



Finding the Frontier:

Africa's Next Horizon



Q2 2020

Afri | Find Invest
Identify | Align | Connect

Nurturing the seeds of Africa's growth.

Contact Us:

CEO Gbenga Odimayo
COO Toyosi Ogedengbe
CCO Adam Jagich

Registered Office:

AfriFindInvest Ltd
4th Floor Imperial House
8 Kean Street
London WC2B 4AS
United Kingdom

info@afrifindinvest.com

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A black and white photograph of a tall, cylindrical lighthouse on a rocky coastline. The lighthouse has a lantern room at the top and a small building at its base. The sky is overcast with dramatic clouds.

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AFI | Finding the Frontier

In **Finding the Frontier**, we examine the trajectory of sub-Saharan Africa's growth story and begin to uncover some of the key investment opportunities across its regional ecosystems. The COVID-19 Pandemic has undeniably had a dramatic effect on the global economy, including sub-Saharan Africa. The responsibility of government to protect the immediate health interests of its citizens has afforded only limited protections to their financial livelihoods. The resulting economic contraction has impacted the sub-Sahara's entrepreneurship landscape providing formal and informal opportunities for a wider continent.

Fast-growing, young and urbanising populations, an expanding consumer class and unrealised productivity gains from information technology, form a strong basis for recovery and growth within the regional economy.

In **Finding the Frontier**, we highlight some of the enabling investment opportunities in the most innovative companies in Africa as product penetration rates rise and inclusion gaps close.

Executive Summary

AFI connects global private capital to Africa's most innovative companies. With **Finding the Frontier**, we place several of our portfolio companies in context. Given the economic impact of the COVID-19 Pandemic we believe that these companies remain drivers for innovation, growth and integration across the world's fastest growing frontier.

The full effect of the crisis on African economies remains unclear. Despite this, the African startup ecosystem provides fertile soil for passionate entrepreneurs and dynamic companies, responding to unresolved problems in large and attractive markets. A compelling case can be made for global capital investment in such an ecosystem. But like all investment, funding Africa's growth story is not without risk arising from limited visibility on vetted opportunities, the availability of intelligence and demanding operating environments.

AFI's unique deal-sourcing solution offers a seamless entry point for direct investment opportunities on the continent. Through the immediacy of our local and international networks we connect private investors to innovative opportunities for growth and integration across the world's most exciting investment frontier.



Letter from the CEO:

I have always been convinced of entrepreneurship's value beyond long lines of marketable products. As COVID-19 now speaks to the very essence of survival, innovation is extending a lifeline to humanity's greatest needs. At no time was this more marked than in these uncertain times.

However, looking in the rear-view mirror of a global economic crisis, it's hard for me to forget the '08 market crash and its collision course with my first graduate opportunity servicing Africa's private clients. No prior induction would provide a better introduction to the fear gripping public and private markets. I learnt back then that even a Lake Geneva view would afford safety to but a few, as sinking oil futures rippled across Africa's distant horizon.

Now twelve years later, as Africa's next horizon overshadows commodities for trade, it is data featuring among the continent's most valuable resources. Across Africa, tomorrow's market leaders will be the creators of new business models, connecting technology ecosystems to the needs of the market and consumer demand.

Today AFI is proud to work with Africa's most innovative companies and forward-thinking investors to ensure the continent's next billion secures its socio-economic transformation. At its core, our deal sourcing boutique is helping a continent's tech-enabled ventures to build the base of the economic pyramid on which new economies will be built.

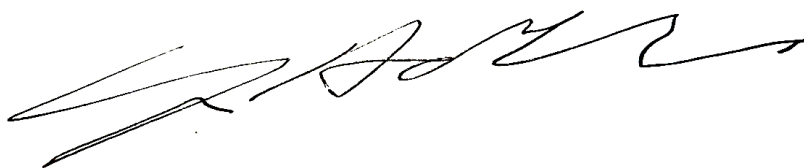
In Finding the Frontier: Africa's Next Horizon we provide a detailed picture on our ecosystem during the pandemic. Beginning with A New Dawn, our analyses highlight risks and opportunities to overcomers and underperformers during COVID-19, amid guidance on how to discern between the two. This is followed by a baseline into navigating the entrepreneur landscape, as we re-focus attention on the bottom-up view.

As our roadmap on the uncertainty frames new pathways to growth, we unveil a selection of our portfolio. Knowing that visibility needs to go hand in hand with viable access to opportunities, we start by sharing a profile on our Executive Team during COVID-19

I trust that our view on the world's fastest growing frontier informs your next growth horizon,

Stay safe during these times, as we continue to keep you connected.

Sincerely,



Gbenga Odimayo

AFI during COVID-19:



Gbenga Odimayo CEO

Charting the "flight to safety" has taken on a personal dimension, including last-minute travel, amid the coronavirus precautions. Ironically, getting to grips with DIY provided a greater obstacle than acclimatising to video and audio calls. New opportunities to stay connected are giving support to our team as well as for our clients.

I have been encouraged at how seamless the transition has proved internally, given these times of rapid external change, especially in our home markets. Work during COVID-19 has meant staying both in demand and on-demand including a healthy dose of sporting re-runs in between.

Adam Jagich CCO

Working remotely is not a novelty for the AFI team. Our clients and investors are stretched across multiple continents and time zones. Digital tools are making this much easier. Working from home and combining home schooling, daily walks and board meetings has been an interesting and fun challenge.

Digging into these new challenges and opportunities and thinking about how to best represent innovative African companies during these times has definitely been made easier by listening to my favourite playlists while reviewing proposals, strategic marketing plans and growth strategies.



Toyosi Ogedengbe COO

Serving our clients on-the-go has been an interesting yet smooth transition, particularly as we operate in an industry that has traditionally been in-person. Flexibility and adoption of digital tools by our stakeholders has never been more critical to ensure value is still realised for all stakeholders.

Having to manage the presence of children in a residence not optimised for homeworking while still focused on our clients' needs, has personally been a challenge, one worthy of its own story for another day. In the meantime however, my fellow Executives and I continue to find creative ways to provide visibility and access to investors and entrepreneurs operating or interested in Africa.

The New Dawn:

Africa's Digital Opportunity

Despite the unprecedented economic upheaval caused by COVID-19, sub-Saharan Africa still offers a number of attractive opportunities on a risk-adjusted basis to long-term investors.

The COVID-19 pandemic has caused widespread upheaval across households, businesses, governments and healthcare systems around the world. From corporate layoffs to school closures, overburdened hospitals and nationwide lockdowns, the impact on daily life across the globe has been unprecedented in the post-war era. The spread of the novel coronavirus has affected virtually all countries, but we see unique challenges across many developing economies, including those on the African continent. Low levels of access to health services, large informal sectors, underdeveloped water and sanitation systems, high numbers of intergenerational households, relatively low rates of digitisation and limited capacity for fiscal stimulus are all features of lower-income emerging countries that impede their ability to respond to this and future epidemics.

The sub-Saharan Africa region faces specific risks from the COVID-19 fallout in some areas, while being relatively insulated from the impact of the virus outbreak in others. Individual countries across Africa, for example, will encounter external economic challenges due to the indirect effects of the pandemic. The drop in global transportation demand and related oil price weakness is a headwind for major energy producers such as Nigeria, Angola and Gabon. Countries that rely heavily on remittances such as Lesotho, the Gambia and Zimbabwe will see lower current account inflows from this source while labor markets in North America and Europe remain weak. And tourism revenues for major destinations such as South Africa, Mauritius and Tanzania will be depressed by the fall in international travel. At the same time, the low median ages of African populations should ultimately act to limit the adverse public health impact of COVID-19, helping to curb some of the demands on local health services relative to older-age regions.

