

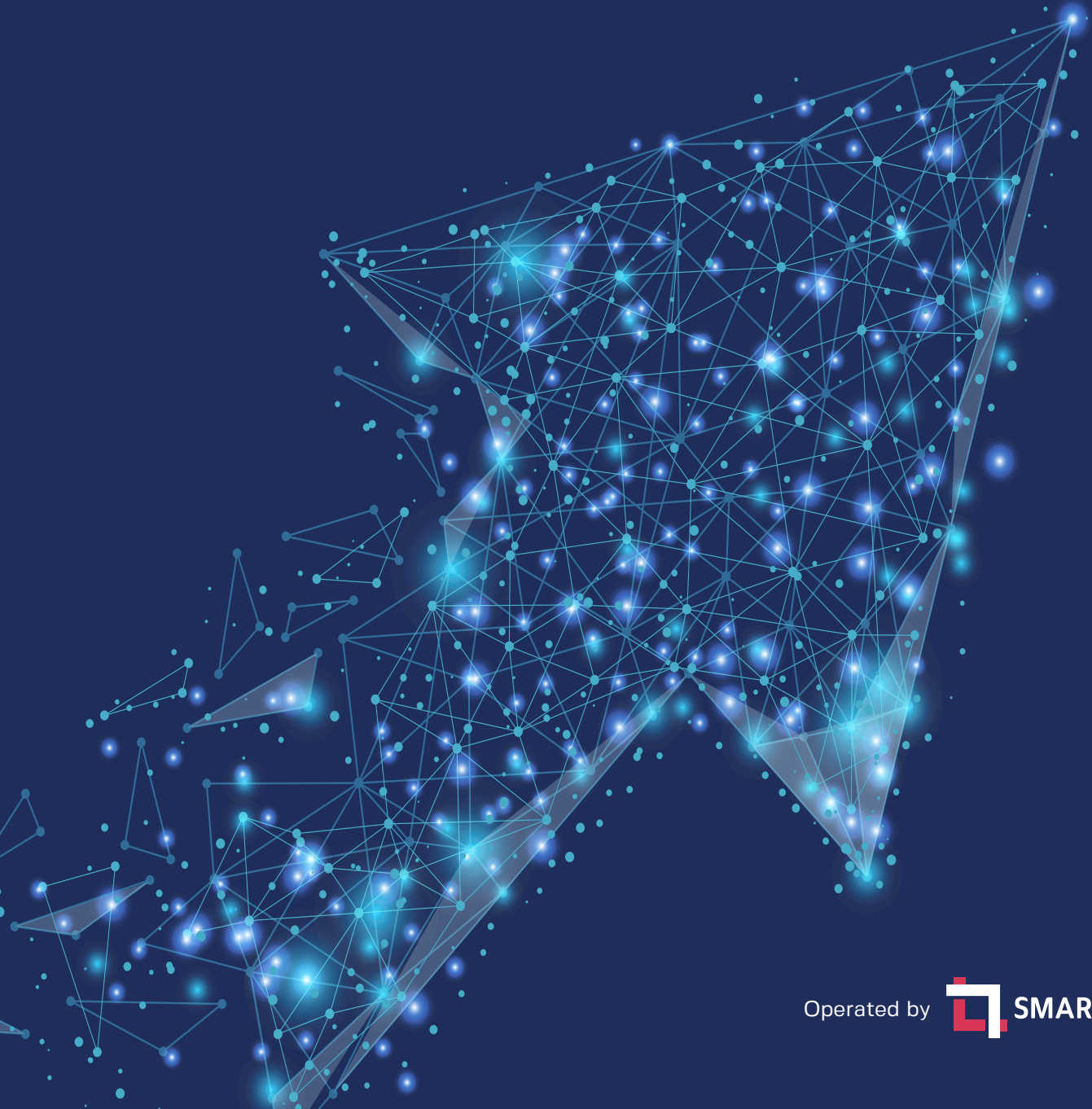


START  
UP  
ACT 

# STARTUP ACT

ONE YEAR AFTER

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Operated by



SMART CAPITAL

# Prefa



**Mohamed Fadhel KRAIEM**  
*Minister of Technologies  
Communication*

Since I took office as Minister of Communication, Technologies, and Digital Transformation, one of my favorite routines is undoubtedly the awarding ceremony of Labels to innovative Tunisian startups.

This ritual, which I place great importance to preside each month, allows me to discover with wonder the incredible innovation potential of our youth.

We must uncompromisingly support this innovating youth with the firm belief that digital transformation in Tunisia will take place through them.

To help these young entrepreneurs, the unique Startup Act legal framework has already led to excellent results, but we must go even further.

Tunisia's digital transformation requires, among other things, to remove barriers between government services and the startups ecosystem.

This removal of barriers will allow startups to address major issues that would not be addressed otherwise by the so-called "classic" configurations.

The dematerialization of administrative services, connecting and simplifying services as well as many other subjects are priorities of paramount importance for the Tunisian State and constitute a great fertile ground for our startups.

From this win-win approach, important synergies will emerge and help to carry out this digital transformation that we envision.

Tunisia has a significant pool of skills and a great appetite for entrepreneurship among young people:

It is up to us to put in place the necessary mechanisms to channel all this energy and support our startups in their development.

I strongly believe that Tunisia's digital transformation is a process that has already begun.

This process will only gain power as we multiply the number of innovative startups and as we continue the efforts undertaken to make the daily life of project leaders even easier.

The future of Tunisia will undoubtedly pass through technology, digital and innovation which are exceptional levers for our startups.

pace



**Mohamed Anouar MAAROUF**

*Former Minister of Technologies,  
Communication and Digital  
Economy*

Bringing about a dynamic ecosystem of startups has been one of my priorities as Minister in charge of the Digital Economy. As such, the Startup Act is one of the achievements of which I am most proud.

I am convinced that we need a break in order to establish a new development model for our country. The digital revolution and the quality of Tunisian talents provide us with a remarkable opportunity to trigger a catch-up effect compared to the most developed economies.

When I took office, the Startup Act project was already initiated by my predecessor and a group dynamic was initiated but the hardest part remained to be done. From a preliminary version with a hundred proposals, it was necessary to refine, structure and prioritize the measures according to their impact and feasibility degree.

In order to carry out this mission, we have selected for an innovative organization by mobilizing a Taskforce of remarkable profiles from the public and private sectors and civil society. This Taskforce was directly linked to me with privileged access.

We have also opted to maintain the collaborative and participatory dynamic already initiated, which has since become a strong feature of the project.

At the end of 2017, the project was validated by the Council of Ministers with 20 well thought out and well-articulated measures before being transmitted to Parliament where it has become a textbook case in terms of efficiency and speed.

This work was crowned by the adoption of the startup law. A year later, the Startup Act was all set for the launch, which took place on April 5, 2019.

Since then, it has been an honor to preside over the monthly Labels awards ceremonies and to host all these remarkable projects. It was also a pleasure to see other countries follow our example.

In parallel with the Startup Act, we had to consider other pillars such as the new investment framework with the ANAVA Fund of Funds, the ecosystem support frame and the framework for bringing together startups and the State.

The national initiative Startup Tunisia - تونس الناشئة was thus born.

Today we must combine all our efforts in order to succeed in realizing this new paradigm in the 21st century for a new, authentic and modern Tunisia.





**Mohamed Nizar YAICHE**  
*Former Minister of Finance*

More than ever, Tunisia needs a real economic transformation, a real renewal in its way of creating and distributing wealth and in its capacity to generate quality jobs.  
This is my deep conviction.

This transformation will inevitably go through disrupted patterns in several sectors. It is therefore natural to think that innovative startups will be part of any plan aiming at operating this paradigm shift.

Given its geographical location, the profusion of its talents and its openness to the world, Tunisia has several assets to become a country of startups at the intersection of the Mediterranean, the MENA region and Africa.

Convinced of all this, I now consider the Startup Act as a structuring first step aimed at stimulating the entrepreneurial ecosystem in Tunisia. This unique legal framework will be complemented by other programs as part of the national Startup Tunisia initiative to boost investment and financing, a cornerstone of any strategy to support our startups to become regional and global champions.

Moreover, among these flagship programmes, we have already announced the imminent launch, with the CDC and our international partners, of the ANAVA Fund of Funds with a target size of 200 million Euros with a first closing at 75 million Euros. This Fund of Funds will help drive a true Venture Capital industry in Tunisia covering all phases of Startup development.

To implement these different programs, we have to look far, but we also have to operate in a very particular specific context. This context is currently marked by the Covid19 crisis which has severely affected our companies and more particularly our startups, which are inherently fragile. To address this, we announced the SAVE program, which is a unique mechanism aiming at helping startups affected by the pandemic. This programme was an opportunity to observe the ability of all public and private actors involved in the implementation of this programme to create the synergies necessary to deploy flexible and effective solutions.

