GATHERING SUMMARY

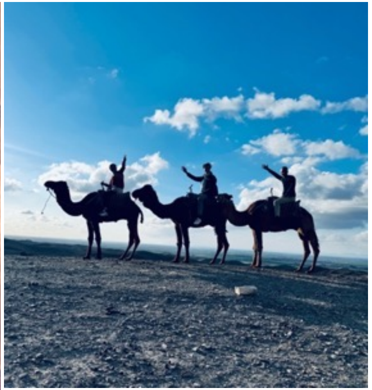
Venture Studios in Africa

Clarifying venture studios and their roles in the African innovation ecosystem

September & December 2025 · Nairobi, Cape Town · Venture Studio gathering, VC Unconference and AfricArena Venture Studio Summit · Research by Briter Intelligence

DIGITAL COLLECTIVE AFRICA

Venture Studio & CVC Unconference April 2025



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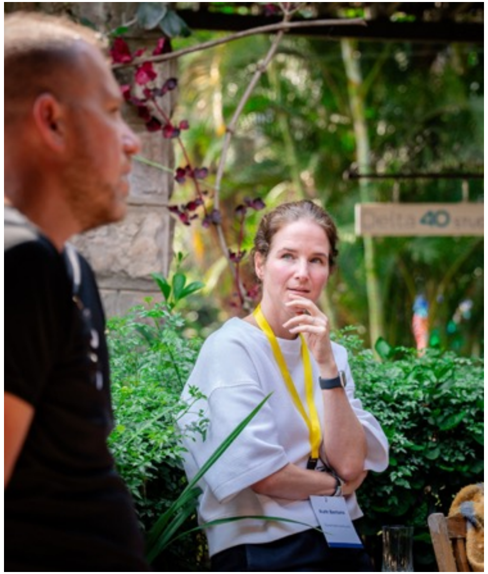
Nairobi Venture Studio Gathering September 2025

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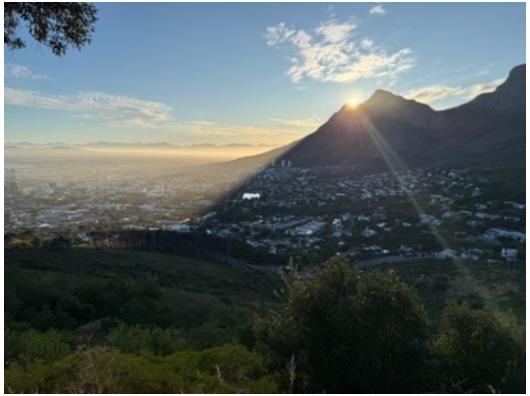
Venture Studio track VC Unconference December 2025



WHY NOW — THE AFRICAN CONTEXT

62%

of African startups raise only once — and stall

$250K

funding cliff: grant capital dominates, then drops off

~70%

of Africa-focused VC funds not actively deploying

The opportunity

→ African startups are over-mentored and under-funded: 1 in 3 participate in accelerators, but equity capital drops sharply after a $250K ticket — precisely where studios operate.

→ Commercial VC is retreating. ESOs and impact investors are filling part of the gap but cannot replace the hands-on operator support needed at pre-seed and seed.

→ Incubator/accelerator models face a credibility crisis as funders question impact. Venture studios emerge as the capital-efficient, operator-led hybrid response.

Source: Briter Intelligence, 2025

WHAT IS A VENTURE STUDIO? — THE DEFINITION WE AGREED ON

Institutional entrepreneurs — operators and co-founders who build companies from the idea stage, share centralised resources across ventures, and take equity in return for capital and support.

Idea stage

Involved from ideation — not just injection of cash post-concept

Operator team

Builders, not just investors — fractional CxO, product, legal shared across ventures

No fund required

Structure follows the fundraising environment — HoldCo, fund, or hybrid

Equity for support

Ownership earned via cash + in-kind — not just a cheque

How studios differ from VCs and accelerators: they develop ventures in-house · share centralised C-suite across portfolio · use structured playbooks · take equity for support

THE AFRICAN VENTURE STUDIO LANDSCAPE

40+	145+	35+	$76M+
Venture studios across Africa	Portfolio companies built or backed	Disclosed follow-on funding rounds	Total disclosed follow-on funding

Active across:

Kenya	Nigeria	South Africa	Ethiopia
Egypt	Morocco	Côte d'Ivoire	Uganda
Sudan	Senegal	Angola	Zimbabwe
Botswana			

Top verticals: Agrifoodtech · Fintech · Climatetech · Tourism & Hospitality · Healthcare · Logistics · General tech (2–5 sector focus most common)

Source: Briter Intelligence, 2025

THREE STRUCTURAL MODELS IDENTIFIED IN AFRICA

SIMPLEST TO START	MOST COMMON	MOST SOPHISTICATED
Single Entity (HoldCo)	**Dual Entity + Sidecar Fund**	**Dual Entity + Internal Fund**
Pyramidia · Far Ventures · 1MoreThing	*Mstudio · Capaci.tech*	*Delta 40*
Strengths	**Strengths**	**Strengths**
+ Simple structure, low setup cost	+ Clear investor exposure	+ Diversified income + follow-on control
+ Agile capital reallocation	+ Independent VC validation	+ Fund-like LP governance
+ No external fund governance	+ Transparent capital path for founders	+ Builds + invests externally
Challenges	**Challenges**	**Challenges**
– Hard to value without portfolio	– Higher setup complexity	– Must fundraise for both entities
– Struggles to attract institutional LPs	– Separate IC may not support all ventures	– IC governance complexity
– Longer return timeline (wait for exit)	– Dual negotiation burden on founders	– Highest operational cost

