

The Baobab Network Report
for
ZENMONDO Members
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Baobab Insights weekly round-up
News, views and analysis on tech and VC in Africa

10th March 2020

Issue #34



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This week we take a look at Newtown Partners' new \$20m CVC fund as they partner up with Imperial Logistics. We also analyse Microtraction's decision to change their investment terms for founders, and Egypt based Breakfast have closed a Series A round led by none other than Paul Graham, the founder of Y Combinator.

Hello,

SA and US based [Newtown Partners](#) have partnered up with [Imperial Logistics](#), one of the world's biggest logistics companies, to launch a new Corporate VC vehicle focused on start-ups in Africa and Europe.

Launched in 2015 by entrepreneurs Vinny Lingham and Llew Claasen, Newtown Partners has been investing in African tech start-ups for nearly four years, and count Flutterwave, Wala and Sweepsouth amongst their portfolio.

It was [announced](#) this week that they would be teaming up with Imperial Logistics, a company listed on the Johannesburg Stock Exchange, to launch a new \$20m CVC fund purely focused on investing in logistics start-ups across Africa and Europe. Newtown will work closely with start-ups that receive investment from the new fund, whilst Imperial will actively seek partnerships with portfolio companies.



Speaking to [Ventureburn](#), Imperial CEO Mohammed Akoojee said that “Partnering with Newtown on this innovation fund helps position us ahead of future competitors, enabling a strategic response to emerging technologies and business models”.

You will all know from our newsletters that investment into transport and logistics start-ups in Africa has been growing fast. In 2019, the sector was only behind FinTech in terms of number of deals tracked on [our platform](#):

	FinTech	Transport and Logistics	Healthcare and BioTech	Energy and Utilities	E-commerce and Online Marketplace
Total	79	41	34	31	31
Egypt	18	12	7	2	14
South Africa	24	6	5	3	5
Nigeria	18	8	10	4	4
Kenya	5	8	4	10	5
Rest of Africa	14	7	8	12	3

Data Source: [Baobab Insights](#)

We've been excited about this space for some time and have been monitoring developments closely since we released [our report](#) looking at transport and logistics in Africa last year. We'll of course keep you all in the loop as things progress with this new fund.

Story source: [Ventureburn](#)

News

Nigerian VC Microtraction has increased its standard ticket size to \$25k

[Microtraction](#), an early stage VC based in Lagos, has changed its standard deal terms by increasing its investment to \$25,000 from \$15,000 and reducing the equity it takes in each start-

up to 7%.

Here are some of the fund's more notable investments from the last couple of years:



Name: Wallets Africa
Location: Lagos, Nigeria
Category: Financial Services



Name: CowryWise
Location: Lagos, Nigeria
Category: Financial Services



Name: Schoolable
Location: Lagos, Nigeria
Category: Financial Services



Name: Thankucash
Location: Lagos, Nigeria
Category: Financial Services



Name: Accounteer
Location: Lagos, Nigeria
Category: Financial Services



Name: Riby Finance
Location: Lagos, Nigeria
Category: Financial Services



Name: Sendbox
Location: Lagos, Nigeria
Category: Transport & Logistics



Name: BuyCoins
Location: Lagos, Nigeria
Category: Financial Services



Name: 54gene
Location: Lagos, Nigeria
Category: Biotechnology

[Speaking to Disrupt Africa](#) last week, the Microtraction said "we understand that start-up costs have increased over the years with a maturing African market. In order for companies we invest in to stay focused on building their product without having to worry about fundraising soon, we thought it best to increase our investment by \$10,000".

Source: [Disrupt Africa](#)

Visa and Paga partner to drive volume growth

[Visa](#) has entered a partnership with Nigerian payments start-up [Paga](#) in a deal that will allow Paga account holders to transact on Visa's global network. The new relationship does not include investment in the start-up, but it is expected to drive larger payment volumes for both companies.

Source: [Techcrunch](#)

SA tech investment firm AYO launches \$12.7m startup fund

Johannesburg Stock Exchange listed technology investment group [AYO Technology Solutions](#) has launched a [\\$12.7m fund](#) to help African start-ups scale.

Source: [Disrupt Africa](#)