It is these synergies between State Institutions, civil society and private actors that have enabled us to establish the Startup Act and to design Startup Tunisia. It is these same synergies that will enable us to carry out the common vision of a resolutely modern Tunisia, intrinsically authentic, positively open and greatly innovative.

Since dreaming is allowed, let's dream big.

# Summary

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# Introduct

"The Startup Act: One year after" is the annual activity report of the Startup Act for the period from April 2019 to April 2020.

The Startup Act is primarily materialized by:

- (i) The Startups Act No. 2018-20 of April 17, 2018;
- (ii) Decree No. 2018-840 of October 11, 2018 setting conditions, procedures and deadlines for granting and withdrawing the startup label and the advantage of incentives and benefits under startups and the organization, prerogatives and operating procedures of the labeling committee
- (iii) of the Central Bank of Tunisia Circulars No. 2019-01 and 2019-02.

This report is produced by Smart Capital, the operator of the public initiative Startup Tunisia and the guarantor of the Startup Act implementation. The study and analysis of the results presented in this report was based on data shared by the founders under the Startup Act.

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For more information, visit the website:  
[startupact.tn](http://startupact.tn)



**Haythem MEHOUCHE**  
Managing Director of Smart Capital  
Member of the Startup Tunisia  
Task-Force

Dear readers,

Ladies and gentlemen,

Together with the entire Smart Capital team, we are pleased to share with you this first startup Act activity report, one year after its launch in April 2019.

This project, initiated in February 2016 and often described as Law 72 of the 21st century, aims to liberate the energies and innovation potential of the country and the region.

It presents an excellent, transparent, inclusive and merit-based universe that offers a panoply of incentives and services to encourage the launch and development of startups from Tunisia.

This activity report traces the key developments and indicators related to the Startup Act's activity during the period from April 2019 to April 2020.

It also takes the key steps in the genesis of the Startup Act and highlights the new collaborative and participatory approach that has helped to develop and operationalize this unique legal framework.

Moreover, and given the exceptional context related to the Covid19 crisis and the exemplary role that startups have played in Tunisia; we have focused on these heroes who have hugely contributed in the fight against the pandemic.

The first year of the Startup Act was an intense and challenging period that crowned several years of sustained work guided by the firm conviction that Tunisia can become a country of startups at the crossroads of the Mediterranean, the MENA region and Africa.

I take this opportunity to thank all those who made the Startup Act a reality and who miraculously made this happen with the silence of great people.

This is a first step and we are working to build the pillars that will complete it in order to bring out a solid and dynamic ecosystem within the framework of the Startup Tunisia - تونس الناشئة initiative under the auspices of the Ministry in charge of the Digital Economy, and the Ministry in charge of Finance.

The Startup Act, ladies, and gentlemen, is more than a legal framework, it is a new paradigm and a new way of dreaming and acting which, we hope, will continue to inspire in Tunisia and abroad.

A first candle is blown, the course is set, and the best is yet to come.

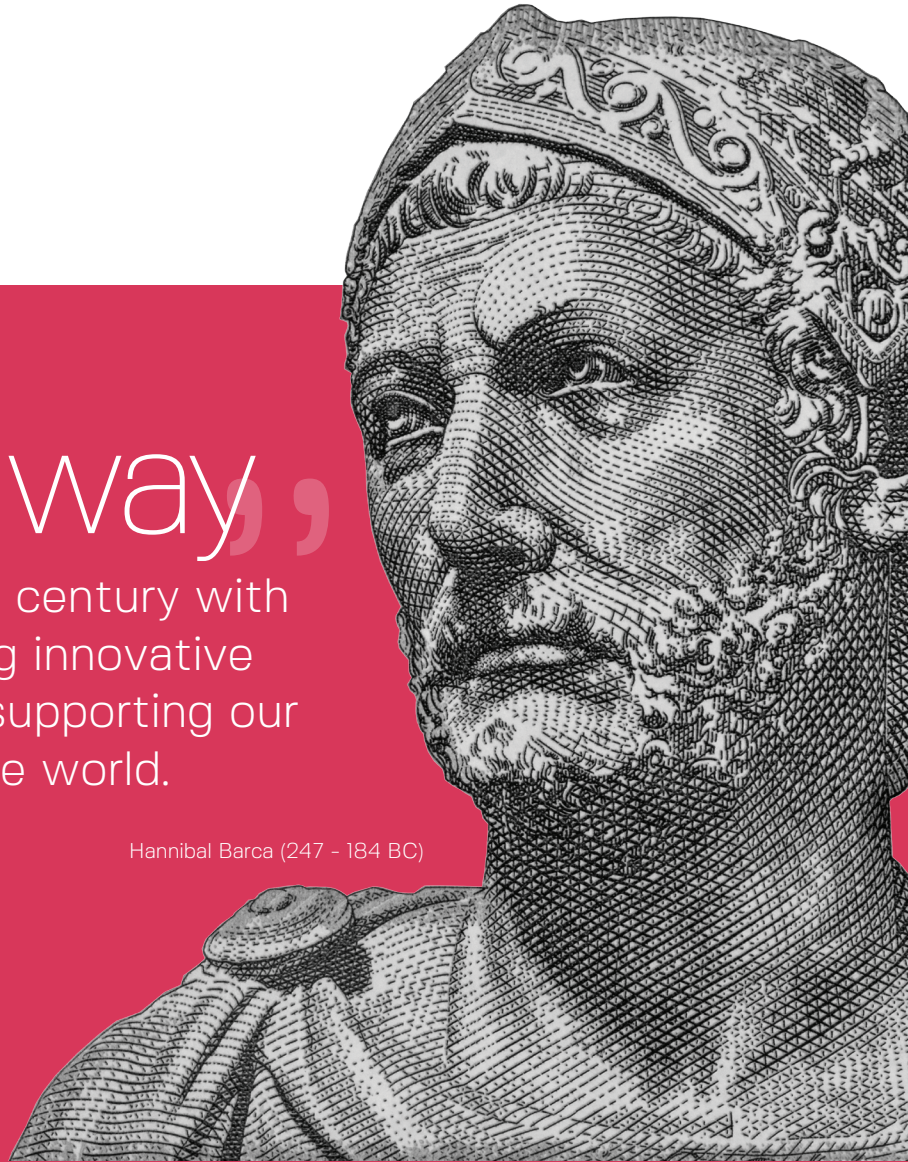
Happy birthday to the entire startup community and good reading to everyone.

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“We’ll  
find  
**a way,**  
or we’ll  
create a way”

Approaching the XXIst century with boldness by stimulating innovative entrepreneurship and supporting our startups to conquer the world.

Hannibal Barca (247 - 184 BC)

