

The Baobab Network Report
for
ZENMONDO Members
[Teaser version]



2nd March 2021

Hello,

This week, we look at the South African government's decision to scrap the Section 12J tax incentive scheme, and what this might mean for the country's VC and start-up community. Also, we've mapped 29 tech companies in Ethiopia, and Parcelninja has been acquired by logistics giant Imperial.

The end of the road for Section 12J

In a budget announcement made on 24th February, South Africa finance minister Tito Mboweni called time on the [Section 12J tax incentive](#), which will end in June 2021. This is big news for the VC community in South Africa, and has come as a bit of a shock.

The incentive was set up to provide economic stimulus to small businesses. It aimed to support job creation and innovation by helping SMEs in South Africa to tap into equity finance.

While the scheme was designed to target small business and riskier ventures, the South Africa [National Treasury](#) determined that only 37% of businesses added new jobs after receiving funding, and more than 50% of investments appeared to be in low-risk ventures and assets, like rental structures and real estate investments.

VC Investors Headquartered in South Africa 2020
baobabinsights.com/investors



Sithega

CAPITAL APPRECIATION

ADDITIONAL INSIGHTS:

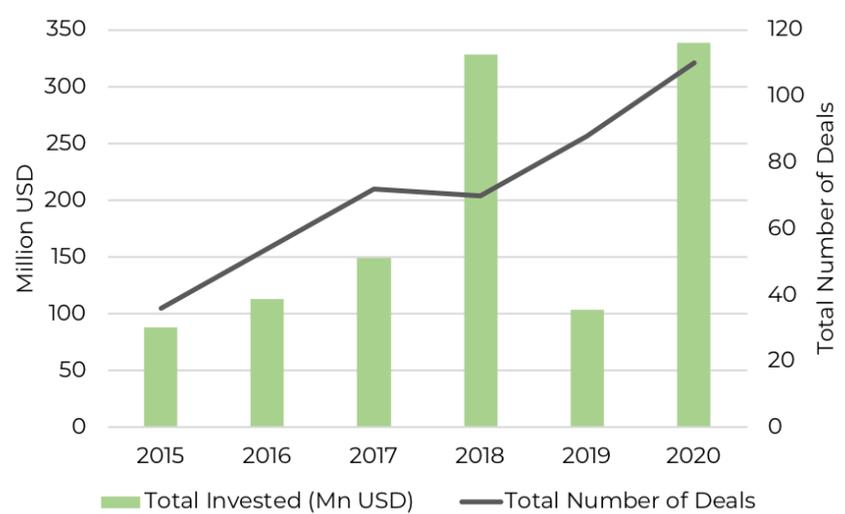
Total Invested by VCs in SA in 2020: \$338,951 million



Baobab Insights.

A press release published by the [South Africa Venture Capital Association \(SAVCA\)](#) expresses the disappointment felt by the VC community, particularly in the way that the incentive is being withdrawn in its entirety rather than looking at ways to refine the scope to better target higher-risk start-up business investment.

South African start-ups [raised](#) over \$338 million USD in 2020, and it is likely that a large proportion of this funding was facilitated by the Section 12J incentive, which is now due to close on the 30th June 2021.



29 Ethiopian tech start-ups

Our new [Ethiopia technology market map](#) shares 29 start-ups that are building innovative solutions along different value chains across Ethiopia.



2020 was a record year for Ethiopian start-ups, who raised over \$2.2 million USD in disclosed funding. A significant increase from the \$0.7 million USD closed in 2019.

[Download our new Ethiopia start-up map](#)

News

Parcelninja acquired by Imperial

[Parcelninja](#), a South Africa based e-commerce fulfilment partner was acquired by JSE-listed logistics company [Imperial](#). Imperial acquired a 60% stake in Parcelninja on 1st February 2021.

Cameroonian FinTech Diool raises \$3.5 million USD

[Diool](#), a Cameroon-based FinTech that helps merchants accept online payments, has announced that it has raised \$3.5 million USD in new funding from the Lundin family.

Source: [Founder360](#)

[Access razor-sharp data on Africa's private markets](#)

Deals

Angolan crowd-funding platform [Deya](#) has closed a \$50k USD pre-seed investment round from undisclosed investors to further build out their offering.

[ImaliPay](#), a Kenya-based FinTech company that provides financial services to gig economy workers (such as payments and saving services) has raised an undisclosed pre-seed round led by [TEN13](#).

[Access data on over 2,800 African VC deals](#)

Chart of the week

This week's chart looks at active pre-seed and seed stage investors supporting Ethiopia's start-up community.

Top 3 Pre-Seed & Seed Investors in Ethiopia since 2019

 The Baobab Network	 	2 Deals Pre-Seed Investment Stage
 Consonance Investment Managers		1 Deals Seed Investment Stage
 Y-Combinator		1 Deals Seed Investment Stage



[Access our new Ethiopia Market Map here](#)

Start-up spotlight

Founded in 2016 by [Ameni Mansouri](#), [Oussama Mahjoub](#), and [Ghazi Ketata](#), [Dabchy](#) is a Tunis-based fashion marketplace that connects buyers and sellers.

The peer-to-peer marketplace helps sellers make money by selling new, self-made, pre-owned or unused clothes and accessories.

The platform has built a large community of more than 400,000 users, with a catalogue of up to 420,000 items listed making Dabchy one of the largest online stores in Tunisia.



Dabchy
_____.com

Following a \$300k seed round in 2019, the team secured funding from the [Orange Ventures Seed Challenge](#) in November 2020.

To sustainable fashion!

Source: [Dabchy](#).

This year, we've made a pledge to support more women-led companies through our start-up spotlight feature. Know a team that deserves recognition? You can nominate them for our weekly spotlight at team@baobabinsights.com.

Data in this newsletter comes from [Baobab Insights](#). Join DOB Equity, Amazon, Standard Chartered, Sanofi, Cargill, Newtown Partners, Johnson & Johnson and tonnes of other partners to get access to Africa's best VC market data.

Since last week, the Baobab Insights platform added:

22 deals | 44 companies | 15 funds | 1 market reports

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