

The Baobab Network Report for ZENMONDO Members [Teaser version]

News, views and analysis on tech and VC in Africa

12th November 2019

Issue #18

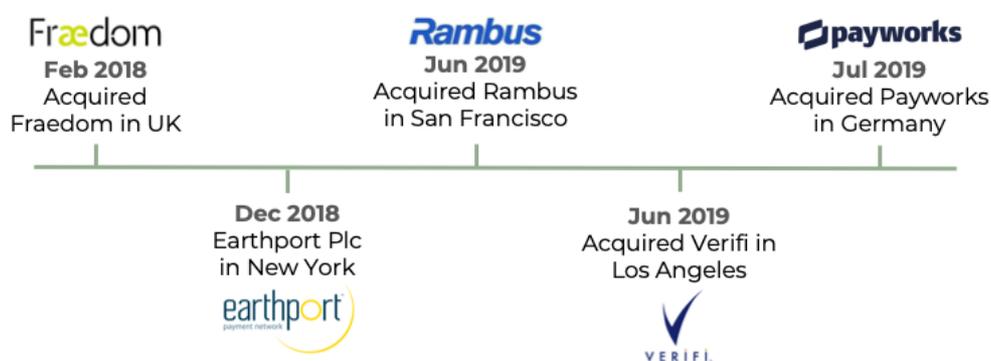


Hello,

Visa looks to invest in Interswitch

[Visa](#) is eyeing up a \$200m investment in Nigerian digital payments platform [Interswitch](#), months before their planned IPO on the London Stock Exchange. [Sky News](#) reported on Sunday that Visa would be looking at a 20% stake, pushing Interswitch's valuation up to \$1bn which would make it the first tech company to achieve unicorn status in Nigeria.

We took a look at Visa's other big Fintech investments in the last two years:



Source: [Crunchbase](#)

It has been a busy week for Interswitch, who also announced in the last few days their acquisition of Lagos based healthcare start-up [eClat](#). This is Interswitch's third acquisition in the last 5 years, having bought [Paynet](#) in 2014 and [VANSO](#) in 2016. The move is seen as a further push for growth as they build towards an IPO in H1 2020.

Our Fintech research from earlier this year clearly shows how Nigeria's digital payments space is a hot space for innovation, however few firms have managed to reach the same scale as Interswitch. We will be keeping a close eye on the Visa deal and also Interswitch's plans to list on the LSE next year.

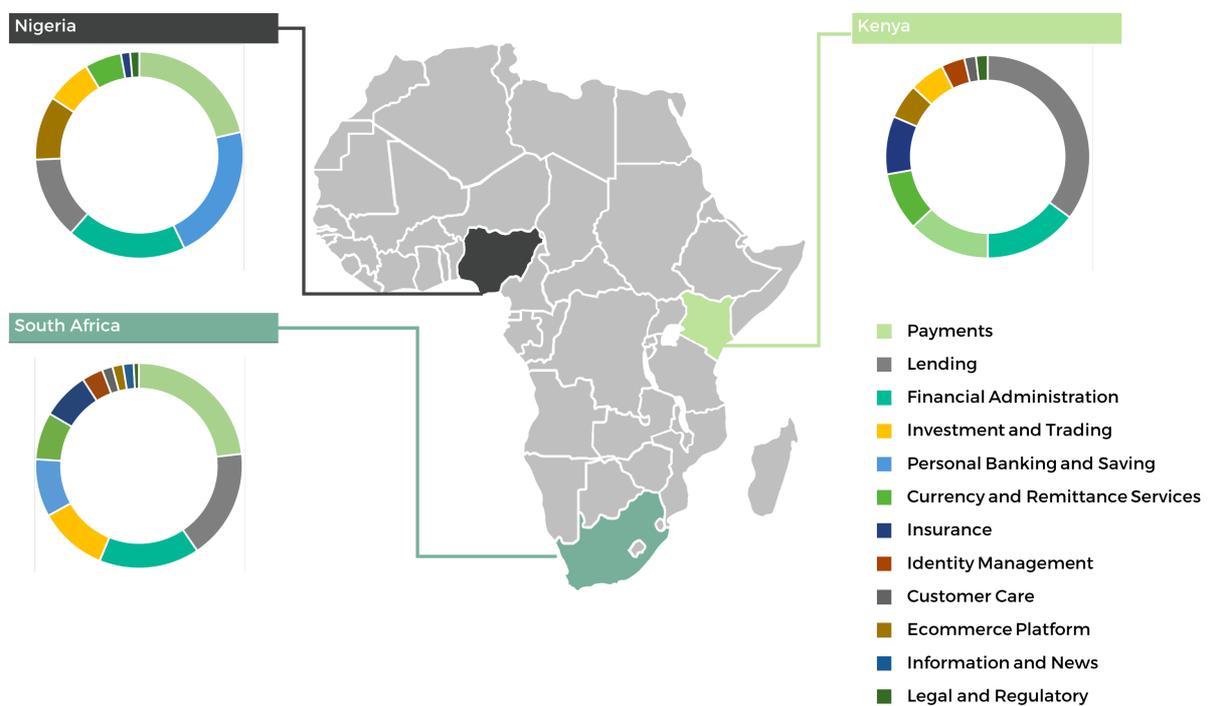
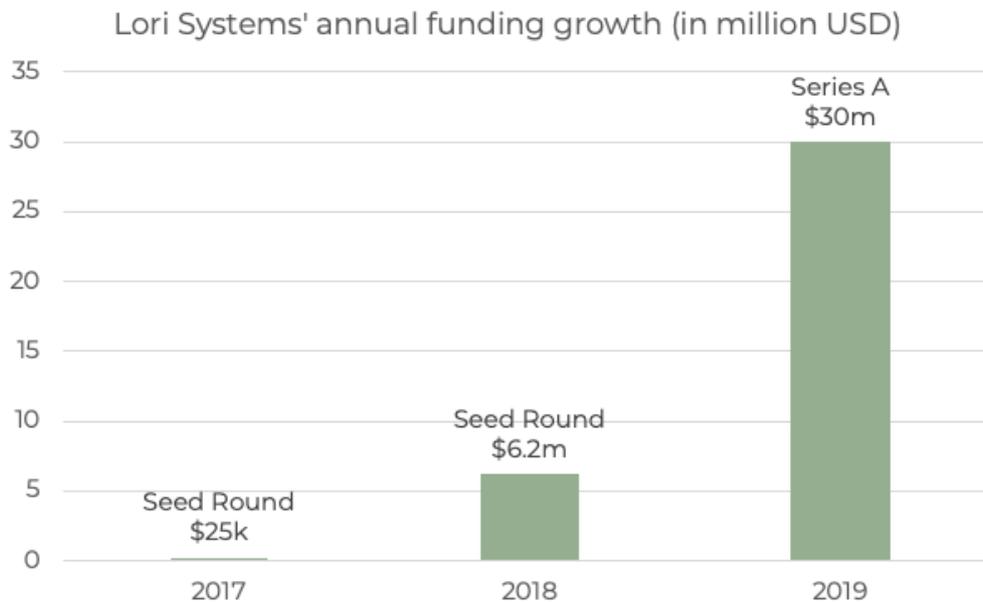