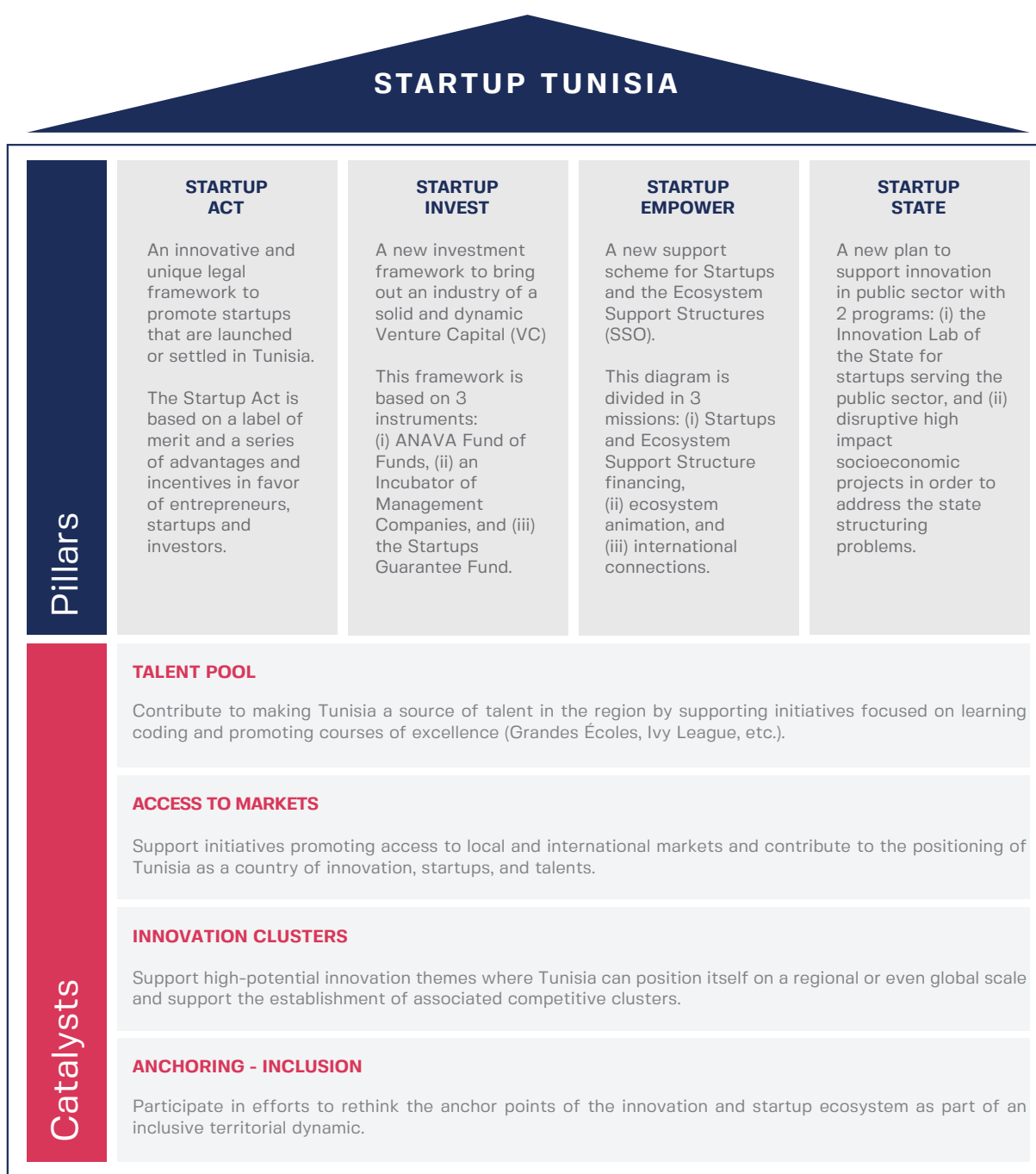


## Startup Tunisia – تونس الناشئة

Startup Tunisia – تونس الناشئة refers to the national initiative undertaken by the State in collaboration with the private sector, civil society, and international partners to develop a dynamic ecosystem of startups from Tunisia.

Based on 4 pillars and a series of catalysts, this initiative led to the launch of the Startup Act in 2019. This innovative legal framework for startups is the prelude to the implementation of the rest of the initiative's pillars.

# To make Tunisia a country of startups at the crossroads of the Mediterranean, the MENA region and Africa









# The Genesis of Startup Act

# The Startup Act, a common cause for the government and the ecosystem

## Testimony

**The Startup Act, you were one of the first to dream of it and to believe in it. Can you share with us the genesis of the idea?**

*The basic idea was as follows: we had just finalized, my predecessors and I, the incentive framework for large international companies that wanted to set up in Tunisia and we immediately observed that we were helping large international companies to settle in Tunisia, but we did nothing for our young talents to help them get started.*

**What was the goal that brought the team together?**

*We asked ourselves the following question: What should be done so that there is a Tunisian Unicorn after 5 years. Knowing that our talents had nothing to other nations talents, we just had to believe in it and design the framework that would allow a miracle to happen.*

**Noomane FEHRI**

*Former Minister of Technologies, Information and Communications*



**How did you organize yourselves?**

*We had gathered 70 stakeholders in the Technopole El Ghazela, and we shared together the idea. We have agreed on the need to launch the initiative and we have set 3 months to establish concrete proposals.*

*To show the government's goodwill, I mandated 3 dedicated resources to work with them, and a mentor from Silicon Valley, with the promise to pass the recommendations on to the Council of Ministers and to the Parliament.*

**What vivid memories do you keep of this adventure?**

*I remember being forced to use Slack to track exchanges. I did not sleep because of excitement and the continuous «notifications» very late at night.*

”

Presentation of the VO of Startup Act

June 2016

August 2016

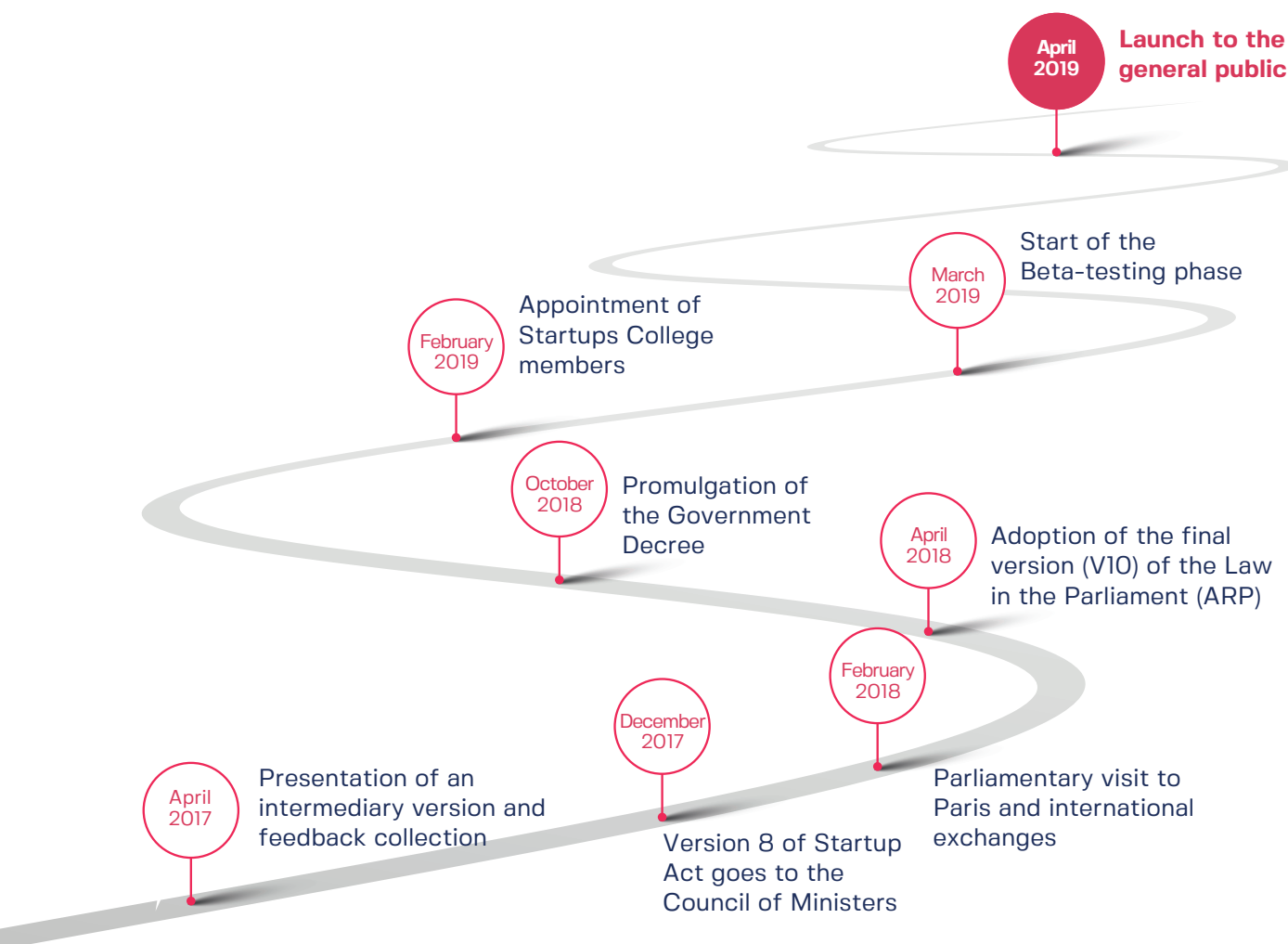
Ministerial reshuffle and petition from the community to continue the project

October 2016

A 2nd Task Force takes over the project

February 2016

Startup Act work kick-off with the 1st Task Force



## A long journey, many achievements

The Startup Act is the starting point of the proactive national strategy Startup Tunisia.

It is a unique legal framework insofar as it was designed in a collaborative and participatory manner with all the stakeholders of the startup ecosystem: entrepreneurs, accelerators, investors, administration, civil society, etc...

This legal framework aims to release energies and stimulate creativity in Tunisia and throughout the region.

The mechanism put in place for the development of the Startup Act involved strong government support, despite the country's political course.

Indeed, the project was supported by successive Heads of Government and Ministers as well as by Parliament.

A small and versatile Task Force attached directly to the Minister in charge of the digital economy worked for the realization of the project by mobilizing all the stakeholders of the ecosystem for the structuring milestones.

