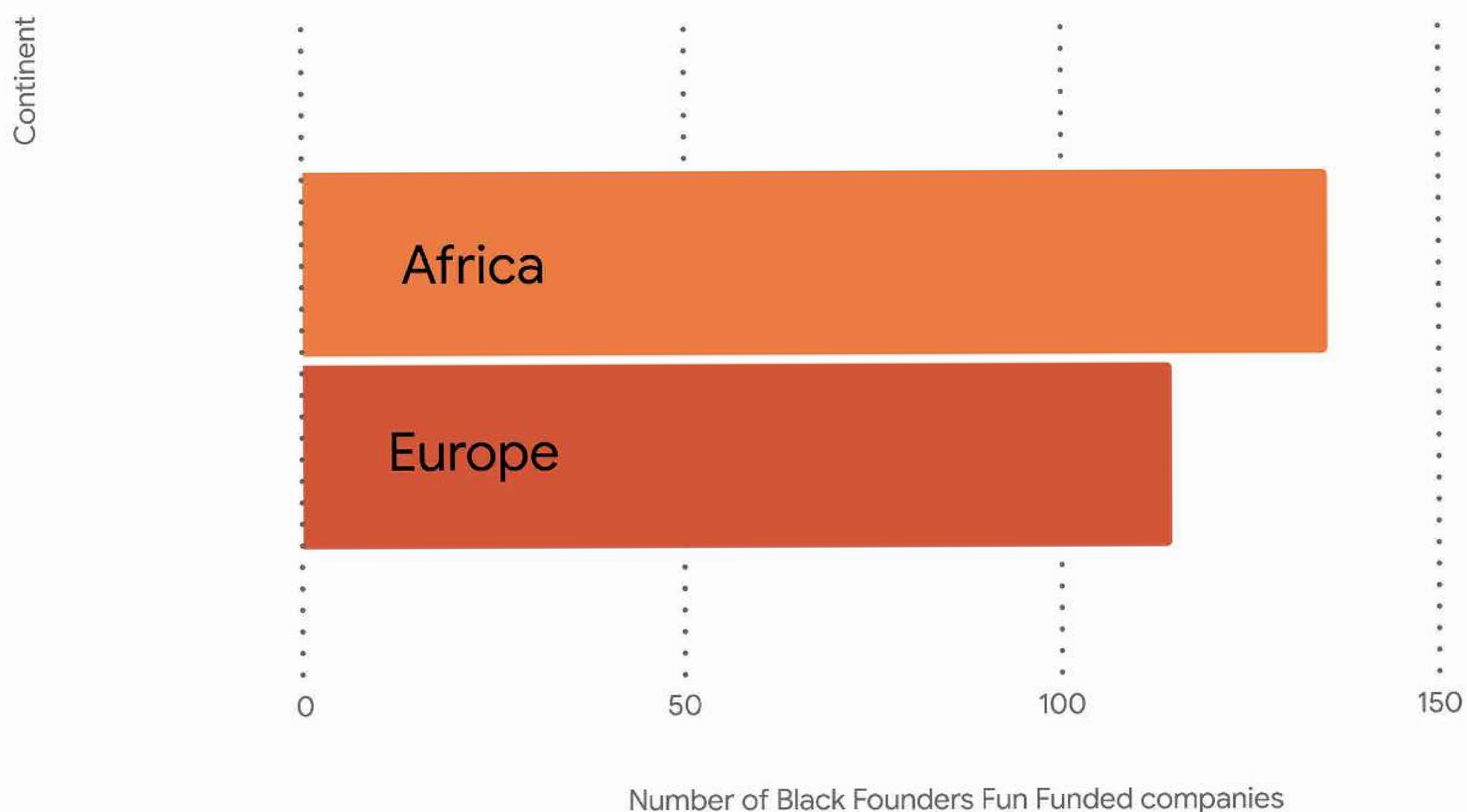
(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Diversity in African and European tech

In the UK, the average funding raised by seed-stage AI companies is just over **\$1M**, which is skewed by startups raising significantly higher levels of seed capital—the median raised by these companies is **\$253k**.

58 startups in the UK have been supported, followed by Nigeria (52), Kenya (26), South Africa (14), and France (12).

