



Baobab Insights

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



3rd August 2021

Hello,

This week we see Yoco and Kuda, both in the FinTech sector, raise a Series B funding round and a Series C funding round, respectively. In addition, we look at Swvl, the Egyptian ride-sharing start-up that plans to go public on the NASDAQ, and the acquisition of Savi.ng by Piggyvest, in Nigeria.

Over \$500 million USD for African FinTech

[Yoco](#), a payments platform based in South Africa, closed an \$83 million USD Series C funding round last week. The company focuses on providing cashless payment options to small and medium-sized enterprises (SMEs).

The round was led by [Dragoneer Investment Group](#) and included participation from [Breyer Capital](#), [HOF Capital](#), [The Raba Partnership](#), [4DX Ventures](#), [TO Ventures](#), and [Futuregrowth Asset Management](#).

According to co-founder [Carl Wazen](#), this funding round will be used to support expansion into other parts of Africa, as well as the Middle East.

Source: [Tech Crunch](#)

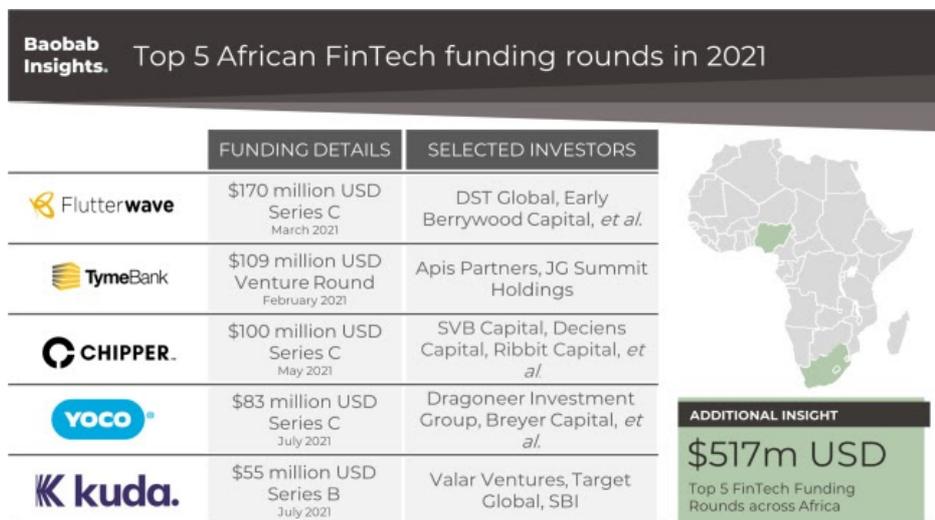


Over the past year and a half, South African SMEs have been shuttered by lockdowns and other Covid-19 restrictions, so this raise by Yoco is remarkable. According to Yoco's own analysis, [Business Pulse](#), 83% of SME businesses in the retail sector reported their business had been severely affected in 2020.

FinTech has been on a positive trajectory this year, as in addition to Yoco's raise, [Kuda](#) has also secured \$55 million USD in a Series B funding round. This raise brings the total closed by the 5 largest FinTech funding rounds to more than \$500 million USD this year.

Yoco's raise is incredible and follows on from a strong first of the year for Southern Africa's technology start-ups. Over H1 2021 they have raised \$238 million across 49 funding rounds.

You can read the full report [here](#).



[Learn more about South African VC investment in 2021](#)

News

Kuda Bank raises \$55 million USD Series B

[Kuda](#), launched in 2019 as a digital-only bank, has closed a \$55 million USD Series B funding round at a \$500 million USD valuation, which comes just 4 months after securing a \$25 million USD Series A funding round.

The round was co-led by [Valar Ventures](#) and [Target Global](#). Other participants in the round included [SBI Investment](#) and past angel investors.

According to the [World Bank](#), there are about 350 million unbanked adults in Africa, accounting for 17% of the global total. Kuda plans to use the investment to expand its suite of offerings in Nigeria, as well as expand to other countries in the continent.