# Back to the **Task-forces**, behind this adventure.

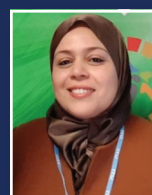
## The first Task Force



**Ghazi  
BEN OTHMAN**  
Managing Director  
UtiQ Ventures



**Houda  
GREB**  
Advisor to the  
Minister of ICTs



**Hend  
BEN HADJI**  
Project Manager  
at MTIC



**Hichem  
BEN FADHL**  
Advisor &  
Entrepreneur



**Khalil  
KSIBI**  
Advisor to the  
Minister of ICTs



**Amine  
ESSAFI**  
Advisor to the  
Minister of ICTs

*The Startup Act is a strong and inspiring example of successful cooperation between the public sector, the private sector and civil society.*

**Wissem EL MEKKI**

Director of Digital Economy - Ministry of Communication Technologies

## The second Task Force



**Khaled  
BEN JILANI**  
Senior Partner  
Africinvest



**Haythem  
MEHOUACHI**  
General manager  
Smart Capital



**Wissem  
EL MEKKI**  
Director of Digital  
Economy  
MTCEN



**Maya  
BOUREGHDA**  
Associate  
Jurismed



**Ali  
MNIF**  
Country Manager  
Silatech

# The **Startups College**, governance body of the Startup Act

The Startups College is created under Article N°6 of Law N° 2018-20 relating to Startups. Its composition, prerogatives and operation are set by Decree No. 2018 840.

The College decides on the innovative and scalable nature of candidate projects for the Startup Label and Pre-Label.

It is made up of a Chairman and eight (08) members, all volunteers, and voluntarists, from the public and private sectors and civil society in connection with Startups, entrepreneurship, innovation, investment, and accompaniment.



**Elyes  
JERIBI**

CEO  
Jumia Tunisie



**Khaled  
BEN JILANI**

Senior Partner  
AfricInvest



**Mohammed Salah  
FRAD**

CEO  
UGFS NA



**Muhammad Ali  
KILANI**

Serial Entrepreneur  
& CTO  
Lifen



**ALI  
MNIF**

Country Manager  
Silatech



**Amel  
SAIDANE**

Lead  
Betacube /  
TunisianStartups



**Zoubeir  
TOURKI**

General manager  
University  
renovation  
(MESRS)



**Zakaria  
BELKHOJJA**

Founder  
The 15 & Flat6Labs  
Tunis



**Nader  
BHOURI**

Advisor to the  
Minister (MTCEN)

*“At the Startups College, we firmly believe in the potential of this Tunisia which innovates and outperforms.”*

**Elyes JERIBI**  
President of the Startups College

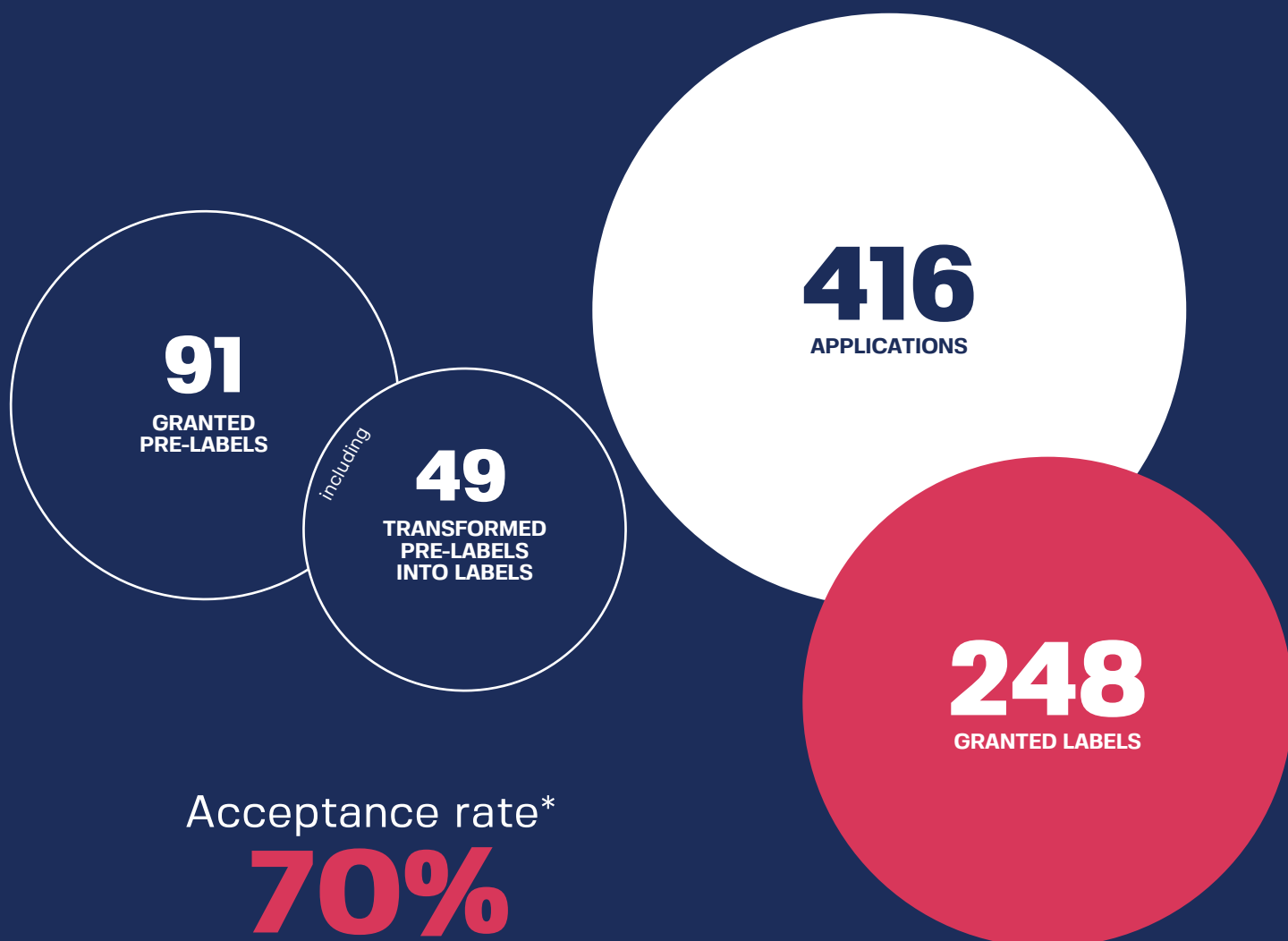




# The Startup Act :

an  
initial  
assessment

# Startup Act: The highlights



(\*) Note : Acceptance Rate = (Granted Labels + Granted Pre-labels - Pre-labels transformed into labels) / Total number of applications.

The Startup Label is a label of merit granted to any company incorporated under Tunisian law which complies with the labeling criteria. This Label is the keystone for accessing the Startup Act universe and its advantages.

To obtain the Label, the company fills out an online application form via the Startups Portal.