Number of Black Founders Fund companies



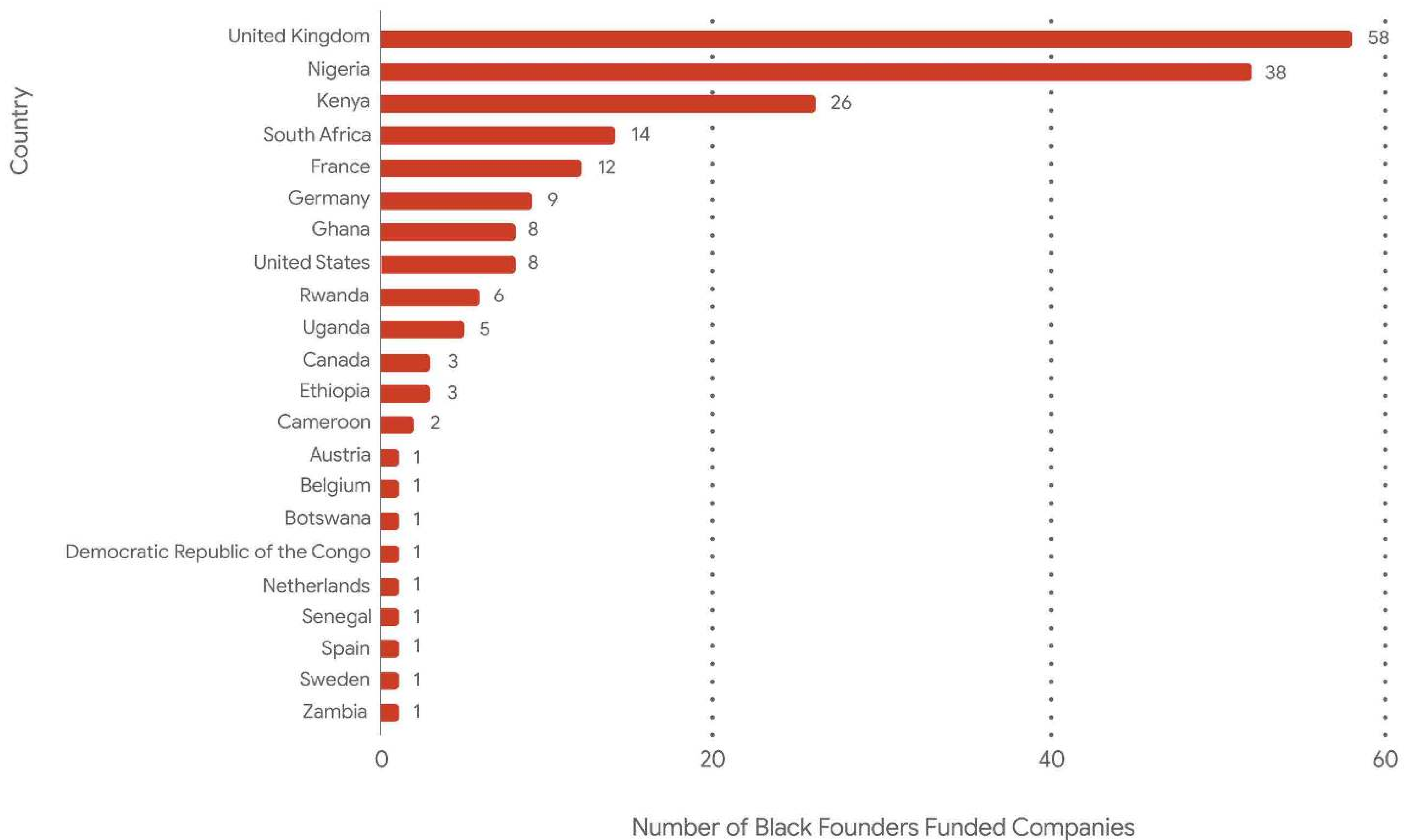
(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Benchmarking

Black Founders Fund

The majority of Black Founders Fund recipient startups are valued between **\$0-16M** (90 startups), while a handful of companies are valued considerably higher, such as Gravity Sketch (**valued between \$134-201M**).