The COVID-19 crisis will nonetheless undermine consumer spending, fixed investment and international trade worldwide in 2020. But while the near-term shock to economic activity has been severe,

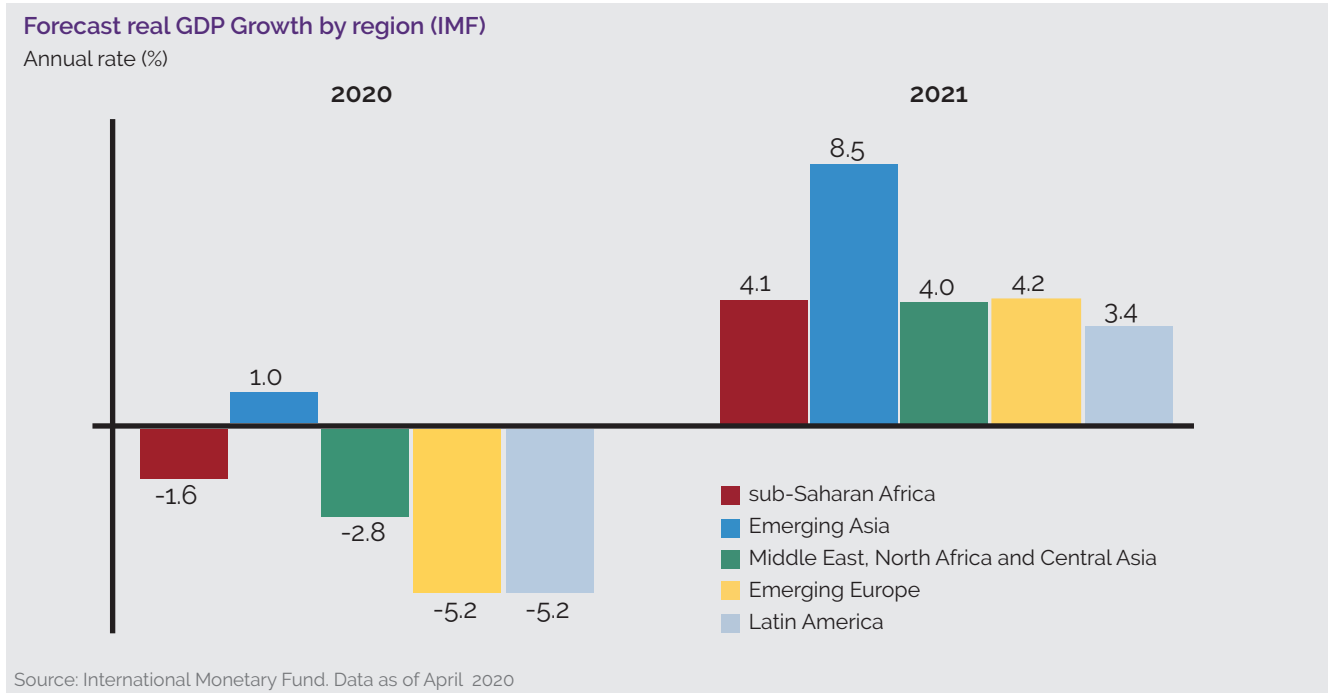
growth should stabilise and recover into 2021 as government-enforced lockdowns and other physical distancing measures are gradually scaled back. The latest projections from the International Monetary Fund forecast a global economic contraction of -3.0% in 2020, with a return to growth of 5.8% expected next year. sub-Saharan Africa is projected to contract by -1.6% in 2020, with growth of 4.1% expected in 2021. Among developing economies, this forecast decline in regional activity for Africa would be the smallest outside emerging Asia. And though the expected speed of the 2021 recovery would trail that of emerging Asia and emerging Europe, it would exceed that of Latin America and the Middle East (see chart 1). This year will mark the biggest region-wide growth slowdown in decades for sub-Saharan Africa, but it will therefore remain a relative outperformer across lower-income regions globally. And though economic activity in 2020 is expected to contract in aggregate, 21 of the 46 countries across the region are expected to maintain positive rates of growth, with all countries forecast to expand in 2021 (see chart 2).

In Short

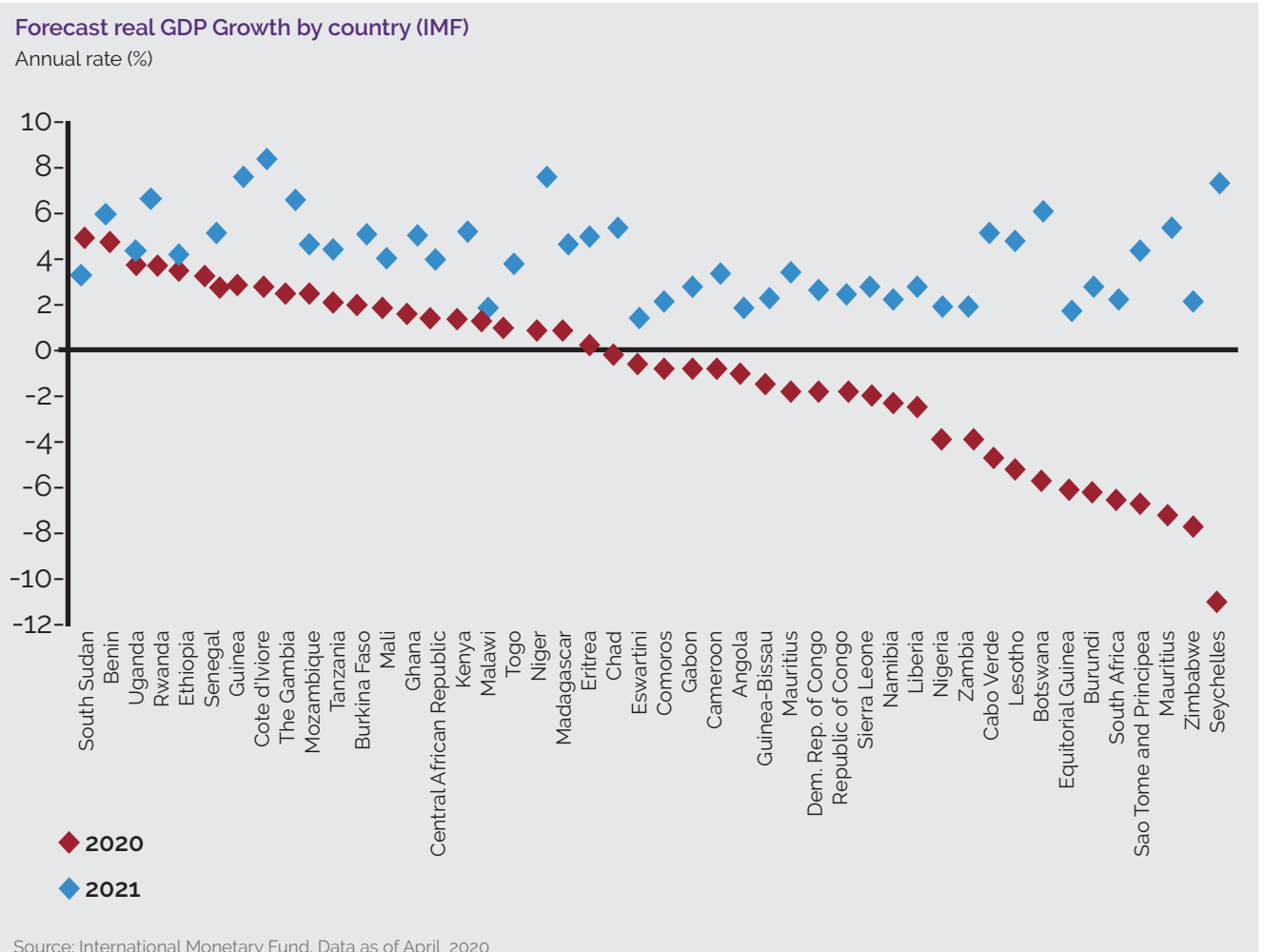
21 of **46** countries across sub-Saharan Africa are expected to maintain positive growth rates in 2020 despite global economic retraction.

The sectors most likely to see the growth over the coming months are online retail, education and services, fintech and associated services, digital infrastructure, telemedicine and smart operations technologies.