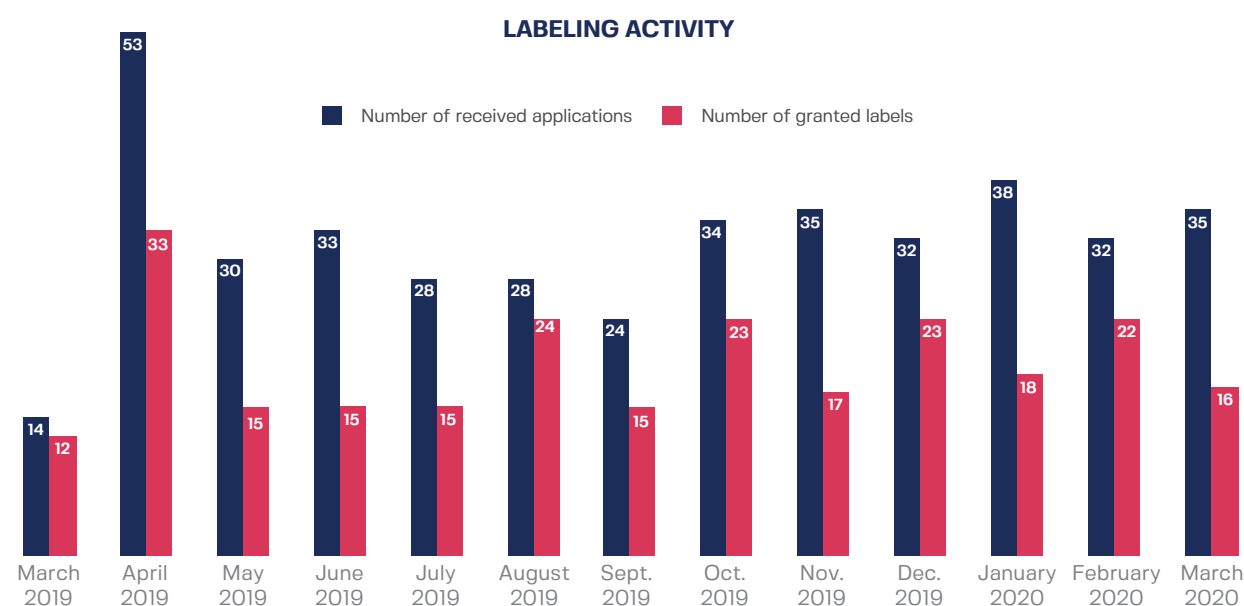
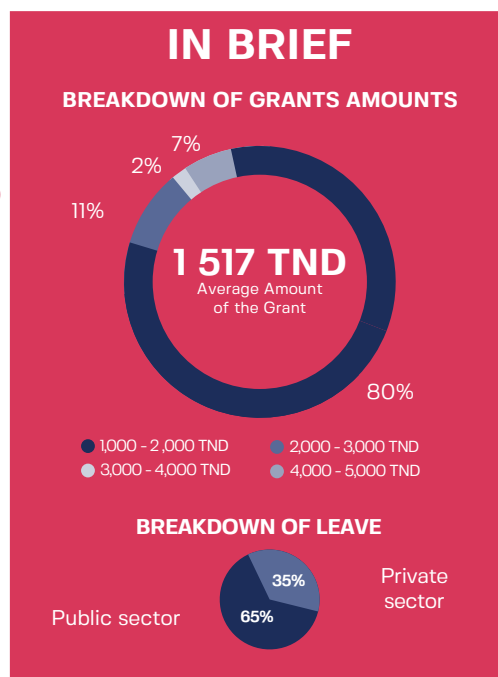
For natural persons who have not yet created their companies, they can apply for the Pre-Label. In the event of compliance with the innovation and scalability criteria, the candidate is awarded a Pre-Label valid for 6 months to finish the procedures for creating the company and to verify the criteria of age, size, and independence of capital before granting the Startup label.

# Labeling process



## Granted benefits by the Label

<b>LIFE GRANTS</b>	<b>96</b> Beneficiary founders	<b>61</b> Beneficiary startups	<b>668,000 TND</b> Total amount paid
<b>A LEAVE OF ABSENCE FOR CREATING THE STARTUP</b>	<b>17</b> Beneficiary startups	<b>20</b> Leave for startup creation	
<b>CNSS SUPPORT</b>	<b>168</b> Beneficiary startups		





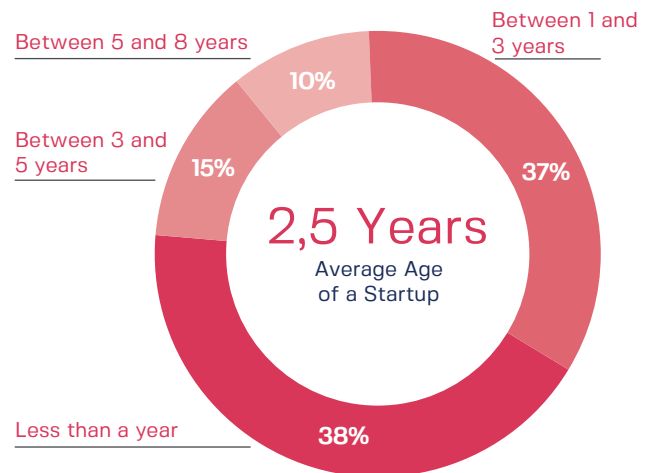
# The startups identity card

# Startup demographics

## Age

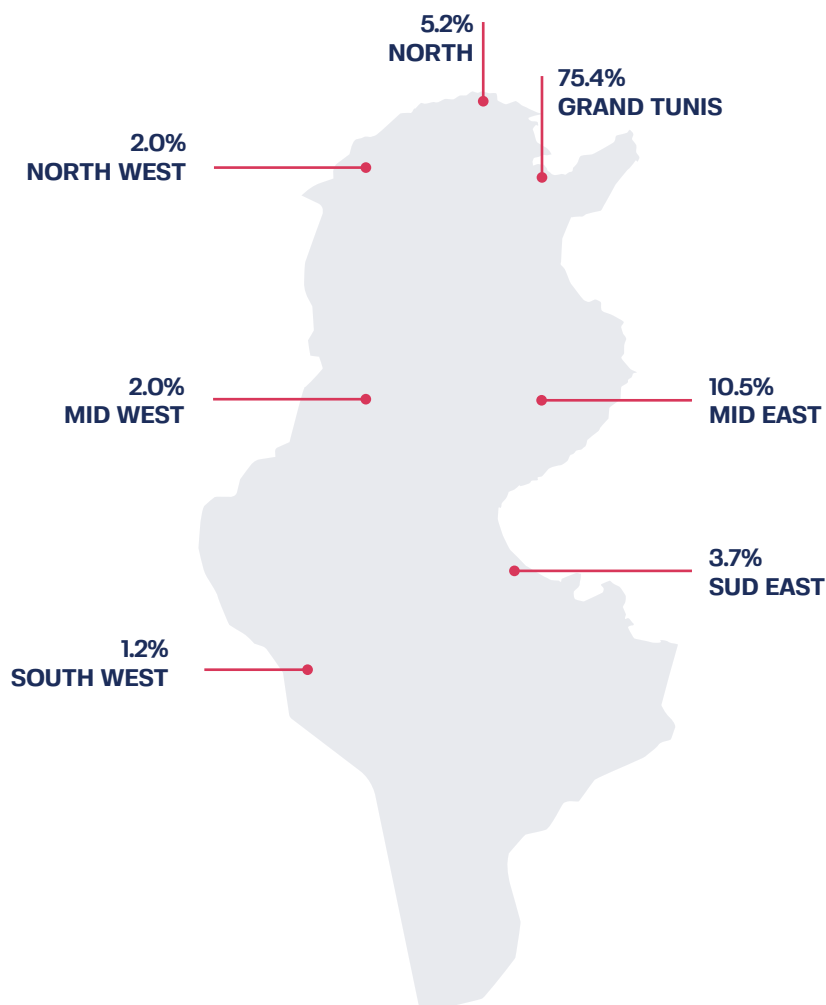
The population of labeled startups is, on average, 2 and a half years old.

38% of labeled startups are less than one year old and 75% of the total are less than 3 years old.



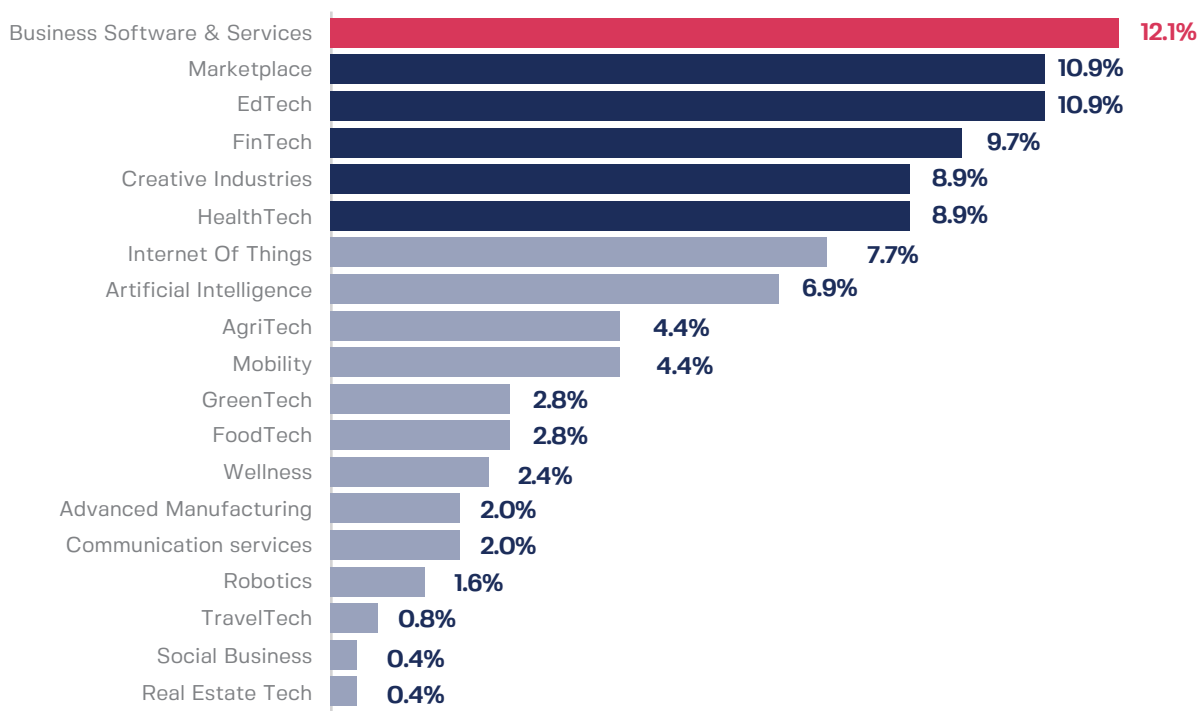
## Regionality

Three quarters of labeled startups are concentrated in Grand Tunis.