Number of Black Founders Fund companies by country



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Benchmarking

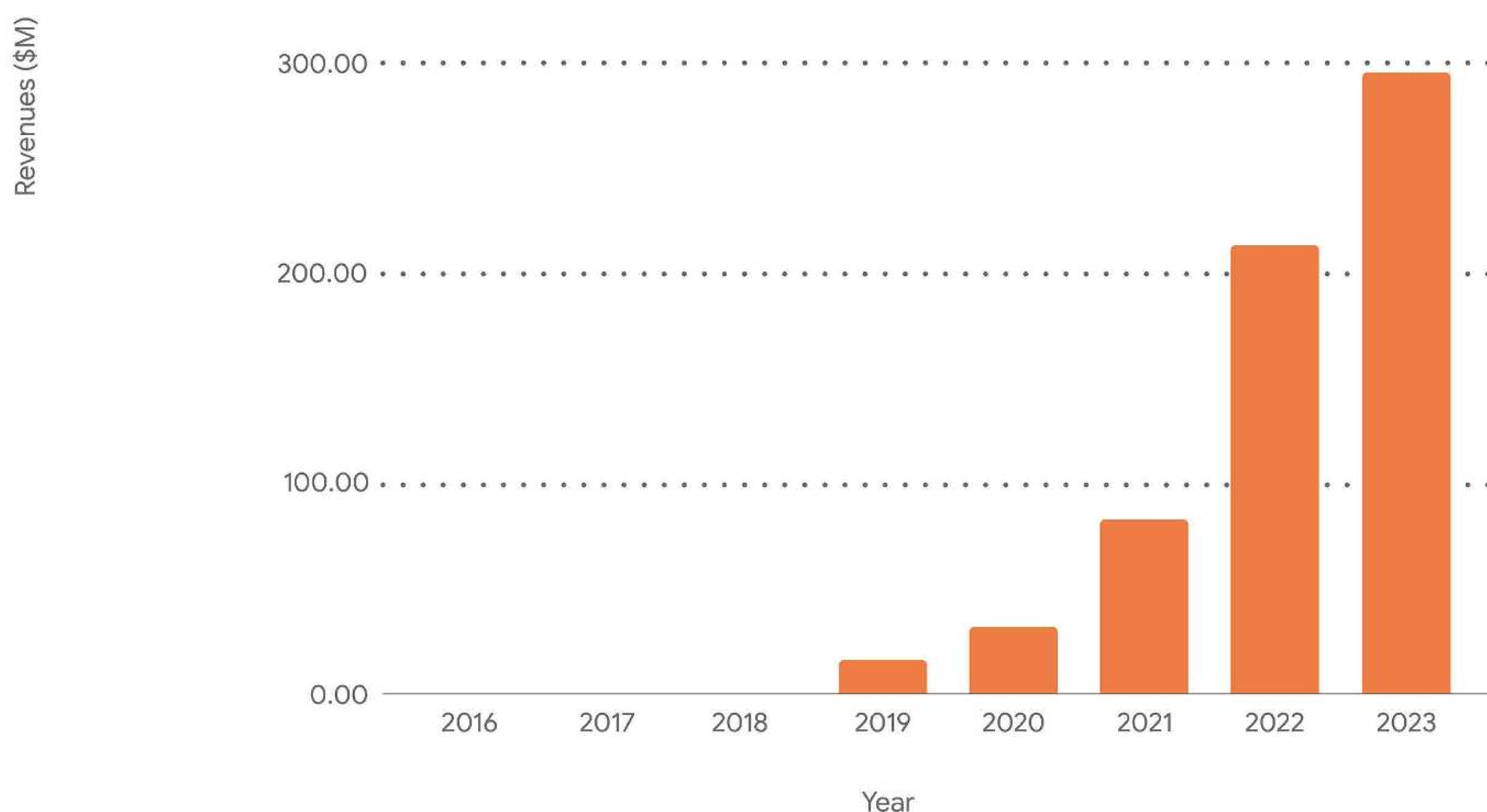
Black Founders Fund

Black Founders Fund companies are outperforming peers at the same growth stage—on average, growing **61% faster over a three-year period.**

Total revenues generated by Black Founders Fund recipient companies in Africa and Europe in 2023 were **\$294M**, an average of **\$2.58M** revenues per startup for those with comprehensive revenue data available^[4].

^[4] N=114

Total revenues generated by Black Founders Fund companies

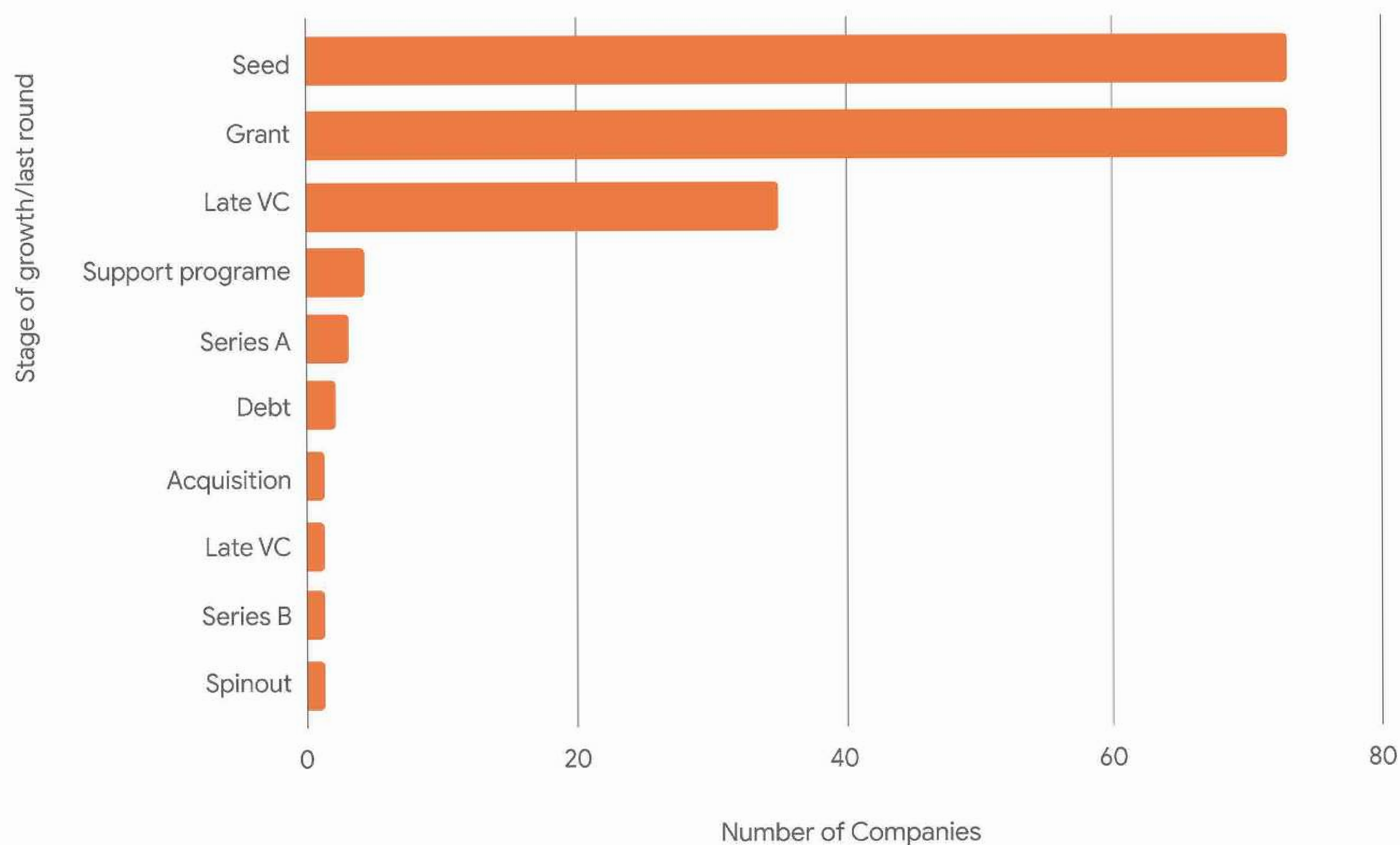


(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Benchmarking Black Founders Fund