1. Global Economic Contraction Forecast in 2020 with Recovery Expected in 2021



2. sub-Saharan Africa in Focus: 2020 Contraction and 2021 Forecasted Expansion



COVID-19 has been a watershed public health event, dealing a major blow to global economic activity as we enter the new decade. But like all major crises over the past century from Spanish influenza in 1918, to the Great Depression, the two world wars, the 9/11 attacks and the 2008 financial crash, the immediate impact and aftershocks will eventually dissipate and business activity will gradually recover. The vulnerabilities revealed by the pandemic are, however, likely to prompt a more lasting shift in the behaviour by consumers, businesses and policymakers to ensure they are better prepared to deal with disruptive events of this and other types that may arise in the future. We expect this shift to reinforce prospective growth across a number of key investment themes for sub-Saharan Africa that we had previously discussed in setting out the investment case for the region (see *Beyond the Frontier: The Growth Opportunity in Africa*). Innovation, rising productivity levels and higher rates of market penetration will be principal drivers of future investment return, and the post-COVID-19 environment should only enhance the opportunity for global investors looking to participate in these long-term trends.

Healthcare stands at the centre of the COVID-19 crisis. As we outlined in *Beyond the Frontier*, the key challenge for many African economies within this sector remains access to services. Despite the lower health risks to younger populations from the novel coronavirus, this epidemic underlines the need for greater investment in healthcare infrastructure to treat ongoing chronic and inherited conditions, as well as for higher levels of preparedness against new infectious disease outbreaks. The low concentration of primary care physicians across the continent makes a strong case for greater reliance on telehealth as one of the key solutions likely to emerge from the current episode. Telehealth captures a suite of tools for remote patient care that uses smartphones and other connected devices in functions such as early intervention through remote monitoring or prevention of unneeded doctor visits through remote diagnosis. Mobile health devices (whether specialised telemonitoring equipment or smartphones with dedicated health applications) are able to send data in real-time between patient and provider, ensuring prompt treatment and helping doctors to avoid in-person meetings where time would be better spent with patients in greater need of direct contact. In the current crisis, the Ghanaian government has for example released a COVID-19 mobile tracking application that allows users who develop symptoms to inform health authorities who are then able to monitor, test and offer any required medical services as needed.

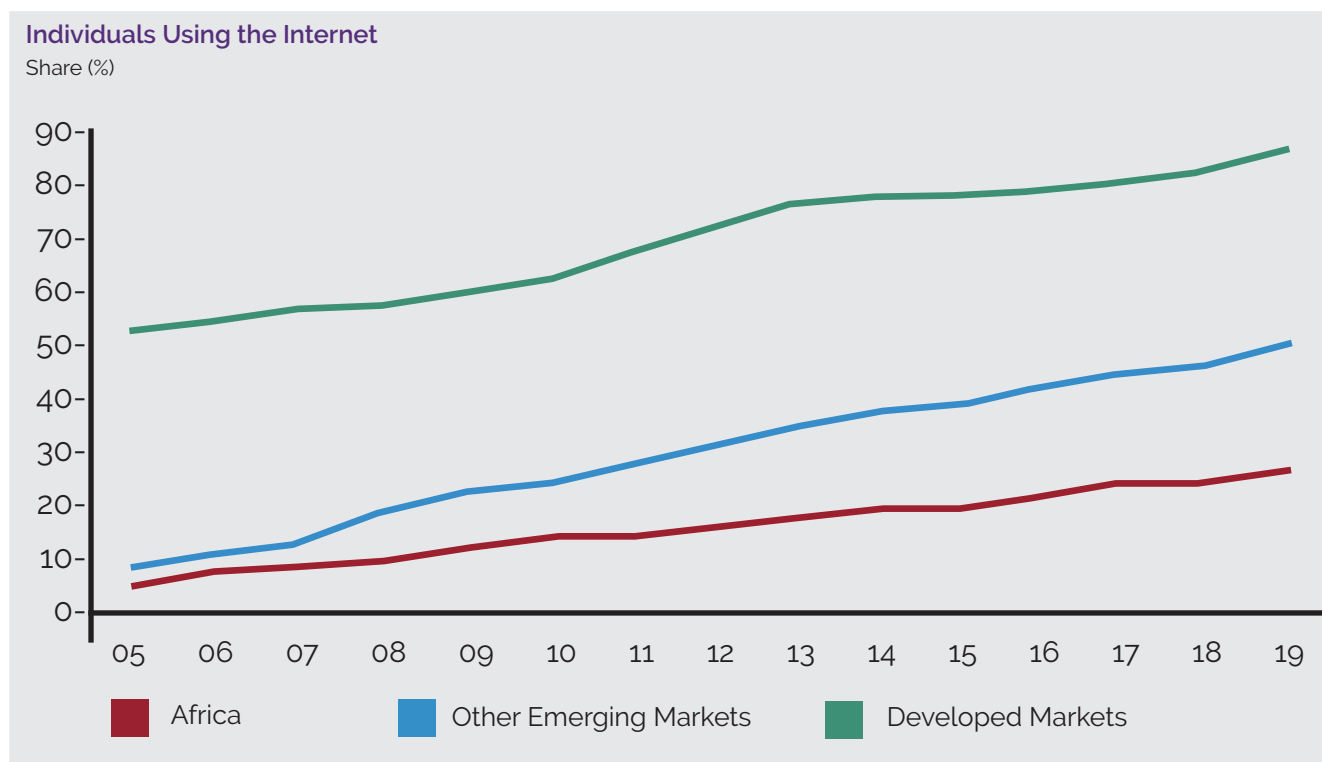
As well as the needed for increased healthcare investment, this emphasises the central importance of internet penetration and mobile connectivity in Africa, not only for discretionary consumer activity but also for the virtual substitution of critical person-to-person services. We view the rise in online services adoption as the most pivotal market trend in the region that should be advanced by the COVID-19 crisis. Emerging economies overall still have about half the internet penetration rate of developed economies at 47%, and Africa as a whole stands at just over half of the broader emerging world level at 28% (see chart 3). This in turn underscores the potential returns available from higher levels of digital participation as a key enabler of future output and consumption growth across the continent. -1.6% in 2020, with growth of 4.1% expected in 2021. Among developing economies, this forecast decline in regional activity for Africa would be the smallest outside emerging Asia. And though the expected speed of the 2021 recovery would trail that of emerging Asia and emerging Europe, it would exceed that of Latin America and the Middle East (see chart 1). This year will mark the biggest region-wide growth slowdown in decades for sub-Saharan Africa, but it will therefore remain a relative outperformer across lower-income regions globally. And though economic activity in 2020 is expected to contract in aggregate, 21 of the 46 countries across the region are expected to maintain positive rates of growth, with all countries forecast to expand in 2021 (see chart 2).

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We view the rise in online services adoption as the most pivotal market trend in the region that should be advanced by the COVID-19 crisis.

In addition to filling coverage gaps in the healthcare sector for example, greater access to online utilities would allow the digital replication of other services such as education and corporate work functions – critical for countries that have been forced to pursue physical distancing measures. The COVID-19 crisis should also accelerate the shift toward remote activity in discretionary market segments such as e-commerce, online gaming and content streaming. Outlays on household products and appliances that can support any potential future need for longer periods of self-isolation may also increase. This is a shift that is likely to come on top of the longer-term trend toward an expansion of the consumer class.

3. African Internet Usage compared to other Emerging Markets



As we look ahead through the immediate crisis to eventual stabilisation and recovery from the pandemic, we also expect a number of other trends that we had previously identified (see *Beyond the Frontier 2019*) to become more important as potential target areas for investment capital and future returns in the new environment. Transportation infrastructure and logistics capacity will be a key support for demand growth in online retail and delivery services. Whether for last-mile delivery by road or longer-haul shipment by rail or by air, more investment in transportation and logistics will be needed to allow higher volumes of movement in physical goods within and between countries on the continent. This will make movement of online orders more efficient, while increasing future surge capacity for the types of emergency measures implemented during the COVID-19 crisis. These have included the distribution of food and relief items and the deployment of health workers into rural areas and informal urban settlements.

As an essential activity and a significant portion of overall economic activity in many countries across sub-Saharan Africa, we also see continuing investment opportunity within the agricultural sector. A structural rise in calorie intake throughout the region should support long-term returns where investment capital can be deployed to boost local crop yields. Growth in the sector will also benefit from efforts aimed at increasing efficiency along the supply chain from distributors and agro-dealers to farmers,

retailers and consumers. And sharing many of the characteristics that should push forward other existing growth trends in a post-Covid world is the ongoing move toward greater financial inclusion. We still see considerable scope across Africa for technology startups, telecommunication firms and financial service companies to channel banking services to the majority of consumers that remain outside the formal system. The need for households and businesses to secure access to precautionary financial products such as loans and saving accounts has only been further emphasised in the current crisis.

