

The Baobab Network Report
For
ZENMONDO Members
[Teaser Version]



13th December 2022

Hi there,

In this week's edition, we wrap up the year with news of a new fund, and an East African acquisition, and shine a spotlight on a Senegalese start-up.

As this is the final edition of the year, we would love to take this opportunity to thank you for an amazing 2022! Our readership continues to grow, as has Africa's buzzing tech start-up scene. As we go into 2023, we would love to get some feedback from you to make the Baobab Insights newsletter even better. Do take a couple of minutes to [fill out this form](#) and let us know what you would like to see in the coming year,

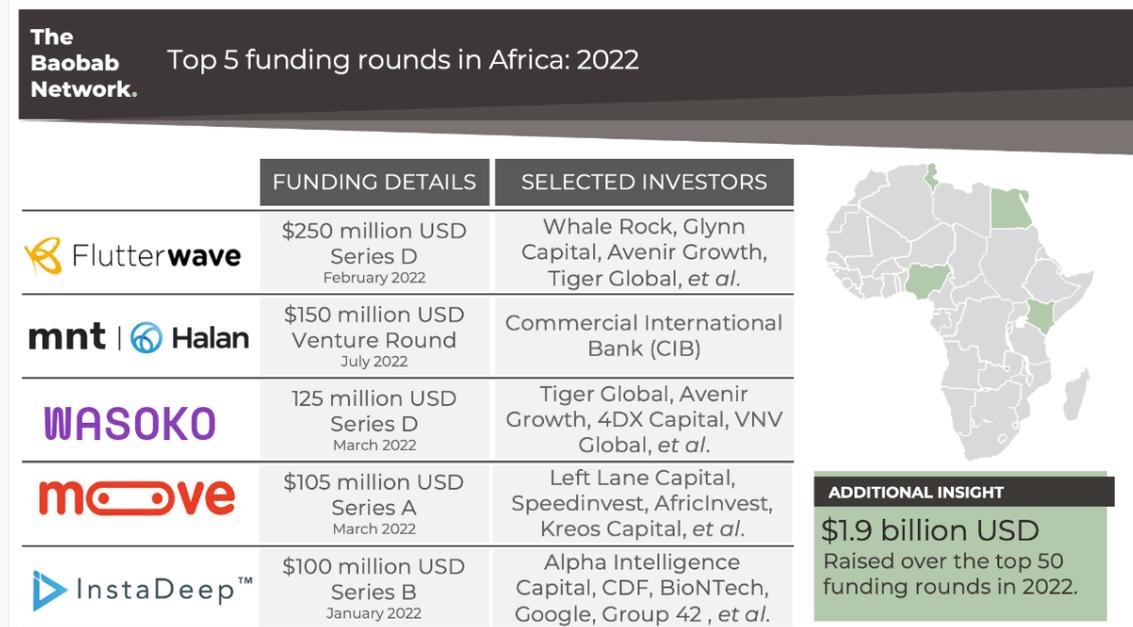
Happy reading and happy holidays from The Baobab Network Team!

The year that was

2022 has been another record-breaking year for African start-ups, with funding amounting to over \$4 billion USD raised over 400+ funding rounds (excluding prizes, grants and non-equity assistance). Similar to last year, FinTech dominated with over 50% of all funding going towards financial technology companies. In a change this year, however, we saw increased interest in Kenyan tech companies, although Egypt and Nigeria still topped the table.

It has also been a difficult time for many, with the economic downturn leading to many

reports of cost-cutting and closures including [SafeBoda's recent decision to pull out of the Nigerian market](#), and layoffs from big names in Africa's tech landscape including Jumia, Twiga, and most recently [Chipper Cash letting go of an eighth of their staff](#).



While last year was one for unicorns, our research noted an increased interest in early-stage deals as over 50% of rounds were Pre-Series A or earlier in 2022. As The Baobab Network, we were also proud to grow our cohort by 15 new companies (almost double!) in 2022. Do stay tuned for the announcement of the latest Cohort early next year!

The Baobab Network.

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News

MasterCard announces \$200 million fund for African entrepreneurs

This week, the Mastercard Foundation Africa Growth Fund, a fund of funds, announced the launch of a \$200 million USD fund to support early-stage SMEs across Africa. The fund provides capital to investment vehicles to support the growth of entrepreneurs.

Currently, the fund has two bases- one each in East and West Africa. Another of the Foundations' initiatives, the Mastercard Foundation's Young Africa Works is currently enabling youth, especially women, in Africa to find work.