42% of Black Founders Fund recipient companies raised a seed stage round or equivalent, with a handful of companies at Series A+, including **AudioMob, **Robin AI**, **Gravity Sketch**, and **Jumba**.**

Stage of growth of Black Founders Fund companies



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

MoonHub

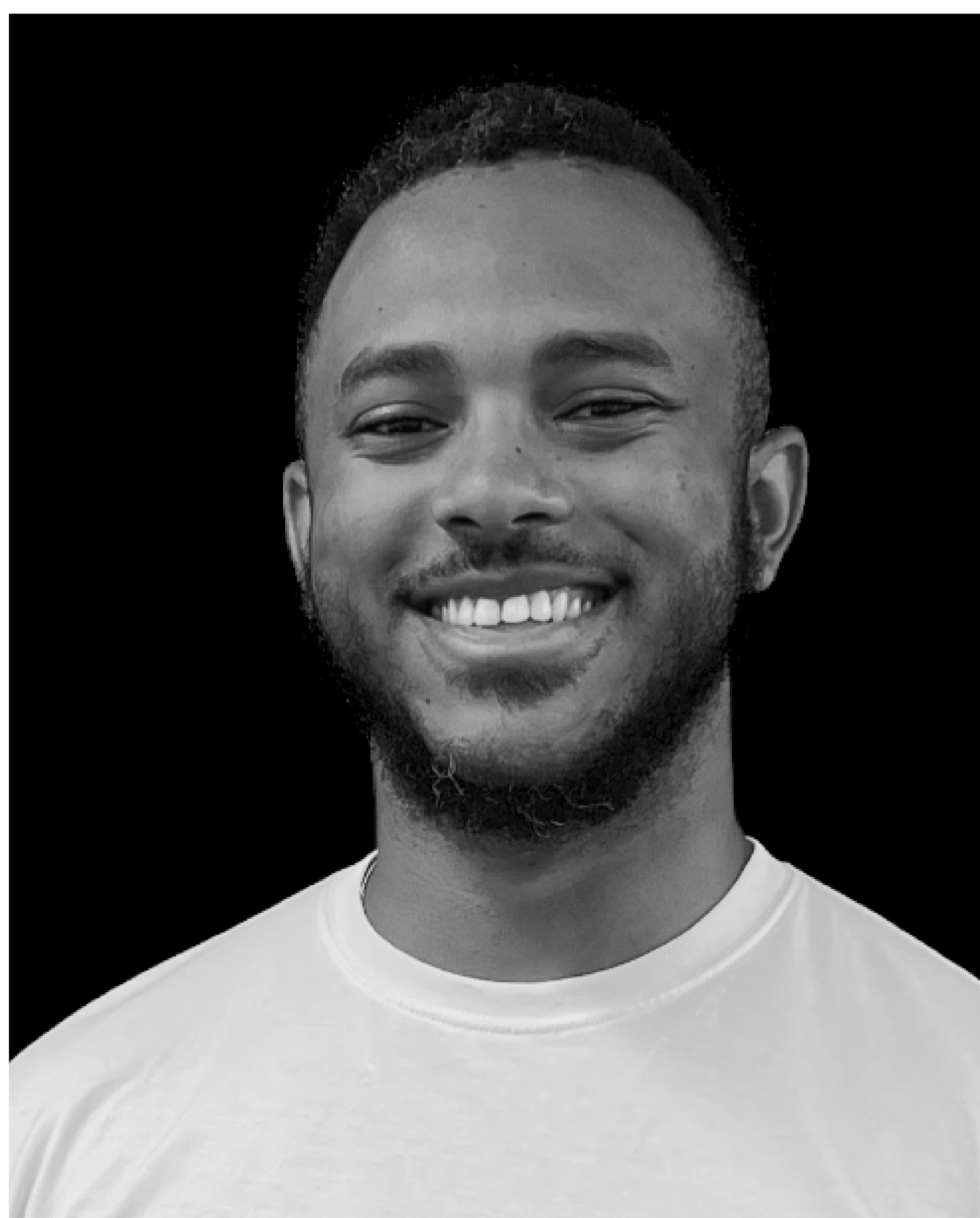
MoonHub is the virtual reality training platform empowering individual learning experiences for trainees

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Diversity matters to us. We're still fairly small but over a third of our staff are women.

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Dami Hastrup
MoonHub



The Google for Startups Black Founders Fund connected me brilliantly with different investors. We have some Series A potentials that are lined up because of the Google connection.

