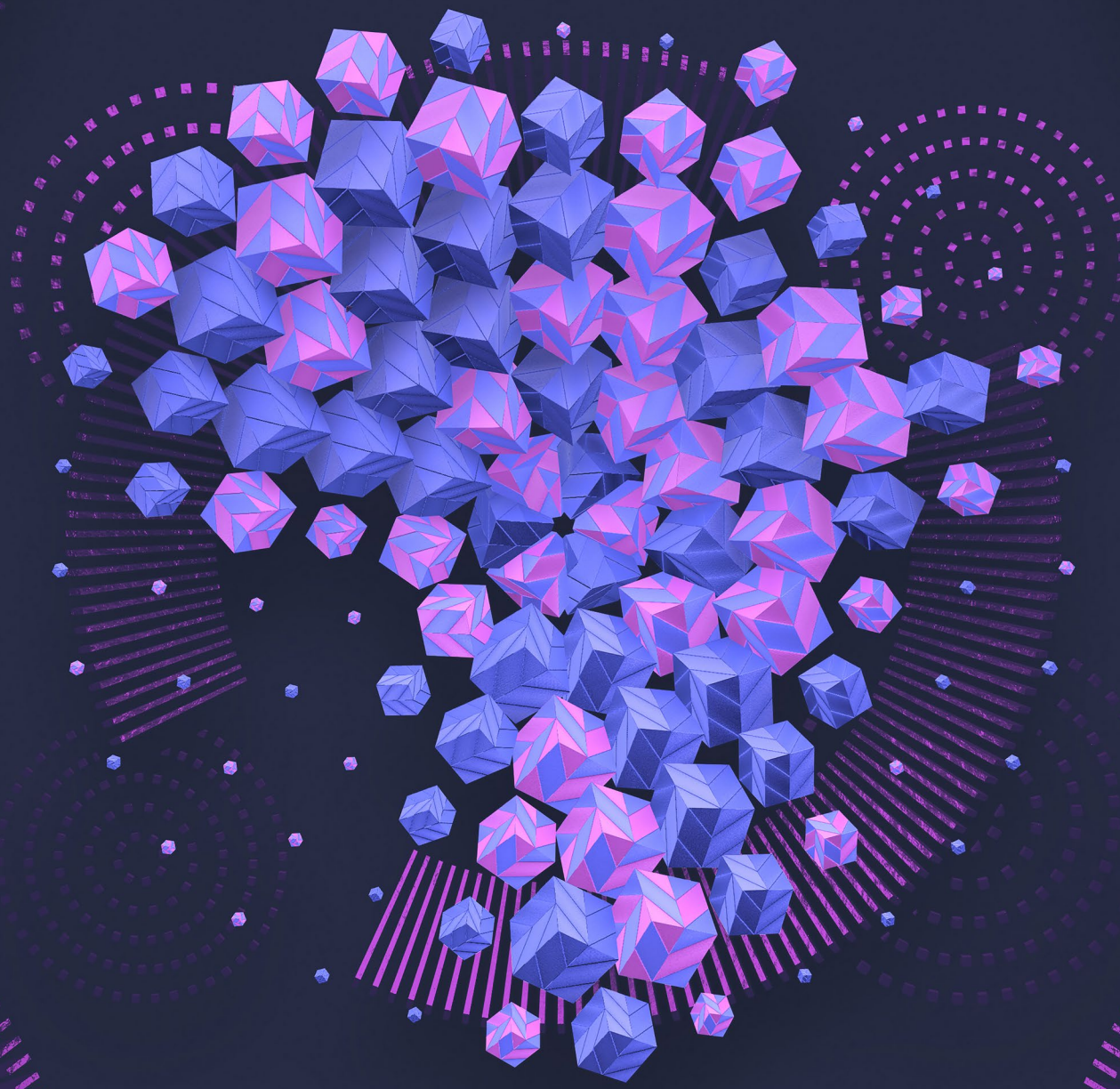




THE AFRICAN BLOCKCHAIN REPORT 2021



PUBLISHED BY CV VC AG IN COLLABORATION WITH STANDARD BANK

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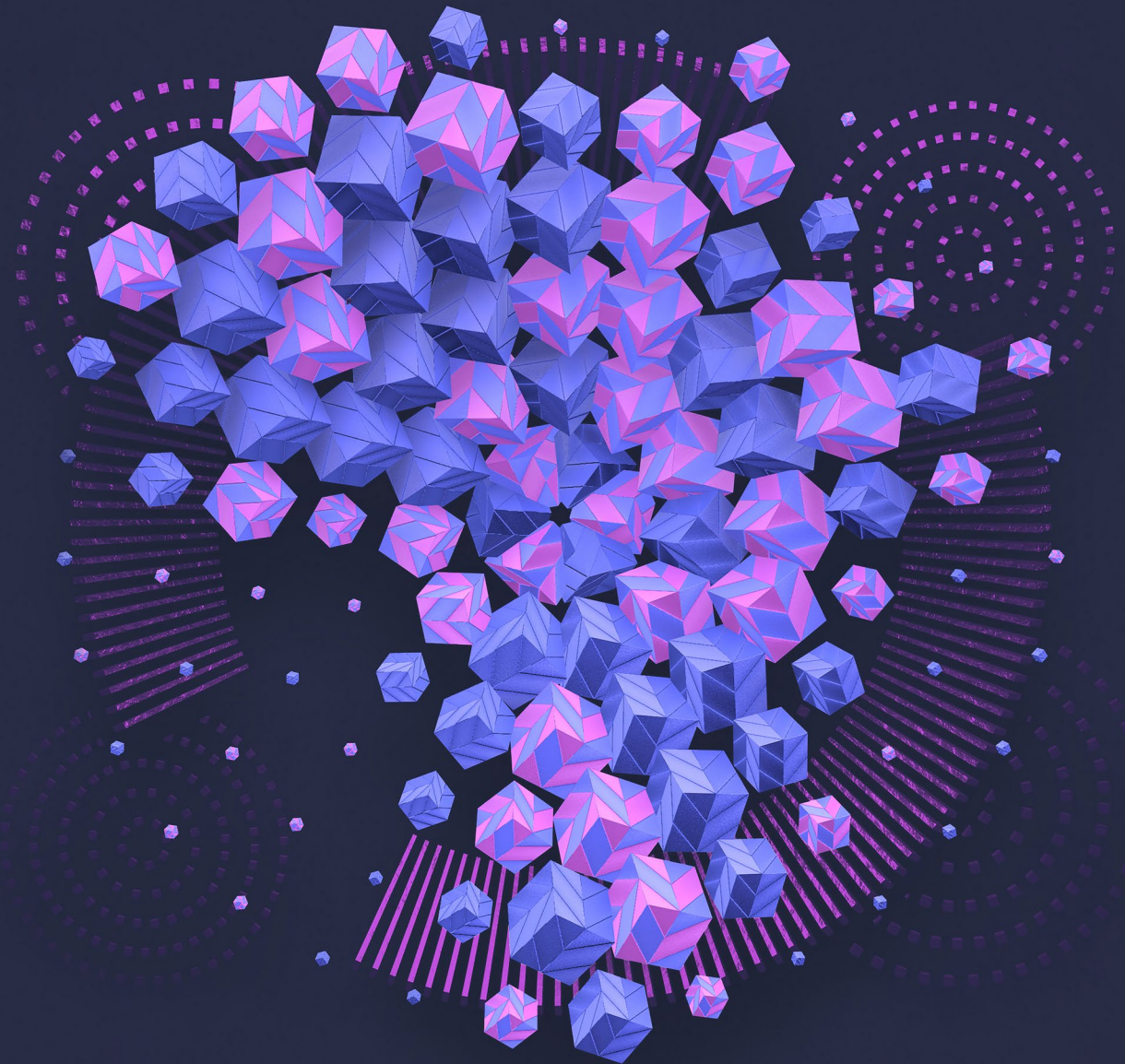
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01

INTRODUCTION



INTRODUCTION

The African continent has the perfect combination of factors contributing to the adoption of blockchain technology, which in turn will rapidly escalate the transformation of its nation's welfare, wealth, and global standings. This report demonstrates that Africa is not only a Crypto continent but an international driver in the utilization of blockchain as a transformative technology for humanity.

Between [July 2020 and June 2021](#), cryptocurrency adoption in Africa [grew by over 1,200%](#), making it one of the fastest-growing continents in terms of adoption. This is an exciting time for Africa!

"Although we are united as Africans, the truth is that our cultures and countries are extremely fragmented. For the first time, there is a technology - blockchain, which allows us to unite our people, economies, and countries in ways that we have yet to experience." Kofi Genfi, Director of Business Strategy at Mazzuma, Ghana.

Africa has one of the youngest populations globally, and the continent itself is one of the most populated. It is a common theme in life where circumstance advances evolution. In terms of financial infrastructure, personal identification, record keeping, and lack of access to individual financial independence, Africa's current state of affairs has created the ideal conditions to accelerate the adoption of blockchain technology, solving real-world problems in the process.

Although the African blockchain ecosystem is thriving and the rate of crypto adoption is high, data and insights for blockchain-related activities in the region are fragmented and thinly spread.

THE AFRICAN BLOCKCHAIN REPORT, PUBLISHED BY CV VC IN COLLABORATION WITH STANDARD BANK.

While actively participating within the region, CV VC noticed a lack of collated information about blockchain technology, funding, regulations, innovations, and a scarcity of company data. As a result, CV VC decided to publish its first edition of The African Blockchain Report 2021.

The report provides key insights into African blockchain-related activities. We believe it successfully depicts a unique, holistic overview of blockchain in Africa. Topics include company funding data, regulatory overviews of various countries, and industry developments. The report showcases the rapid pace at which the landscape is evolving and how the quality of life on the continent is improving in the process.

Africa and its infrastructure have a bright future. Cryptocurrencies and blockchain technology factually solve many of the fundamental problems the African continent is experiencing. The flood gates are open, and adoption has never looked better, "Ke nako," it's time, and this is only the beginning!

EDITORIAL

CV VC is a Swiss blockchain investor and international startup ecosystem builder. Our commitment to Africa is to enable blockchain startups to catalyze greater socio-economic wellbeing for the continent, its people, and its industries.

Switzerland is recognized for its precision. As a Swiss company, we have researched and authored this African Blockchain Report to allow for a benchmarkable record of information about blockchain in Africa, funding, regulations, innovations, and company data. At CV VC, we know that blockchain is more than crypto. It is a catalyst technology changing the way industries and humanity will interact and transact. Crypto is the currency of blockchain.

This report pays witness to the fact that Africa is one of the fastest-growing cryptocurrency markets amongst developing economies and the third fastest-growing market globally. Yet, to date, it remained starkly underfunded. Africa, while representing less than 0.5% of global blockchain funding, exhibited a dramatic 1,668% increase in funding in Q1 2022 vs. Q1 2021. To highlight the rapid growth rate even further, when comparing Q1 2021 vs. Q1 2022, venture funding for African blockchain startups far outpaces the growth seen in general African venture funding - 1,668% vs. 149% - showing 11 times the level of growth on a YoY basis.

The systems that are being impacted the most by blockchain and cryptocurrency technologies are the older legacy systems fraught with red tape and inefficiencies. One of the main reasons for the success of new technologies such as blockchain is that they either allow these legacy systems to

be bypassed in their entirety or create the means to reduce overarching frictions. Africa is riddled with these types of case studies where entrepreneurs have had a fertile starting ground as a result.

In Africa, CV VC has begun to share Switzerland's Crypto Valley expertise, the world's most mature blockchain hub and home to 14 Unicorns. In turn, Africa shares its deep know-how and determination. Together we are working to evolve not only an African Crypto Valley but a Crypto Continent.

Africa is known for having unstable economies and some of the world's poorest nations. Moreover, many African countries are currently at war with either terrorist insurgencies, or one another, which further strains their economies.

Despite these challenges, Africa's 54 nations include some of the fastest-growing economies globally. The African economy is expected to reach a GDP of [\\$29 trillion by 2050](#), powered by its agriculture, trade, natural resources, and emerging tech sectors. Sub-Saharan Africa has an eager and willing workforce, with an estimated 20 million job seekers looking to enter the workforce annually. Africa's potential is both substantial and undeniable. We intend to support and fund this potential.

We are humbled and honored to work with many of Africa's leading tech and blockchain ambassadors. Resultantly, together we have opened CV VC Africa. We have already invested in twelve African startups. We feel that there is an urgent need for governments across Africa to embrace

blockchain technology and develop regulatory frameworks to regulate crypto and linked emerging industries. Breaking through the quagmire of apprehension with good regulation will enable the GDP of its countries to be progressively improved due to the free flow of capital across borders. In the interim, African enterprises will continue to build a new future using blockchain technology. We are here to work with these enterprises and to share our experience of working within an encompassing regulatory landscape.

On behalf of the international CV VC team, including our astounding CV Labs ecosystem managers, we are delighted to be leading efforts in Africa. We look forward to working with other service providers and leaders to seize the opportunity to implement blockchain technology to benefit African citizens and their economies.



Mathias Ruch,
Founder & CEO, CV VC



Gideon Greaves,
MD, CV VC Africa

FOREWORD

BUILDING AN AFRICAN BLOCKCHAIN ECOSYSTEM: SWITZERLAND'S ENGAGEMENT

Blockchain technology is well on the way to becoming a central element of the digital transformation of our economies and our societies. Its application seems endless, from health to finance, education to agrifood, mobility to democracy and humanitarian aid, and governance to the industrial sector. With the Crypto Valley in Zug as a pioneer, Switzerland has been at the forefront of creating the perfect environment for developing novel and promising blockchain technology businesses in recent years. This is not a coincidence. The visionary and supportive attitude of the public sector has played a significant role in shaping this positive dynamic.

Switzerland has a long tradition of government, industrial partners, and research institutions setting a conducive framework for the economy to grow or push for innovation. In South Africa, these same actors are not only realizing the value of the 4th Industrial Revolution to address economic and social challenges, but they are actively pursuing new knowledge and innovation for its realization in the country and on the entire continent.

The Embassy of Switzerland in South Africa has been pivotal in opening doors and fostering partnerships across sectors to develop a vibrant ecosystem of blockchain startups from Africa. This was made possible by combining the already-existing intense collaboration initiatives between Switzerland and South Africa. Initiatives in education, research and innovation, and economic development have assisted with recognizing the exciting business opportunities for blockchain solutions in African Markets.

In 2019, the Embassy's Swiss Business Hub organized different events to share Switzerland's interest in finding partners on the African continent to create businesses based on blockchain technology. It was followed by a visit from the Swiss Blockchain Federation and Swiss venture capital company CV VC. This spurred further events in the Fintech space in Mauritius at the Africa Blockchain Conference and the Artificial Intelligence Africa Expo.

In mid-2021, still in the Covid-19 pandemic, the State Secretariat for Economic Affairs, SECO, through its economic cooperation office at the Embassy, started a public-private partnership program with CV VC to support the development of a blockchain ecosystem in South Africa and kick-start a blockchain incubation program for African startups. As a public good, the South African ecosystem's promotion aims to assist blockchain actors on the ground and attract investors that support and invest in startups either from Africa or provide solutions for problems faced in Africa.

In the meantime, the State Secretariat for Education, Research and Innovation, SERI, leveraged science and innovation opportunities through its science and technology office at the Embassy. It supported participation from Africa in blockchain hackathons and innovation challenges and allowed South African students to take part in blockchain summer schools in Switzerland, guest lectures, and joint webinars. The research pillar is now reaching fruition through the Swiss South Africa Blockchain Research Chair. The upcoming Swiss South Africa blockchain innovation challenge is taking the collaboration upstream for venture capital opportunities.

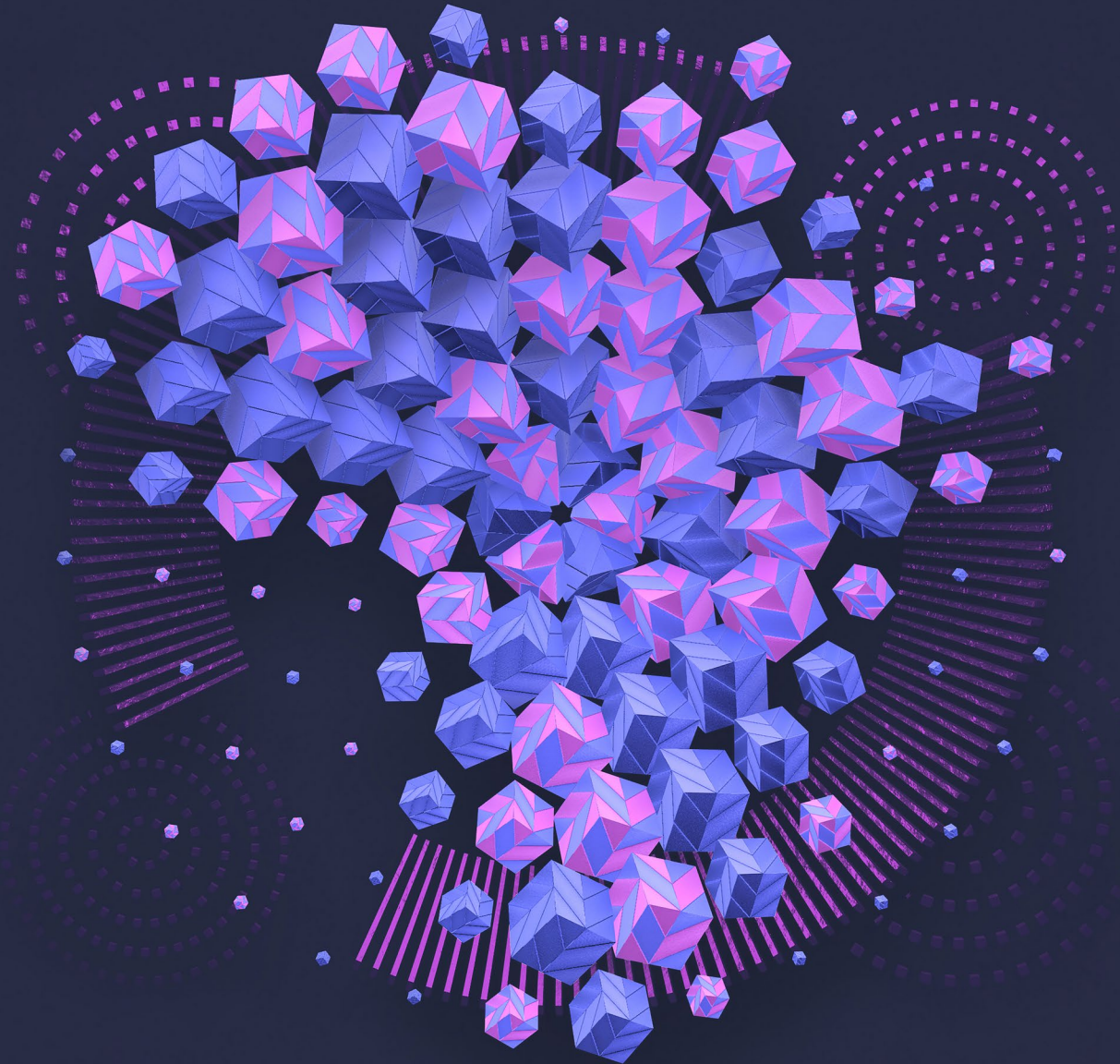
With the COVID-19 crisis affecting all of us, albeit in different ways, there is no doubt that digitalization has become a significant factor in politics, the economy, and our societies. Blockchain has the potential to be a catalyst for positive change and shape our continent's future. With data in and around blockchain in Africa still scarce, the first Africa Blockchain Report will be an important milestone. And let's bet that Africa will soon be home to its first blockchain Unicorn!



Véronique Haller
The Chargée d'affaires a.i.
Embassy of Switzerland to South Africa

02

RESEARCH METHODOLOGY



RESEARCH METHODOLOGY

1. REPORT INTENTION

This is the first edition of an intended annual report providing insights into the African blockchain landscape, industry developments, regulatory overview, and the role of venture funding in its expansion. This report aims to begin collating otherwise-sparse funding data on African blockchain companies. We aim to provide a high-level comparative synopsis to gain macro insights over time. The African Blockchain Report, published by CV VC in collaboration with Standard Bank.

2. COMPANY DATA

We have focused on a data set of 41 African blockchain startups that have raised funding from January 2021 through March 2022. The rationale for the selected period was to have a full calendar year's worth of company funding data and 1st Q funding data for 2022, allowing us to compare the previous year's Q1. We have used various sources of data to compile a benchmark database. Sources include various public databases, research reports, LinkedIn profiles, reputable news outlets, press releases, investors, and entrepreneurs. Criteria are as follows:

- a. Inclusion
 - i. Must meet one of the following criteria:
 1. The founders are African or have a residence in Africa, or
 2. The company is domiciled/headquartered in Africa, or
 3. The majority of clients served by the company are in Africa.
 - ii. Company characteristics:
 1. Currently operational
 2. Blockchain/cryptocurrency as a primary focus
 3. Successfully raised a funding round between Jan 2021 and Mar 2022
 4. Active website

- iii. Funding:
 1. Min funding = \$100k
 2. Disclosed, publicly verifiable funding deals. In the case where funding has been totaled and undisclosed rounds have fallen between disclosed rounds, the undisclosed rounds have been omitted from the total figure.
 3. All stages, and
 4. Private funding, and
 5. Equity funding and funding in the form of convertible notes from traditional financiers.

- b. Exclusion
 - i. Company types:
 1. Consulting Firms
 2. Investors
 3. Academia
 4. Events
 5. Media houses
 - ii. Funding types:
 1. Debt (excepting convertible notes)
 2. Publicly financed/traded
 3. Crypto Coin Offerings (ICOs/IEOs/ISOs/ITOs et al.) have not been included.
 - a. The above Crypto Coin Offerings were excluded to ensure only traditional means of venture capital were analyzed.