## Sector of activities



Labeled startups cover a wide spectrum of activity sectors.

The sector analysis reflects a dispersion of startups fields of activity without revealing a significant phenomenon of concentration.

The top 3 sectors (Business Software & Services, Marketplace, EdTech) represent more than a third of the population analyzed and the top 10 sectors of activity monopolize 85% of the total number of labeled startups.

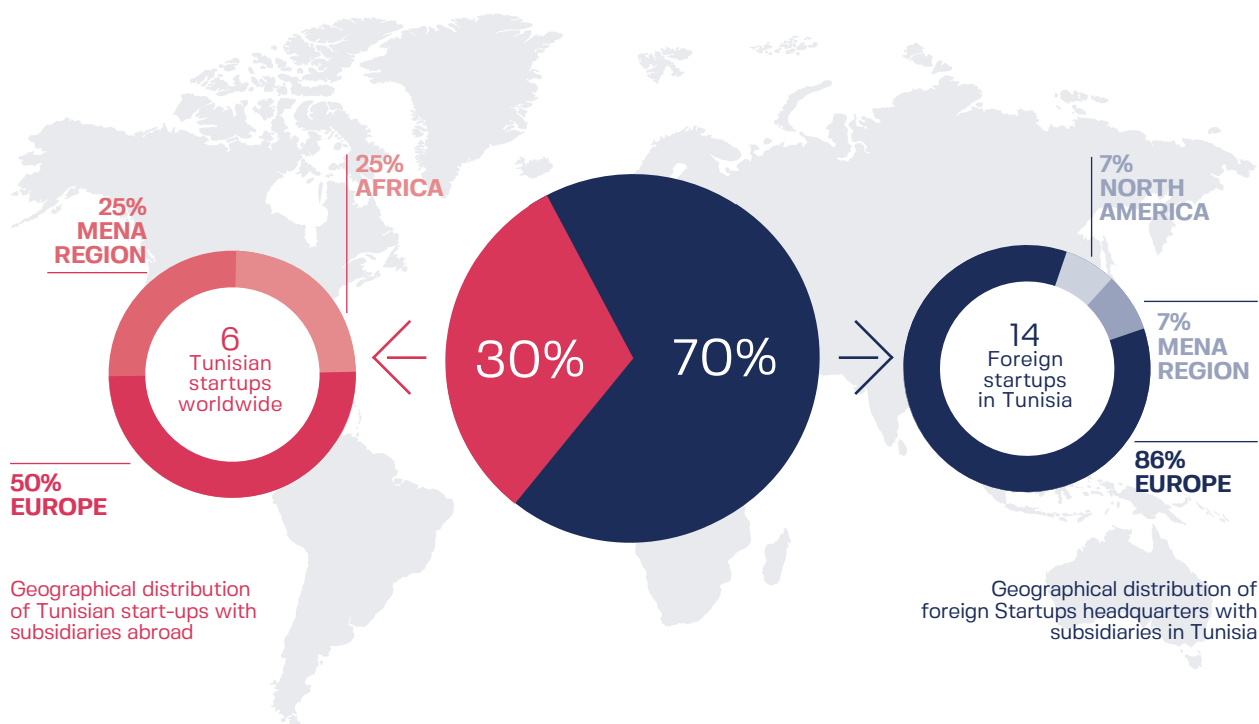
IN SHORT

6  
sectors monopolize more than  
60%  
of labeled startups

## Geographical distribution of international startups

An international startup is defined as:

- A **Tunisian startup** that has created subsidiaries abroad, or
- A foreign startup that has opened a subsidiary in Tunisia.



### TUNISIAN STARTUPS WITH AN INTERNATIONAL PRESENCE:

Six labeled startups have a cumulative total of 8 subsidiaries abroad, half of which are in Europe, and the rest distributed between the MENA region and Africa.

Europe (particularly France) remains the 1st international expansion destination for labeled startups.

### FOREIGN STARTUPS WITH A PRESENCE IN TUNISIA:

The attraction of foreign startups began with the launch of the Startup Act and today 14 foreign startups have a subsidiary in Tunisia.

85% of these startups have their parent companies in Europe.

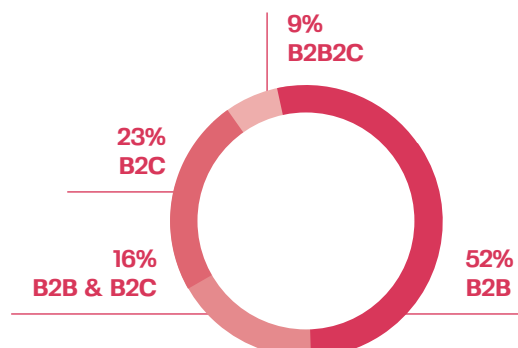
IN SHORT

20

labeled startups are international.



## Business model



More than half of the labeled startups are active in the Business to Business (B2B) segment exclusively addressing a business market by providing adapted innovative solutions.

Almost one out of four startups sell exclusively to individual consumers following a Business to Consumers (B2C) model, while 16% of labeled

startups combine both the B2B and B2C models.

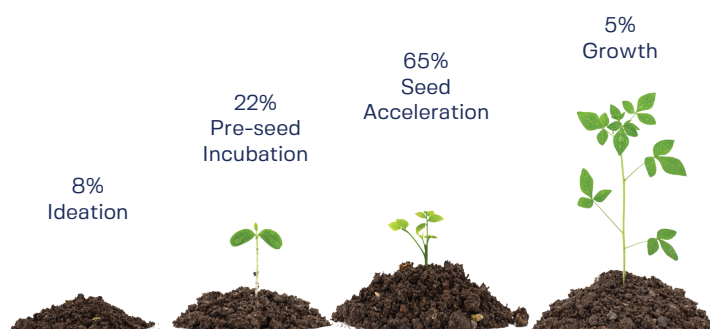
9% of labeled startups follow the B2B2C model by having business customers and end users made up of individuals persons.

## Support for labeled startups by ecosystem support structures

**107** startups were supported by an SSO

43% of labeled startups have been supported by an SSO (Startup Support Organizations) including incubators and accelerators and offering various support services to startups.

This support made it possible to cover different stages of growth:



Breakdown of Startups supported by life cycle phase

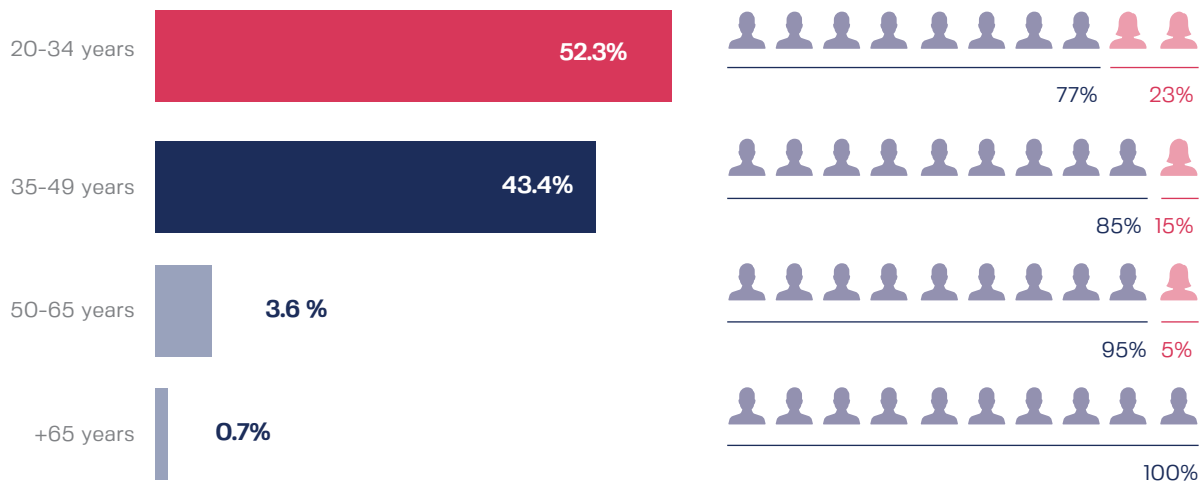


# The typical profile of founders

# Founders profile

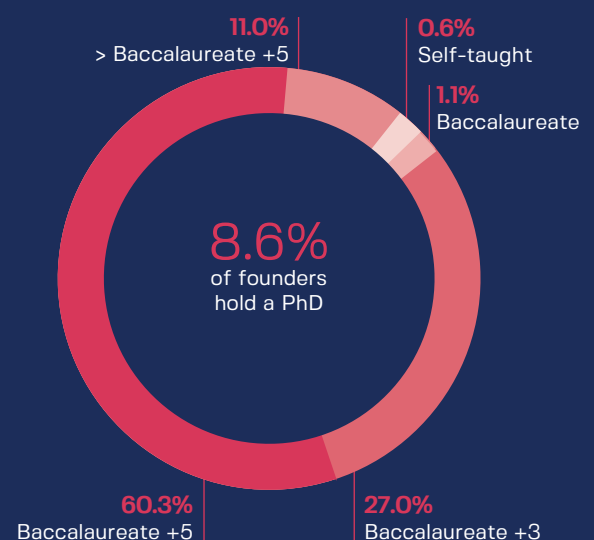
Out of 549 people analyzed

## Age distribution

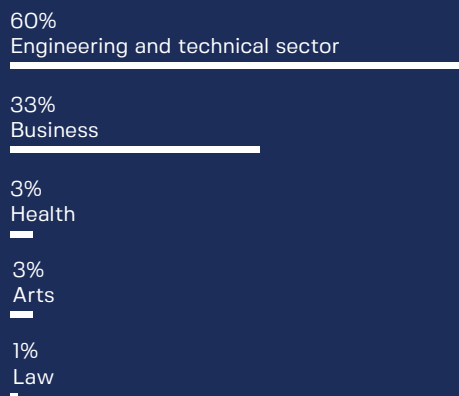


## Level of education

Startups founders in Tunisia are relatively well educated with more than 70% having a Baccalaureate +5 level and above. In addition, nearly 9% of the founders of labeled startups hold a PhD. Only 1.1% have the baccalaureate, while 0.6% say they are self-taught.

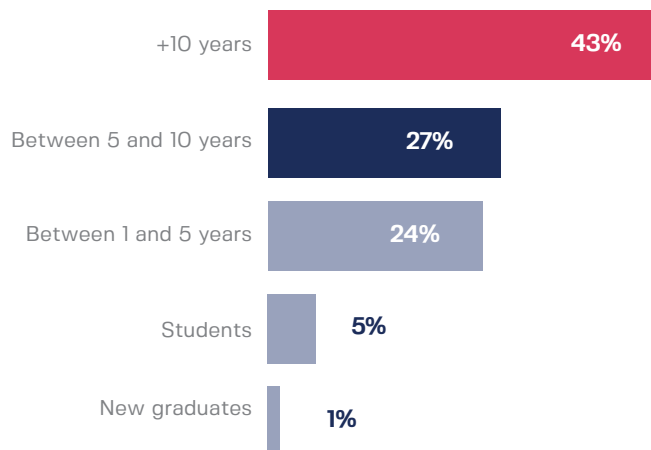


## Academic background



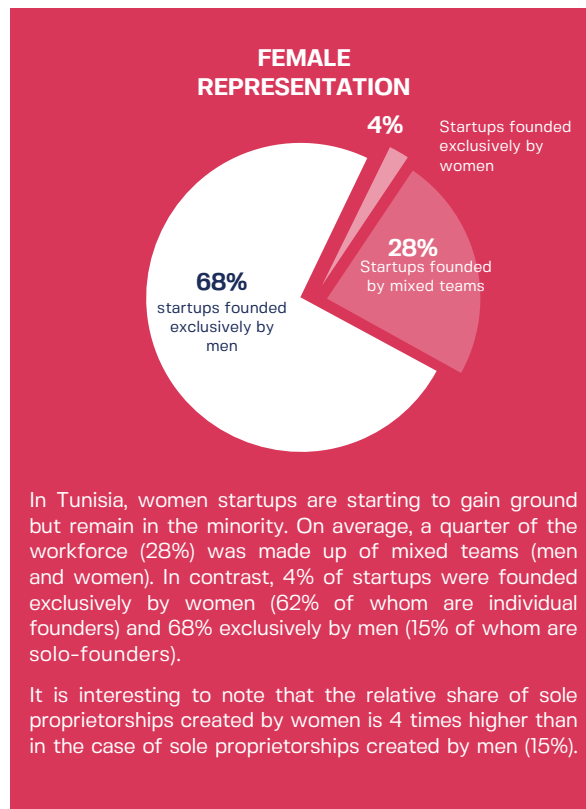


## Professional experience



The majority of labeled startups founders are experienced with nearly 70% having more than 5 years of experience.

Only 6% of the labeled startups founders are students or new graduates.



## Typical founders' profile





# Our startups facing of corona virus

# They were heroic

The period of confinement in Tunisia was an opportunity for many startups to propose initiatives to support screening efforts, help confined populations, and provide civic education services.

Here are some of these initiatives, organized by area of intervention.

## HEALTH

### **STARTUP : SMARTLOGGER**

#### **INITIATIVE : AVICENNE**

Founders: Mohamed Taghouti & Mahdi Taghouti

A digital medical platform based on artificial intelligence, allowing the creation of a virtual space to support the medical framework specializing in the detection, selection of patients at risk, indication of the practice of the diagnostic test, verification of confinement compliance by suspected patients thanks to geolocation and the generation of statistics on the evolution of the epidemic for the benefit of the Ministry of Health.

### **STARTUP : MAJESTEYE**

#### **INITIATIVE : DRUGEY™**

Founders: Jihed Hannachi & Rabie Saidi

The solution provides users, as soon as the organism's genome is available, with valuable prior knowledge of gene functions and candidate molecules and helps better inform responses to a pandemic or epidemic.

### **STARTUP : ICOMPASS**

#### **INITIATIVE : AZIZA**

Founders: Hatem Haddad & Ahmed Nouisser

iCompass has made available to the various ministries a Chatbot intended to answer all user questions written in the Tunisian dialect, in Arabic and in French. Over 300,000 questions from citizens, 7.4% retention and 95% accuracy.

### **STARTUP : SEEKMAKE**

Founder: Adel Ayari

Production of 1000 visors, 500 glasses and protective masks in order to support the medical profession of the hospitals of Nabeul.

### **STARTUP : EZZAYRA**

#### **INITIATIVE : ATLAS**

Founder: Yasser Bououd

Modification of the use of the "Atlas" robot, intended to support agricultural tasks, to become an autonomous robot for street disinfection.

### **STARTUP : AHKILI**

Founders: Chouk Lamia & Ghaith Souissi

The "Ahkili" team of psychologists helped citizens cope with the COVID-19 crisis: nearly 2,300 calls were handled on a voluntary basis.

## Prevention & Awareness

### **STARTUP : DATA VISION**

Founders: Skander Amor & Borhen Jlidi

Using artificial intelligence, the device is capable of detecting in real time anyone who does not respect the wearing of masks, social distance, the maximum allowed number of people and suspicious routes of contamination in places open to the public.

### **STARTUP : SAHELHA**

Founder: Marwen Laabidi

Making videos and awareness visuals on social networks and writing articles on the blog «e-mednews.com».

## Entertainment

### **STARTUP : ARTIFY**

#### **INITIATIVE : ONLINE FESTIVAL**

Fondateur : Yahia Mgarrech & Omar Machat

Online festival hosting, which could not be achieved during the COVID-19 crisis on the Artify.tn platform. More than 10,000 people were able to attend this festival. All the movies were screened as well as the debates after screening.

### **STARTUP : VSOBER**

#### **INITIATIVE : VCOVID-19**

Founders: Mohamed Ala Eddin Ben Trad & Syrine Boudriga

platform based on virtual reality, allows the discovery of online museums, virtual tours of several cities and solutions to help people organize their teleworking. Over 700 users in just 3 days, from over 20 countries.

## EDUCATION

### **STARTUP : TRUST IT**

#### **INITIATIVE : SHAREK**

Founder: Mohamed Amine Ouni

An initiative joined by associations and volunteers, for the benefit of students and pupils in order to ensure the continuity of the distance learning process through the collection, recycling and distribution of electronic devices to individuals and companies: 150 computers collected, 90 recycled for the benefit of 80 students and 2 hospitals.

### **STARTUP : T.O.T**

#### **INITIATIVE : NON STOP E-LEARNING**

Founders: Rania Khelil & Malek Gargouri

Free access to the platform for all students and teachers during the confinement period.