Diversity matters to us. We're still fairly small but over a third of our staff are women. In our senior leadership team at the moment, we are just under half women. We represent 14 languages among the team; we have people from Europe to Africa and Asia to North America. I'm not sure how intentional

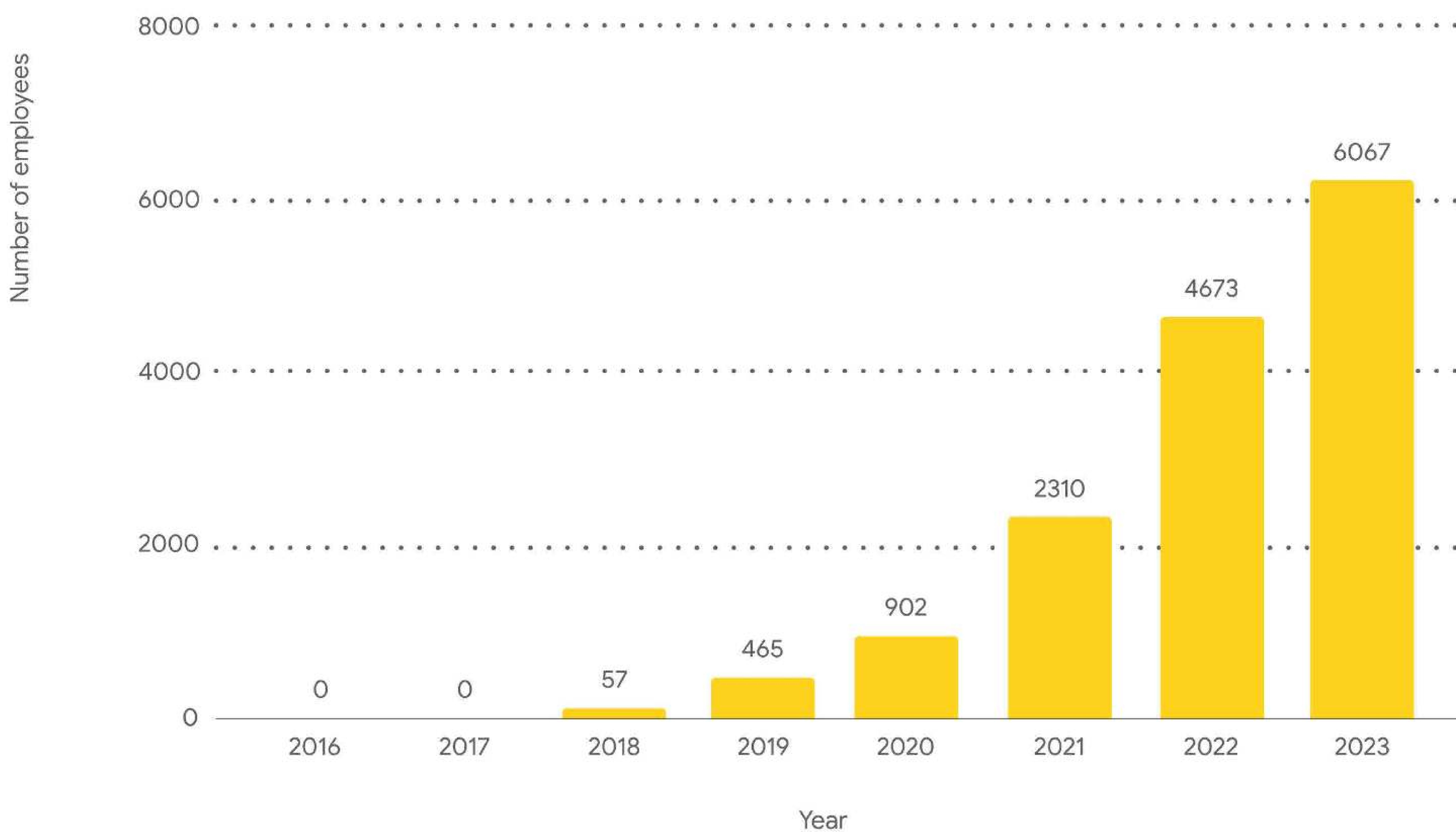
it was, but it was not hard to find these divergent people—they were potentially looking at the senior leadership, and feeling more welcome and invited to apply to this company because they saw that our leaders, and our board weren't all straight white men. I think that helps a lot when it comes to building representation, but we're still working on other areas of representation and inclusion.

Benchmarking

Black Founders Fund

Black Founders Fund recipients in **Europe** and **Africa** have generated over **6,000 jobs**, a nearly sevenfold increase from **902 employees**, since the fund commenced in 2021.

Headcount of Black Founders Fund companies



(Source: Notion Capital, Dealroom, Google for Startups, 2023)

Conclusions



This report **sheds light** on the **critical intersection of diversity**, entrepreneurship, and investment in European and African tech, with a particular focus on the impact of the Google for Startups Black Founders Fund. The findings show both the progress made and the persistent challenges faced by Black founders in accessing capital and resources.



The Google for Startups Black Founders Fund has supported over 220 companies in Europe and Africa since its inception in 2021.

These companies have experienced substantial growth, employing over 6,000 individuals—a nearly sevenfold increase from 2021. Black Founders Fund’s strategic focus on financial support, strategic partnerships, data-driven insights, and community-building has contributed to its impactful role in fostering diversity and inclusion.

Diversity in African and European tech

The global tech landscape has witnessed unprecedented growth, with the African tech ecosystem soaring to **\$482.7B** and European tech reaching **\$20.7T**.