3. AFRICAN UNICORNS

- a. Inclusion
 - i. A privately-owned tech company, valued at \$1 billion+, headquartered in Africa or with the bulk of operations occurring in Africa.
- b. Exclusion
 - i. Publicly traded,

- ii. Companies founded by Africans but primarily servicing a market outside of Africa. **Example: Esusu has been excluded because the primary customer base is in the US despite the company having an African Founder.*
- c. We do not regard any of the current African unicorn companies as "blockchain companies" since most of their revenue does not come from cryptocurrency or blockchain-related activity. However, some of these unicorns may have integrated blockchain or cryptocurrency activities into a part of their business operations. This is what is meant by the mention of "blockchain aspect" in the company descriptions in this section.

4. AFRICAN INVESTOR WATCHLIST

- a. We have included a Watchlist of African investors within the report.
 - i. Inclusion.
 1. These investors have closed at least one publicly-disclosed funding deal with an African blockchain business.

5. GLOBAL CONTEXT AND FIGURES

In placing our company data in a broader context, we have included significant statistics from various core databases and venture funding reports. We have referenced these reports using hyperlinks in the relevant sections.

In sections where the data found in industry-leading reports were contradictory, we have provided data ranges and averaged the data of the most credible reports to maintain consistency when drawing inferences from such data.

6. CORE DATABASES AND REPORTS UTILIZED

- a. [Crunchbase](#)
- b. [Africa: The Big Deal - Startup Deals Database](#)
- c. [Dealroom.co](#)
- d. [CB Insights: State of Blockchain 2021 Report](#)
- e. [CB Insights: State of Fintech 2021 Report](#)
- f. [CB Insights: State of Venture 2021 Report](#)
- g. [KPMG: Pulse of Fintech H2'21](#)
- h. [Partech: 2021 Africa Tech Venture Capital Report](#)
- i. [Briter Bridges: Africa's Investment Report 2021](#)
- j. [Chain Analysis: Geography of Cryptocurrency 2021 Report](#)
- k. [Galaxy Digital Research: Crypto VCs biggest year ever 2021](#)

7. COUNTRY LEGAL STATUS

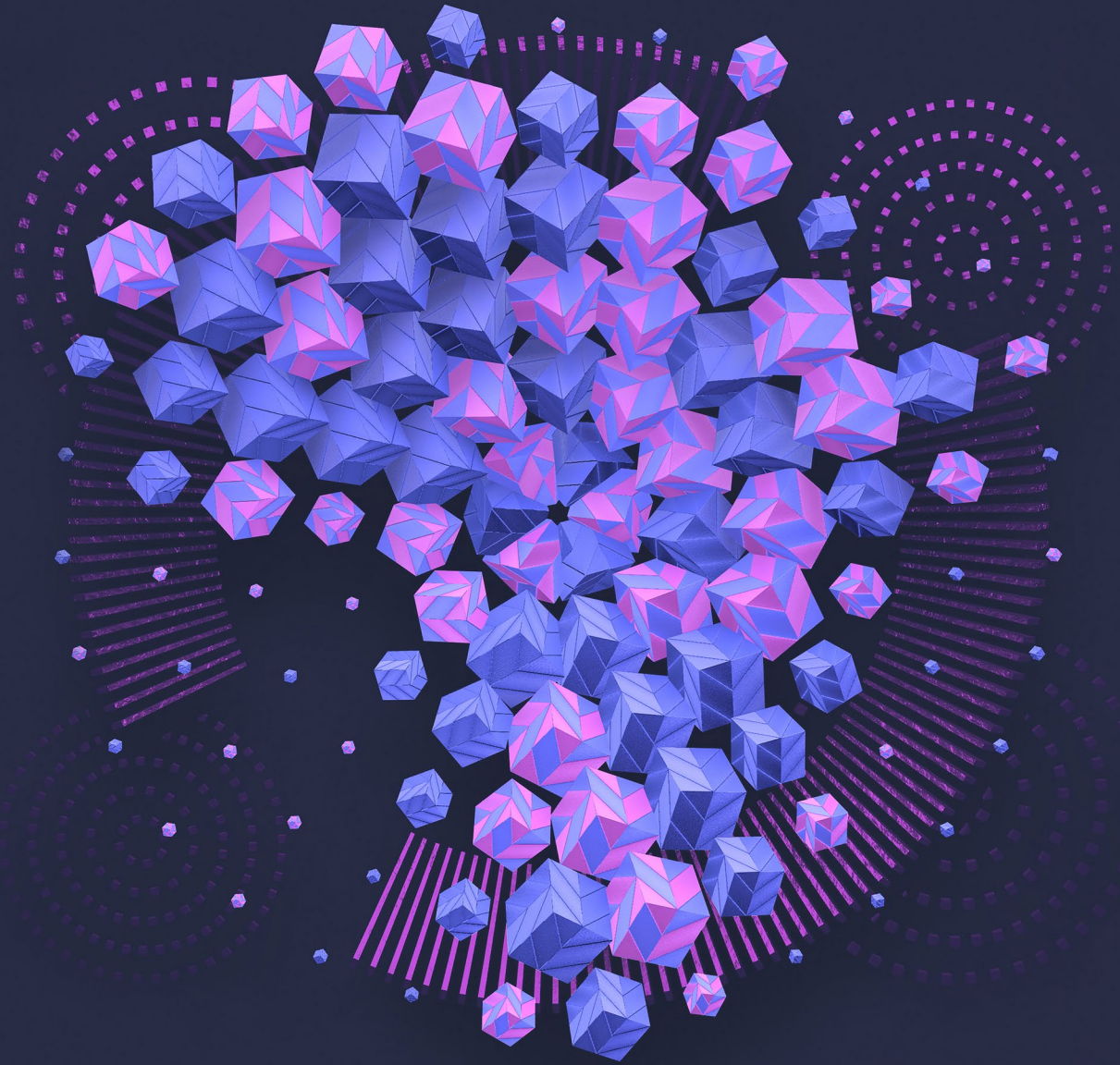
- a. Legal
 - i. Financial institutions are allowed to deal in and hold cryptocurrencies
 - ii. Individuals are permitted to deal in and hold cryptocurrencies
- b. Implicit Ban
 - i. Banks or other financial institutions are prohibited from dealing in cryptocurrencies or offering services to people or businesses involved in crypto.
- c. Absolute Ban
 - i. Any cryptocurrency usage, trading, holding, or mining is explicitly prohibited.
- d. Uncertain
 - i. Insufficient conclusive information was available to make an informed statement about the legality of cryptocurrencies.

8. COUNTRY REGULATORY OVERVIEW

- a. A select few countries were included for further investigation:
 - i. The country has a CBDC project
 - ii. Cryptocurrency is deemed Legal
 - iii. The country has raised significant funds for blockchain startups

03

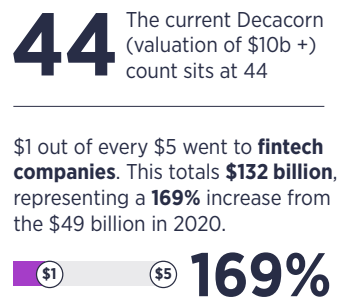
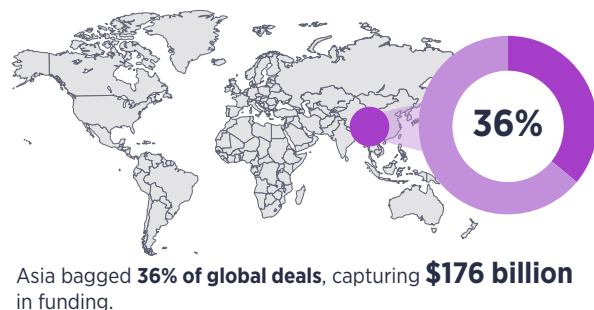
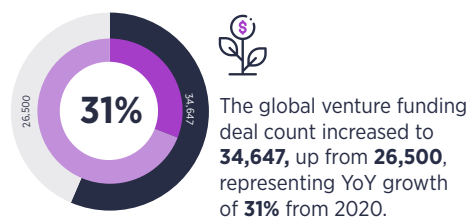
EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

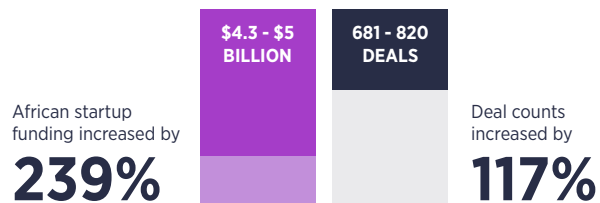
GLOBAL VENTURE FUNDING

Businesses raised \$621 billion in venture funding in 2021, up from the previous year's \$294 billion, a 111% YoY increase



AFRICAN VENTURE FUNDING

Startups in Africa raised between **\$4.3 - \$5 billion** in 2021 across **681 - 820 deals**.

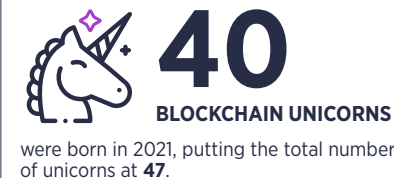


Fintech companies received roughly **60%** of all venture funding in Africa, 3x the global average.



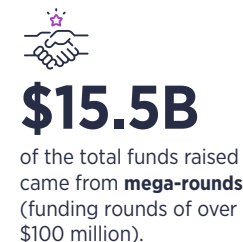
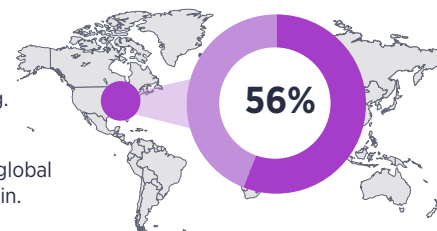
BLOCKCHAIN VENTURE FUNDING

In 2021, blockchain companies raised **\$25.2 billion** in funding across **1,247 deals**

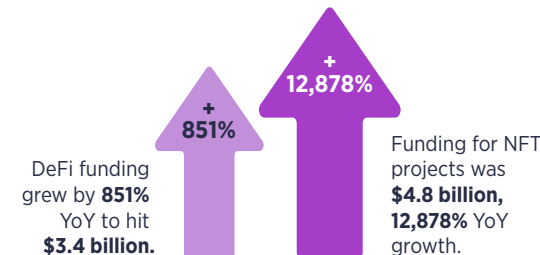


Blockchain companies received **just over 4%** of all global venture funding.

The US leads globally, with a **56%** share of the global dollars invested in blockchain.



Early-stage investment accounts for **79%** of the number of deals concluded.



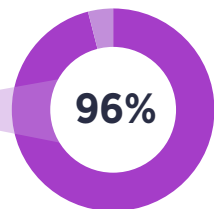
To reach **\$1 billion** in total funding in 2019 took 11 months. In 2020, it took 8 months, and in 2021 it took only **7 weeks**.



AFRICAN BLOCKCHAIN FUNDING LANDSCAPE

\$127 million

was raised throughout 2021, representing a **0.5% share** of total global blockchain funding. 8 countries were represented for the period:



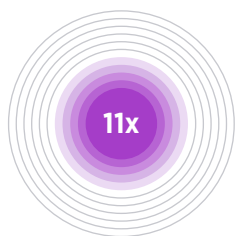
Most venture dollars went to Nigeria, Kenya, South Africa, and Seychelles, with a combined total of **\$122 million**, or **96%** of funding in the region.

Companies raised **\$91 million** in Q1 of 2022, a staggering **1,668%** YoY increase from Q1 of the previous year.



Q2 2022 has gotten off to a quick start, with some noteworthy fundraising by [MARA](#), raising **\$23 million** (Nigeria/Kenya), [Jambo](#) **\$30 million** (Congo), and [Afriex](#) **\$10 million** (Nigeria).

African blockchain venture funding growth was **11 times** the growth of general venture funding growth when comparing Q1 of 2022 vs. 2021.



AFRICA HAS NOT YET SEEN:

A blockchain mega-deal

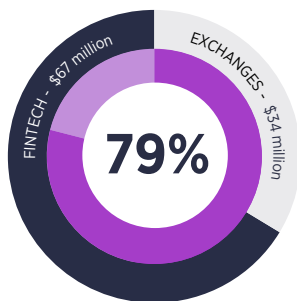
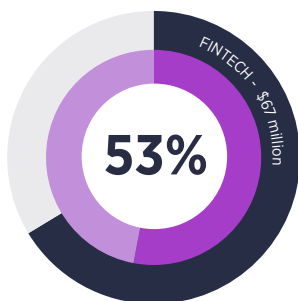
South African exchange [Valr](#) has come the closest, closing a **\$50 million** Series B round in Q1 of 2022, the continent's largest funding round.

Any crypto or blockchain unicorns, although we expect to see these begin to emerge within the next **2 to 3 years**.



Fintech businesses raised the most funding in 2021 at

\$67 million, representing **53%** of all blockchain funding.



Exchanges and Fintech businesses together account for **\$101 million** or **79%** of all total funding.

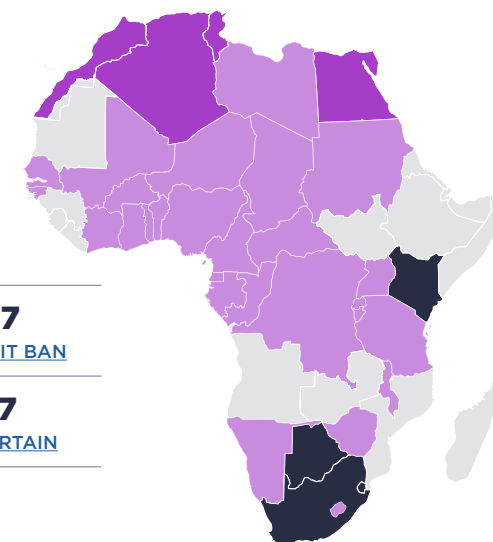
BLOCKCHAIN INDUSTRY DEVELOPMENTS

- The lack of common legacy financial systems and an enormous population, primarily unbanked, all contribute to the popularity and growth of cryptocurrencies on the continent.
- With the fastest rate of adoption globally and the next frontier already on the horizon with CBDCs, Africa is indeed a Crypto Continent.
- Industries that utilize the catalytic properties of blockchain to improve, transform, and scale are paving the way for a more digitally robust and inclusive future, solving real-world problems.
- Africa has proven to be the perfect environment for integrating blockchain technologies into various sectors.
- Africa is openly embracing new-age technologies, revolutionizing the landscape, and improving the lives of millions in the process.

CRYPTOCURRENCY REGULATIONS

The current regulatory stance of the 54 countries in Africa:

6 LEGAL	27 IMPLICIT BAN
4 ABSOLUTE BAN	17 UNCERTAIN



BLOCKCHAIN AS A DRIVER OF FINANCIAL INCLUSION IN AFRICA

Necessity is the mother of invention - and given Africa's rapid commercial growth and globalization over the past decade, it seems that the necessity for more inclusive financial services has been firmly established. The emergence and acceleration of financial technology (commonly referred to as fintech) has attracted billions in funding, dominated commercial narratives, and become the darling of investors globally - and for good reason. Generating more than \$20 trillion annually, the financial services sector is thriving, and with an addressable market that spans most of the globe, the growth is sure to continue.

There is no market where the growth of and demand for inclusive and accessible financial services is more prevalent than in Africa. With the explosion of SMEs and entrepreneurship in several African countries, innovation in fintech, and particularly blockchain technology, is being propelled forward to drive the improvement of financial infrastructure. To address the unique challenge of providing the large portion of the African population that remains unbanked with more accessible tools for financial management and inclusion, Standard Bank and others have been researching and developing transformative fintech and blockchain products.

Growing Adoption of Blockchain in Africa

Among the use cases for fintech in Africa are peer-to-peer (P2P) payments, widely used to enable the informal and small business ventures at the beating heart of many African economies, as well as easing the logistics and cost of remittances. Further, the continued globalization of African markets has resulted in a need for more efficient and lower-cost cross-border payments to

facilitate African businesses conducting trade abroad. Countries like South Africa, Kenya, Nigeria, and Ghana have seen a rapid uptake of crypto assets to access more efficient payment rails provided by blockchain networks and yield returns on income with assets like Bitcoin or stable coins pegged to the value of the US dollar.

Crypto Assets vs. Blockchain: Where do the opportunities lie?

I believe, however, that the real potential for exponential leaps in financial inclusion lies in the blockchain infrastructure that underpins crypto assets rather than in the currencies themselves. One of the most powerful aspects of blockchain is the ability to create 'programmable money' that can assist in eliminating fraud and human error in transactions and foster transparency in financial records. This aspect of the blockchain can enable the creation of corruption-resistant and robust welfare systems, ensuring that social welfare efforts reach their intended beneficiaries and meet priorities like ensuring that those in need are assisted and treated with dignity. For instance, blockchains that enable smart contracts (a computer program that requires conditions to be met before executing a transaction) may be used to verify an individual's eligibility to receive a grant and then pay the recipient directly into a digital wallet on their smartphone.

Blockchains can also provide mechanisms for fair and transparent microfinance and increased purchasing power to support the creation and growth of small enterprises that serve communities. Transparent social coordination tools

afforded by blockchain-based organizational entities like DAOs (decentralized autonomous organizations) can empower small business collectives to gain access to competitive advantages like negotiating power to match larger businesses.

Standard Bank's Continued Commitment and Role in Driving Blockchain Tech in Africa

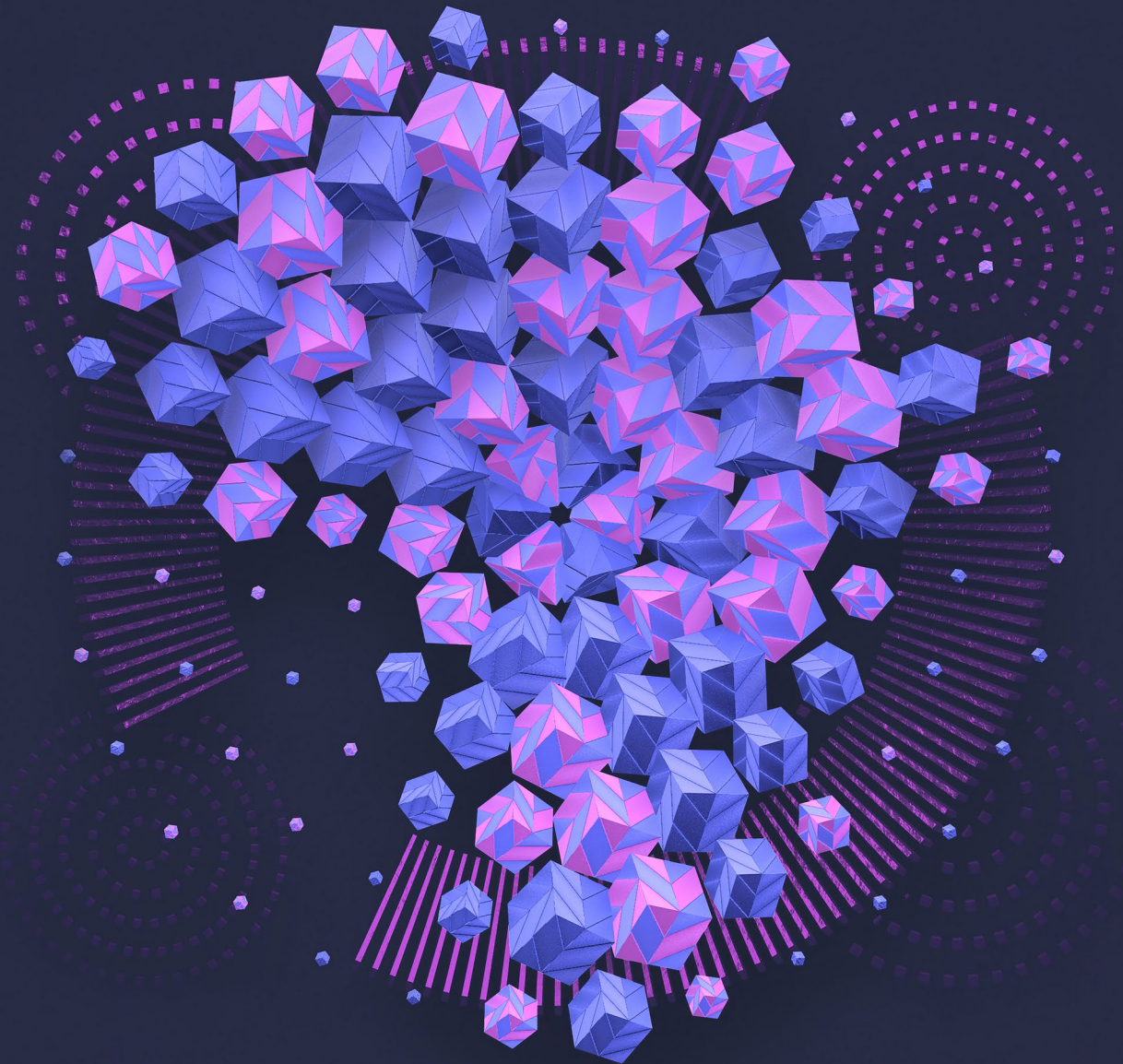
The shift in African markets is taking place as a grassroots and collaborative transformation. Building financial literacy, education, and awareness at the level of communities and providing them tools to help empower themselves is a priority for us. Standard Bank remains at the forefront of research and development of blockchain and distributed ledger technology in the African context, committed to the exploration of efficient digital payment rails and financial services that enable African commerce to flourish. This includes ongoing collaboration with major blockchain companies like Algorand and Hedera. Improving the inclusion of the underserved is a core value of Standard Bank. Blockchain technology will undoubtedly provide an avenue for significant impact on African markets in the coming years.