The onset of the COVID-19 outbreak therefore draws attention to many of the challenges facing the sub-Saharan Africa region. But it also underscores the importance of closing gaps in penetration across key product and service categories, while highlighting the opportunities available to investors in addressing areas of unmet need through the crisis period and beyond. Growth, innovation and integration will continue to drive investment returns in Africa over the years ahead, and amid the uncertainties of the current environment we would continue to stress the value to long-term investors of choosing the right local partners to identify and access these opportunities. ■

The Pivot:

Africa's Responsive Startup Ecosystem

COVID-19 has signalled drastic changes to consumer behaviour and forced businesses to adapt to ever-changing conditions. Some companies have already pivoted and re-oriented themselves for growth during this period. Our view is on those enabling businesses transcending survival mode in order to thrive. We see these startups providing a new baseline of exciting investment opportunities

Governments around the world have been forced to make difficult decisions in response to the COVID-19 Pandemic. In prioritising long-term health outcomes of citizens over the immediate wealth of their nation, states have been forced to impose lockdowns and close international borders, public spaces and transportation nodes. Similar policies towards schools, bars, restaurants and gyms have helped to stem the spread of the deadly coronavirus. Many companies have had few alternatives but to direct non-essential staff to work from home. Markets around the world have retracted as uncertainty brought on by this unprecedented shutdown marches on.

The economic impact of these necessary actions and inactions have not been fully felt. Nor is it fully understood, as of today. What remains certain is business' scramble for survival as the reliability of supply chains, consumer behaviours and levels of household discretionary spending change over a short period of time. Nowhere have these changes had a greater impact than in startup ecosystems. Unlike more established companies startups rarely have the cash reserves or the consumer base to weather such storms. This slowdown in growth impacts not only the likelihood of startups' survival but the levers of potential investment.

This phenomenon is especially true of frontier markets, which have historically attracted less capital than established markets. Increased levels of risk, poor visibility on the startup landscape and a general lack of understanding of these markets and their potential for exit strategies has meant fortune favours those brave investors willing to marry risk with rewards of dynamic African companies. Those with the commensurate appetite stand to make an excellent return on their investment. Access to inexpensive technologies and increased internet connectivity has provided a rapidly developing technological background to the continent's burgeoning middle class. This offers fertile ground for startups and Innovative African companies

including those highlighted embracing new technologies, not only to achieve financial success but to transform a continent in doing so.

Unlike more mature counterparts, startups have the ability to pivot rapidly and change their business models to suit the challenging needs of consumers, thus allowing them to survive and even thrive under volatile market conditions. With funding likely to dry up in the near term, companies need to focus on several aspects to ensure stability, guarantee their survivability and position themselves attractively to investors.



These are unprecedented times and economic conditions will likely weaken over the next 12 to 18 months across sub-Saharan Africa. But as countries begin to combat the spread of the coronavirus and re-open their economies, it is unlikely that this will see a return to business as usual. Startups especially must capitalise on this pivot even before the reopening has been achieved.

Consumer spending patterns have changed during COVID-19. The increase in online sales will not taper off as economies open again. Instead this trend will only gain momentum across the region. As Internet connectivity and first- and last-mile logistics improve, more and more consumers will go digital. Businesses that pursue these consumers with robust, cost-effective strategies will capture greater market share and recover faster than those anticipating a return to the way things were during the first quarter of 2020.

Financial technologies will play a vital role in the recovery of sub-Saharan Africa's economies. Cashless options have been prioritised for being contactless. This will see an increase in their application and usage, meaning increased capacity for accurate identity verification, personal data collection and utilisation of that data to increase the financial capabilities for individuals.

Connectivity between the region and other markets will require large-scale investment in financial ecosystems conversant in local African markets, capable of exchanging African currencies and with the ability to clear credit and other financial services

for millions of Africa's unbanked as they look to join the modern digital financial world.

The rapidly expanding digital economy will also play host to several new opportunities for individuals to develop themselves and enhance their own marketability. Online and digital education will play a vital role in helping sub-Saharan Africa transform into a modernised economy, equipped with a highly skilled workforce ready to apply itself to the challenges facing the continent.

Services and utilities vital to the survival of a country's population - natural resources, agriculture, and the health of individuals will become an increased priority for government spending. Businesses working to increase efficiency in these sectors have the potential to see rapid growth in the near- and mid-term as governments look to safeguard their citizenry against future crises.

We do not yet know the full extent to which the COVID 19 pandemic will impact economies at the local, regional and even global scale. What is certain is that businesses will suffer as consumer behaviours change and disposable income decreases over time. Businesses who look currently with a sense of purpose and direction to drive new ideas and develop new strategies or technologies offer the potential even under these current conditions to pivot and grow.

AFI is committed to enabling the success of these innovative companies succeed by connecting them to investors with a shared vision for the continent. ■



Cash Runway and Burn Rate:

Periods of crisis offer immense opportunity for business owners to get to grips with the fundamentals of their companies. As the storm clouds gather overhead it is time for an honest audit of your company's financial health. "How much cash do you have on hand? How long will it last if sales were to dry up immediately and completely? How much do you spend a month? And on what? What expenses are vital to your survival, which are nice to have and which ones can you do without?" As a founder you must question all of these are assumptions under the new business models imposed on us by the coronavirus. Investors will need direct answers to these questions and more in assessing the viability of your, or any company.

Realistic Forecasts:

A complete understanding of consumer behaviour during crises is hard to come by in "the best" of times. When the circumstances resulting, crisis have before been witnessed by modern economies, understanding translates to little more than estimation. However, we do know that restrictions imposed by many countries across the region have impacted the spending of individuals and businesses. Volatility in global markets, coupled with uncertainty as to the length and depth of these restrictions, has caused investors to draw in their purse strings. Little can end the conversation with a potential investor faster than exaggerated sales and growth figures. Forecasts must be honest and accurate no matter how bleak the outcome may look.

Potential Pivots:

A more comprehensive overview on company assets, consumer behaviours and sales forecasts will help create new potential for startups in any stage of development. If you think that underutilised equipment or inventory, could be applied to your amended business model during the current period, then change it. This is the time to test new revenue streams and develop new sales channels with existing inventory and assets. Knowing how to "sweat" efficiency out of current holdings could prove the difference between surviving COVID-19 and sustainable long-term growth.

Marketing Strategies:

The decline in sales may cause companies to pull back on their marketing spend. What's important is that every cent is utilised to its best capacity. "What is the best way to reach your customers at this time and let them know that you're still in business? How can you minimise your acquisition costs and maximise your Return On Marketing Spends (ROMS)?" Knowing where your clients come from and how best to reach them will help your business move forward through crises and accelerate during more relaxed times.

Raising Capital and Valuation:

Those companies actively raising during this period may need to rethink their current valuations. The volatility caused by COVID-19 has forced the sub-Saharan investment ecosystem into a buyer's market. One of the main questions every potential investor will ask is, "how are you going to use the money?". A credible answer revolves around consolidating your position or expanding your business for further growth.

Select Portfolio:

Africa's Next Horizon



Knabu
Fintech
London, United Kingdom



Mobil Power
Clean Energy
Freetown, Sierra Leone



VNTS
Hardware
Lagos, Nigeria



Simbibot
Edtech
Lagos, Nigeria



Shamba Records
Agritech
Nairobi, Kenya



Lula
Mobilitytech
Cape Town, South Africa



Floatpays
Fintech
Cape Town, South Africa



Matter Industries
IoT Solutions
Johannesburg, South Africa



Floatpays

Cape Town, South Africa

Summary:

Floatpays is an integrated fintech platform that allows salaried employees to access a portion of their earnings at any point during the month for a small, fixed fee. Their software is easily integrated into modern payroll systems at no cost to the employers. This allows for a reduction in payroll errors and does not change the overall payroll for employers. This leads to happier employees, increased retention rates and less absenteeism. It also keeps individuals from having to deal with predatory lenders, who charge exorbitant interest rates or from having to rely on family and friends.