THE EQUITY DEBATE — THE ROOM'S MOST CONTESTED QUESTION

VC discomfort threshold: ~20%

0–20%	20–40%	40–60%	60–80%+
Light-touch VC	Hybrid / typical	Mid control	Full HoldCo

Case for higher equity (studio view)

→ Studios that fully fund the venture earned that equity — they carried 100% of early risk

→ Full control enables governance, strategy pivots, and talent changes when needed

→ HoldCo/high-equity model works if exit path is M&A or corporate buyer, not VC

→ Partial secondaries can clean the cap table at Series A — make them explicit in docs

Case for ≤20% (VC investor view)

→ Above 20% studio ownership, most VC funds push back — misaligned incentives at scale

→ High-equity cap tables block most institutional investors, limiting follow-on options

→ A well-incentivised founder with 40%+ ownership outperforms a salaried operator

→ Better to own less of something that can become very large than a lot of something capped

Best practice: document partial-secondary rights at a pre-agreed multiple from day one — this alone resolved the cap table objection in multiple cases shared in the room.

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KEY BEST PRACTICES SHARED BY PRACTITIONERS

Shared services are the core value

Fractional CFO, CTO, legal, design — centralised at the studio, deployed across ventures. Framing this as 'fractional C-suite' resonates strongly with LPs who already understand the model.

Vertical focus attracts aligned founders

Studios with a clear sector thesis (agrifood, climatetech, tourism) attract better-matched co-founders and investors. Generalist studios struggle with identity and pipeline.

Funding mix: fees + grants + equity

Management fees (some studios run 7.5%/yr front-loaded), grant access via nonprofit arms, LP-operator hybrids who invest and consult. No single model dominates — adapt to your market.

Lean teams, then transition

Most studios run 10–20 people total. AI is reducing designer and ops headcount. The hard question: at what scale do shared resources need to spin into each portfolio company?

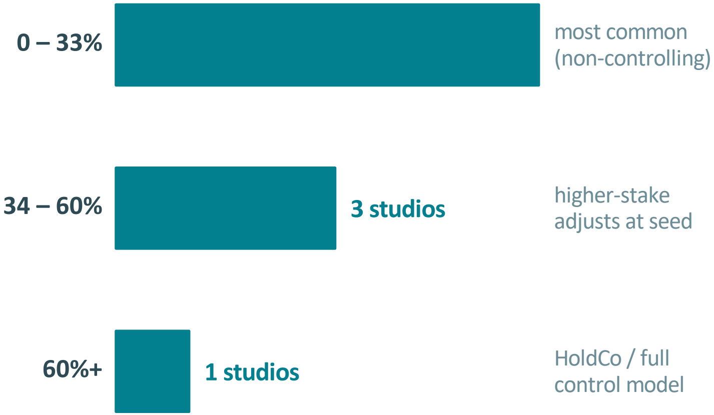
Jurisdiction: hold offshore, operate locally

Most studios hold in Delaware, Netherlands, or UK while operating in-country. Most international investors won't touch Kenyan or South African primary entities — pragmatic, not ideal.

Exit planning from day one

Studios planning for M&A exits (not VC paths) should have a change-of-control premium clause in all docs. Secondary sales are happening in Africa — but stay unpublicised due to tax regimes.

Studio equity stake distribution across Africa



Building time per venture

2	6	2
6–12 mo	12–24 mo	24+ mo

studios

Global performance benchmarks (Max Pog Research, 2023)

−51%	faster to Seed stage vs non-studio startups
−41%	faster to Series A
−33%	faster to acquisition
33.2%	Net IRR for VC funds with significant platform support (VC Platform research)
2.8×	TVPI for high platform-support funds vs 2.3× for zero-support funds

Source: Briter Intelligence, 2025

WHAT WE AGREED TO DO

Collective commitments from the gathering

01

White paper

A Briter Intelligence research report documenting definitions, structural models, performance data, and Africa-specific case studies for investor education

02

Studio directory

Public mapping of 30+ African venture studios: thesis, check sizes, equity ranges, shared services offered — so founders can navigate the landscape

03

Investor education track

Dedicated venture studio stage at the AfricArena Venture Studio Summit, Cape Town (December) — LPs, corporates, and GPs in the room

04

Shared legal resources

Governance kit, term sheet standards, cap table templates, nonprofit/for-profit boundary guidance — contributed by members, housed in a DCA repository

05

Monthly working calls

Output-focused monthly sessions with rotating topics; WhatsApp group as anchor for rapid sharing. No formal association yet — collective first, structure later

06

Founder education

45-minute explainer module at AfricArena bootcamp: 'What is a venture studio and why would you build inside one?' Delivered by studio practitioners

GET INVOLVED

Join the Venture Studio Collective

→ Opt into the shared studio directory

→ Contribute to the legal resource kit

→ Join the monthly working call

→ Bring your studio's story to the Grand Summit

Research

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Network

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