Ian Putter
Head of Blockchain COE, Founder
& Regional Director of Blockchain
Research Institute Africa,
Standard Bank

04

VENTURE FUNDING OVERVIEW



THE STATE OF BLOCKCHAIN VENTURE FUNDING IN AFRICA

INTRODUCTION

This section intends to investigate the state of blockchain and cryptocurrency venture funding in continental Africa. We examine the funding that has been extended to businesses and extrapolate on key takeaways apparent from the data.

To provide a meaningful picture of the state of affairs, we present information relating to venture funding in general and compare this with blockchain-specific venture funding. We consider funds invested while analyzing the companies and industries that have successfully raised funding in 2021 and by noting the countries from which these companies hail.

STARTUP FUNDING - A SNAPSHOT

Before delving into blockchain and crypto venture funding specifically, we will provide a brief overview of sector-agnostic venture funding on the continent to provide a broader context. Africa itself is an enigma and requires a consistent yardstick in order to take value from the data gathered.

The holistic picture for startup ventures in Africa is encouraging. For starters, the continent has seen year-on-year growth in startup funding for the past 4 consecutive years and will likely see an increase for the year 2022 as well. There has never been a shortage of ideas or talent in Africa, and it finally seems as though the availability of early-stage funding is increasing consistently.

The above having been said, one of the challenges faced in Africa is the availability and reliability of data. Several firms have taken it upon themselves to codify and summarize figures for the continent, but each uses varied methodologies to arrive at big-picture figures.

In the points below where there are overarching discrepancies, we attempt to mention ranges of figures where relevant. We use figures taken from one source to maintain consistency throughout the rest of the summary points below.

Below are some key figures.

Global Venture Funding

- Globally, venture funding more than doubled in 2021, with the final figure coming in at \$621 billion, completely overshadowing the previous year's \$294 billion, a 111% increase, with all the geographic areas studied in the [report](#) breaking funding records.
- The global deal count has increased to 34,647, up from 26,500, representing a growth of 31% YoY compared to 2020.
- The global total unicorn count came in at 959, up 117% YoY, which stems from rising valuations in late-stage deals.
- The current Decacorn (valuation of \$10b +) count sits at 44.
- Both mean and median deal sizes have hit new all-time highs, this being the case for every investor category, from Angel to PE.
- The lion's share of global deals went to Asia at 36% of global deals, this being \$176 billion in funding.
- Fintech is blazing trails, with 1\$ out of every 5\$ of funding going to fintech companies, with the total sum being \$132 billion, representing an increase of 169% from the \$49 billion in 2020.

- Additionally, 1 in every 4 global unicorns is in Fintech. Easily the most out of any industry.

African Venture Funding

- In a broader context, startups in Africa have raised between \$4.3 - \$5 billion in 2021 across 681 - 820 deals. The data varies across multiple holistic reports for the region, depending on the criteria for inclusion. For the purposes of the above figure, we have used: Briter Bridges' [Africa Investment Report](#), Partech's [Africa Tech Venture Capital report](#), and The Big Deal's [Startup Deals Database](#) for Africa.
- By averaging these data, African startup funding has increased by 239%, with deal counts increasing by 117%.
- In a continuation of the use of the above averages, it is shown that fintech companies garnered roughly 60% of all venture funding in Africa, 3x the global average.
- The speed of achieving \$1 billion in total funding has increased dramatically. In 2019, it took 11 months for the continent to raise \$1 billion in venture funding. In 2021, African startups raised \$1 million every two hours, taking 7 weeks to achieve the \$1 billion milestone.
- There are currently 6 tech startups of [unicorn status](#) in Africa. Of these 6 companies, all but one are fintech businesses. Also interesting to note is that five gained their horn in 2021. The exception is Interswitch, which was the continent's first unicorn in 2019.

BLOCKCHAIN VENTURE FUNDING - A SNAPSHOT

Despite a global pandemic and a slump in crypto asset prices, blockchain companies still managed to bag a significant amount of funding. In 2021, we saw blockchain companies raising an impressive [\\$25.2 billion](#) in funding across 1,247 deals. This represents a 713% increase in funding and an 88% increase in the deal count YoY compared to \$3.1 billion and 662 deals in 2020. The US is still comfortably leading the field, with a 56% share of the global dollars invested in blockchain.

It is clear that blockchain and cryptocurrency venture funding is now becoming legitimized. A larger number of investors are more readily participating and with larger cheque sizes. Testament to this is that \$15.5 billion of the total funds raised came from mega-rounds (funding rounds of over \$100 million) and that blockchain companies received just over 4% of all venture funding. A jaw-dropping 40 blockchain unicorns were born in 2021, putting the total number of unicorns at 47. Investors are comfortable with the maturing landscape and are actively seeking to fund possible unicorn behemoths. However, early-stage investment deals are more frequent, as they account for 79% of the number of deals concluded.

Factors contributing to the record-breaking funding year include:

- A general acceptance of longevity and legitimacy of the industry itself.
- A hefty increase in cheque size across the board and no shortage of mega-deals (mega-deals accounting for two-thirds of funding dollars).
- A heavy inflow of capital to maturing exchanges and brokerages.
- Similarly, a maturing DeFi space saw funding grow by 851% YoY to hit \$3.4 billion.

- An explosion of funding for NFT projects (12,878% YoY growth in funding totaling \$4.8 billion)

AFRICAN BLOCKCHAIN FUNDING LANDSCAPE

This section investigates 41 African companies to help create insights surrounding the blockchain and cryptocurrency venture funding landscape in Africa. The companies examined have successfully raised funding from the start of the 2021 calendar year to the end of Q1 2022. Throughout this period, a total amount of \$218 million was raised in various types of rounds.

Some key takeaways for 2021:

- 33 of the 41 companies included successfully raised funding in the 2021 calendar year
- A total of \$127 million was raised throughout 2021, representing a 0.5% share of total global blockchain funding. 8 countries were represented for the period.
- The vast majority of venture dollars went to 3 of the “Big 4” in Africa. These countries are Nigeria, Kenya, and South Africa. Rather than Egypt (the other member of the so-called Big 4) being significant in terms of blockchain funding, Seychelles picks up the 4th seat at the table. Together these 4 make up a combined total of \$122 million, or 96% of funding in the region.
- Companies raised \$91 million in Q1 of 2022, a staggering 1,668% YoY increase from Q1 of the previous year.
- When comparing Q1 2021 vs. Q1 2022, venture funding for African blockchain startups far outpaces the growth seen in general African venture funding - 1,668% vs. 149% - showing 11 times the level of growth on a YoY basis.
- Q2 2022 has gotten off to a quick start, with some noteworthy fundraising by [MARA](#), raising [\\$23 million](#) (Nigeria/Kenya), [Jambo \\$30 million](#) (Congo), and [Afrifix \\$10 million](#) (Nigeria).

- Africa has not yet seen a cryptocurrency mega-deal. However, the South African exchange, [Valr](#), has come the closest. The company closed an impressive \$50 million Series B round in Q1 of 2022, cementing this as the continent’s largest cryptocurrency funding round to date.
- Similarly, Africa does not yet boast any cryptocurrency unicorns, although we expect to see these begin to emerge within the next 2 to 3 years.
- As a category, Fintech raised the most funding in 2021 at \$67 million, representing 53% of all cryptocurrency funding. Exchanges follow Fintech, and these 2 categories account for \$101 million, or 79% of total cryptocurrency funding.

BLOCKCHAIN FUNDING IN AFRICA Q1 2021 VS. Q1 2022

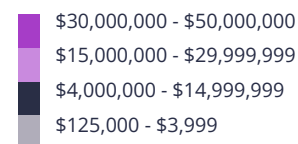
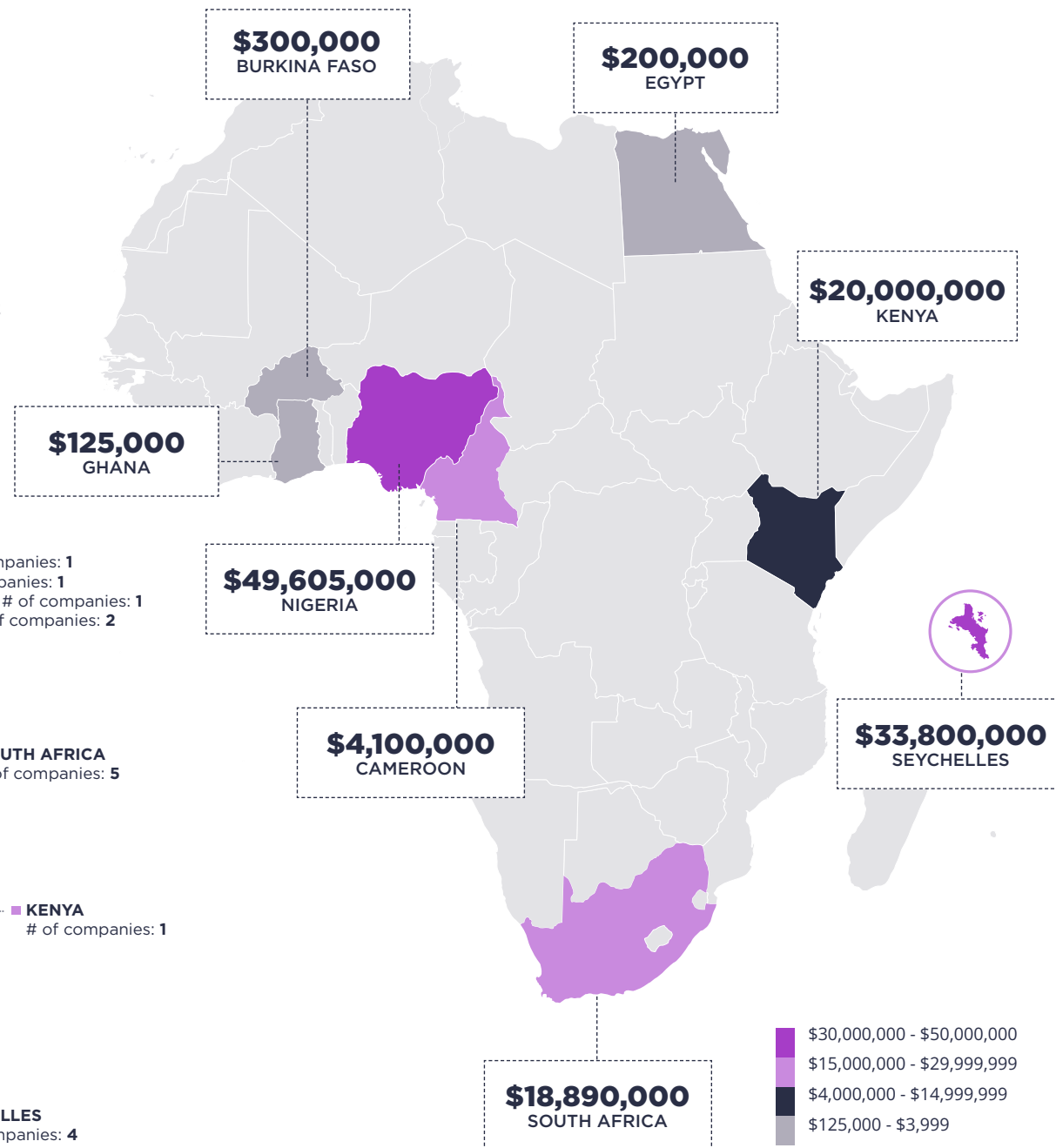
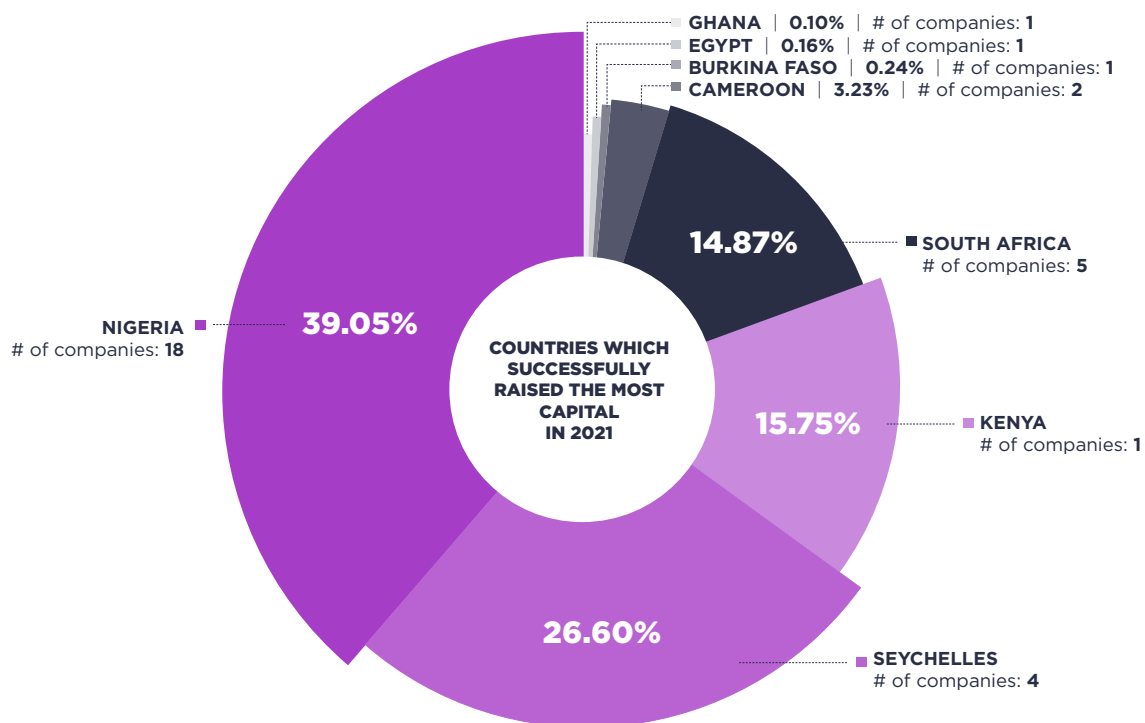
\$5,165,000 Q1 2021	\$91,000,000 Q1 2022	1,668% % Increase
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Although Africa’s blockchain and cryptocurrency funding numbers are still small compared to other regions, they are certainly growing. African blockchain startups have made it past the first bumps in the road and have managed to court capital relatively well to further develop their ideas and ecosystems. These tides of successful companies will bring waves of other companies and funding, facilitating innovations and driving Africa’s blockchain potential.

BLOCKCHAIN FUNDING BY NATIONS

There has been a sporadic flow of funding for African blockchain companies. However, a few key countries stand head-and-shoulders above their peers in deal count and funds raised.

WHICH COUNTRIES SUCCESSFULLY RAISED THE MOST CAPITAL IN 2021



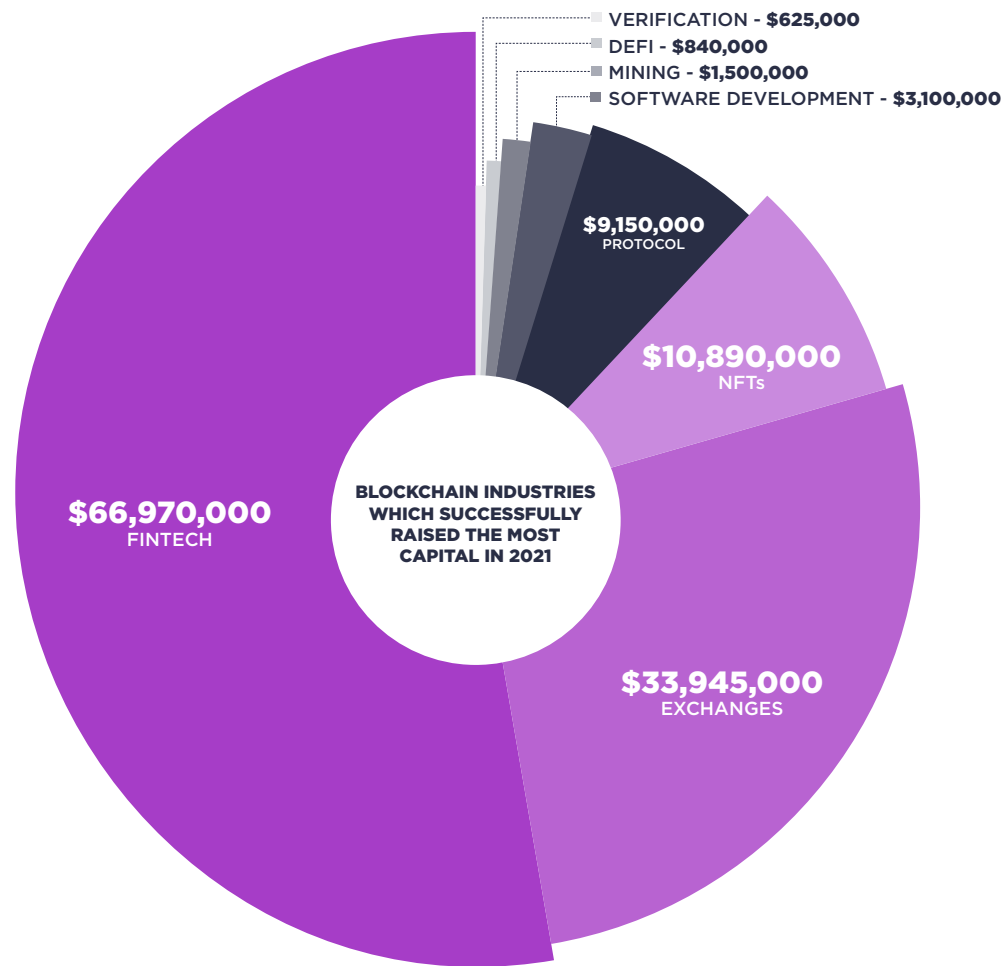
BLOCKCHAIN FUNDING ANALYSED BY INDUSTRIES

Financial-related cryptocurrency companies raised the most venture funding by far. Fintech companies came in first place, followed by exchanges. It is not in the least bit surprising that this is the case considering the following two factors.

First, because of a largely informal, frayed, and fragmented financial system, the use cases for alternative financial technologies in Africa are plentiful. Second, roughly 60% of all venture funding in Africa goes to fintech businesses.

African markets, which are generally underserved, benefit from how cryptocurrencies bypass age-old banking services. Through peer-to-peer lending services, Africans are gaining access to a variety of previously unattainable finance options.

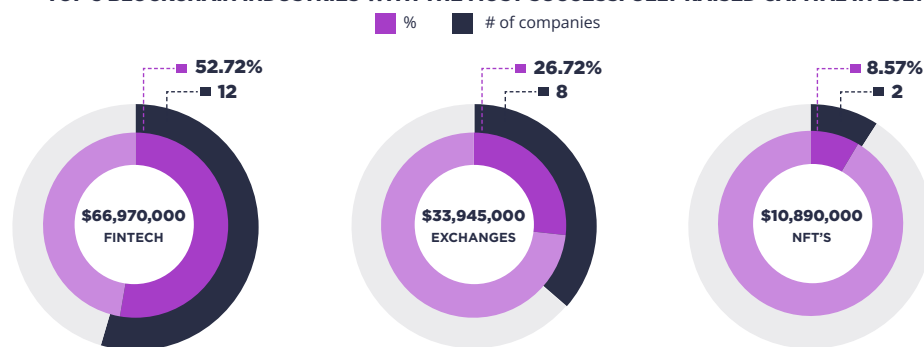
Indeed, cryptocurrencies are well-positioned to address several economic challenges in the region, from reducing financing gaps for micro-, small-, and medium-sized enterprises (MSME) to facilitating the transfer of remittances. Although there has been a lot of “leapfrogging” of traditional financial institutions that have been slow to adapt, we have seen certain banks participate in and embrace new-age technology such as blockchain.



WHICH BLOCKCHAIN INDUSTRIES SUCCESSFULLY RAISED THE MOST CAPITAL IN 2021

INDUSTRY	FUNDS RAISED IN 2021 (\$)	# OF COMPANIES	%
FINTECH	\$66,970,000	12	52.72%
EXCHANGES	\$33,945,000	8	26.72%
NFTS	\$10,890,000	2	8.57%
PROTOCOL	\$9,150,000	2	7.20%
SOFTWARE DEVELOPMENT	\$3,100,000	3	2.44%
MINING	\$1,500,000	1	1.20%
DEFI	\$840,000	3	0.66%
VERIFICATION	\$625,000	2	0.49%

TOP 3 BLOCKCHAIN INDUSTRIES WITH THE MOST SUCCESSFULLY RAISED CAPITAL IN 2021



AFRICAN UNICORNS

Criteria: Private tech companies valued at \$1 billion and above that are either headquartered in Africa or have the bulk of their operations on the continent. While Africa does not yet boast any cryptocurrency unicorns, it is very proud of the following tech unicorns, some of whom have introduced blockchain technology into their business offering.

Andela (2014)



Andela is a global marketplace for remote technical talent. They specialize in helping their highly-skilled international community in emerging markets connect with hundreds of leading companies who leverage Andela to scale their technology teams quickly and cost-effectively.

Unicorn Status:
2021

Headquarters:
USA

Industry:
Talent Sourcing

Crypto/Blockchain Aspect:
No

Andela's talent spans six continents, and the company offers engineers, designers, product managers, and data talent to its list of over 200 clients.