Floatpays in Context:

With a successful PoC drawing to a close Floatpays is set to rapidly expand across the South African market space. With partnerships in place with Standard Bank and other financial institutions more and more businesses will likely integrate Floatpays unique payday lending platform. With many southern Africans struggling to make ends meet between paychecks, Floatpays offers a novel fintech solution that not only provides for the needs of families across the region, but also educates them on sound financial principles, such as budgeting, savings and planning.

Vital Statistics

- Digital credit platform providing low to middle income salaried employees access to money earned prior to payday
- Broad application, wages-on-demand lending with a fixed fee and financial education
- Raising \$1M

Click here to request more information on

Floatpays



From the Founders:

Simon Ward Founder and CEO

How did Floatpays come about?

Founders Factory Africa (FFA) was investigating the PayDay lending space and its impact on African employees. They felt this was a problem that needed a new type of payment solution. FFA and I had been in touch about opportunities within the FFA ecosystem and this particular problem is one I am passionate about having previous experience with debt-related stress and I felt I could make a difference by building an Africa focused technology-based alternative to Payday lending solutions with a view to removing the predatory credit solutions available to those who need more regular payment of their earned income but with the added support of financial training, budgeting and planning tools.

Who can benefit most from Floatpays' solutions?

Any employee who uses credit solutions to help them survive until their next payday and is in a debt cycle they need to get out of. Also a valid option for any employee who manages their money well but wants access to earned income earlier than payday to help them grow their money faster rather than waiting for payday.

What are the biggest opportunities for Floatpays in the short- to mid-term?

Expanding our employer customer profile to the formal and informal workforce with lower-income employees using feature phones now able to register and withdraw using our USSD app. Unbanked employees can also now use the Floatpays service to withdraw cash at any ATM or participating retailer using our Instant Voucher withdrawal solution. We are working closely with Standard Bank to offer a savings account to encourage good financial practices. We are the first company in Southern Africa to have such technologies. When combined with our large networks we have a tremendous first-mover advantage.

Where do you see Floatpays in the next two years?

We are in the process of developing a comprehensive financial wellbeing platform that serves our initial South African customer base. Our plans for 2020-2021 are to take our product offering, continue to add new financial products in the interests of financial wellbeing and move into the African continent. With our smartphone apps, USSD access, mobile wallet payment technology, and our cloud-hosted platform infrastructure we have built, we are ideally placed to roll out to new countries with minimal change to our product or technology.



Click here
to speak to the founders of
Floatpays





Knabu

London, United Kingdom

Summary:

Knabu is establishing the United Kingdom's first Africa-focused clearing bank. By partnering with existing African fintech companies and banks Knabu has incorporated their needs into their developing business model which utilises emerging technologies to track and send money across borders at lower rates than those currently found in the market. Their ledger will also help businesses on the continent grow beyond Africa and integrate into global markets.

Knabu in Context:

With UK licensing under review and several contracts with existing African fintech companies and banks already signed-off for service, Knabu is well positioned to experience rapid growth. Their services are vital to the integration of African populations into global financial markets and will provide access that can transform the continent.

Vital Statistics

- Africa-focused, digital B2B clearing bank for underbanked and underserved SMEs and fintechs across sub-Saharan Africa
- Contracts with many major fintech companies across region in place
- UK licensing underway
- Raising \$3.2M

Click here to request
more information on

Knabu



From the **Founders:**

Gabrielle Patrick CEO and General Counsel

What drove the creation of Knabu?

We've experienced the pain of our home countries having expensive and clunky international payment rails with few options so we decided to fix it.

Who can benefit most from Knabu's solutions?

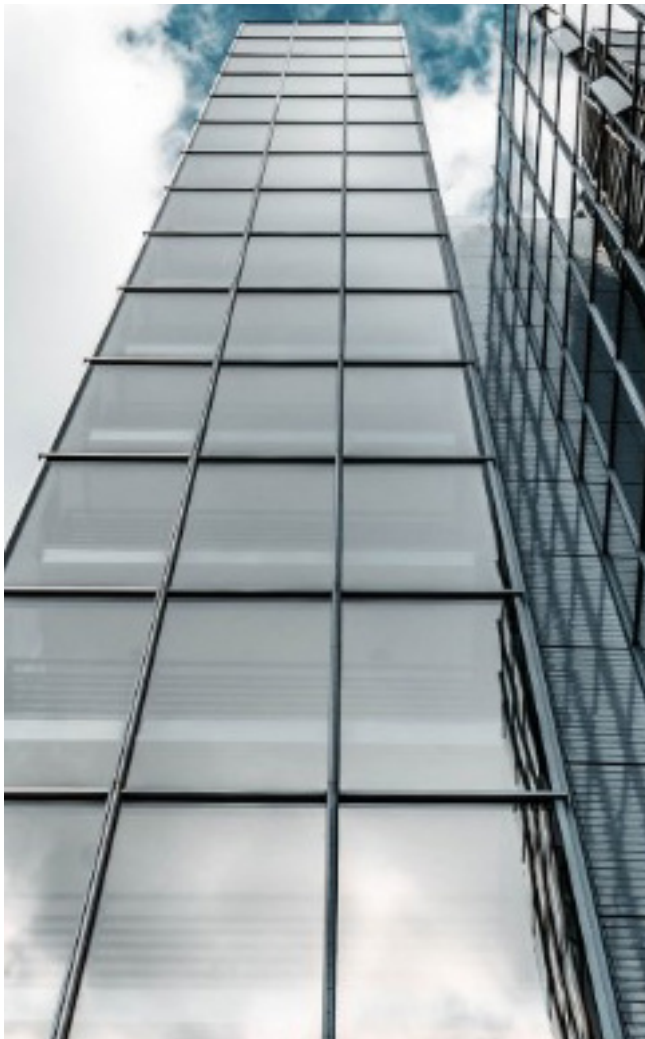
Any Fintech and bank in countries that are not properly plugged into international financial rails.

What do you think are the biggest challenges currently facing your industry?

Antiquated services and outdated banks feel threatened by Fintechs and have little to no appetite for diversity in that business model.

Where do you see Knabu in the next two years?

In two years our platform will be fully and properly scaled. We will be the only licensed UK sponsor bank focused on the African diaspora, with more than 50 commercial customers from all over sub-Saharan Africa.



Click here
to speak to the founders of
Knabu





Lula

Cape Town, South Africa

Summary:

The rapid urbanisation of African cities has overwhelmed existing infrastructure, leading to higher levels of congestion and an inordinate time spent in traffic. Lula is a ride sharing platform connecting commuters to private shuttles. Their app-based platform is easy to use and integrate into the average work commuter's life, saving them time and money. Because of Lula's intelligent routing they are able to run at smaller margins than competitors and provide more income to drivers using their platform.

Lula in Context:

Lula began in Cape Town. Their customer acquisition strategy has been to target small companies (50 - 300 employees, most of whom drive to work by themselves) has yielded several long term contracts. They have plans on expanding to other South African cities before moving internationally as well as penetrating into other markets such as introducing standardised precinct/district routes as well as matching with schools and universities to provide transportation to students.

Vital Statistics

- Ride-sharing platform connecting companies and individuals to a network of private shuttles
- PoC in Cape Town was a success, rolling out to more major South African cities and beyond in the near future
- Raising \$1M

Click here
for more information on

Lula



From the Founders:

Velani Mboweni Co-founder and CEO

How did Lula come to be?

In 2014 I was a broke student in Cape Town and needed to visit a friend on the other side of town. The cheapest way to get there took forever. So, with no knowledge of public transit, we decided that there has to be a better, more efficient and more convenient way to commute in African cities - so we started Lula.

Who can benefit most from Lula's solutions?

In its current format, LULA primarily serves medium to large companies (each 50-300 employees) who wish to save their commuting employees money and free up time to be more productive during their commute whilst reducing time and their company's carbon footprint.

How has 2020 been for Lula?

It started off well, but COVID-19 hit and forced us to make some changes quickly in our business in order to survive - we have pivoted into first- and last-mile delivery, servicing digital grocery services in Cape Town. It has been a struggle, but we are surviving!

What do you think are the biggest challenges currently facing your industry?

We must change the way Africans perceive ride-sharing services. There is an overreliance on single car usage in our cities. African's just don't find ride-sharing sexy. We need to make it the cool option to get around town, especially to and from work.

