



Baobab Insights

Market insights from The Baobab Network,
Africa's leading start-up accelerator



23rd March 2021

Hi,

This week, we take a closer look at North Africa's VC landscape. Also in this newsletter, we shine the spotlight on a restaurant discovery service in Nigeria, Kuda announces another funding round, and there's a FinTech chart of the week.

60 VC backed North African start-ups

North African entrepreneurs have had a busy start to 2021; the likes of [Mubawab](#), [Koinz](#) and [Dayra](#) were last week joined by [Nowpay](#) and [zVendo](#) in raising new funding, bringing the total number of VC rounds in the region to 24 already this year.

This follows a more challenging year in 2020, during which North Africa-based companies accounted for 12% of total VC funding raised across the African market, down from the 14% closed in 2019.

We were keen to understand this dynamic market in more detail, so our analysts took a closer [look](#) at North Africa's seed stage ecosystem.

Seed Stage VC Investors in North Africa

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VC investment into start-ups in North Africa dropped from \$279 million USD in 2019 to \$149 million 2020, with the number of deals decreasing from 120 to 102 over the same period. Seed stage investment by North African VCs totalled \$23.6 million USD in 2020.

Between 2018 and 2019, early-stage seed funding rounds grew from \$4.3 million USD across 44 deals to \$8.5 million USD across 93 deals, however, this fell in 2020 to \$7.3 million USD across 73 deals.

As well as the number crunching on deals, we've mapped 60 venture-backed start-ups in the region:



Through our **research** we found that investment in North Africa differs from trends seen elsewhere.

For example, E-commerce and Online retail companies attracted a larger proportion of

which accounted for 22% of total funding across Africa as a whole in 2020.

For all this data, and more, you can download our new North Africa market map below.

[Download our new North Africa market map here](#)

News

ArifPay raise \$3.5m to begin national roll-out

Newly launched Ethiopia-based FinTech start-up [ArifPay](#) has closed a \$3.5 million USD funding round to begin their national roll-out of merchant point-of-sale payment services.

ArifPay was founded in February 2021 by the team behind on-demand transport app [ZayRide](#), and will begin operations once they receive their licence from the National Bank of Ethiopia.

Source: [Disrupt Africa](#)

Nigerian FinTech Kuda raises \$25m Series A

[Kuda](#), a Nigeria-based digital bank, have announced that they have raised a \$25 million USD Series A in a round led by [Valar Ventures](#), with participation from [Target Global](#) and other undisclosed investors.

Announcing the news last week, the company noted that it has ambitions to become a neobank for 'every African on the planet' and plans to use the new funds to continue expanding its credit offerings, add in more integrations and to move into more markets.

Source: [Tech Crunch](#)

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

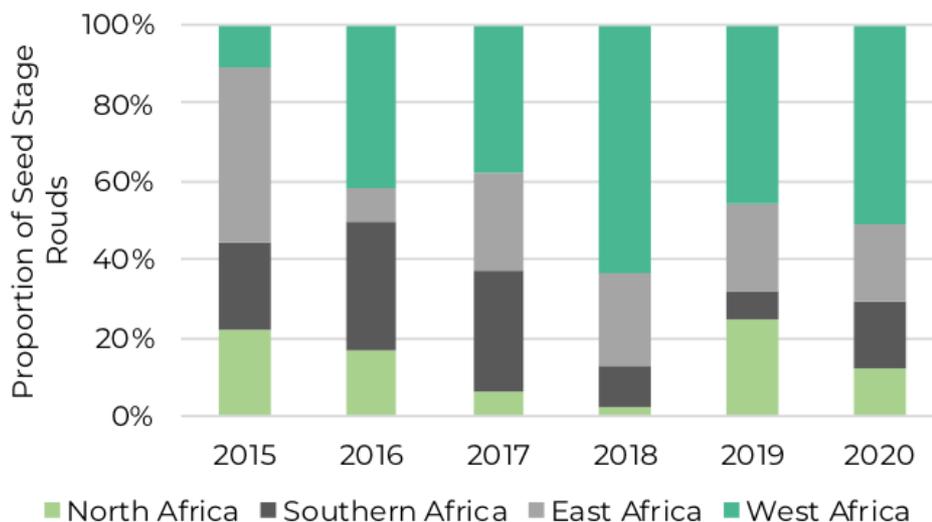
Egyptian e-commerce and online retail platform [zVendo](#) has closed an undisclosed six-figure seed funding round to continue building out their localised e-commerce hub.

South African FinTech [Ukheshe](#) announced a strategic partnership with [Infobip](#) to launch SA's first WhatsApp payment gateway for mobile network operators [Telkom](#).

[Unlock data on over 2,900 African VC deals](#)

Chart of the week

This graph shows the proportion of seed stage FinTech funding rounds raised by region. Investment into West Africa-based start-ups accounted for just over 50% of seed stage rounds within the sector in 2020. Data from our recent FinTech [report](#).



[Access all of our market-leading research here](#)

Start-up spotlight

Founded in 2019 by [Nyema Igwe](#) and [Ridwan Lawal](#), [HighTable Africa](#) is a Nigeria-based start-up that connects businesses in the hospitality and entertainment sectors

The team have developed and launched a mobile application that helps customers discover and follow new restaurants, bars, events and attractions across Nigeria.

H I G  |  B L E



The social networking application aims to promote local business, as well as offering concierge services, payments and event planning.

The team recently joined the  accelerator, a programme launched in Nigeria in 2020. To digitised restaurant discovery!

Source: 

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 's research team. 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:

5 deals | 36 companies | 26 funds | 1 market report

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