Despite this, the report reveals significant disparities in investment allocation, with only **0.51%** of the **\$496B** total investment going to Black-led tech startups in Europe and Africa since 2000, equivalent to just over **\$2.5B**.

The gender gap remains a challenge, with the median proportion of women founders standing at just over 9% for Africa and just under 15% for Europe.

The valuation analysis demonstrates the potential long-term impact of Google for Startups Black Founders Fund, with a hypothetical 5.8 times return on the capital deployed.

This outpaces industry benchmarks, emphasising the effectiveness of targeted initiatives like Black Founders Fund in supporting underrepresented founders. Revenue growth among Black Founders Fund-supported companies outpaced peers by 61% from 2020-2022.

However, challenges persist, highlighted by the emergence of a \$1.73B funding gap for Black-led tech businesses in the UK since 2000. The report estimates a broader European investment opportunity gap of \$4.21B, emphasising the need for sustained efforts to bridge these disparities.

In Africa, the investment opportunity gap is estimated at nearly \$10B, underscoring the imperative for strategic interventions to unlock the untapped potential within the continent's Black entrepreneurial community.

Data

* Dealroom

Dealroom data deals with venture capital investment. For this report grants are included, but debt, lending capital, ICOs and other non-equity rounds are excluded. Secondary rounds, buyouts, M&A and IPOs are also excluded.

Dealroom's proprietary database and software aggregate data from multiple sources, including news flow aggregation and processing, web scraping and manual research. Data is verified and curated with an extensive manual process, augmented by data processing.

* Stratigens

Stratigens provides talent intelligence data, pulling from over 1,361 data sources and using over 200 identifiers and indexes in order to compile insights and search analytics.

Stratigens uses over 32,000 data sources for news. Drawing on 750M+ profiles, Stratigens data was used to indicate the characteristics of tech founders across 67 countries in Europe and Africa.

Appendices

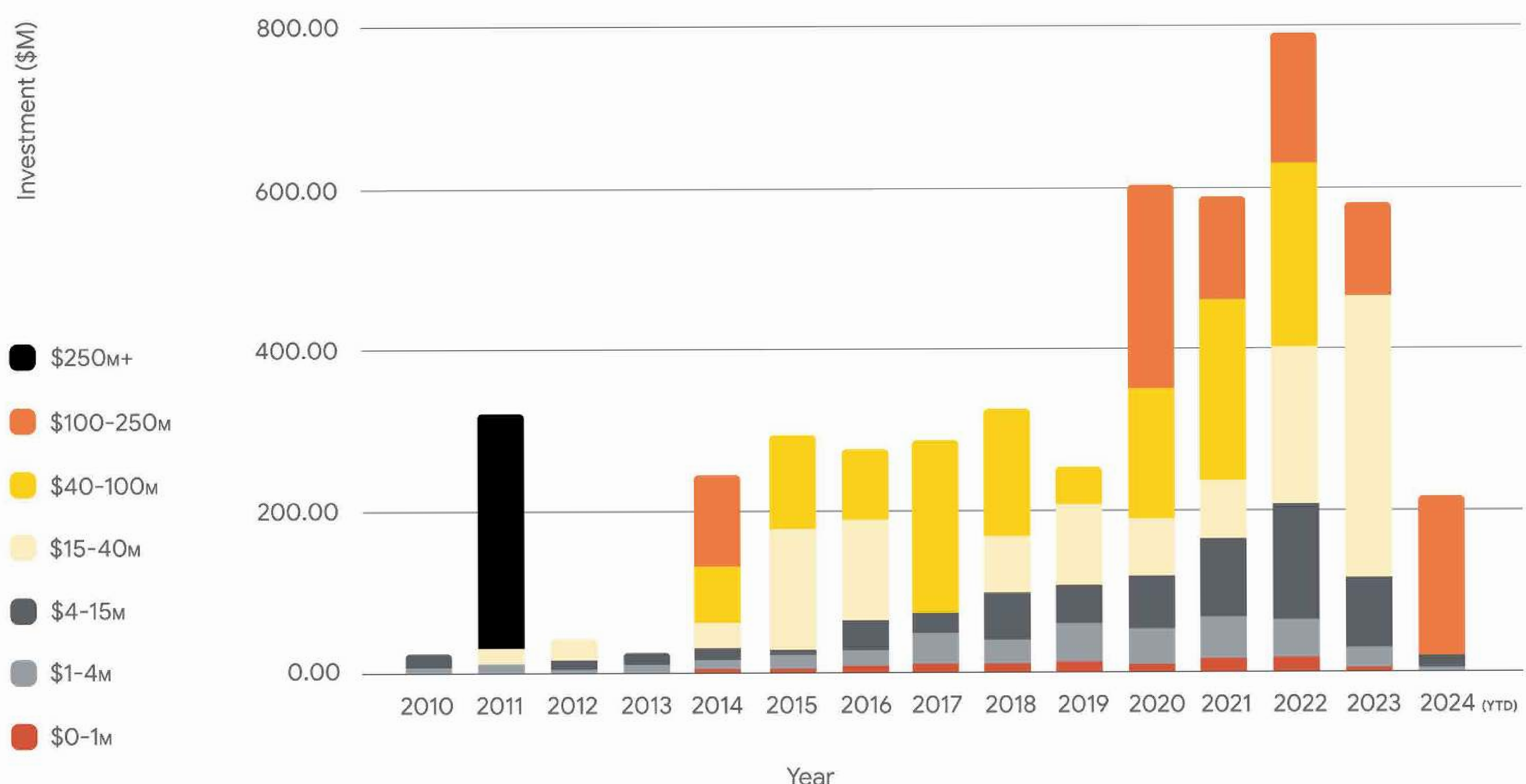
Appendix 1:

Spotlight on South Africa

South African VC investment bucked trends seen elsewhere in the world, with record investment seen in 2022 rather than 2021.