What are the three biggest opportunities for Lula in the short- to mid-term?

Over the short term we have begun a parcel delivery for small businesses. Once South African cities open again we will begin our shared rides for precincts and districts, rivaling city bus routes, as opposed to just companies. We will also open our services to provide rides for students to schools and universities in a number of South African cities.

Will increased attention to personal space and online consumer spending affect southern Africa's transportation/delivery industry?

I think people who rely on public transit will most likely ask their companies to sign up for LULA in order to mitigate the spread of COVID-19; with many users of our generation getting used to usership instead of ownership, there exists massive potential for tech enabled mobility services to benefit (of course, the recession also pushes this factor to the frontline as well).



Click here
to speak to the founder of
Lula





Matter Industries

Johannesburg, South Africa

Summary:

Matter Industries builds smart sensor networks designed to monitor large-scale infrastructure, from single water pipelines to entire cities in real-time. By providing the hardware, software and data analytics Matter Industries covers the entire value chain for intelligent development. Their retrofittable sensor arrays can transform existing infrastructure, increasing efficiency, safety and the overall lifespan of the system.

Matter Industries in Context:

Matter Industries solutions are easily integrated into agricultural, to gas and oil, mining and urban planning applications. With PoC finished on several projects, including commercial agriculture, water pipeline maintenance and with South Africa's first smart city contract signed Matter Industries is set to rapidly expand post COVID-19.

Vital Statistics

- IoT company producing real-time monitoring systems for large-scale infrastructure such as water and oil pipelines
- Broad application, large potential markets, multiple revenue streams
- Raising \$1.7M

Click here to request more information on

Matter Industries



From the Founders:

Robert Konig Co-founder and CEO

How did Matter Industries come to be?

Matter was founded by a team of infrastructure financiers, software developers, hardware developers, and rural network deployers who all realised the massive shortcomings in deploying IoT solutions for rural infrastructure in isolation. As such, Matter was started by bringing all these disciplines under one roof and offering fully integrated solutions for large scale infrastructure.

What sectors/industries can benefit most from Matter's solutions?

Matter's unique blend of hardware, software and network have the capacity to be deployed in a number of sectors and industries. We've proved concept across municipal water pipelines, large-scale agriculture and have been awarded a contract to roll-out in South Africa's first smart city.

How has 2020 been for Matter Industries?

It has been a tough year globally but we are fortunate in that our product offerings allow crucial infrastructure to be monitored remotely and in real-time. So we didn't suffer much from the lockdown in South Africa.

There has been a slowdown in large scale spending on infrastructure as attentions have been focused elsewhere. But we have pushed ahead aggressively with our development and preparing to deliver on our client pipeline.

What are some of the opportunities facing Matter Industries in the short- and mid-term?

There is a push by infrastructure operators across many sectors to squeeze the most out of existing systems without massive investment. Matter's real-time monitoring system is retrofittable and is able to be installed on existing infrastructure making it easy to gain analytics that could push efficiency to its limit.

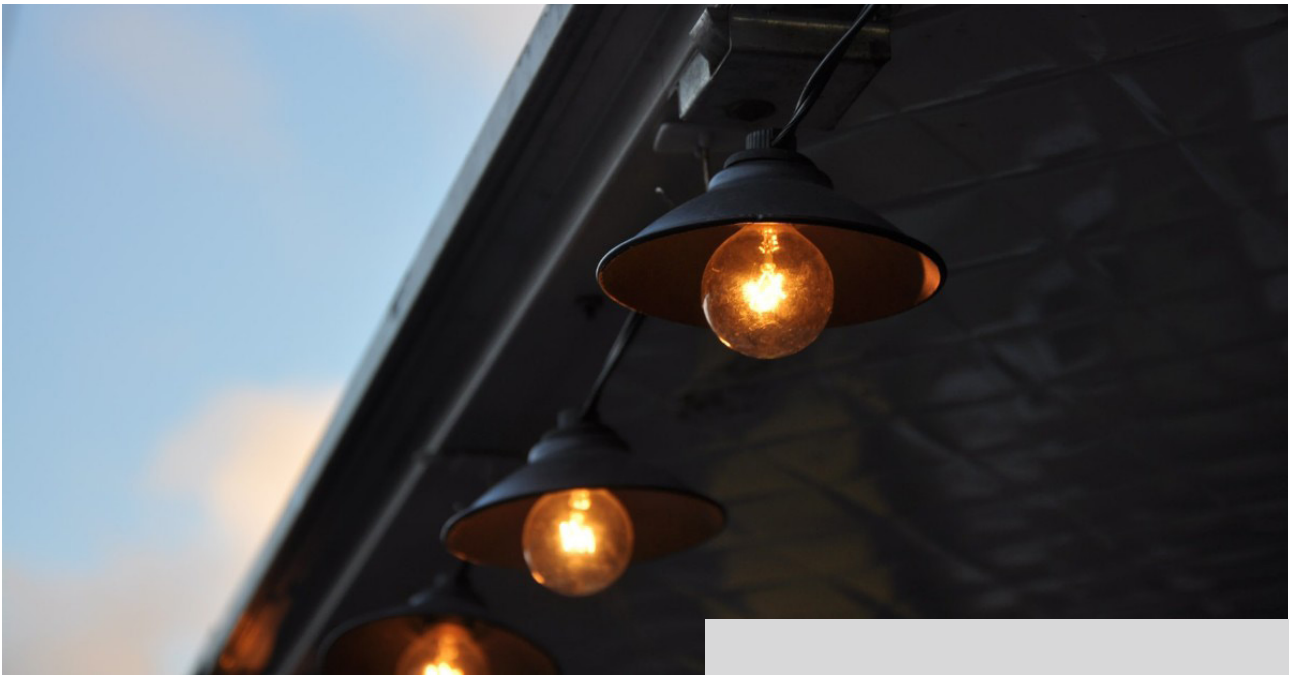
We are the first company in Southern Africa to have such technologies. When combined with our large networks we have a tremendous first-mover advantage.

Where do you see Matter Industries in the next two years?

We're looking to solidify our position within South Africa and aggressively push into global markets. I think that nations around the world are going to look to improve the capacity of vital utilities and natural resources, such as water and oil, and modernise their approach to monitoring and maintenance in preparation for future events like we're experiencing now.

Our team and technology stacks can deliver this and at scale. We're excited to see where our technology can be applied.





Mobile Power

Freetown, Sierra Leone

Summary:

Mobile Power solves a very simple problem with a cost-effective solution. How can homes and individuals in rural Africa, beyond the reach of current power infrastructure charge their phones? They have established a network of solar-powered charging stations that rent batteries of various sizes to people. These batteries are capable of powering everything from small electronic devices to full home appliances. Their cost-effective solutions have a dramatic impact on rural families, earning less than \$10/day.

Mobile Power in Context:

Mobile Power have finished PoC in Sierra Leone and are now further penetrating into that market. They are in the process of deploying more than \$1M into the country to expand operations. They are also diversifying into operating battery-powered motorcycles and looking to expand their model across other sub-Saharan African nations.

Vital Statistics

- Off-grid energy platform delivering energy on-demand to people with no or limited access to grid solutions in West Africa
- Cleantech solutions based on pay-by-charge battery rental
- Raising \$2.5M

Click here to request
more information on

Mobile Power



From the Founders:

Luke Burras COO

How did Mobile Power come to be?

In 2013 one of our founders, Jono West, was working in West Africa and saw the potential market of 1.3 billion people without access to electricity; he also saw that the existing solutions couldn't serve the poorest and yet this was the largest market. With the right product that market of \$6.8bn/year could be both profitable AND create a breakthrough in the lives of millions. Whilst discussing the opportunity with communities in The Gambia, the idea for Mobile Power was born. Together we aimed the business at creating a solution that requires no deposit, no financial credit scheme, no fixed payment scheme and provides the entire household's energy needs through local markets. Through trials in The Gambia Mobile Power developed and patented a smart battery ecosystem. This ecosystem allows MOPO Batteries to be tracked through the entire rental cycle. Mobile Power recognised that scale would be enabled by working with the existing informal market, our technology enables existing motorbike taxi riders and other entrepreneurs to earn an extra wage delivering affordable electricity far and wide. We knew that an information revolution won't be far behind the energy revolution. The MOPO system is designed to collect and store every customer and agent's interaction. Data allows Mobile Power to build information on customers whose needs have never before been understood. This understanding together with our unique technology stack lead us to leverage our existing IP for e-mobility and through partnership with Innovate UK and DFID we have developed the pilot stage for our second product, MOPO EV.