\$1,500,000,000

VALUATION

\$381,000,000

TOTAL FUNDS RAISED

\$10M - \$50M

REVENUE

Interswitch (2002)



Interswitch is an Africa-focused integrated digital payments and commerce company that facilitates the electronic circulation of money and the exchange of value between individuals and organizations in a timely and consistent basis.

Unicorn Status:
2019

Headquarters:
Nigeria

Industry:
Payments

Crypto/Blockchain Aspect:
Yes

Starting with transaction switching and electronic payment processing, Interswitch has progressively evolved into an integrated payment services company, building and managing payment infrastructure and delivering innovative payment products and transactional services throughout the African continent.

\$1,000,000,000

VALUATION

\$210,500,000

TOTAL FUNDS RAISED

\$10M - \$50M

REVENUE

Chipper Cash (2018)



The company offers mobile-based, no-fee P2P payment services in 7 African countries and the UK.

Unicorn Status:
2021

Headquarters:
USA

Industry:
Payments

Crypto/Blockchain Aspect:
Yes

The Chipper Cash app enables the easy and efficient transfer of funds for individuals across Africa, increases access to financial services for the underbanked, and digitizes daily payments to ease the reliance on cash. The app's money transfer services are easy, secure, and fast, allowing users to safely and freely move money domestically and across the continent. In addition, Chipper Cash enables users to buy, sell and transfer Bitcoin, Ethereum, and USD Coin all in one app.

\$2,000,000,000

VALUATION

\$302,200,000

TOTAL FUNDS RAISED

\$10M - \$50M

REVENUE

OPay (2018)



OPay is designed to make financial services more accessible to everyday people. Whether it's for the bills they have to pay or the transfer and withdrawal of money, OPay's platform provides convenience to its users.

Unicorn Status:
2021

Headquarters:
Nigeria

Industry:
Fintech

Crypto/Blockchain Aspect:
No

OPay is one of Africa's most successful unicorns to date.

\$2,000,000,000

VALUATION

\$570,000,000

TOTAL FUNDS RAISED

\$100M - \$500M

REVENUE

Flutterwave (2016)



Flutterwave's payment infrastructure connects Africa to the global economy. The company builds technology, tools, and infrastructure for businesses and banks that want to provide a more seamless and secure payments experience for their customers.

Unicorn Status:
2021

Headquarters:
USA

Industry:
Payments

Crypto/Blockchain Aspect:
Yes

Flutterwave has become one of the fastest-growing payments companies globally and has processed close to \$2 billion in payments and 25 million transactions across over 33 African countries where it currently operates.

\$3,000,000,000

VALUATION

\$474,500,000

TOTAL FUNDS RAISED

\$10M - \$50M

REVENUE

Wave (2018)



Wave Mobile Money provides an app-based financial solution to save, transfer, and borrow money. Wave Mobile Money is on a mission to make Africa the first cashless continent.

Unicorn Status:
2021

Headquarters:
Senegal

Industry:
Fintech

Crypto/Blockchain Aspect:
No

Wave is building the first modern financial network — no account fees, instantly available, and accepted everywhere. Wave is building financial infrastructure that is radically inclusive and highly affordable.

\$1,700,000,000

VALUATION


















\$200,000,000

TOTAL FUNDS RAISED

\$50M - \$100M

REVENUE

AFRICAN INVESTORS WATCHLIST

<p>4DI CAPITAL</p> 	<p>ALPHACODE</p> 	<p>CITIGROUP</p> 	<p>CV VC</p> 	<p>INNOVUS TRANSFER TECHNOLOGY</p> 
<p>KALON VENTURE PARTNERS</p> 	<p>KEPPLER AFRICA VENTURES</p> 	<p>LUNO VENTURES</p> 	<p>MEST AFRICA</p> 	<p>MICROTRACTION</p> 
<p>MONTEGRAY CAPITAL</p> 	<p>NASPERS GROUP</p> 	<p>NEWTOWN PARTNERS</p> 	<p>PAPER PLANE VENTURES</p> 	<p>SAVANT</p> 
<p>TECHNOLOGY INNOVATION AGENCY</p> 	<p>ZEPHYR ACORN</p> 			

WHY BLOCKCHAIN SECURITY IS KEY TO UNLOCKING AFRICA'S CRYPTO ECONOMY

Blockchain hacks and exploits have grown into an industry that exploits billions of dollars of crypto funds every year. The numbers are eye-watering, and the stories around hacks are heartbreaking. Yet whilst the sums drained from these attacks are headline-worthy, they are second to the losses incurred through reputational damage, both for the projects themselves, but more importantly, for the wider blockchain ecosystem.

Simply put, hacks deter investors and market makers from wanting to engage with projects because they fear being scammed or putting their investments at risk. Consequently, the potential damage incurred by hacks is especially high at moments of rapid growth. Although Africa receives only 2% of the global value of all cryptocurrencies, it has grown a staggering 1200% in the last year, a growth that means that all eyes in the blockchain world are on Africa's blockchain market- both investors and hackers alike. Whilst these numbers point to Africa's future as a titan in the world of blockchain, unless it is built on practices of security, it is in danger of becoming most profitable for the hackers looking to exploit it.

Two major attacks in South Africa highlight the need for hypervigilance when it comes to blockchain security. First came the Mirror Trading International (MTI) rug pull which took the title of biggest crypto scam of 2020 after its founder made off with £589 Million in investor funds. Then came the Africrypt hack, where two teenagers were able to snatch a staggering \$3.6 Billion in one of the biggest hacks in crypto history. These hacks take advantage of investors' belief in blockchain's potential to enrich society and make it harder to realize that potential. This is why it is essential that blockchain security be a pillar of Africa's blockchain ecosystem. Without it, we might never see mainstream adoption.

One clear security measure is simple user awareness. Together, both the MTI and Africrypt hacks had clear red flags that should have deterred any informed investor; both made outlandish promises that their projects would yield unrealistically high returns, and neither had undergone a third-party security audit, a must-have for any honest blockchain project. The fact that both were so successful is a sign of a lack of security awareness amongst users and investors.

Yet, of course, blockchain security doesn't stop there. In pursuing our mission to secure the cyber world, CertiK has developed multiple security services designed to provide both the community and project developers the confidence and safety they need to fully harness the power of blockchain. First among these is our web3 blockchain protocol and smart contract audits, which provide an analysis of a project's code using a process of mathematical formal verification, identifying all vulnerabilities and providing recommendations on how to fix them. Foresight is key here. At CertiK, we often see the problems that arise from the attempt to reverse engineer security into a project after its launch. Whilst an audited project will always be more secure than an unaudited project, no matter the stage in development, waiting until after the launch is high risk as it makes fixing code more difficult and, given the stateful and transactional nature of blockchains, sometimes impossible.

CertiK also provides fraud analysis and KYC verification of project teams with the recently launched CertiK KYC. The above examples attest to how a lack of accountability facilitates high-risk behavior such as exit scams and rug pulls. By conducting background checks and verifying team identities using AI technology, CertiK KYC provides a system where project owners' risk-score can be

established and shared with the community. This, in turn, creates a culture of transparency in which investors can move forward in trust. Once a project has been launched, teams can then stay vigilant by using CertiK's 24/7 on-chain monitoring tool Skynet and trace and visualize the flow of funds using SkyTrace, both of which keep projects abreast of any further potential vulnerabilities and attacks.

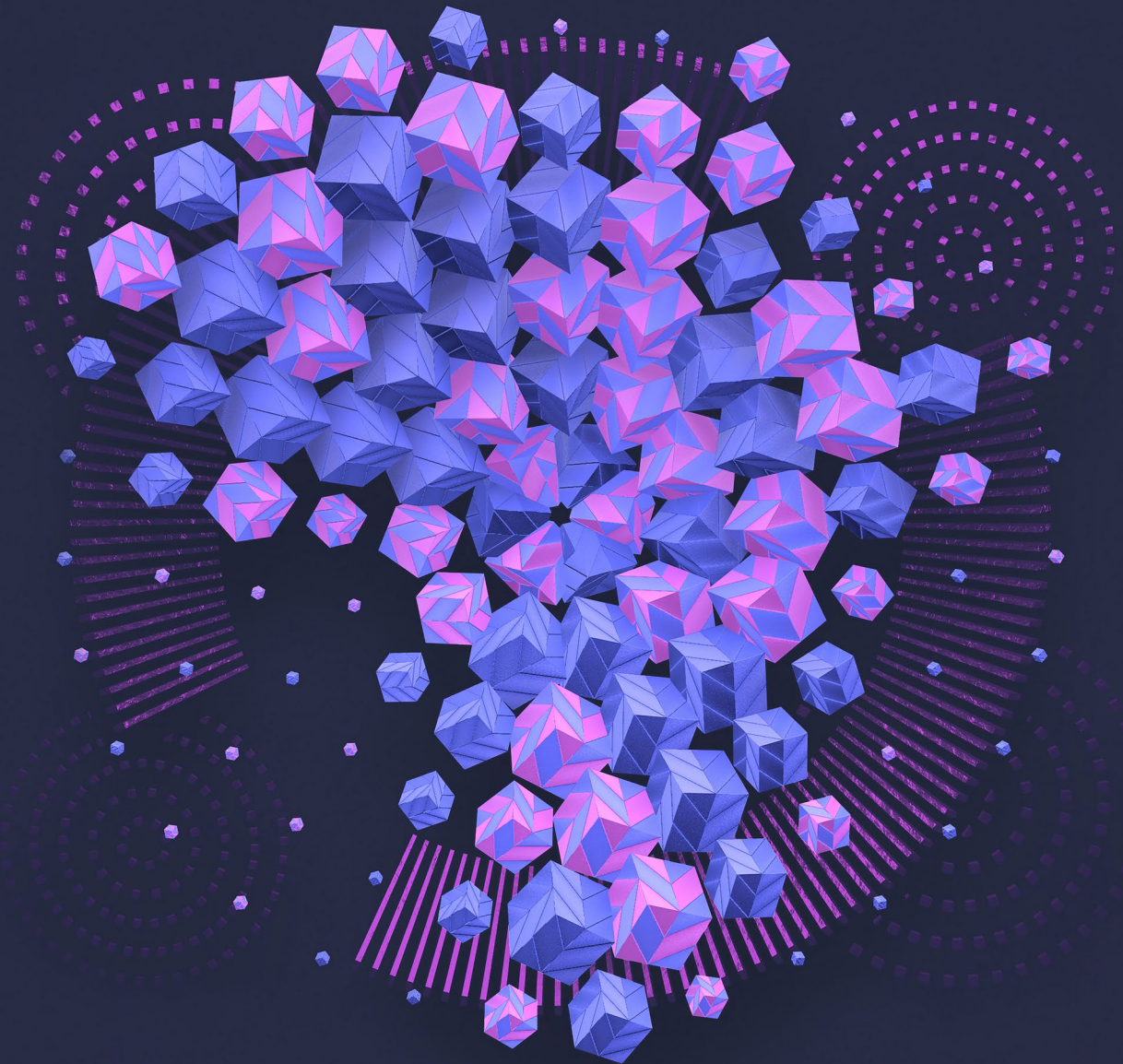
By cementing an end-to-end approach and best practices in blockchain security- through building ecosystems built on transparency, accountability, code audits, and continuous threat monitoring- the leaders of Africa's blockchain sector will not only ensure their projects have the best chance of success but also that their ecosystem is able to fulfill the potential of the technology to transform the welfare and wealth of its people for generations to come.



Professor Ronghui Gu
CEO & Co-Founder,
CertiK

05

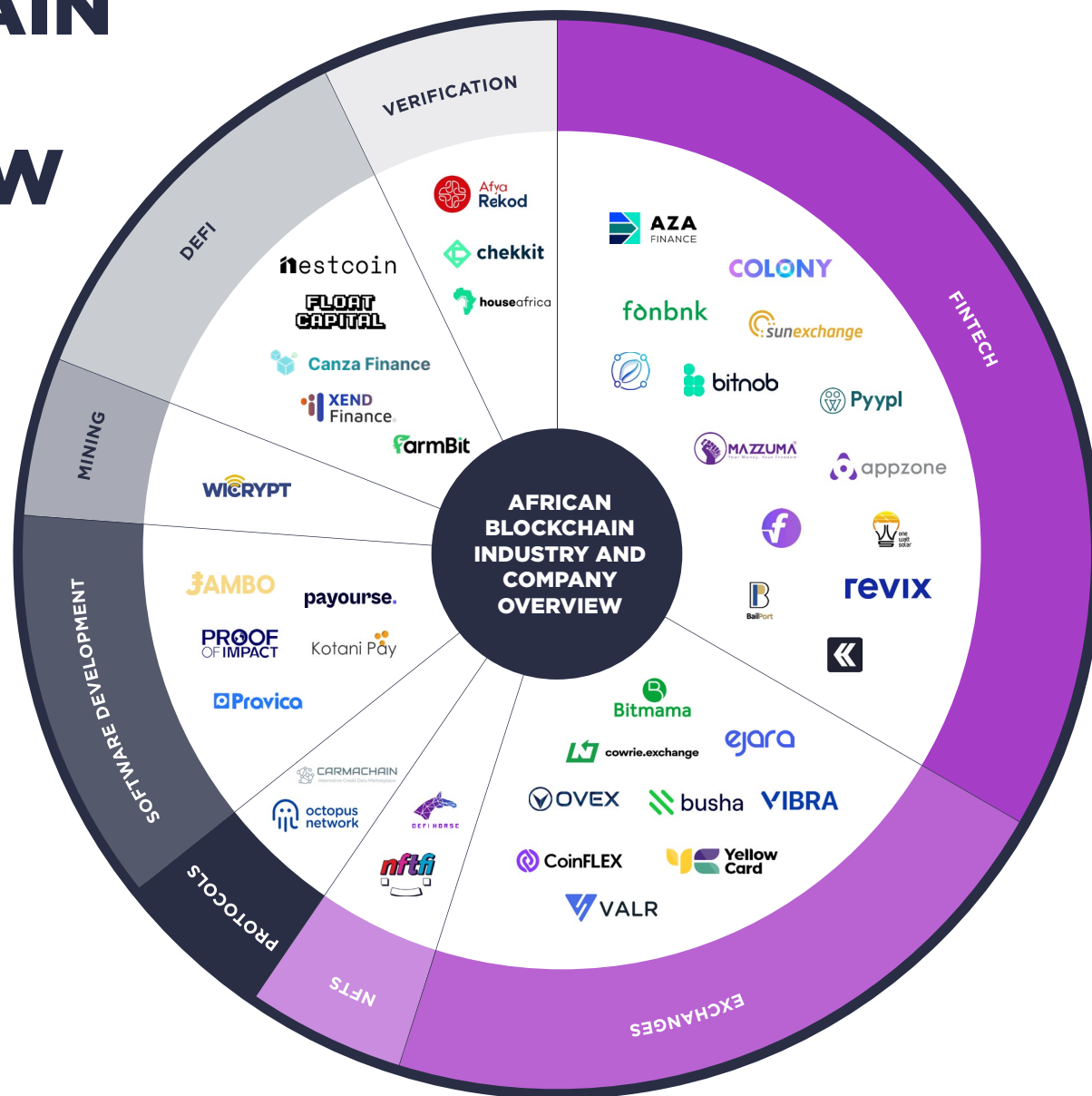
AFRICAN BLOCKCHAIN INDUSTRY AND COMPANY OVERVIEW



AFRICAN BLOCKCHAIN INDUSTRY AND COMPANY OVERVIEW

INTRODUCTION

The African blockchain industry is still in its infancy, yet its potential is untapped and unfathomable. Despite regulatory uncertainty, several companies have established themselves and offer blockchain solutions to their respective industries and the African population. Our data collection and research process identified 41 such companies that received funding between January 2021 and March 2022. We present these as illuminating examples of the possibilities achievable by the brilliant minds integrating blockchain technology into Africa's industries.



*The following companies have been listed by Total Funds raised.

FINTECH

Companies that are improving the world of finance by leveraging and focussing on technology. Fintech enhances financial offerings by decreasing inefficiencies and increasing impact.

AZA Finance



Founded: 2013
Headquarters: Kenya

AZA Finance is a digital foreign exchange and payment platform that leverages blockchain settlement to significantly lower costs and increase business payments speed to and from frontier markets. AZA Group is a market-maker in every major African currency and opens corridors for business payments and trade between frontier markets and the rest of the world.

\$49,950,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$20,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Colony Lab



Founded: 2021
Headquarters: Seychelles

Colony is a community-driven initiative to power the Avalanche platform's growth by investing in early-stage projects, providing liquidity to protocols, validating networks, and managing an index.

\$18,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$18,500,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

The Sun Exchange



Founded: 2015
Headquarters: South Africa

The Sun Exchange is the world's first peer-to-peer solar panel leasing. Through Sun Exchange, anyone can own solar energy-producing cells and lease those cells to power businesses and organizations in emerging markets.

\$11,400,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$2,500,000

FUNDING JAN 2021 - DEC 2021

\$1,400,000

FUNDING Q1 2022

PyypI



Founded: 2017
Headquarters: Kenya

PyypI is a cryptocurrency fintech providing the following products or features: a multi-currency wallet, prepaid debit cards, a remittances product, and a crypto-mobile airtime top-up feature.

\$11,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$11,000,000

FUNDING Q1 2022

Appzone



Founded: 2008
Headquarters: Nigeria

Appzone is a development tools company that provides a full stack of digital infrastructure for Banking and payment in Africa, including a blockchain network for interbank transactional processing.

\$10,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$10,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

OneWattSolar



Founded: 2010
Headquarters: Nigeria

OneWattSolar makes use of cryptocurrency-based crowdfunding to fund the installation of solar energy infrastructure for private property owners on a lease-to-buy basis.

\$7,300,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$7,300,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

FINTECH

Revix



Revix is a cryptocurrency investment platform allowing users to invest in token offerings backed by real-world assets and other alternative assets and traditional securities.

Founded: 2018
Headquarters: South Africa



Dunia Payment



Dunia Payment is a cryptocurrency mobile wallet that offers remittances, payments (P2P, retail, and bills), and a savings app that caters to the B2B and B2C markets.

Founded: 2018
Headquarters: Burkina Faso



Fonbnk



Fonbnk is a distributed finance company enabling a financial onramp for emerging markets. Fonbnk allows users to convert their airtime into cryptocurrency through a network of airtime liquidity providers who act as market makers.

Founded: 2019
Headquarters: Nigeria

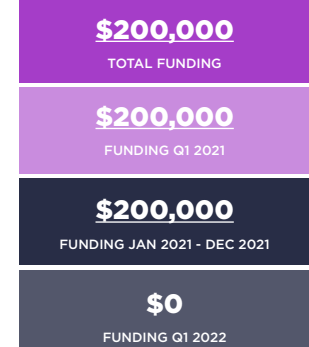


Bitnob



Bitnob is a cryptocurrency exchange where users can buy, sell, borrow, earn, send, receive, and pay with cryptocurrency. Bitnob also offers savings and purchases, collateralized loans, remittance services, OTC, and business applications that make it easier for people to transition into the crypto economy.

Founded: 2017
Headquarters: Nigeria



Kappa Pay



Kappa Pay is a fintech platform that leverages blockchain solutions to facilitate instant cross-border merchant payments.

Founded: 2021
Headquarters: Cameroon



Mazzuma



Mazzuma is a mobile payment and remittance ecosystem.

Founded: 2015
Headquarters: Ghana



FINTECH

Flux



Flux is a cryptocurrency Neobank and exchange which allows users to send and receive money locally, send money to banks, pay for goods and services, save, and invest.

Founded:
2019

Headquarters:
Nigeria

\$125,000

TOTAL FUNDING

\$125,000

FUNDING Q1 2021

\$125,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Bailport



BailPort operates as a mobile wallet solution that offers intra-Africa cross-border and in-country money transfers and a multi-currency e-wallet to access crypto, personal loans, and travel insurance. The wallet has an airtime top-up feature and international bill-paying functionality.

Founded:
2020

Headquarters:
Kenya

\$100,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$100,000

FUNDING Q1 2022

EXCHANGES

Cryptocurrency exchanges are platforms where one asset can be exchanged for a crypto asset and vice versa.

VALR



VALR is a digital asset exchange that allows customers to buy, sell, store and transfer crypto-assets seamlessly and securely. The exchange offers the widest crypto selection of any platform in Africa and has a negative fee rate for market makers.

Founded: 2018

Headquarters: South Africa

\$54,900,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$50,000,000

FUNDING Q1 2022

Vibra



Vibra is primarily a crypto exchange that offers social trading and learning features. Additionally, they have developed a purpose-built wallet of their own.

Founded: 2021

Headquarters: Nigeria

\$6,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$6,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Yellow Card



Yellow Card is a B2C cryptocurrency exchange and wallet.

Founded: 2016

Headquarters: USA/Nigeria

\$16,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$15,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Busha



Busha is a cryptocurrency wallet and exchange that focuses on payments (B2B and B2C), yield generation, and collateralized lending.

Founded: 2018

Headquarters: Nigeria

\$4,200,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$4,200,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

CoinFLEX



CoinFLEX is a B2B-focussed crypto derivatives exchange and yield platform.

Founded: 2018

Headquarters: Seychelles

\$11,300,000

TOTAL FUNDING

\$1,300,000

FUNDING Q1 2021

\$1,300,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Ovex



OVEX is a cryptocurrency exchange and OTC desk renowned for its zero trading fees and its yield-generating options.

Founded: 2017

Headquarters: South Africa

\$4,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$4,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

EXCHANGES

Ejara



Ejara is an exchange and non-custodial wallet provider which offers various alternative investments such as fractional ownership of stocks, commodities, cryptocurrencies, and others. Ejara also provides attractive yield-bearing assets.