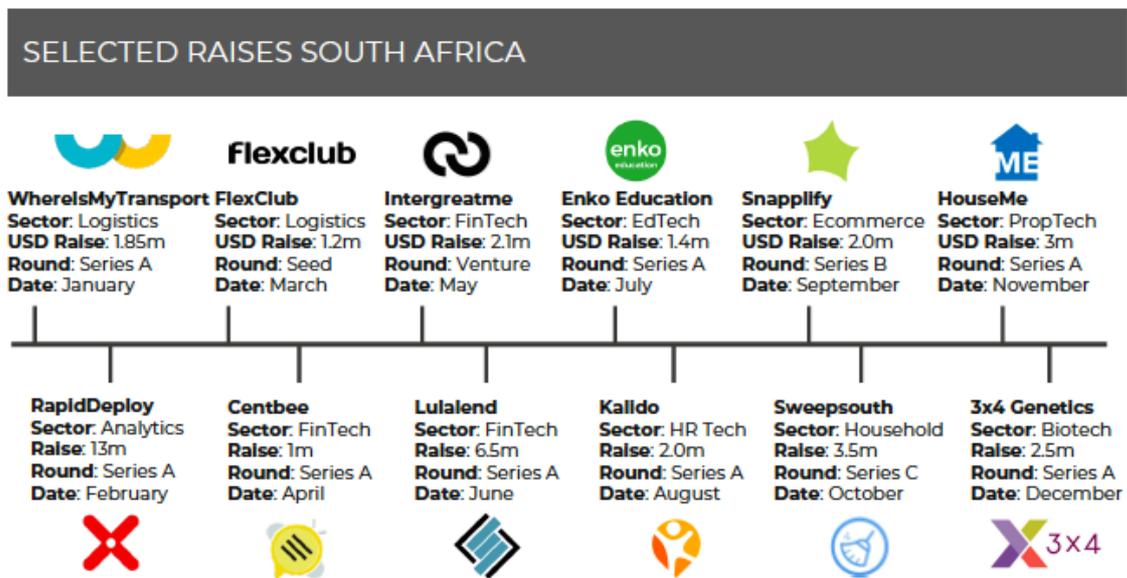
Deals

- Cairo-based fresh bread and grocery delivery platform [Breakfast](#) (a YC alum) has raised a tasty [seven figure Series A](#) round led by YC's founder Paul Graham, Endure Capital, Shorooq Partners, and several others.

- Egypt-based FinTech startup [Khazna](#) has raised an undisclosed [seed funding round](#) led by Algebra Ventures.
- SA data-sharing start-up [Omnisient](#) has raised a [pre-Series A round](#) led by Nedbank.
- IFC has acquired [TerraPay](#) in a [\\$9.6 million joint investment](#) with Partech and Prime Ventures.
- Kenyan HR and Payroll start-up [WorkPay](#) becomes the third Kenyan tech company to [join Y Combinator](#).

Chart of the week

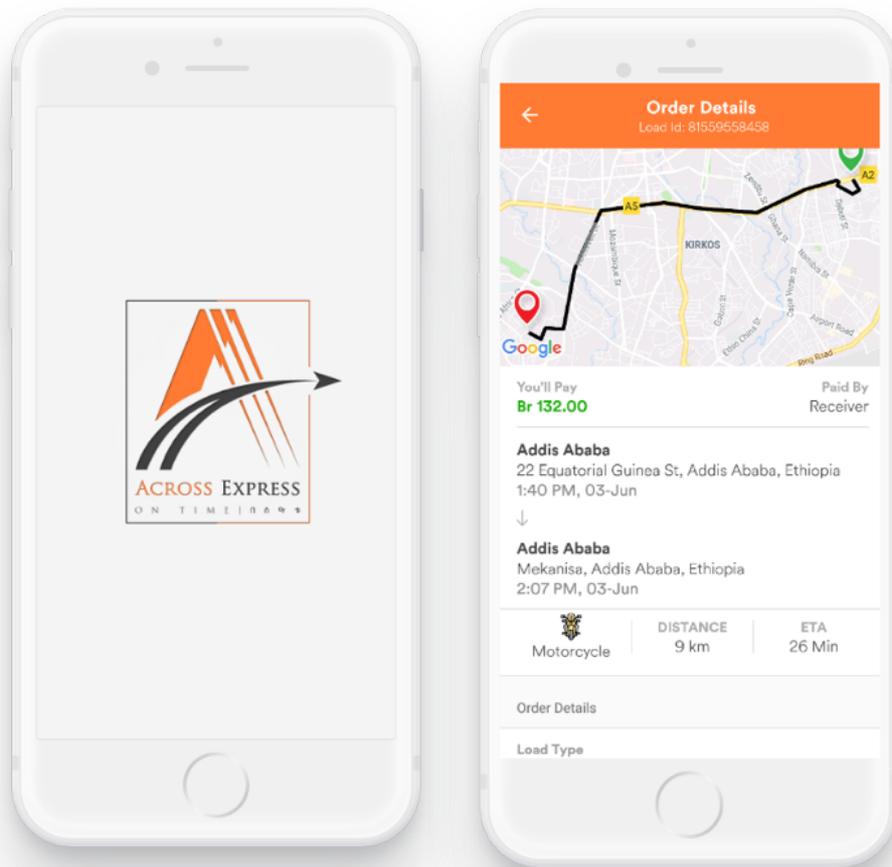
It's only Tuesday and it's already been a big week of news for South Africa's VC market with Newtown Partners' new fund and Omnisient's pre-Series A round. We dug into our [2019 funding report](#) to pull out some of South Africa's biggest deals last year:



Source: [Baobab Insights](#)

Start-up spotlight

Sticking with our logistics theme, this week we wanted to spotlight [Across Express](#), an Addis based freight platform digitising Ethiopia's huge logistics industry. Across Express connects users with freight and transport providers, improving efficiency, increasing transparency and reducing costs across the value chain.



Prime Minister Abiy Ahmed has been working hard since last year to open up Ethiopia's logistics space, [pledging to cut import and export transit times by half](#) by the end of 2020. A good time for tech enabled logistics platforms? We certainly think so...

Source: [Across Express](#)

Know a company building something cool?

Nominate them for our weekly spotlight at team@baobabinsights.com.

Get in touch

Want to learn more about our content or send us feedback? Email us on team@baobabinsights.com.



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