However, mirroring trends in some tech sectors in Europe and the States (like business software), a sharp decline from 2022 has been witnessed. Nevertheless, figures for 2024 (year to date) **appear positive**—albeit skewed by one mega-round into Showmax, of **\$177M**.

VC investment into South African tech startups 2010-2024 (YTD) by round size



(Source: Notion Capital, Dealroom, 2024)

Appendices

Appendix 1:

Spotlight on South Africa

Investment into Black-led businesses has generally increased from 2019-2023, however, this is likely a reflection of the growing size of the investment pie, in terms of proportion of investment, this continues to sit at around 0.7% of total investment, chronically underrepresenting the population of Black people in South Africa, who make up around 80% of the population.

Black Founders Fund recipients in South Africa are early stage, and tend to be operating in **Health (29%) and Fintech (21%)**. Of the 14 companies who have received a grant from Black Founders Fund in South Africa, 79% are at early VC stage (pre-seed or seed), and 21% are at growth stages (Series A+).

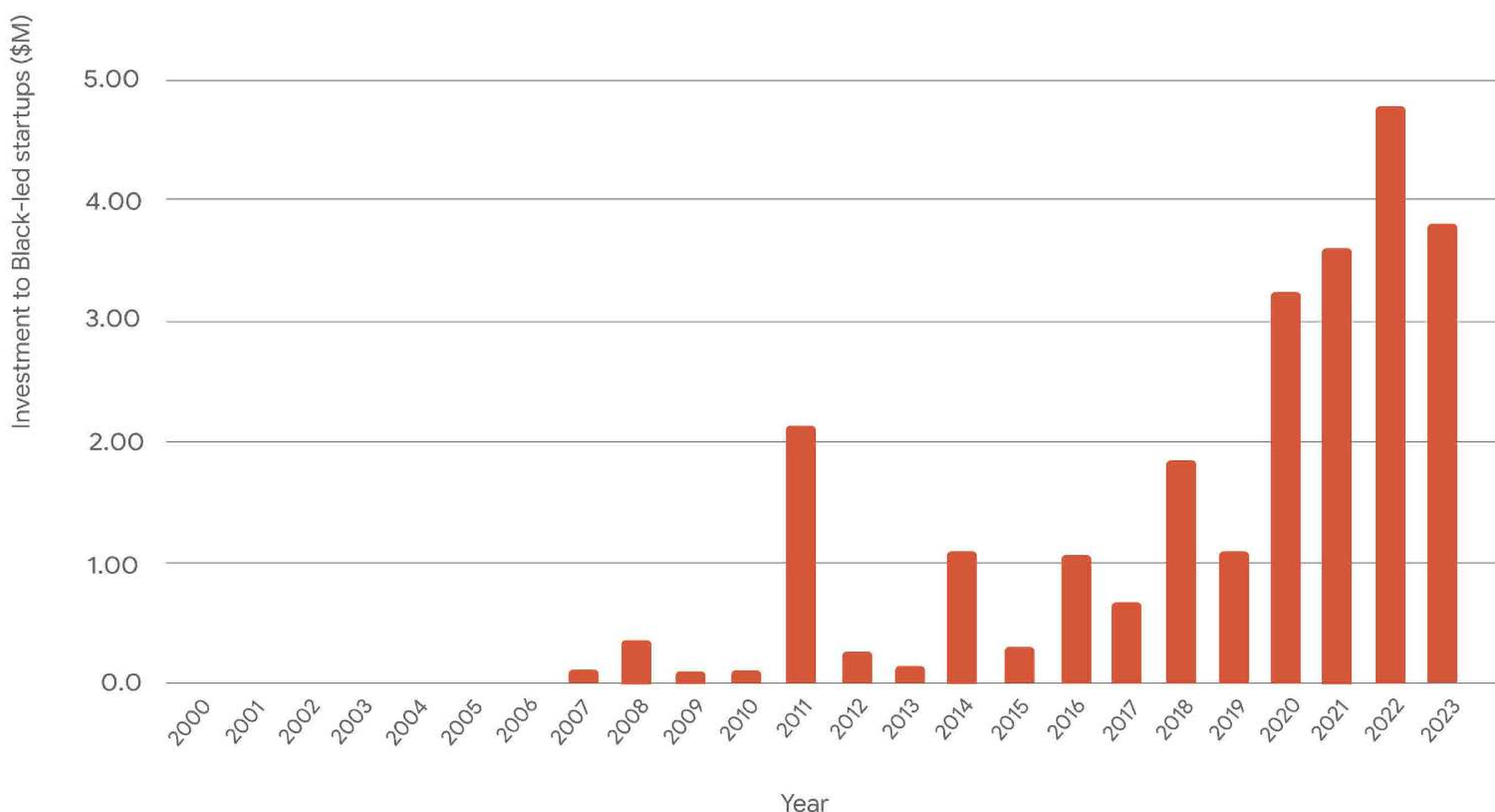
Black people in South Africa
make up around

80% of the population

Spotlight on South Africa

Investors backing these companies alongside grant funding from Google for Startups include **Ardent Capital, Norrsken Impact Accelerator, Founder Factory, AlphaCode Club, Soma Capital, and Kgodiso Development fund**, illustrating the range and variety of investors putting capital into South African businesses.