Founded:
2021

Headquarters:
Cameroon

\$2,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$2,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Cowrie Exchange



Cowrie Exchange is a developer of blockchain and cloud-based electronic payment networks and crypto payment platforms intended to fund any crypto wallet directly from users' bank accounts. The company has a decentralized platform providing a means to swap crypto with local fiat currency in Nigeria, enabling merchants to be paid in crypto. Cowrie provides businesses with a next-generation solution that increases speed and lowers the cost of international payments to and from Nigeria.

Founded:
2015

Headquarters:
Nigeria

\$750,000

TOTAL FUNDING

\$750,000

FUNDING Q1 2021

\$750,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Bitmama



Bitmama is a cryptocurrency exchange and wallet which allows a user to purchase cryptocurrency using a debit/ credit card, or a mobile money account.

Founded:
2017

Headquarters:
Nigeria

\$701,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$695,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

NFTs

Non-fungible tokens are tokenized representations of value that are issued and administered on a blockchain. Think digital baseball cards or collectibles except with mathematical proof that your piece is 100% unique.

[NFTfi](#)



Marketplace where users can get a cryptocurrency loan on their NFTs and offer loans to borrowers against their NFTs.

Founded: 2020

Headquarters: South Africa

\$5,890,000

TOTAL FUNDING

\$890,000

FUNDING Q1 2021

\$5,890,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

[DeFiHorse](#)



DeFiHorse is a metaverse horse racing e-sports game built using blockchain technology and NFTs. The DeFiHorse team's objective is to develop a world where people can play, share, trade, and breed their horses without relying on a centralized authority.

Founded: 2021

Headquarters: Vietnam/ Seychelles

\$5,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$5,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

PROTOCOLS

Protocol businesses are developing the underlying rules and consensus mechanisms for blockchain infrastructure.

[Octopus Network](#)



Octopus Network is a NEAR-based multichain interoperable blockchain for launching and running Web3.0 Substrate-based, EVM compatible, autonomous, application-specific blockchains, aka appchains.

Founded: 2019

Headquarters: Seychelles

\$9,000,000

TOTAL FUNDING

\$1,000,000

FUNDING Q1 2021

\$9,000,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

[Carmachain](#)



Carmachain is a decentralized protocol for credit data exchange and an alternative Credit Data Marketplace. The business provides lending companies with access to real-time credit data on a P2P basis to help facilitate lending. The data is provided via a pay-as-you-go service.

Founded: 2020

Headquarters: Nigeria

\$200,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$150,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

SOFTWARE DEVELOPMENT

For the purposes of this report, Software Development businesses focus on building software tools and applications with broad utility, specifically for the blockchain and cryptocurrency industry.

Jambo



Jambo is a software development house with products built for multiple services such as ride-hailing, banking, communication, and food delivery. However, the current focus has been shifted to building out the Web 3.0 ecosystem in Africa.

Founded: 2022

Headquarters: Liberia

\$7,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$7,500,000

FUNDING Q1 2022

Proof of Impact



Proof of impact is a data intelligence and software development company specializing in developing solutions to collect, tokenize, verify, and analyze ESG and impact data.

Founded: 2019

Headquarters: United States/ South Africa

\$2,300,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$2,300,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Payourse



Payourse provides core infrastructure and tools that help African businesses build crypto and Web3 products. Payourse has 3 main tools they offer as a service. A payment tool that allows users to integrate or easily accept payments, a wallet tool that enables users to integrate wallets into their app, and a liquidity tool that enables users to buy and sell crypto.

Founded: 2019

Headquarters: Nigeria

\$1,100,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$600,000

FUNDING JAN 2021 - DEC 2021

\$500,000

FUNDING Q1 2022

Pravica



Pravica is a unified, secure digital communication suite that meets web3.0 standards and uses blockchain technology to empower user privacy and security. Pravica is a unified, secure, and privacy-compliant communication platform for personal and enterprise use.

Founded: 2019

Headquarters: Egypt

\$700,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$200,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Kotani Pay



Kotani Pay is a technology stack that enables blockchain protocols, dapps, and blockchain fintech companies to integrate into local payment channels in Africa. Essentially, Kotani has built a reliable on/off-ramp service to reach a broader customer base that operates primarily on mobile money services.

Founded: 2020

Headquarters: Kenya

\$500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$500,000

FUNDING Q1 2022

MINING

Mining includes the provision of digital resources in exchange for a crypto-based incentive. This could extend to the provision of computing power, electricity, storage, internet connectivity, and more.

Wicrypt



Wicrypt is a decentralized mobile internet sharing and monetization network that allows anyone to earn money by sharing their Wi-Fi with others. Connected devices are all represented as NFTs, and Wicrypt hosts are paid by those accessing their WiFi networks and incentivized by a native token for high up-time.

Founded:
2018

Headquarters:
Nigeria

\$1,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$1,500,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

DEFI 7

Decentralized Finance (DeFi) encompasses financial products and services that run on public, permissionless blockchains. The offerings are similar to those in the traditional financial world but without the need for a trusted third-party intermediary to be involved.

Nestcoin



Nestcoin is a crypto product provider that focuses on emerging markets with products across gaming and NFTs and a crypto education hub.

Founded: 2021

Headquarters: Nigeria

\$6,500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$6,500,000

FUNDING Q1 2022

Float Capital



Float Capital offers a peer-to-peer, yield-enhanced, floating asset exposure mechanism through a synthetic asset protocol.

Founded: 2019

Headquarters: South Africa

\$5,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$5,000,000

FUNDING Q1 2022

Canza Finance



Canza is a neobank utilizing decentralized finance and a robust network of local money market players to culminate in an open finance portal. The open finance portal serves as a crypto on/off-ramp by utilizing a network of agents, allowing the masses to enter and exit the crypto world.

Founded: 2019

Headquarters: USA/Nigeria

\$3,500,000

TOTAL FUNDING

\$100,000

FUNDING Q1 2021

\$100,000

FUNDING JAN 2021 - DEC 2021

\$3,300,000

FUNDING Q1 2022

Xend Finance



Xend is a DeFi product provider that builds merchant solutions for inventory management, payments, business intelligence, and a platform for stable coin lending, saving, and investments.

Founded: 2019

Headquarters: Nigeria

\$2,000,000

TOTAL FUNDING

\$500,000

FUNDING Q1 2021

\$500,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

Farmbit



FarmBit is an open marketplace that brings investors and traders together, allowing crypto-financiers to discount trade invoices in exchange for a stable yield. This, in turn, provides working capital to the entrepreneurs on the platform.

Founded: 2020

Headquarters: Nigeria

\$200,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$200,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

VERIFICATION

Blockchains are immutable, append-only, unhackable ledgers by design. As a result, they are an excellent means of providing proof of the current state of affairs. Verification businesses make use of the technology to provide stakeholders with a flawless means to verify the authenticity of a product and its history.

Afya Rekod



Afya Rekod is a digital health data platform that allows health facilities to capture, store, and have real-time access to the patient's health data. The patient maintains the sovereign right of ownership of their health data by employing blockchain modules.

Founded: 2020

Headquarters: Kenya

\$2,000,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$0

FUNDING JAN 2021 - DEC 2021

\$2,000,000

FUNDING Q1 2022

ChekkIt



ChekkIt is a blockchain-powered technology that assists pharmaceutical and FMCG companies in fighting counterfeits and connecting them directly to their end consumers.

Founded: 2018

Headquarters: Nigeria

\$500,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$500,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

HouseAfrica



HouseAfrica is building a modern property record system powered by blockchain technology to help verify legitimate land and property ownership and create more efficiency and oversight throughout the entire real estate value chain.

Founded: 2019

Headquarters: Nigeria

\$125,000

TOTAL FUNDING

\$0

FUNDING Q1 2021

\$125,000

FUNDING JAN 2021 - DEC 2021

\$0

FUNDING Q1 2022

BINANCE FOSTERS USER EDUCATION: A RECAP OF OUR EFFORTS IN AFRICA

Binance has established itself as a leader in education, and we take great pride in offering 541,000 Africans lessons on crypto and blockchain education. Ranging from user protection to crypto careers, Binance has got you covered.

Diving into our efforts in helping the African community gain crypto literacy since 2020, we believe crypto education is the key to helping people discover the freedom of money, showcasing the amazing use cases blockchain provides.

Since beginning our crypto journey, we've always strived to be at the forefront of blockchain education. Through [Binance Academy](#), we equip newbies with knowledge on all things crypto at no cost. Through providing free crypto education on a large scale, we maintain a continued effort to support and increase crypto interest and adoption in Africa.

Creating free educational opportunities in Africa

Over 541,000 Africans have utilized the [Binance Masterclass](#) to experience the benefits of free crypto education since January 2020. It's easy to make mistakes in the crypto world or fall victim to cyber scams, so our free webinars are vital to ensure user safety. Users can understand crypto basics, identify scams, and ultimately secure their wallets.

Our classes cover topics ranging from [crypto trading](#) to career opportunities in blockchain, helping those who lost their jobs or income during the global pandemic.

In 2020, Binance Masterclass helped more than 70,000 Africans gain vital crypto skills. Since then, we've increased our output by providing learning materials to over 541,000 Africans creating the educational infrastructure that empowers people on their journey to becoming financially free and informed.

In 2021, our eight-week Masterclasses empowered Africans in blockchain development

Education doesn't just stop at basic crypto skills. We also need to nurture developers who can help build infrastructure and blockchain-based solutions to prevailing problems. Creative solutions begin with creative opportunities. Binance is dedicated to equipping blockchain developers with the necessary skills to build exceptional solutions and emerge as valuable talent within the industry.

Q1 2021 saw Binance host its [eight-week masterclass](#), allocating a \$1 million (USD) education fund for 1000 blockchain developers across Africa, demonstrating the power of blockchain products through live demos. Topics included yield farming, staking, automated market maker (AMM) models, and even insurance. Opeyemi Olabode, an attendee's, expressed his experience during the program:

"The eight-week Masterclass exceeded my expectations. I got to learn so much technically as well as on the business side. Also, being given the opportunity to lead a team also helped boost my leadership abilities considering students with diverse backgrounds, cultures, and timezones. My team won third place, and with the promise of support and resources from the facilitators, I see this as a big opportunity. Lastly, I got the opportunity to share what I knew with other students, and I have met very talented developers like myself who are surely going to make Africa proud."

To learn more about what Binance has to offer Africa, check out our additional resources for improving crypto education and fostering financial inclusion:

- [Hackathon Workshops](#). Binance's latest hackathon took place over 21 days, with participants building NFT and DeFi

solutions. These were aimed at solving real problems facing African communities. Topics covered included Lending and Borrowing, Savings, Royalties and Renting, Swaps, Voting, Digital Identity Management, and NFTs. Weekly workshops were also held to track key points and progress.

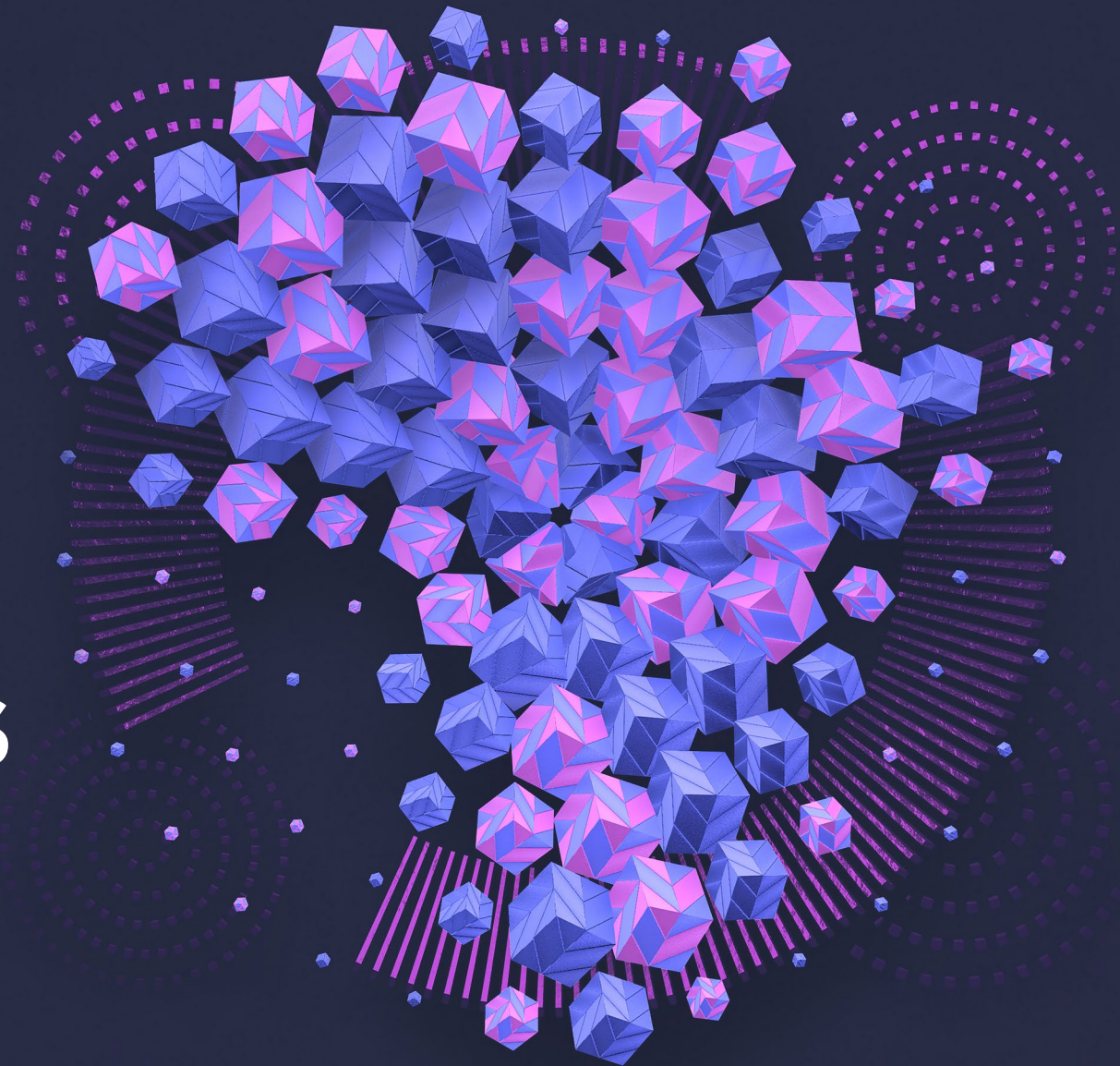
- [My Binance Class](#). Tutors were able to earn rewards for their knowledge spreading and teaching efforts. Crypto education needs to be decentralized for small communities across Africa, and My Binance Class was there to support it.
- [Blockchain Student Corner](#). AMAs (Ask me anything) play an essential role in learning for Binance across Africa. This AMA webinar series teaches students across Binance communities in Africa the basics of cryptocurrency trading, opportunities in blockchain, and much more.
- [Newbie Walkthroughs](#). Our webinar series introduced the basics of cryptocurrency trading and the Binance platform, ensuring beginners have access to the right information about the workings of the crypto ecosystem.
- [Blockchain For Women Bootcamp](#). An 8-week boot camp to equip women with the necessary tools and skills for a career in blockchain. Participants will work on hands-on projects and build important critical thinking skills with real-world problems and solutions.



Emmanuel Ebanehita
Marketing Director(Africa),
Binance

06

BLOCKCHAIN INDUSTRY DEVELOPMENTS



BLOCKCHAIN INDUSTRY DEVELOPMENTS

INTRODUCTION

This report recognizes crypto as one of the primary innings of blockchain technology and a massive driver of leapfrog possibilities for Africa. The lack of common legacy financial systems will help blockchain technology transform financial inclusion, nations' GDP, and wellbeing. With the fastest rate of adoption globally and the next frontier already on the horizon with CBDCs, Africa is indeed a crypto continent.

However, blockchain is more than crypto and other tradable digital assets; it is a transformative technology underpinning how the world interacts and transacts. This report proposes that the catalytic properties of blockchain will be most notable and beneficial to Africa.

Below we will outline some industries that are ahead of the curve in utilizing blockchain technology to improve, transform, and scale - paving the way for a more digitally robust and inclusive future and solving real-world problems.

A. REAL ESTATE

In Africa, real estate is one of the riskiest investment forms due to the availability and authenticity of property records and valuations. Inadequate formal documentation gives rise to an informal land market which creates legal disputes, lawsuits, and multiple claims to a piece of land. Blockchain has the potential to rapidly transform Africa's real estate market for both investors and the public. Blockchain ensures the security of deals through end-to-end encryption. Information conveyed with blockchain technology is accessible to all peers in a network, making data transparent and immutable. Since peers can verify information, buyers and sellers can be more confident in conducting transactions. Fraud attempts can be lessened, and land titles verified. Tokenization unlocks

real estate liquidity by standardizing property titles and records while increasing the speed of transactions, which helps avoid loss of value. Blockchain is set to transform Africa's property industry radically.

[HouseAfrica](#) is a startup from Nigeria pioneering a modern-day property record system that uses blockchain technology to help home buyers and financial companies verify and value properties.

Dead capital, in the context of property, refers to unregistered property. In Nigeria, there are billions of dollars worth of dead capital in the shape of residential real estate, agricultural land, abandoned properties, etc. The HouseAfrica solution provides economic relevance to property that has been previously locked up as dormant assets.

HouseAfrica uses an immutable ledger alongside a visual map reference to help combat duplicate land titles and the illegal sale of properties. Thanks to an easy-to-scale solution, HouseAfrica plans to expand its services to other African countries, providing much-needed assurance to investors looking to participate in the African property market.

B. PERSONAL IDENTIFICATION DOCUMENTS

To put things into perspective from an African context, in a 2021 [report by VerifyMe Nigeria](#), over 100 million Nigerians lack access to any form of recognized ID, and an estimated 500 million Africans do not have any form of legal identity.

One of the main contributing factors hampering financial inclusion is individuals not having any legal form of personal identification. Without personal identification, one cannot open a bank account,

apply for loans, transfer money, make payments, or even travel across national borders.

Suppose there ever was a starting point for blockchain technology to reform the African landscape and pave the way for financial inclusion. In that case, access to personal identification would be the best place to start.

An example of a company enabling Africans to gain ownership of their self-sovereign identities is [FlexID](#).

FlexID operates across various continents from Asia to Africa and specializes in the issuance of digital credentials, which are more secure and affordable than their physical counterparts.

The FlexID platform enables the issuance, storage, and sharing of verified digital identities, replacing paper-based physical credentials. The FlexID Wallet allows users to receive and share official credentials from various institutions. As a result, the FlexID solution enables individuals to gain access to financial, insurance, healthcare, and agricultural services.

Having ownership of digital credentials enables holders to access services digitally and remotely, removing the need for in-person visits. Also, self-sovereign digital identities cannot be lost or damaged, removing the reliance on institutions to replace lost identity documents.

C. FINANCIAL INCLUSION

In the case of cryptocurrencies and the financial freedom they create, having access to purchase, trade, and transact with them, is a profound means of enabling financial inclusion.

Cryptocurrencies and blockchain technology allow Africans in cash-based and informal economies to access alternative economic infrastructures. In 2021, [370 million](#) people in Africa were unbanked. However, most adults in Africa have mobile phones, allowing internet connection and access to digital economies. The widespread adoption of mobile payment has many Africans looking to cryptocurrencies as a natural next step—one that's removed from conventional banking systems and offers protection against currency devaluation. In many African countries, the uncertainty of local regulations has made it nearly impossible for African exchanges to thrive and flourish. There are, of course, many successful African exchanges that have opened their doors for Africans, enabling them to interact with and benefit from cryptocurrencies.

[Yellow Card](#) is a pan-African cryptocurrency exchange whose services reach far and wide across the continent, having one of the most prominent geographical footprints in the region. Launched in Nigeria in 2018, the US-African-based exchange provides Africans with access to cryptocurrencies. Yellow Card enables the purchase of cryptocurrencies with cash, mobile money, and bank transfers and is available in Botswana, Cameroon, Gabon, Ghana, Kenya, Malawi, Nigeria, Rwanda, Tanzania, Uganda, Zambia, and plans to include more in the future.

While there are some notable African success stories regarding local cryptocurrency exchanges, in some regions, due to regulatory restrictions or uncertainties, international exchanges rose to the occasion. [Binance](#) is one of the most prominent and accessible cryptocurrency exchanges in Africa. It has played an integral part in encouraging adoption on the continent by making cryptocurrency accessible to the population.

In addition to international centralized exchange players, we have also seen a vibrant peer-to-peer (P2P) exchange economy

emergence. Evidence for the broad utility and popularity of alternative means of trading and exchanging cryptocurrencies has given rise to the extreme popularity of P2P platforms.

Africa, already familiar with and embracing mobile money payments, has rapidly adopted P2P platforms and services. P2P services in Africa have enabled millions of individuals around the continent to gain access to the global digital economy. The borderless and cashless benefits that P2P platforms provide Africa are life-changing.

[Paxful](#) and [Localbitcoins](#) are two leading P2P bitcoin marketplaces used by millions worldwide, empowering the unbanked. They, too, have played an integral part in Africa's blockchain story, allowing the population to access essential financial services that were previously unattainable.

Many lenders in Africa do not have sufficient or comprehensive credit data to offer customized financing for the unbanked. Many Africans do not have access to credit because they do not have a credit history. Lenders require reliable data to measure consumer risk, which would allow them to service the unbanked population.

[CARMACHAIN](#) aims to democratize access to credit in Nigeria by connecting lenders with the data they need to make informed lending decisions. This is achieved by connecting lenders with alternative data sources, available in real-time on a peer-to-peer basis. In addition to this, CARAMACHAIN also enables fintech and service providers to monetize their data.