Swvl soon to go public with a \$1.5 billion USD valuation

[Swvl](#), a mass-transit solution founded in Egypt in 2017, plans to go public having merged with an all-female special purpose acquisition company (SPAC), [Queen's Gambit Growth Capital](#). The ride-sharing company and the SPAC have entered an agreement that could see Swvl publicly listed on the NASDAQ.

Since launching, Swvl has expanded into Kenya, Jordan, Pakistan, and Saudi Arabia. The merger could see Swvl valued at around \$1.5 billion USD.

Source: [DisruptAfrica](#)

Piggyvest Acquires Savi.ng

[Piggyvest](#), an online saving and investment platform in Nigeria, has acquired Savi.ng, a smaller savings start-up that also operates in Nigeria. The financials of the deal were not disclosed, but the merger will see Savi.ng users migrate to Piggyvest's platform.

Source: [Business Insider Africa](#)

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Deals

South African InsureTech start-up, [Pineapple](#), has raised a \$3.4 million USD Series A funding round. Participants in this round include [Lireas Holdings](#), the [ASISA Enterprise and Supplier Development Fund](#), [E4E Africa](#), [Vunani Capital](#), and [Old Mutual's Enterprise and Supplier Development Fund](#).

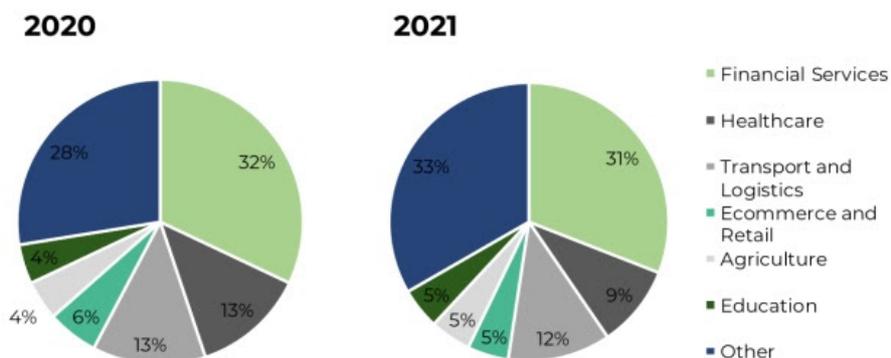
Kenya's [Guidewheel](#) (formerly known as Safi), a cloud-based productivity platform, has secured \$8 million USD in a Series A funding round to focus on sales in the United States. The round was led by [Greycroft](#) and joined by leading firms, angels, and Fortune 500 executives.

[Unlock data on over 3,000 African VC deals](#)

Chart of the week

Following Kuda's funding announcement, we thought we would take a look back at our [West Africa Q1 2021- VC Funding Report](#). Specifically, the breakdown by sector, of the funding rounds.

FinTech deals accounted for the largest proportion of funding rounds by sector in both 2020 and 2021, accounting for 32% and 31% respectively. H1 2021 saw FinTech companies in West Africa raise over \$318 million USD. Kuda's latest round is yet another indicator of a strong year for West African FinTech sector, and the region's technology start-up's generally.



 [Read our West Africa Q1 2021 – VC Funding Report](#)

Start-up spotlight

 [Social Lender](#) is a Nigerian micro-finance solution based on social reputation on mobile, online, and social community platforms.

Founded in 2016 by  [Faith Adesemowo](#), the lending solution aims at bridging the funding gap for people without access to formal credit. The solution performs a social media audit that allows users to borrow from financial institutions based on their social media reputation.



The social Lender team was part of the 6 Nigerian FinTechs that won a 2 Million USD grant from  [the Financial Innovation & Access \(EFInA\) Financial Inclusion Conference](#).

To Financial Inclusion!

Source: [Social Lender](#)

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 insights@thebaobabnetwork.com.

Data in this newsletter comes from [The Baobab Network](#), an accelerator that invests in Africa's boldest tech entrepreneurs. Are you a founder looking for funding and a global platform to scale your business? [Apply now](#).

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