Chart showing breakdown of Fintech start-ups analysed in SA, Nigeria and Kenya ([Baobab Insights 2019](#))

News

Lori Systems secures \$30m in Series A from Chinese investors

Kenyan transport and logistics start-up [Lori Systems](#) has raised \$30m in a Series A round led by Chinese investors [Hillhouse Capital Group](#) and [Crystal Stream Capital](#). The company connects cargo owners to transportation through a tech platform and aims to disrupt Africa's massive mobility space. Here's a chart of Lori System's three funding rounds since 2017:



Having seen 30% MoM growth since it first launched its product in May 2017, Lori recently expanded into Nigeria where it faces one of its biggest competitors - Goldman backed [Kobo360](#).

Source: [Crunchbase](#)

Safaricom and Vodacom entering Ethiopia?

Kenya's largest mobile network operator [Safaricom](#) is planning on a joint bid with SA's [Vodacom](#) for an Ethiopian telecommunications licence which is expected to cost more than \$1bn. Ethiopia will be opening the bidding floor for two licences this month giving firms the opportunity to enter the market and compete with its monopoly [Ethiopian Telecommunications Corp.](#)

Source: [Bloomberg](#)

Andela partners with ITIDA and launches in Egypt

[Andela](#) has launched in Egypt and plans to hire 200 senior software engineers after a partnership with the Information Technology Industry Development Agency ([ITIDA](#)). This is Andela's first venture into Egypt, and follows a broader trend of international expansion with a focus on hiring more senior developers.

Source: [Weetracker](#)

Fund news

We have been tracking [DOB Equity](#)'s investment team closely as they have been very active in East Africa's tech space in the last 3 years. Since 2017 they have made 10 investments, 7 of which they have led on. Here are the main deals that the Dutch Impact Investor has done of late:



AFRICA LOGISTICS PROPERTIES

Name: Africa Logistics Properties
Location: Nairobi, Kenya
Category: Construction & Property
Date: May 2017



Name: Twiga Foods
Location: Nairobi, Kenya
Category: Agriculture
Date: July 2017 & November 2018



Name: Sendy
Location: Nairobi, Kenya
Category: Transport & Logistics
Date: February 2018



Name: Sarura Commodities Ltd
Location: Kigali, Rwanda
Category: Agriculture
Date: April 2018



Name: Crop Nutrition Laboratory Services (Cropnuts)
Location: Limuru, Kenya
Category: Agriculture
Date: July 2019



Name: Mr. Green Africa
Location: Nairobi, Kenya
Category: Transport & Logistics
Date: August 2019



Name: PowerGen Renewable Energy
Location: Nairobi, Kenya
Category: Energy
Date: January 2017 & November 2019



Name: Moringa School
Location: Nairobi, Kenya
Category: Education
Date: October 2019

Source: [Crunchbase](https://www.crunchbase.com)

Deals

- Nairobi based micro-grid developer [PowerGen Renewable Energy](#) has secured Series B investment in a round led by Shell New Energies.
- SA proptech start-up [Jamii Cities](#) has secured \$30k in grant funding from incubator AlphaCode.
- SA FinTech start-up [ProfitShare Partners](#) has raised \$1.7m in debt financing from Edge Growth Ventures.
- Egyptian travel start-up [Tripdizer](#) has raised \$300k in seed funding in round led by MENA focused VC firm 500 Ventures.
- SA drone start-up [Gannet](#) has raised \$66k in a crowdfunding campaign on [Indiegogo](#). Within an hour of its waterproof drone launch the company was fully funded.

Start-up spotlight

Founded in 2017, [Usalama](#) connects users in Kenya with emergency service providers. The core platform is focused on ambulance services, security companies and road side rescue, and is available for download through the Google Play Store. Usalama have seen strong growth recently, and the founders are looking forward to saving more lives across Kenya in 2020.

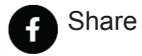


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