Access to alternative credit data is beneficial to both consumers and lenders alike. A consumer's digital footprint offers a more comprehensive view of their socio-economic activities, thereby enabling lenders to increase their acceptance and approval rates for thin-file first-time borrowers.

In a report by the [GMSA](#), in sub-Saharan Africa alone in 2020, there were 495 million unique mobile subscribers, with a predicted number of 615 million unique mobile subscribers by 2025. Mobile phones in Africa have been promoting financial inclusion through successful projects like Kenya's [M-PESA](#), enabling mobile payment services to millions of people across the continent.

Africa, already familiar with mobile money, mobile phones, data, and airtime, is no stranger to using mobile technologies to access essential financial services. To further expand on the adoption of mobile payments and cryptocurrency in Africa, [Fonbnk](#) enables users to purchase cryptocurrencies using airtime.

Fonbnk makes it possible for users to access, earn, transfer, and save money using smartphones. This solution provides sensational value to unbanked individuals across emerging markets and economies, creating an easy-to-access opportunity for financial inclusion.

Although plagued with limited financial inclusion for most of the population, Africa is innovating new ways to access alternative means and methods of participating in economic activities. Millions of people across the continent are adopting new-age technologies and practices that fundamentally change their lives and promote access to financial inclusion.

D. AGRICULTURE

Africa is renowned for its agricultural sector. Farming practices have been handed down from generation to generation and perfected over time.

It's interesting to note that farmers in Africa have begun to integrate blockchain into their farming practices, benefiting from the technology's advantages.

In agriculture, establishing food providence has become vital to ensure consumers are protected through transparency and accountability. The beef industry in South Africa has seen the introduction of blockchain technology to create digital livestock records.

[BeefLedger SA](#) is a 'farm to fork' verification and traceability system that validates the providence and authenticity of its beef products, including credible sale history and consumer feedback.

BeefLedger SA's pioneering move in the beef industry provides a clearly depicted and successful use case for blockchain technology in the agriculture sector. The company intends to make its digital livestock identification and traceability system available to the agriculture sector and beyond.

E. MINING (DIAMONDS)

Africa, rich in minerals and resources, has been home to some of the biggest diamonds ever discovered. In fact, the largest gem-quality rough diamond ever found, the Cullinan Diamond was found in Cullinan, South Africa.

In the active African diamond mining industry, prominent player [De Beers](#), the diamond unit of Anglo America, has launched the world's first blockchain network dedicated to monitoring the origin and quality of its diamonds. [Tracr](#) is the name of the platform, and it creates an inclusive ecosystem comprised of large producers, artisanal and small-scale miners, grading laboratories, and retailers.

The transparency of the logistics process, from the point of mining to the point of purchase, will ensure an accurate register of provenance and authenticity.

As De Beers leads by example and illustrates a perfect use case for blockchain technology, other players and industries can take learnings and follow suit.

F. PAYMENTS AND REMITTANCES

Many Africans have chosen to move abroad to seek more significant financial opportunities. As a result, there is a dire need to be able to send money back home.

The process of sending funds home, whether abroad or within Africa, can incur various fees, eating away at the original amount sent in the first place. The result is a costly process that depletes funds. Removing the "middleman" speeds up transactions and reduces fees in the process.

Blockchain technology is driving innovation in the flourishing African remittance market, resulting in new-age remittance solutions.

Ghanaian fintech [Mazzuma](#), initially a mobile money-based payments app, has integrated blockchain technology and artificial intelligence to enable peer-to-peer payments. The Mazzuma token (MAZ) is the payment medium in the Mazzuma ecosystem that enables immediate payments and remittances that incur low fees.

Mazzuma has created a solution that combines the efficiency and scalability of mobile money with the security of cryptocurrencies, resulting in a robust system that promotes financial inclusion.

Another company specializing in remittances in Africa is [Bitsika](#) (Cameroon). This pan-African remittance app allows users to send money from one country to another. Currently available in Nigeria, Cameroon, Togo, Benin, Burkina Faso, Côte d'Ivoire, and Senegal, Bitsika provides virtual VISA cards that enable online spending.

Users can buy and sell cryptocurrencies using the platform and send and receive funds in crypto or fiat.

The remittance market in Africa is essential to many on the continent. Previously plagued by high transaction fees and long transfer durations, Africa's remittance market finds itself in an innovative environment that is creating new-age solutions that save time and money.

CONCLUSION

Africa has proven to be the perfect environment for integrating blockchain technologies into various sectors. Africa, home to age-old practices and tendencies, is openly embracing new-age technologies, revolutionizing the landscape, and improving the lives of millions in the process. The stellar activities by companies and the brilliant African minds working with blockchain should be applauded, and the rest of the world should take notice.

BLOCKCHAIN: REMITTANCE & PAYMENTS OPPORTUNITIES IN AFRICA

Introduction

Blockchain technology has burst onto the African fin-tech scene over the past two years as adoption on the continent has skyrocketed. The distributed ledger technology creates new possibilities for transparent, decentralized, and fraud-proof solutions that can help boost trade opportunities between African countries. The continent has the highest remittance costs globally, where on average, it costs over 10% to make a transaction, something that needs to change. The rise of decentralized technology offers solutions in the payments and remittance space that could reduce costs close to zero, accelerating economic growth and boosting intra-African trade.

How is this possible?

Many people assume that every token is a 'currency,' and they all face extreme volatility. The advent of 'Stablecoins' has been developed to combat the volatility problem and give investors a way to store their money and send it around. Stablecoins track the price of other assets and have mainly been pegged to traditional 'fiat' currencies like the United States Dollar. These are essentially digital versions of their fiat counterpart and offer an easy way for people to get exposure to foreign currency – without the limitations on where/who you can send it to.

How do Stablecoins solve the remittance problem?

Stablecoins cut out intermediaries like banks and payment companies like PayPal. They use peer-to-peer technology to send money to anybody at a fraction of the cost, with near-instant settlement. Cutting out the middle man significantly reduces remittance costs and allows people to send money to relatives whenever they want.

In addition, Africans can get exposure to foreign currency at their fingertips. For example, many African countries face high inflation rates, which devalue their local currency relative to the world reserve currency, the United States Dollar. To protect their wealth, they could trade their local FIAT currency for a USD stable coin and hold their wealth in stablecoins. This is especially useful for countries facing hyperinflation like Zimbabwe.

Are Africans adopting this technology?

The rate of crypto adoption in Africa has been staggering, boasting an adoption rate of 1200% between June 2020 and July 2021. Over this period, more than \$100bn worth of cryptocurrency payments were to Africans, with the bulk of this being for remittances. Africa has the youngest population globally, with 70% of sub-Saharan Africa under the age of 30. There is an appetite for new technology amongst the youth, which has contributed to people engaging with new technology and trying out new payment providers.

The case for African adoption

Small and medium enterprises (SMEs) are the lifeblood of the African economy. SMEs make up the majority of businesses on the continent and account for a large portion of the workforce. Historically, SMEs have struggled to get adequate funding for their businesses and have been limited to the local market because of the cost of cross-border transactions and bureaucratic red tape. SMEs can now access international markets using stablecoins and decentralized finance (De-fi) for new funding opportunities.

While the continent has made progress through the African Continental Free Trade Agreement (AfCFTA), the key limitation has been the free flow of capital between people, businesses, and economies. Stablecoins and decentralized payment solutions

offer a unique solution to this problem and could be the key to rapidly escalating the transformation of African welfare, wealth, and global standings.

The spanner in the works

The world we live in still primarily uses fiat currency for trade and daily transactions. As these payments get facilitated by a worldwide banking network, users still need to convert their stablecoins into fiat to use in their local economy.

Standard bank has risen to the occasion by providing banking services for growing centralized exchanges like Luno, VALR, and Revix. Standard Bank is committed to helping these companies by guiding them on disclosure and requirements for having bank accounts. In addition, Standard Bank has partnered with CV VC to help grow and show support for new start-ups in the space.

Conclusion

Blockchain technology promises to solve many pressing issues in the African payments and remittance space. Viable payment solutions are being built but will require collaboration between traditional banking services, regulators, and payment providers to scale. Blockchain technology can kickstart new trade opportunities between nation-states, give ordinary Africans the opportunity to participate in a technological revolution, and form part of the decentralized economy.



Ian Putter
Head of Blockchain COE, Founder
& Regional Director of Blockchain
Research Institute Africa,
Standard Bank

OVEX, DEMOCRATIZING FINANCE AND PROMOTING FINANCIAL INCLUSION IN AFRICA

OVEX, one Africa's largest digital asset exchanges, is proudly democratizing finance through cryptocurrency. By breaking down the barriers that prevent individuals from entering the traditional financial system, OVEX provides wealth-creating investment opportunities accessible to all, driving financial inclusion on the continent.

Filling the gap for institutions and retail investors

OVEX uses decentralized finance (DeFi) peer-to-peer services to bypass centralized, traditional intermediaries. As a result, OVEX provides various financial services to institutions and retail investors alike.

Institutions looking for a clean line of credit for over \$6 million can use OVEX to trade crypto assets against the South African rand (ZAR). Large volume over-the-counter (OTC) clients can use this "trade now and deposit funds later" credit line to execute immediate trades without delayed settlement. Many financial professionals are choosing OVEX because of our robust OTC Desk, custodial security, and ability to execute orders of any size.

Tailored to the size of funds being processed, OVEX offers 24/7 services that ensure a personalized client experience with deep liquidity, free of slippage.

There is no doubt that the South African cryptocurrency exchange industry is highly competitive, and exchanges are constantly adapting to keep up with each other. It is noteworthy to mention that where orders exceed \$60,000, OVEX is, at a minimum, 3% more competitive than other local exchanges.

The traditional finance world, in most cases, is plagued with below-average interest-yielding opportunities. OVEX provides an opportune solace for idle cryptocurrencies to earn interest and hedge against inflation. These interest accounts have proven incredibly popular, with OVEX already managing over \$60 million. With a broad selection of yield generating USD stablecoin accounts, including \$ZARP, OVEX offers up to 20% annual return, further setting OVEX apart from other exchanges.

OVEX by no means only caters to institutions and high-volume traders. Retail investors can use the intuitive OVEX Buy/Sell trading tool to trade with over 60 different pairs and benefit from zero trading fees. OVEX offers a Request for Quote (RFQ) tool accessible to anyone, including novices, as a first-of-its-kind method for buying cryptocurrency.

The success of OVEX is evident in our trading volume statistics. OVEX boasts an impressive \$5.4 billion in total trading volume and \$430 million in 30-day trading volume, and the OVEX API processes \$185 million monthly in trades executed by third parties. This impressive liquidity enables OVEX to offer substantial credit lines to exclusive clients.

Cryptocurrency and forex under the same roof

As OVEX continues to innovate and pave the way for a more financially inclusive future, we have firmly established ourselves as one of Africa's most sophisticated trading desks. With the recent introduction of our full-service foreign exchange solution, OVEX FX, large-volume OTC customers can now trade forex and cryptocurrencies under one roof.

Unlocking the empowering world of digitized finance

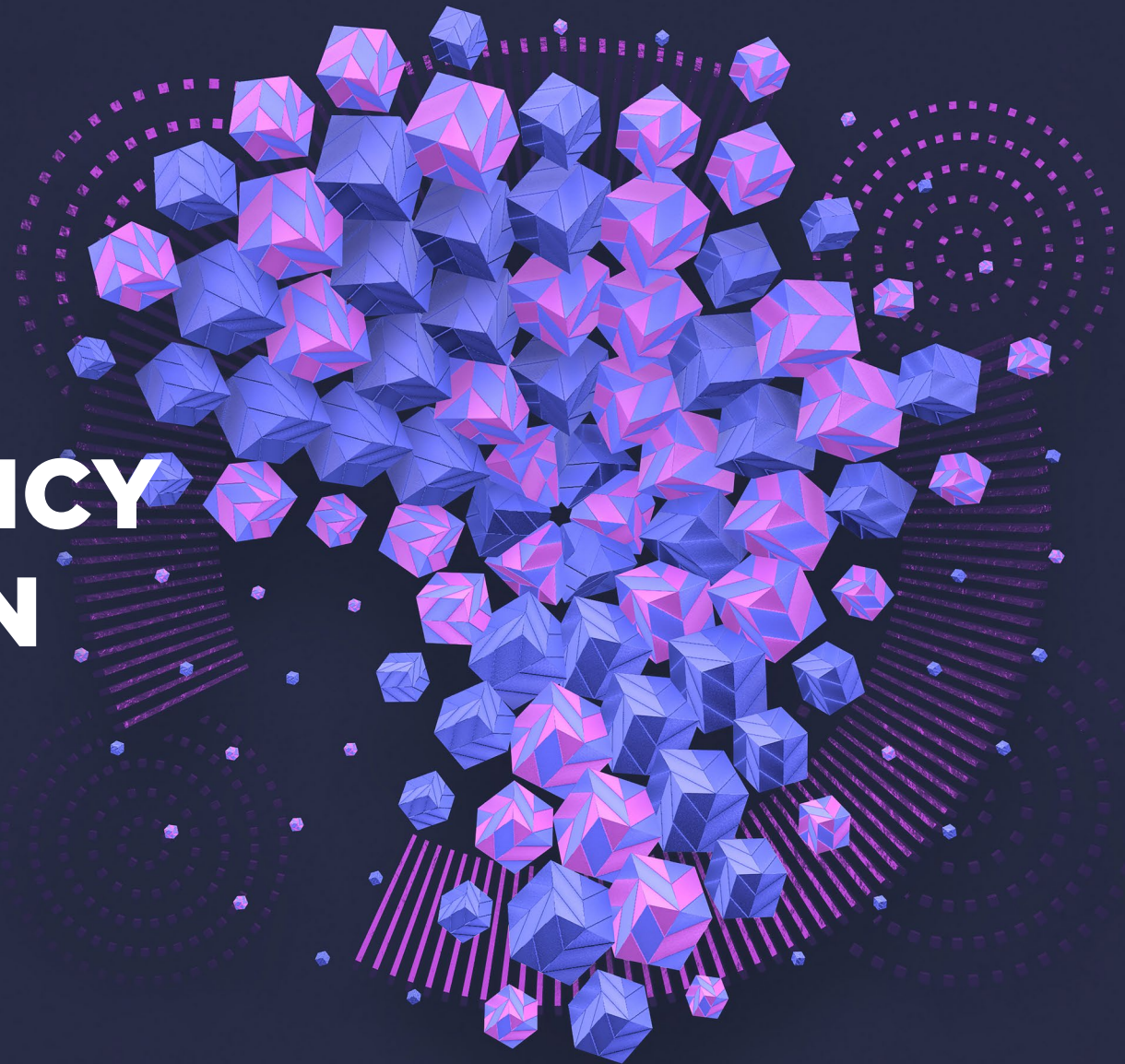
On a continent where previous access to centralized financial services seemed near impossible for most of the population, DeFi platforms are unlocking the exciting and empowering world of digitized finance. OVEX stands proudly as a pioneer in innovation and continues to promote financial inclusion on the African continent. With a basket of products and services for institutions and retail investors alike, OVEX ensures that individuals from all walks of life can benefit from the OVEX offering.



Jonathan Ovidia
CEO & Co-Founder,
OVEX

07

CRYPTOCURRENCY REGULATIONS IN AFRICA



CRYPTOCURRENCY REGULATIONS IN AFRICA

REGULATORY OVERVIEW

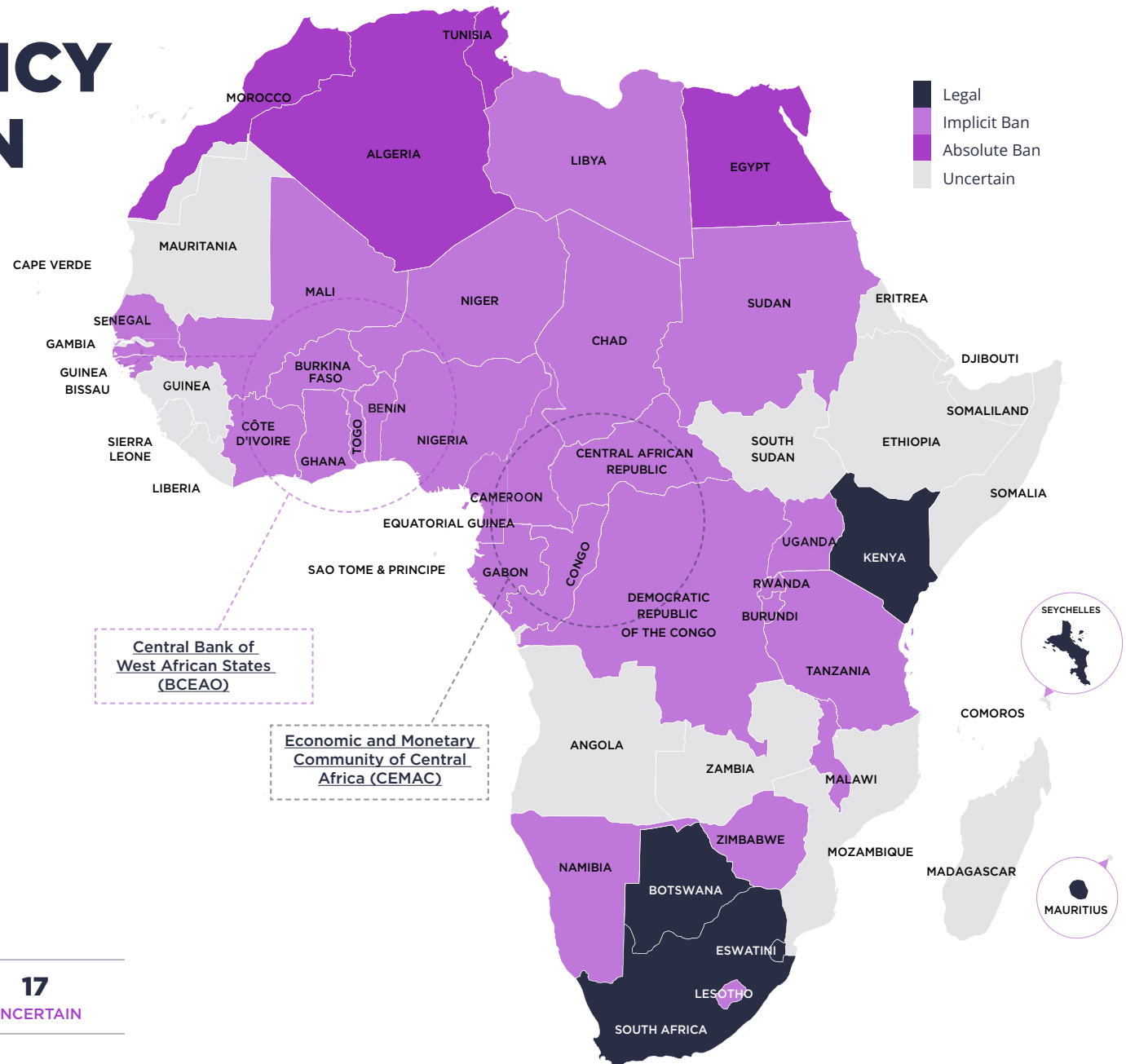
In a regulatory quagmire of apprehension and ambivalence, frontrunner countries like South Africa and Mauritius have demonstrated how a progressive stance toward cryptocurrency can be beneficial. This is the type of regulatory approach that inspires others to follow suit.

This section provides an overview of some of the most regulatory progressive African jurisdictions. We consider the regulators' initial stance on the technology versus the current stance, what the market's response to regulations has been, and the country's Central Bank Digital Currency stance/developments. Finally, we conclude each section with an outlook for the future of regulations in the jurisdiction.

CRYPTOCURRENCY REGULATIONS

The current regulatory stance of the 54 countries in Africa:

6	27	4	17
LEGAL	IMPLICIT BAN	ABSOLUTE BAN	UNCERTAIN



A. SOUTH AFRICA



1. INTRODUCTION

South Africa is home to one of Africa's most sophisticated financial sectors. Although some may believe South Africa is in a state of regulatory uncertainty, this is by no means the case compared to its African counterparts.

South Africa is integrating cryptocurrencies into its economy and society by building regulatory frameworks, developing CBDCs, and actively participating in the blockchain community.

Although initially [cautious](#) in their approach, South African regulators have been working hard to embrace new-age technologies and create a transparent regulatory environment that will further encourage its fast-paced blockchain and cryptocurrency adoption.

2. IS IT LEGAL

Current Status: **Legal**

The trading and holding of cryptocurrencies in South Africa is legal, as are cryptocurrency businesses. Until recently, no specific regulatory framework had been implemented.

The South African regulatory bodies were lenient in that they did not look to prematurely regulate cryptocurrencies before forging a better understanding of the field. Instead, the priority was to understand and provide the public with clarity early on. As a result,

the Intergovernmental Fintech Working Group ([IFWG](#)) and the Crypto Assets Regulatory Working Group ([CAR WG](#)) were [formed](#).

Since having been formed, the IFWG has - through the CAR WG - published a position paper on cryptocurrencies which brings them into South Africa's regulatory purview in a "phased and structured manner."

3. MARKET OVERVIEW

a. Market Developments

Considering South Africa is one of the most progressive and transparent countries in Africa when it comes to regulation, there is plenty of activity in the country relevant to blockchain technology and cryptocurrencies.

South Africa is home to numerous successful exchanges that enable South Africans to buy and sell cryptocurrencies. With easy access to trading, banks allowing a fiat on and off-ramp, and clear tax rules and regulations, South Africa has embraced the movement of cryptocurrencies and created a transparent landscape that encourages public participation.

b. Central Bank Digital Currency

Although South Africa has yet to roll out a fully-fledged CBDC of its own, the country has successfully piloted two CBDC projects in collaboration with other essential stakeholders. Both of which are considered to have been successes. There is no certainty on when a production-ready CBDC might be rolled out, but it is clear that this is on the cards for South Africa in the future.