How has 2020 been for Mobile Power?

We have been busy deploying £1 million of equipment into Sierra Leone to expand our operations, we had a little delay whilst our supply chain shutdown in China, but at the start of March our factories came back online and we are now expanding at full speed. On the ground we are witnessing first-hand how important electricity is for the communities we serve in a time of crisis. In short, we have never been busier or happier!

Who can benefit most from Mobile Power's solutions?

Rural households earning \$2-10/day spend up to 20% of their income on phone charging and disposable batteries. Mobile Power helps customers save up to 75% on energy costs and dramatically improves the service they receive.

Where do you see Mobile Power in the next two years?

We will have finished building out the Sierra Leone market (6 million off-grid population), be half way through completing Liberia (6 million off-grid population) and be starting expansion into Nigeria (100 million off-grid population).



Click here
to speak to the founders of
Mobile Power 



Shamba Records

Nairobi, Kenya

Summary:

Shamba Records leverages emerging technologies to track various information in the agricultural sector from farm outputs to distribution and payments and connect farmers at various scales to credit opportunities, allowing them to better control their financial freedom. Shamba Records' novel solution protects small-scale farmers from market exploitation, and delivers potential credit, inputs and information in a timely manner.

Shamba Records in Context:

Estimates suggest that nearly 65% of sub-Saharan Africans participate in the agricultural industry, contributing nearly \$300B to Africa per year. The vast majority of these farmers earn less than \$600/year. Shamba's solution is easily scalable and their acquisition strategy of targeting distributors and professional organisations will allow them to rapidly scale, penetrate deeper into the East African market and expand into fields beyond.

Vital Statistics

- Real-time data production tool that collects farm outputs, links farmers to markets and processes their payments, while storing all this data in a digital ledger for performance monitoring
- Helping thousands increase standard of living in Kenya alone
- Raising \$500K

Click here to request more information on Shamba Records



From the Founders:

George Maina Founder and CEO

How did Shamba Records come to be?

Shamba Records was founded on the basis of the founders first hand experience on farming challenges in the Sub Saharan Africa agriculture Market. For example the founder and CEO George Maina recalls the time, they would have to wait for a period longer than five months just to get a seasonal pay and while at it there was no credit facility to help the small scale farmers stay afloat. Moreover these challenges have been amplified as time goes by, currently the average annual pay for a small scale farmer in the Sub Saharan Africa market is less than 600\$. To this far, Shamba Records was formed in 2017 as a product of Once Sync Limited and later after a rapid growth. Shamba Records was spun off to a stand alone company. So far, Shamba Records reaches more than 6,000 small scale farmers. The company has linked small scale farmers to markets/buyers, processed their payments to mobile money accounts as well as provided a credit tool that helps the farmers to stay afloat and access farm inputs.

What do you think are the biggest challenges currently facing your industry?

Farmers exploitation is the leading challenge in the agriculture sector in sub-Saharan Africa. This happens on many levels, especially farmer's harvest and output records being altered and manipulated at the aggregation centers. This results in poor pay or even lack of payments, if the farmers records were completely misplaced. To provide a solution to this challenge, Shamba Records uses blockchain to store and track the farmer's production and output data.

In most cases, there is a lack of updated technology that can enhance farming and increase yields and quality output. Many farmer's unions they lack basic equipment such as computers to maintain a proper record of members and farm inputs. In dairy farming very few diaries have cooling plants, this making farmers experience post harvest losses.

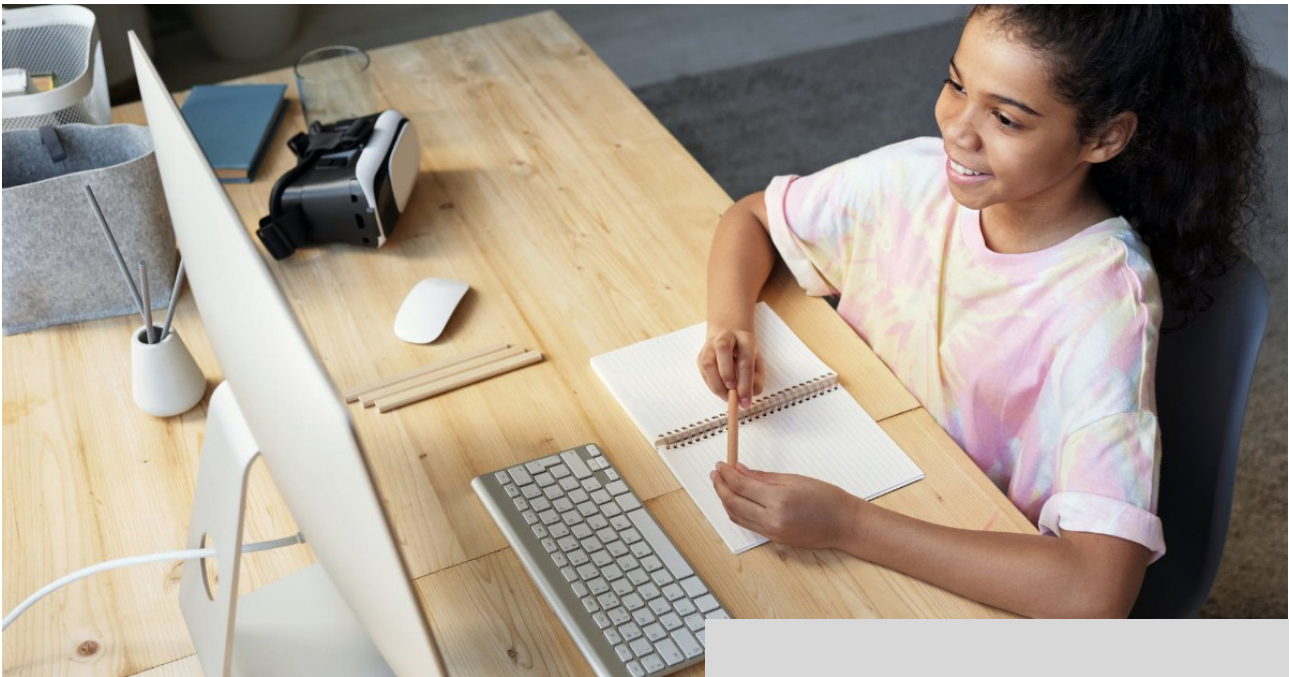
A major cause of poor farming methods and practices is poor communication. The farmers will be able to have the proper windows to apply fertilizer, weed out, prune and even spray. Increased communications will also lead to new market opportunities.

Where do you see Shamba Records in the next two years?

Shamba Records is currently reaching 6,000 small scale farmers in Kenya. We plan to expand to the rest of 30 plus counties that practice farming in Kenya. In addition Shamba Records is set to conduct two pilots in two African markets, Uganda and Ghana. In these new markets the company has established partnerships that will see the company's customer traction grow to more than 200,000 small scale farmers. Our goal as Shamba Records is to provide more value by increasing the farmer's incomes by at least 40%, connect the farmers to better paying markets as well as providing a credit alternative.



Click here
to speak to the founders of
Shamba Records 



Simbibot

Lagos, Nigeria

Summary:

Simbibot is an online education platform that allows secondary students with access to a device to learn, master and evaluate a multitude of subjects and topics. Their platform is easy to set up, cost-effective and fun for students to use. With payment and content options for every level of the socioeconomic pyramid, Simbibot is committed to educating the youth of West Africa and beyond.

Simbibot in Context:

COVID-19 has shown that online education is a necessity for all markets. With more than 60,000 active users, acquired in less than a year, Simbibot is set to corner the West African market, increase the intelligence built into their product, develop content for younger students and expand into novel markets.

Vital Statistics

- Adaptive and interactive edtech platform that helps students learn, master and evaluate themselves across a range of higher education subjects
- Large potential markets, multiple revenue streams, transformative platform
- Raising \$250K

Click here
for more information on
Simbibot

From the Founders:

Abdulazeez Ogunjobi Co-founder and CEO

How was Simbibot conceived?