Investment into Black-led startups in South Africa (2000-2023)



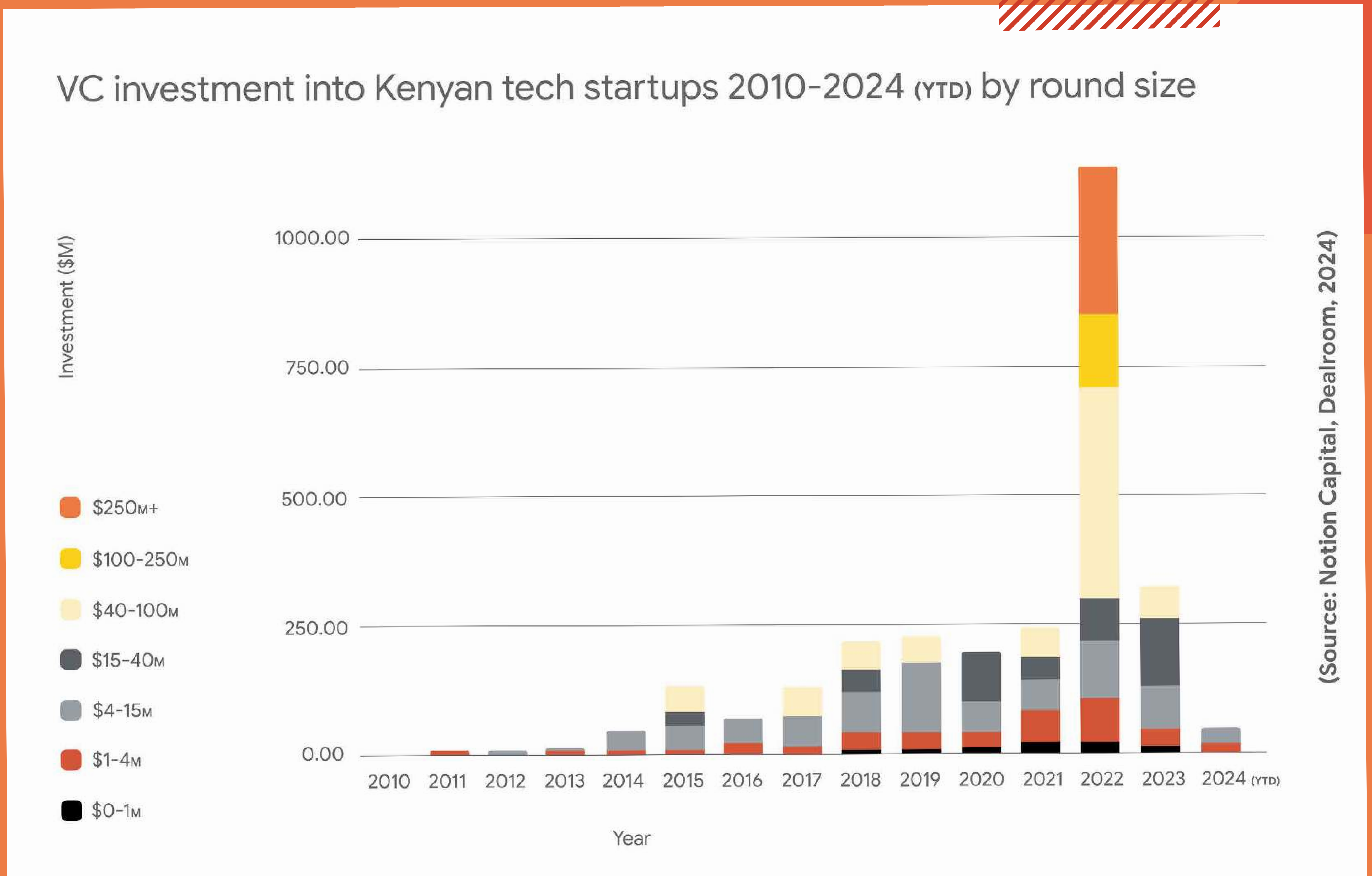
(Source: Notion Capital, Dealroom, 2024)

Appendices

Appendix 2: Spotlight on Kenya

In Kenya, 2022 proved to be a significant outlier in what has otherwise been a decade of solid growth in VC investment.

Corresponding with investment trends in other African countries, 2022 saw an **increase in investment** into Black-led businesses, reaching just over **\$12M**.



Spotlight on Kenya

Black Founders Fund has invested in **26 companies in Kenya**, who have collectively raised nearly **\$100M**.

Just under **75% of Black Founders Fund-supported tech startups in Kenya** have a B2B business model, and **50%** are intech startups. Kenyan startups currently employ **1,073 people**, and are collectively valued at **\$321M**, representing **4%** of the value of the Kenyan startup ecosystem. These startups are punching above their weight in terms of this value, with their number representing just **1%** of the Kenyan startup population.

Investment into Black-led tech startups in Kenya