Source: [Disrupt Africa](#)

LipaLater acquires SkyGarden

Kenyan Buy-Now-Pay-Later (BNPL) company [LipaLater](#), has acquired e-commerce platform [SkyGarden](#). From our last report, SkyGarden faced closure following a lack of funding but has since been fully acquired by LipaLater for an undisclosed sum.

Earlier this year, LipaLater raised \$12 million USD in debt and equity funding to scale. SkyGarden also secured funding, to the tune of \$4 million USD in Series A funding last year, but the 2017-founded e-commerce start-up faced challenges this year after a failed funding round. The acquisition enables LipaLater to expand its offerings while SkyGarden continues to operate under the same name under the LipaLater Group.

Source: [WeeTracker](#)

[Read our in-house research on Africa's burgeoning tech scene](#)

Deals

[VENCO](#), a Nigerian PropTech startup, has announced a raise of \$670,000 USD in a Pre-seed funding round led by [Zrosk Investment Management](#). Other participants in the round included Voltron Capital, Decimal Point Ventures, Fast Forward Fund, Dakar Network Angels, and Viktoria Business Angel Network, alongside some angel investors.

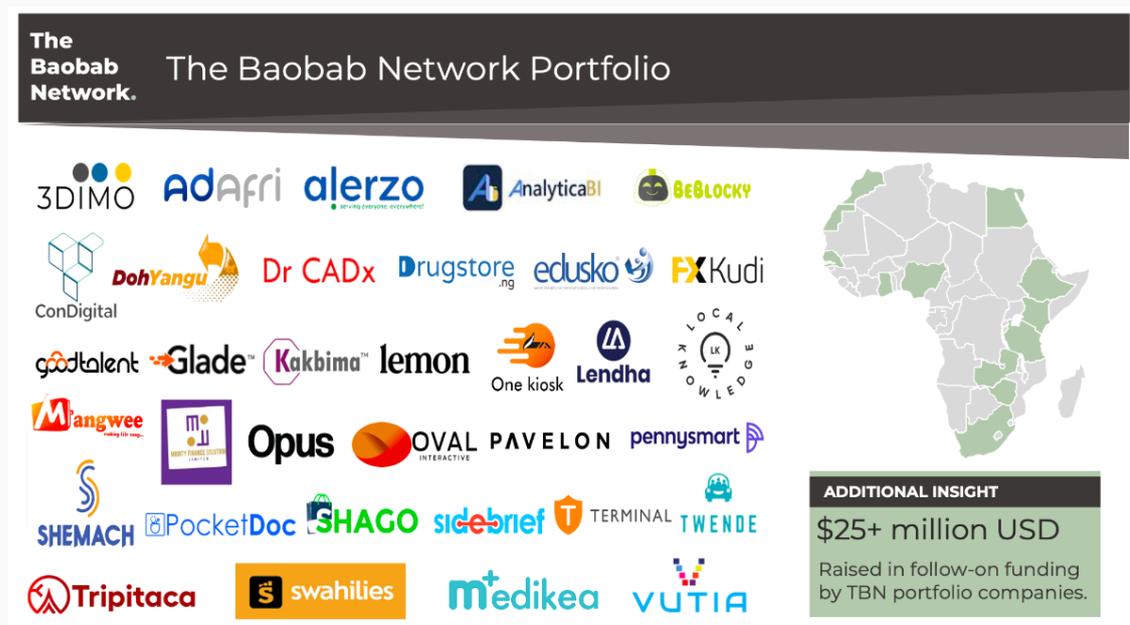
Moroccan fashion e-commerce start-up [Justyol](#), has secured \$350,000 USD in a [Pre-seed](#)

[funding round](#) supported by [Earn Rocket Investment Holding](#).

[Learn how The Baobab Network is supporting Africa's best tech entrepreneurs](#)

Chart of the year

Our chart this week is one that is close to our heart and something to celebrate as we wrap up the year: The Baobab Network portfolio! We are proud to have backed over 30 start-ups since 2019: from 11 countries and 14 sectors!



[Check out our portfolio](#)

Start-up spotlight

[Kwely](#) is a Senegalese B2B wholesale marketplace for Africa.

Founded in 2019 by [Birame Sock](#), Kwely sources, brands, distributes, markets, and private labels African products for wholesale to international buyers.



Kwely recently won the [MEST Africa 2022 edition](#) of the MEST Africa Challenge (MAC); a pan-African tech start-up pitch competition, and will receive \$50,000 USD in equity investment!

To Kwely-ty wholesale!

Source: [Kwely](#)

This year, we continue with our pledge to support more women-led companies through the weekly start-up spotlight feature. Know a team that deserves recognition? [Nominate them](#) for an upcoming feature!

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](#).

Africa's leading tech accelerator supporting the best early-stage entrepreneurs



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