Simbibot was born out of the passion to make quality education easily accessible, affordable and available to every child regardless of their conditions and environmental factors that may deter them. As educators, we know the needs and wants of a good quality education system and where we are lacking as a country. We hope to build on and improve the level of literacy, encourage personalised learning thereby igniting the creative thinking of students, helping teachers work smart and overall ensure inclusive and equitable education.

Who can benefit most from Simbibot's solutions?

Everyone can benefit from SimbiBot's solutions.

Students can benefit by getting access to quality contents taught with a three-tier learning system and a personalised fun learning system.

Teachers and educators can benefit also, as we help teachers work smart and can be used as an additional learning resource.

The government and investors can also benefit from this. As it is, education is the grassroots and foundation of a Nation. It is the very lifeline of a good economy.

And Parents? What greater joy is there for a parent than seeing the ward/child excel at his/her field of study.

How has 2020 been for Simbibot?

2020 has been a rollercoaster year. We started off smashing many goals in terms of our content and upgrading of our tech. In keeping in line with our mission of ensuring every child gets quality education even during the pandemic, we donated educational resources worth millions of Naira to 20,000 students. We also went fully remote as a company. In getting better and staying true to our vision, SimbiBot keeps innovating, as we will be launching a new product soon for the basic education level and an upgraded feature for the senior secondary school.

Where do you see Simbibot in the next two years?

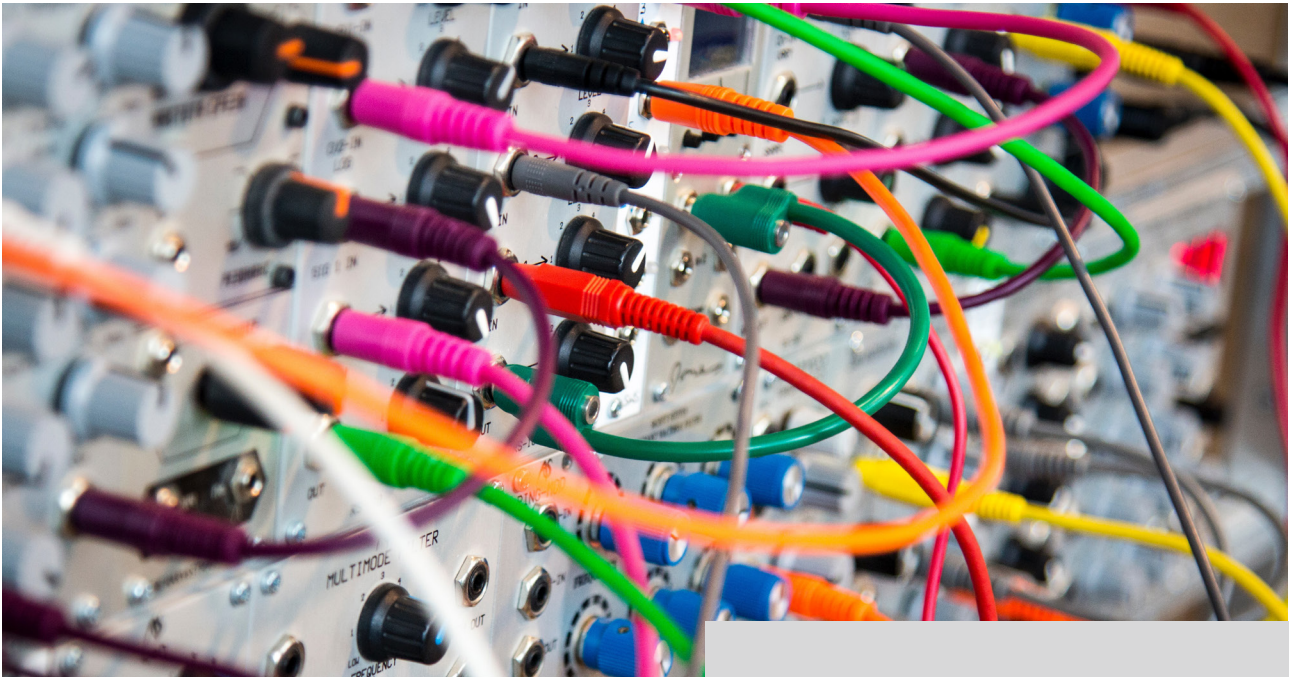
This pandemic has proven that ed-tech is here to stay. The impact of online learning will build a new generation of self taught, life long learners who are ready to transform Africa. With affordable online education like SimbiBot, opportunity will be evenly distributed amongst students in sub-Saharan Africa, giving every child a chance for a better life.

In the next 2 years, we see SimbiBot as a household name as we add value to the lives of students, teachers and parents. We also see SimbiBot being in every level of education in Nigeria and extending her reach to other Africa countries.



Click here
to speak to the founder of
Simbibot





VNTS

Lagos, Nigeria

Summary:

VNTS manufactures devices providing last-mile/-inch WIFI connectivity using existing power lines. Africa's home construction practices use materials that interfere with WIFI signals, making connectivity difficult and negatively impacting the users experience. With an alternate technology VNTS outcompetes standard solutions such as wall-breaking cabling or network extenders that suffer the same issues as WIFI devices.

VNTS in Context:

With so many households in West Africa lacking WIFI connections VNTS stands to make major inroads into market penetration into their native Nigeria. Beyond that, the rural settings and lack of infrastructure present across all sub-Saharan countries, and a rapidly growing population demanding internet connectivity will allow VNTS to rapidly expand across the region and the continent.

Vital Statistics

- Innovative networking device for last-mile connectivity solving last-inch Wi-Fi signal issues faced by fixed and mobile broadband users in emerging markets
- Hardware as a service with large scalability and potential across many African markets
- Raising \$1M

Click here to request more information on

VNTS



From the Founders:

Kenneth Ukah Co-founder

How did VNTS come to be?

VNTS was founded in 2014 on the premise that Africa is capable of manufacturing intelligent and ground-breaking innovative products. Our area of focus is on connectivity because of the world's dependence on data and the internet for access, communication, lifestyle and business. Many developing countries lack infrastructure on which broadband can ride on. Deploying Fibre is expensive because of the cost of infrastructure and the controversial statutory "right of way" fees. This is why many countries in Africa use radios to transmit data signals. One of the problems of radio and wireless transmission is last mile coverage. You will need more radios and infrastructure to cover larger areas. The other is the last inch problem of Wi-Fi obstruction from walls especially in bigger buildings and multi-room spaces. This is what inspired our idea.

We want to improve internet penetration, promote digital inclusion and solve last inch/mile problems through innovative solutions aimed at connecting underserved communities around the world.

How has 2020 been for VNTS?

2020 started well for VNTS. We were still in the Facebook Nigeria Accelerator program (Sept 2019 – March 2020) and were discussing manufacturing, sales and market penetration strategies with prospective partners in the USA. As we say in Nigeria, "This year was the year we were going to hammer!". We had started designing and 3D rendering other products on our product portfolio that were going to constitute the NetPremise Range and we were also designing a product brochure in preparation for fundraising.

For VNTS, the effect of COVID-19 was mostly external because most of our prospective partners went into conservation mode and postponed our conversation. We were working out an arrangement with a sales company that was interested in marketing and selling our NetPremise (first product already in the market) stock but the curfews and restriction of movement put an end to that.

Luckily, we are used to bootstrapping and have endured rather tough situations like this in the past so we used the opportunity to plan our financial runway and reflect on our product designs and specifications. We attended webinars on crisis management, sales, product development and business administration. Since a lot of people were at home using their home internet, we spent the last few months marketing NetPremise and reaching out to our customers.

We made some sales. Finally, we initiated discussions with an ISP interested in using our devices for some of their data services. We have moved past the first stage which is signing NDAs.



Click here
to speak to the founders of
VNTS 

Nurturing the seeds of Africa's growth.

Contact Us:

CEO Gbenga Odimayo
COO Toyosi Ogedengbe
CCO Adam Jagich

Registered Office:

AfriFindInvest Ltd
4th Floor Imperial House
8 Kean Street
London WC2B 4AS
United Kingdom

info@afrifindinvest.com

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