[Project Khoka 2](#) was a feasibility study for general-purpose [wholesale and retail](#) CBDCs, using a bidirectional bridge similar to those used in DeFi, to send cryptocurrencies across different blockchains. As a result, it enables the portability of the CBDC between two platforms. [Project Khokha successfully](#) explored a CBDC technology and payment system.

[Project Dunbar](#) is a prototype system that enables direct international institutional settlements using central bank digital currencies - reducing time and cost. The Reserve Bank of Australia, Bank Negara Malaysia, and the Monetary Authority of Singapore [participated](#) in the project. Similar to Project Khoka 2, Project Dunbar was deemed a success.

4. OUTLOOK

South Africa can stand proud and should be acknowledged as a regulatory pioneer for the African blockchain ecosystem. On a continent that is home to 54 countries, South Africa has set a precedent for embracing new-age technologies.

South Africa has established regulatory certainty and transparency when it comes to cryptocurrency. To further emphasize this point, look no further than the active participation of the National Treasury and the South African Reserve Banks ([SARB](#)) in the blockchain community. The SARB has been forthcoming with updates and has openly engaged with the public on cryptocurrencies, regulations, and best practices for integrating them within the South African economy.

In the discussion of Central Bank Digital Currencies, South Africa boasts not one but two successful CBDC proof of concepts. The rollout of retail and wholesale central bank digital currencies is imminent and will serve a captive audience with its many benefits, including financial inclusion and a cashless society.

As South Africa continues to embrace and regulate cryptocurrencies and blockchain technology, it will encourage and inspire its African counterparts to do the same.

B. MAURITIUS



1. INTRODUCTION

Mauritius is not only a tropical island that is often referred to as paradise, but it is also renowned and respected as an international finance center. Initially cautious in its approach to cryptocurrencies, Mauritius has transitioned its regulatory landscape into a transparent and hospitable environment.

2. IS IT LEGAL

Current Status: **Legal**

Although Mauritius considers virtual currencies an asset class for investments, they are not classified as [legal tender in Mauritius](#).

Virtual asset service providers can obtain a license from the Financial Service Commission ([FSC](#)).

In addition, Security Token Offerings (STOs) have a depicted framework to follow.

3. MARKET OVERVIEW

a. Market Developments

Mauritius has encouraged innovation by creating a Regulatory Sandbox and license, published in 2017. Regulators have worked alongside innovators to understand how new-age technologies could be integrated into industries and encourage financial

inclusion. As a result, cryptocurrencies and blockchain technologies have begun to foster themselves within the global financial hub of Mauritius.

b. Central Bank Digital Currency

The Bank of Mauritius ([BoM](#)) has been in [discussions](#) with the International Monetary Fund ([IMF](#)) regarding developing the Digital Rupee, the Mauritius central bank's digital currency.

The central bank has stated that some of the Digital Rupee's main objectives are further enhancing financial inclusion and digitization.

Although the initial goal was to have the Digital Rupee pilot roll out before the end of 2021, the pilot has yet to begin.

Considering the pioneering approach that Mauritius has taken in terms of regulatory efforts, many wait in eager anticipation to see the Digital Rupee come into fruition.

4. OUTLOOK

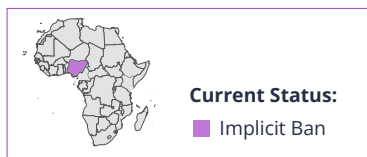
As [one of the first countries](#) in Eastern and Southern Africa to adopt comprehensive legislation on virtual assets (VAs) and initial token offerings (ITOs), Mauritius stands proudly amongst its African counterparts as a regulatory pioneer within the region.

Although Mauritius has a regulatory transparent and welcoming environment, there seem to be few outliers in terms of globally renowned blockchain and cryptocurrency companies.

Mauritius, still emerging from its transparent regulatory cocoon, has ensured that its region is a suitable host for international companies looking to set up shop.

Through the active encouragement of the public and corporations to engage in blockchain and cryptocurrency activities, Mauritius will continue to attract international participation.

C. NIGERIA



1. INTRODUCTION

Nigeria has long since been a tech powerhouse among developing nations. Testament to this is that it is home to the majority of the African continent's Unicorns. The populace's thorough understanding of tech and the availability of mobile internet have made it one of the [leading countries](#) in the world when it comes to crypto adoption.

The tremendous uptick in the use and trade of cryptocurrency is despite regulation, not because of it. Nigerian regulators have made no secret of expressing their disdain for cryptocurrencies since 2017, and the technology continues to be faced with headwinds in this regard. The primary headwind is confusion over the official regulatory stance on crypto assets.

2. IS IT LEGAL

Current Status: **Implicit Ban**

One of the more significant moves by the Securities and Exchange Commission (SEC) was a 2020 [statement](#) on the classification and treatment of cryptocurrencies. The Commission clarified its position regarding crypto assets as being securities unless the issuer of the crypto asset can prove otherwise to the SEC. In light of this position, the regulation of cryptocurrencies deemed to be securities will fall under the purview of the SEC. The same can be said for all digital asset token offerings (DATOs), initial coin offerings (ICOs), security token ICOs and the like. Upon issuing a cryptocurrency asset, the

issuer must make an initial filing to prove that the asset is not a security. Should the issuer of a cryptocurrency fail to prove this, the asset must then be registered as a security with the SEC under its existing laws.

The SEC has warned that foreign issuers or sponsors of cryptocurrencies may be required to establish a branch office in Nigeria. However, the Commission may recognize them if a reciprocal agreement exists between Nigeria and the issuer's country.

Later, in early 2021, the Central Bank of Nigeria (CBN) issued a [letter](#) to financial institutions trading, transacting, or facilitating payments using cryptocurrencies. This letter instructed the nation's financial institutions to "identify persons and/or entities transacting in or operating cryptocurrency exchanges within their systems and ensure that such accounts are closed immediately." The letter further threatened harsh regulatory consequences for contravention of this. The letter also echoed a [circular](#) distributed in 2017, in which the CBN held that cryptocurrencies are not legal tender and that any bank or institution transacting in them does so at its own risk without the opportunity of recourse. This was reverberated by the Nigerian Deposit Insurance Corporation (NDIC), as it warned Nigerians that they would not be afforded consumer protections when it came to cryptocurrencies.

Referencing the 2017 letter, the Deputy Governor of the CBN went on to [clarify](#) that the use of cryptocurrencies itself is not illegal but that the central bank has banned cryptocurrencies within the existing financial system and institutions until further substantive regulation could be put in place. As a result, citizens can use cryptocurrencies, though they cannot use traditional Nigerian financial institutions to exchange them for fiat and vice-versa.

3. MARKET OVERVIEW

a. Market Developments

Nigeria's "ban" on cryptocurrency has done little to discourage people and institutions from using and trading in cryptocurrencies. The [Chain Analysis Crypto Adoption Index](#) ranks Nigeria 6th globally (154 countries studied) in crypto adoption, with Kenya and Togo being the only two other African countries in the top ten.

As in many African nations, a lack of faith in government and the national currency has pushed citizens towards alternative financial systems. Understandably, like many of its peers, Nigeria has become a hive of cryptocurrency activity.

Regulations and uncertainty have severely hampered the operations of centralized exchanges. The difficulty of entering and exiting the crypto economy by depositing and withdrawing cryptocurrency to and from bank accounts has resulted in an explosion in Nigeria's peer-to-peer (P2P) exchange space. Platforms such as [Paxful](#) and [Localbitcoins](#) have flourished as Nigerians have traded [\\$400 million](#) in 2021 alone, showing an annual increase of 16% despite the crypto ban.

There continue to be large strides made by the private businesses in Nigeria regarding crypto. Our Funding section shows that the country is home to businesses that have gained significant venture funding, revenue, employees, and valuations.

b. Central Bank Digital Currency

Despite the central bank's initial pushback against cryptocurrencies, the Bank has changed its tune slightly. Less than a year after the crypto ban in Nigeria, the country became the first in Africa to launch its own Central Bank Digital Currency (CBDC) in [October 2021](#). Tellingly, the launch coincided with its Independence Day celebrations. The eNaira is pegged 1:1 to the Naira.

[Mr. Osita Nwanisiobi](#), the CBN Director of Corporate Communications, went on to lay out the intended benefits of the venture. "The e-Naira is expected to deepen financial inclusion by bringing more people into the financial space, support a resilient payment ecosystem, reduce the cost of processing cash, enable direct

and transparent welfare intervention to citizens, increase transparency in revenue and tax collections, facilitate diaspora remittances, reduce the cost of financial transactions and improve the efficiency of payments.” The CBN estimates a [\\$29 billion](#) increase in GDP over the next decade due to the technology.

By population numbers, the eNaira is the largest CBDC globally, accommodating a population of over 200 million people.

4. OUTLOOK

The future for cryptocurrency in Nigeria is bright. The size of the market, coupled with the need for international remittances and a hedge against the volatility of the Naira, makes cryptocurrencies a sought-after alternative. It is clear from the popularity of cryptocurrency holdings and trade activity that Nigerians will find a way to participate in the crypto market regardless of the government’s stance on it. This being said, regulatory certainty and consistency will go a long way towards paving the way for further adoption and an increase in inflows of institutional investment into cryptocurrency businesses.

D. KENYA



1. INTRODUCTION

In December 2015, the Central Bank of Kenya (CBK) announced its initial stance on cryptocurrencies when it issued a public notice. The Bank noted that it had become aware of cryptocurrency activity in Kenya and stated that cryptocurrencies are unregulated and not considered legal tender. To date, not much has changed.

Irrespective of the CBK and the Capital Markets Authority's (CMA) warnings surrounding the technology, the usage of cryptocurrencies in Kenya is well established and growing consistently. The amount of funding raised by cryptocurrency companies and widespread P2P trading is a testament to the strong roots that cryptocurrency has established in the market.

2. IS IT LEGAL

Current Status: **Legal**

At present, the Kenyan government does not prohibit cryptocurrency usage but, like most nations in Africa, it by no means encourages it. In its 2015 [notice](#), the CBK emphasized that: cryptocurrencies are not regulated, they are not legal tender, and users are not afforded consumer protection when it comes to cryptocurrencies.

Then in late 2018, the Capital Markets Authority (CMA) issued a [cautionary statement](#) on ICOs, highlighting the risks and stating that it had not approved any such offerings by that point. Today,

some argue that the 2021 Draft Capital Markets (Investment Based Crowdfunding) Regulations have provided a framework for ICOs, although they are not mentioned outright.

Cryptocurrencies are legal for use in Kenya, though the CBK has the final say and uses broad discretion when examining specific cases involving cryptocurrencies. Similarly, the CMA exercises its broad discretion when determining whether cryptocurrencies are securities, though they are not securities by [default](#).

3. MARKET OVERVIEW

a. Market Developments

Over the past two years, cryptocurrency usage and awareness have surged throughout many African countries despite the economic hindrance caused by the global pandemic. In this regard, Kenya is no slouch either. According to [Chain Analysis' Global Crypto Adoption Index](#), the country tops the world rankings for P2P exchange volumes and finds itself 5th globally in terms of adoption.

Despite cautioning investors against cryptocurrencies, in March 2019, the CMA created a [regulatory sandbox](#) for innovative fintech companies to operate in without certain regulatory constraints. The move by the CMA certainly shows their willingness to accommodate Fintech and further explore the opportunities offered by blockchain and cryptocurrencies.

Although regulatory efforts have been slow in the past, the assimilation of cryptocurrency technology into the country's population and infrastructure is rapid.

b. Central Bank Digital Currency

In October of 2021, the Central Bank Governor, Patrick Njoroge, [commented](#) that the Bank was working alongside other global regulators and financial institutions to explore the topic of Central Bank Digital Currencies (CBDCs). The Bank [has now invited](#) the public to comment on the matter, though no further details have

been released.

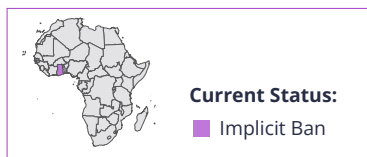
Contrary to many of its African counterparts, and thanks to the high adoption of mobile money payments in the country, Kenya is [not focusing](#) on the benefit of access to financial services concerning CBDCs. Instead, the Central Bank of Kenya sees CBDCs as an opportunity to reduce transaction costs and inefficiencies in cross-border payments.

The CBK is actively working towards a possible launch of a CBDC, though it is unclear when the CBDC may become a reality.

4. OUTLOOK

It is becoming clearer that Kenya intends to treat cryptocurrencies with a softer regulatory glove than some of its peers and that regulation is imminent. The nation has sought input from others on how to regulate the industry and has taken its lead from countries like South Africa - which is seen as the forerunner in terms of regulations on the continent. We expect level-headed regulation to surface soon, and a swell of cryptocurrency businesses and funding will follow.

E. GHANA



1. INTRODUCTION

Ghana is an African country investing many resources to [further enhance its payments and settlements system](#) by digitizing its economy. The Bank of Ghana ([BOG](#)) has closely monitored the public's adoption and integration of blockchain technology and cryptocurrencies into local industries and systems.

In 2018, the [BOG](#) stated that the use, holding, and trading of virtual or digital currencies are not licensed under the Payments System Act 2003 (Act 662).

According to the Ghana Securities and Exchange Commission of Ghana ([SEC](#)), in a [statement](#) issued in 2019, cryptocurrencies are not recognized as a currency or legal tender. Therefore, they are not licensed or regulated by the SEC.

As a progressive milestone, in 2020, [Ghana was listed by the IMF](#) as one of 40 countries globally that is legally allowed to issue a digital currency. Considering its interest in pursuing a more digital economy, the E-Cedi, Ghana's CBDC, has the perfect foundations to attempt integration and adoption.

Although Ghana has yet to regulate cryptocurrencies, the BOG [has drafted](#) a Payment Systems and Services Bill (Ghanaian Bill), which would pave the way for regulation in the future.

2. IS IT LEGAL

Current Status: **Implicit Ban**

The [SEC has warned](#) Ghanaians to avoid using cryptocurrencies because they are illegal in the country since they aren't regulated by the SEC.

The BOG has [prohibited](#) all licensed financial institutions from facilitating cryptocurrency transactions.

Because of the ban by regulators, cryptocurrencies in Ghana are not backed by any safeguards or guarantees.

Although the regulators in the region have made their stances clear, it is interesting to note that Ghanaians are still able to purchase cryptocurrencies via exchanges, and there are numerous businesses currently operating within the region.

3. MARKET OVERVIEW

a. Market Developments

Although Ghana is a country with an illegal regulatory stance against cryptocurrencies, there is still blockchain and cryptocurrency activity in the region. Ghanaians have access to cryptocurrencies and can trade them on local and international exchanges, and companies within the region are revolutionizing industries with the implementation of blockchain technology.

As Ghana continues on its path to a more digitally robust and financially inclusive future, the BOG has created an innovation and regulatory sandbox that allows the exploration of blockchain technologies and central bank digital currencies. In a [partnership](#) with [Emtech](#), the BOG will test technologies and innovations that are not yet regulated.

The sandbox allows the regulators and the innovators to work together, ensuring that the innovation and development process is

not hampered or slowed down. Regulators can see firsthand how blockchain technology revolutionizes various industries and how regulation should follow suit accordingly.

b. Central Bank Digital Currency

Thanks to its [approval by the IMF](#) in its ability to legally issue a digital currency, the BOG has been developing its central bank digital currency (CBDC), the e-Cedi.

The BOG, in a 2021 partnership with German tech company [Giesecke+Devriest \(G+D\)](#), created a [pilot project](#) for the e-Cedi that would incorporate banks, payment service providers, merchants, and consumers.

With its digital transformation and financially inclusive agenda, Ghana has strategically designed the e-Cedi to facilitate payments without the need for a bank account or smartphone.

A cashless society is sought after by many African countries due to the lack of access to bank accounts and the risks involved in carrying physical cash. The e-Cedi, thanks to its inclusive and digitally robust design and nature, will allow many unbanked Ghanaians to participate in the financial sphere. Another contributing factor to inclusivity created by the e-Cedi is that it will be [free of transaction charges and bear no interest](#).

In 2021, the BOG Gov. Ernest Addison stated that the Bank is in the advanced stages of introducing the e-Cedi. If the CBDC creates the inclusive environment it advertises, it will be well received by the people in Ghana.

Amidst the hopes that the e-Cedi would begin piloting [before the end of 2021](#), neither the pilot nor the CBDC has yet come to fruition.

4. OUTLOOK

Although Ghana seems to be cautious in its approach to regulating cryptocurrencies, the population, and various industries have

integrated blockchain technology and cryptocurrencies into their daily lives.

Ghana has made it public that it intends to drive the economy towards a more digitally robust and inclusive future. As is common amongst African countries that have yet to regulate cryptocurrencies, Ghana is attempting to control the spillage of the illegal use of cryptocurrencies by introducing the e-Cedi. While many may view this as a step backward, keeping the goal of financial inclusion in mind, the move toward a CBDC certainly ticks the boxes of a cash-lite and more inclusive economy.

With the introduction of its innovation and regulatory sandbox, regulators can work alongside technical innovations and see firsthand how Ghana can benefit from the solutions and how regulation can be applied accordingly.

In the case of regulation hindering innovation, the regulatory sandbox allows the exploration of blockchain technologies and cryptocurrencies.

Ghana is by no means turning away from the possibility of incorporating digital currencies into its regulatory frameworks, and its activities in introducing its CBDC and participating in the innovation sandbox are evidence of this.

F. SEYCHELLES



1. INTRODUCTION

Seychelles seems to have taken a lighter approach to regulate cryptocurrencies than the rest of the African continent. The country has not been quick to ban, overregulate, or discredit cryptocurrencies or the surrounding industry. The industry itself and cryptocurrency-based funding rounds such as ICOs remain unregulated - though the Central Bank of Seychelles (CBS) has recently been coming under international pressure to regulate after some [trouble in paradise in late 2020](#).

2. IS IT LEGAL

Current Status: **Legal**

In 2021, it was [reported](#) that the Financial Services Authority (FSA) and the [Ministry of Finance](#) are collaborating to determine whether to regulate or ban crypto businesses. However, there are no specific regulations for cryptocurrency or cryptocurrency businesses other than to comply with AML and CFT considerations. The lack of a regulatory framework extends to running a cryptocurrency business, Decentralized Finance (Defi), token sales, tokenized funds, and cryptocurrency exchanges. The Central Bank does not view cryptocurrencies as [legal tender](#) and, as such, does not regulate them.

3. MARKET OVERVIEW

a. Market Developments

In an effort not to stifle innovation, in 2019, the Minister of Finance introduced laws allowing for a [regulatory sandbox exemption](#) granted to [qualifying](#) fintech businesses under the Financial Services Authority (Regulatory Sandbox Exemption) [Regulations](#). These regulations allow innovative, small-scale fintech businesses to operate while being exempt from specific licensing, disclosure, and reporting requirements.

Seychelles, as a jurisdiction, has housed its fair share of cryptocurrency businesses over the past decade. These include some of the world's largest exchanges and most successful ICOs. Currently, there are 31 crypto businesses listed on [Crunchbase](#) and 41 closed ICOs listed on [ICO Bench](#). Relative to the rest of Africa, this number is significant. However, it does not seem that these businesses have a physical presence in Seychelles; most of their operations happen from elsewhere.

b. Central Bank Digital Currency

To date, the CBS has not provided any meaningful commentary on CBDCs. There are currently no plans to launch a pilot program in the region.

4. OUTLOOK

The lack of a regulatory framework for cryptocurrency businesses has served Seychelles well until this point - whether accidentally or otherwise. Businesses seem to have been willing to pay the cost of uncertainty regarding regulation in exchange for operating freely and in a favorable tax environment. The lack of regulations currently provides an opportunity in Africa because the industry would not be in a regulatory gridlock when inevitable regulations come. Suppose sound logic is followed when drafting regulations for crypto businesses, and these regulations are applied clearly. In that case, the island nation is well-positioned to attract foreign investment, and the cryptocurrency industry will flourish.

FRESH OFF THE PRESS:

CENTRAL AFRICAN REPUBLIC (CAR) STANDS AT THE FOREFRONT OF AFRICA'S REGULATORY DEVELOPMENTS.

For only the second time in history, a country has taken the bold steps of adopting Bitcoin as a legal tender. Following El Salvador's pioneering move, in April 2022, lawmakers in CAR unanimously passed a bill legalizing Bitcoin and other cryptocurrencies. The bill, passed in the National Assembly, has been signed by President Faustin-Archange Touadera.

Cryptocurrency regulations in Africa are becoming more frequent, although varied in approach. However, amongst the certain momentum building from a regulatory standpoint, no country in Africa has made Bitcoin legal tender - until now.

CAR is a country with high poverty levels, with an estimated 71% of the population living below the poverty line. In the pursuit of financial inclusion, the move of making Bitcoin a legal tender will undoubtedly encourage a whole new era of economic activities. That being said, CAR has a strong presence of armed groups, and many officials and civil society groups have cautioned against the passing of the bill, saying that it risks national sovereignty.

Being one of six nations that use the Central African CFA franc, a regional currency governed by the Bank of Central African States (BEAC), CAR plans to have Bitcoin coexist alongside the CFA franc.

The world, forever curious, looks on with eager eyes to see how CAR moves forward. It is often said that "one swallow does not make a summer." Although initially lonely as the only country to adopt Bitcoin as legal tender, El Salvador no longer sits alone at its table of regulatory pioneers.

OBSTACLES OF GENERAL CRYPTO ADOPTION IN AFRICA

Challenges and blockchain solutions to Africa's Internet infrastructure problems

Although Africa is seeing high adoption rates of cryptocurrencies, there is still work to be done before they become accessible to everyone and truly mainstream. Besides the regulatory challenges, Africa has a lot of infrastructure and other shortcomings, still limiting access to blockchain for the majority.

Blockchain needs stable Internet

There is no blockchain or cryptocurrency without the internet. Internet penetration in Africa currently [sits at 43%](#), putting it 35% below the global average. Broadband penetration is at a dismal [sub 1%](#), showing a 30x gap to the global average.

Broadband infrastructure challenges

Africa's broadband challenges are mainly present at the last mile distribution. Many undersea cables are penetrating the Continent, connecting it to the internet backbone reasonably well, but what is missing are the cables to people's homes. Building last-mile delivery with cables is extremely capital intensive, slow, and environmentally challenging. The World Bank estimates it would take [\\$100 billion and more than a decade](#) to get Africa's broadband on par.

3air solution to Africa's broadband problem

At 3air, we believe in smart, innovative solutions. Our technology delivers broadband internet over air, without quality loss, even over long distances. We typically use 3 towers to provide a big

city with internet coverage meaning our CAPEX requirements are minimal compared to traditional methods. It also allows us to cover a whole city at once and not slowly, block by block, as traditional telecoms connect households and businesses.

Utilizing new blockchain-based business models

Blockchain technology and the internet go hand in hand. Blockchain needs the internet to function, and internet delivery can benefit from new business models emerging from blockchain and cryptocurrency ecosystems.

Just like Uber revolutionized the Taxi industry, blockchain technology has the potential to revolutionize broadband internet. With a sound economic model built around a token, we can incentivize the end-user to help build out the needed infrastructure, take care of it, and of course, earn revenue from it. With fast expanding Wi-Fi mesh networks, access to the internet becomes affordable and accessible for everyone, allowing growth at unprecedented speed.

NFT-based internet subscriptions

At 3air, we are also working on technologies that will enable NFTs to be used as monthly subscription carriers. Providing easy internet access allows for some interesting features for secondary markets. You could potentially resell your subscription once you don't need it anymore, send an NFT directly to a school's wallet, and thereby donate a monthly internet subscription, or you could rent out your internet NFT. The possibilities become endless.

Other challenges in blockchain adoption

As of now, there's no going around the fiat system, meaning you would need to be able to utilize traditional financial tools to bridge your fiat money to cryptocurrency. Many Africans do not possess a bank account or credit card, meaning they are bound to cash. Being able to convert cash to cryptocurrency is extremely important for wide adoption in Africa. With a physical on-ground presence, 3air aims to become that much-needed link.

Education is key

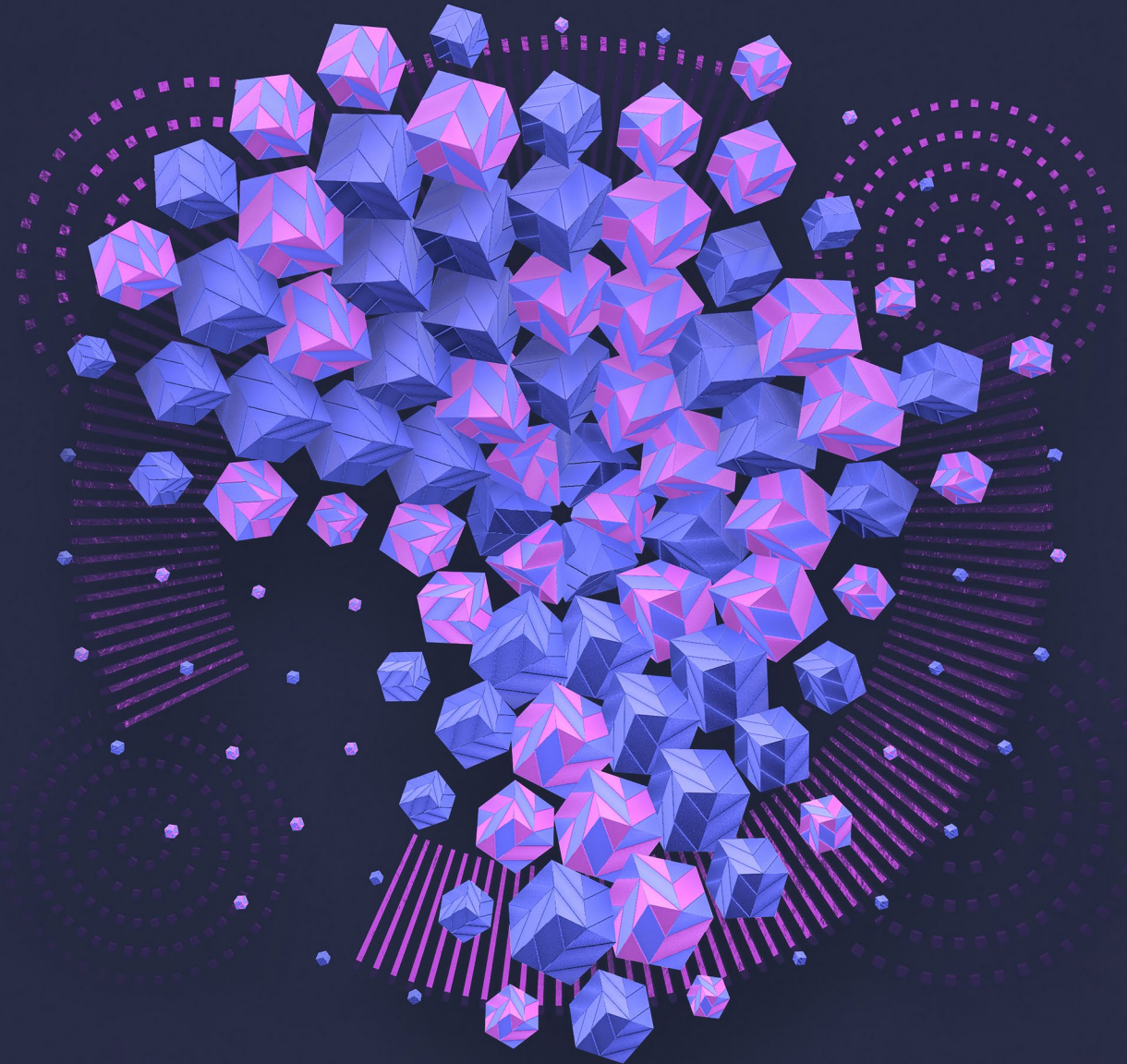
The reason for fast blockchain adoption rates in Africa is the sheer need to replace traditional financial services. Current systems are just not working in developing countries; therefore, we see affected communities leapfrogging a whole generation of technologies, skipping traditional financial systems, and adopting new, promising tools and services as their replacement. The incentive is there, so it is on us to provide access to quality education and information on the usage and advantages of blockchain and cryptocurrency. That will reassure the users and make them confident in their capabilities and the capabilities of the underlying technology. 3air aims to become the go-to platform providing internet and streamlining the education and onboarding process into the cryptoverse for everyone.



Sandi Bitenc
CEO,
3air

08

REPORT CONCLUSION



REPORT CONCLUSION

If you have made it this far in the report, we'd like to take this opportunity to thank you for your time, curiosity, and interest.

In concatenating the relevant data to put together this report, we realized that the available blockchain funding and company data were extremely fragmented. In our efforts to correlate the widely spread information, we believe we have successfully depicted a unique holistic overview of the blockchain-specific funding activities and regulatory stances on the African continent.

With the majority of its population lacking access to essential financial services, Africa is embracing the newfound independence that blockchain technology and cryptocurrencies provide. Africans see new-age technology as a means of improving everyday life while solving fundamental difficulties.

With a very young and techno-savvy population, Africa is no stranger to using digital means of transacting and exchanging value. With a population that is hungry for change, the rate of adoption has no intention of slowing down any time soon. The general public has adopted cryptocurrencies rapidly, and stoic companies offering services in this regard have managed to adapt and survive.

Africa is already seeing several blockchain companies starting to make waves. These companies have employed the right people, been patient while raising their initial local capital, and then graduated to the larger pools of international capital. This being said, it is not only the established companies that are successfully raising funding but also the startups in the embryonic "the-sky-is-falling" phase.

The African continent is slowly but surely emerging as a vibrant technology investment location. Sharp minds and intuitions are

driving product development, and investment capital is seeping in, albeit still in amounts far smaller than the rest of the world. Capital is being invested despite the waters of conventional deal funnels being muddy, caused by a lack of available data for potential investors - especially international ones.

One of the more significant reasons for the rampant growth of the blockchain sector - and the technology sector as a whole - is pure necessity. Africans are unable to rely on vast, centralized, regulated infrastructural systems. They simply do not exist. And where they do, they are riddled with inefficiencies and red tape. As a result, innovation is blessed with a clean slate on which to paint, and progressive advances seem to follow. These advances sometimes improve existing systems, but, more often than not, they leapfrog existing legacy systems that might present a hindrance in more developed markets.

The continent is not without its successes. Just last year, Africa birthed 5 of its 6 unicorns. Africa has the tools, the will, and the population size to breed large companies serving hundreds of millions of people. We soon expect cryptocurrency and blockchain companies to gain their horns.

Africa is openly embracing the mindset of understanding new-age technologies and how best to implement them into society. Although the number of countries where cryptocurrencies are deemed legal is few, most African countries share similar difficulties and infrastructure hindrances. Imitation is the ultimate form of flattery, and it is noticeable that countries in Africa are looking to their counterparts for inspiration and guidance on regulatory matters.

We have noticed a trend in African countries concerning CBDCs. Generally, before any official regulations were in place, Africans

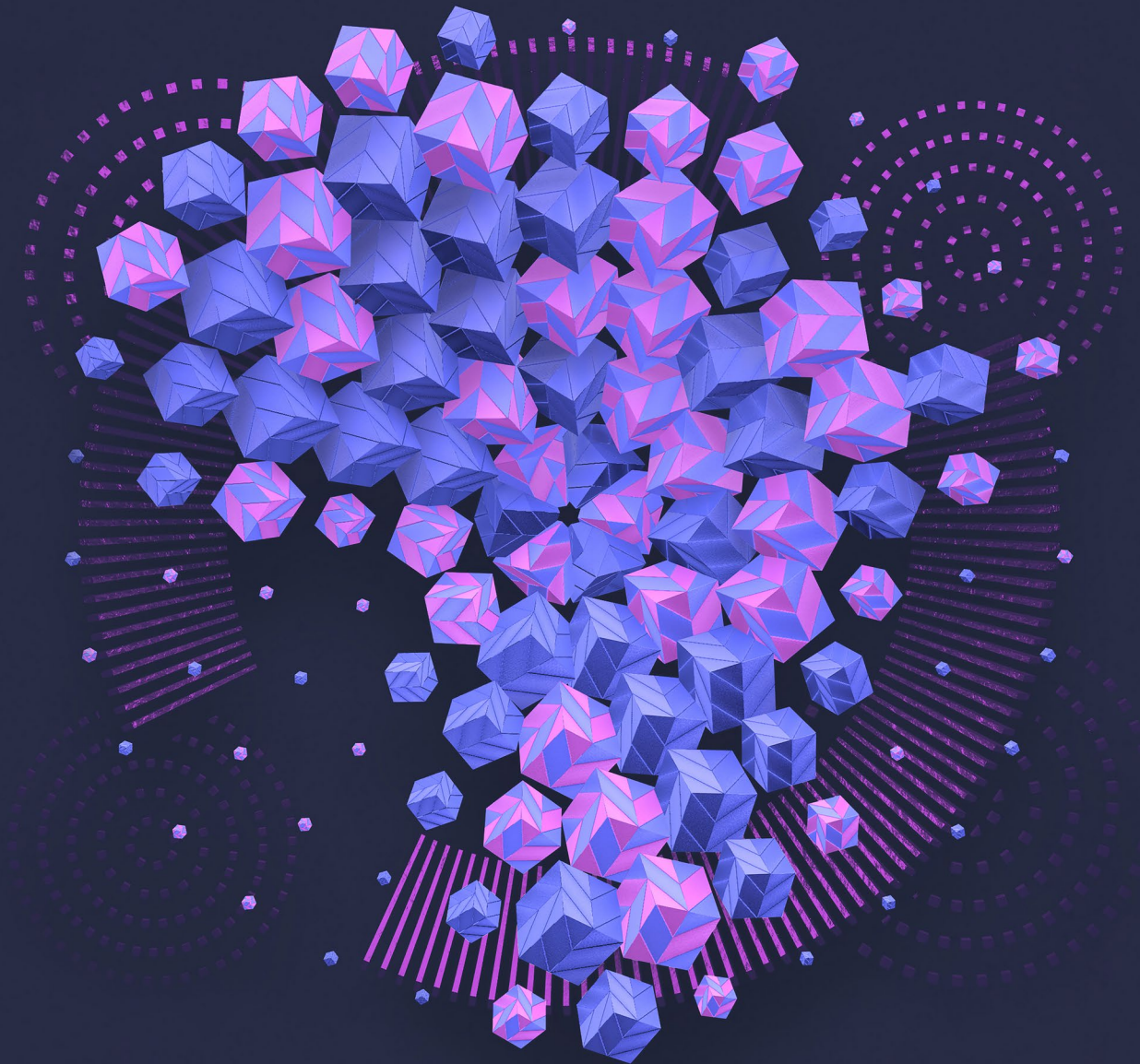
sought solace in the world of cryptocurrencies. As regulators and governments alike noticed drainage in local market activity, they have identified CBDCs as a means of encouraging participation with local digital currencies, intending to have them coexist alongside their fiat counterparts.

As more successful blockchain use cases come to the forefront of African innovation, other pioneers and mavericks on the continent will be enticed to follow suit. The future for Africa is more digitally robust and optimistic than ever before, and it is inspiring to see how innovation is being used to enable inclusion on the continent.


























"KE NAKO," IT'S TIME, AND THIS IS ONLY THE BEGINNING.

09

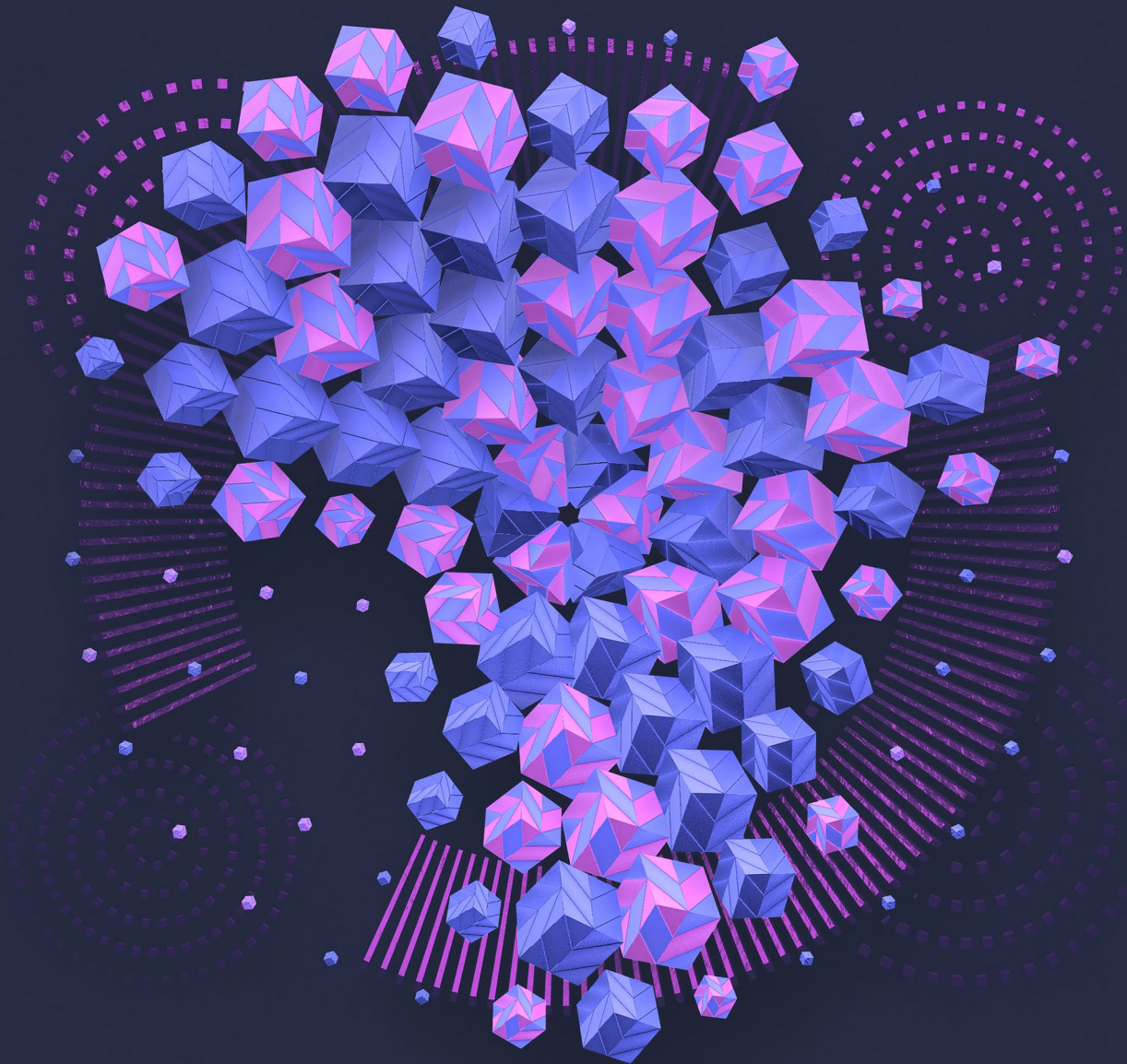
CV VC PORTFOLIO



CV VC PORTFOLIO

<p>ADHASH</p> 	<p>AGRYO</p> 	<p>ASVIN</p> 	<p>BEEMUP</p> 	<p>BITFREEZER</p>  <p>BitFreezer</p>	<p>BLOCKFRAUDS</p> 
<p>BLOCKSPORT</p> 	<p>CARMACHAIN</p>  <p>Alternative Credit Data Marketplace</p>	<p>COINRULE</p> 	<p>DSENT</p>  <p>AN INACTA COMPANY</p>	<p>FLOAT CAPITAL</p> 	<p>FLOVTEC</p> 
<p>FORWARD PROTOCOL</p> 	<p>GEON</p> 	<p>HOUSEAFRICA</p> 	<p>IVE.ONE</p> 	<p>MATH FOR MONEY</p> 	<p>MAZZUMA</p>  <p>Your Money, Your Freedom</p>
<p>ORVIUM</p> 	<p>PRAVICA</p> 	<p>PROOF OF IMPACT</p> 	<p>PTOLEMY</p> 	<p>SCORECHAIN</p> 	<p>SPRINTER</p> 
<p>TEZSURE</p> 	<p>THE SWAPPERY</p> 	<p>UTOPIA</p> 	<p>VAULT WINES</p> 	<p>VEREIGN</p> 	<p>XION</p> 

10 ABOUT



ABOUT



CV VC

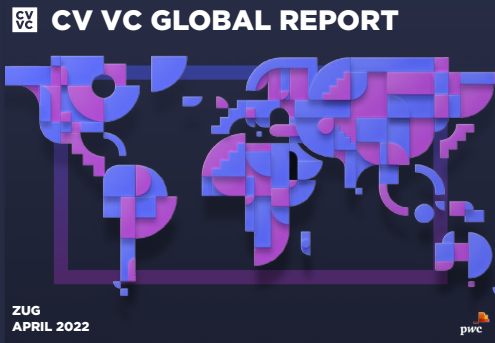
Headquartered in Switzerland, the private venture capital company offers seed funding and an incubation program to global tech teams in exchange for equity. In addition, CV VC provides consulting and investment advisory to corporates. As an initiator of Crypto Valley, the birthplace of Ethereum and home to 14 Unicorns, CV VC & CV Labs is the hub of Crypto Valley's acumen and a global force driving the fourth industrial revolution. CV VC has an entrepreneurial spirit as epitomized by its founders and board members representing its ethos - Founders for Founders. These include Ex Swiss President Johann Schneider-Ammann, industrialist Alex Wassmer, entrepreneur Mathias Ruch, investment banker Olaf Hannemann, former Finnish Minister Anne Berner, and Philipp Rösler, ex Vice-Chancellor of Germany & Managing Director of World Economic Forum.



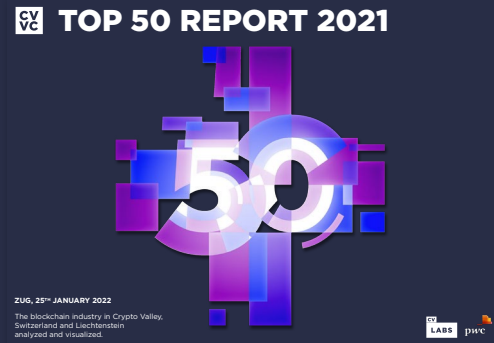
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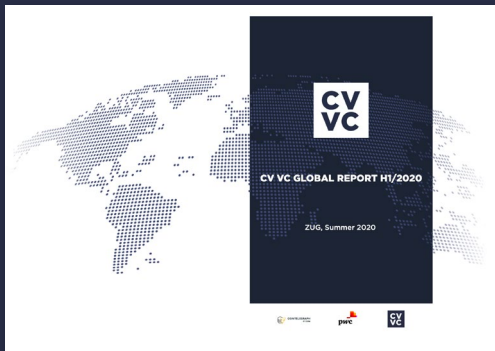
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