### **STARTUP : EDUCANET**

#### **INITIATIVE : EDUCONNECT**

Founder: Anis Ben Arbia

Implementation of a virtual classroom platform for schools, colleges and high schools. Over 7,000 virtual sessions in real time interaction performed, 162 teachers trained in one week and more than 2,500 accounts distributed to students.

### **STARTUP : YOUTH HUB**

#### **INITIATIVE : #STAYHOME FREE PACK**

Founders: Achref Mattar & Salsabil Thabti

A series of newsletters that offers parents activities and challenges to do with their children.

A series of online workshops where children are supported in order to master the use of different digital tools. 6 regions reached, 48 beneficiary children, 14 digital tools mastered and 61 hours of online training.

## LOGISTICS

### **STARTUP : WISER**

Founders: Majdouline & Sahbi Mansour, Majed Jabri

Taxi transport service via mobile application made available free of charge during the confinement period.

### **STARTUP : INTIGROW**

#### **INITIATIVE : SOS CORONA**

Founders: Nebil Jridet

The provision of Intigo Captains on time, for concierge services 7/7 from 8:00 to 00:00. More than 4000 races served during the confinement period.

### **STARTUP : DATA PM**

Founders: Aymen Karoui, Saber Bellaaj & Iyed Benhassen

Development of a digital model to help build a COVID-19 unit in Houmet Souk, Djerba.

### **STARTUP : FARM TRUST**

Founders: Khiari Wassim & Anis Mezghani

Implementation of a "Contactless Drive" delivery process to ensure compliance with hygiene standards and the launch of a new platform to support the flow of orders.

### **STARTUP : SENIATNA**

Founder: Neil Boussofara

The Startup bought excess stocks from its partner producers in order to boost online sales and support the struggling industry.

## SECURITY

### **STARTUP : ENOVA ROBOTICS**

#### **INITIATIVE : P-GUARD**

Founders: Anis Sahbani, Philippe Bidaud & Christophe Grand

In partnership with the Ministry of the Interior, the security robot P-Guard "was deployed to encourage people to respect containment instructions, maintain order and protect security agents from the risk of contamination.

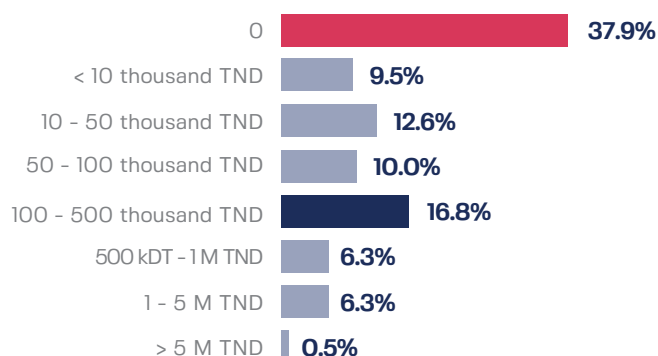




# The activity of startups



# Economic activity



Breakdown of labeled startups by level of generated turnover

**62%**  
of startups generate a turnover

**+80%**  
turnover growth (2018-2019) accumulated by startups

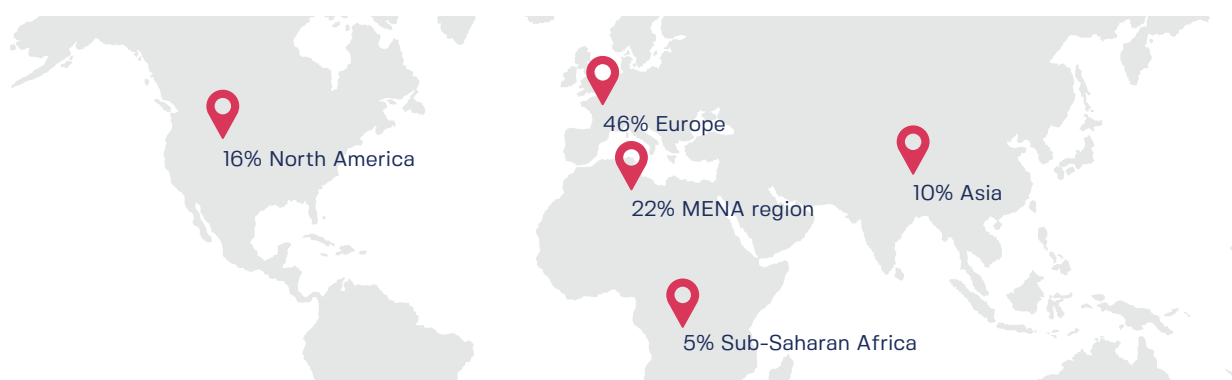
Labeled startups generated cumulative turnover in 2019 of 66 M DT (\$ 23.7 M), 72% of which is made on the Tunisian market.

More than a third of these startups (38%) did not achieve turnover in 2019 while about a third (32%) achieved a turnover of less than 100 thousand TND.

In addition, 23% of labeled startups generated a turnover of between 100,000 and 1 million TND and nearly 7% of them have a business volume exceeding 1 million TND.

For labeled startups that achieved income in 2018 and 2019, we see growth of more than 80% in annual turnover.

## Addressed markets



The labeled startups achieved half of their turnover from exports to Europe.

Generally, almost three quarters of export turnover is achieved with European markets, the MENA region and Africa.



## Jobs created by Startups

Total jobs created

2 829

**61%**

Man



**39%**

Woman

28%

jobs were created during the 1st year of the Startup Act

On average, each startup employs

**11+ employees**

Each startup generated on average

**3+ new jobs**

Out of all the labeled startups, 248 startups employ 2,829 people cumulatively until April 2020, including the founders.

On average, each labeled startup employs more than 11 people including the founders.

Almost 1/3 of these jobs were created during the first year of the Startup Act, which resulted in the creation of more than 3 new jobs, on average, per startup (2019-2020).

4 out of 10 jobs in labeled startups are declared as female employees.



# Fund raising

## Fundraising for startups

70

Investment operations in Tunisia\* in 2019 totaling

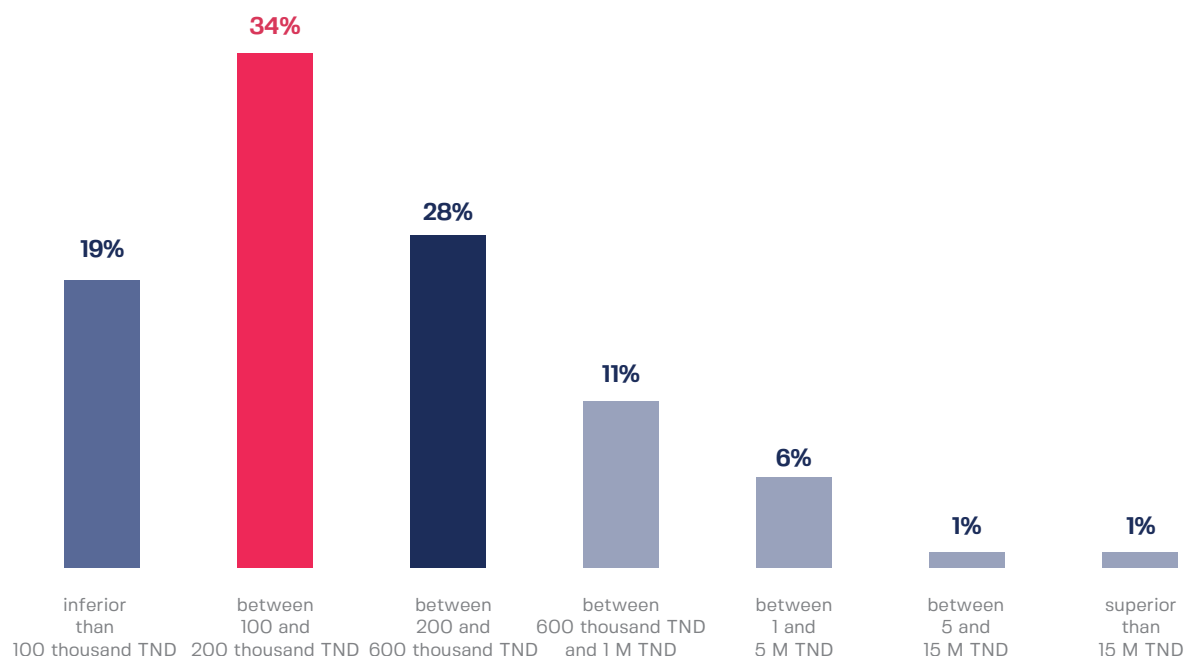
61

millions of Dinars

\* This does not include operations carried out by international startups abroad.



## Financing tickets



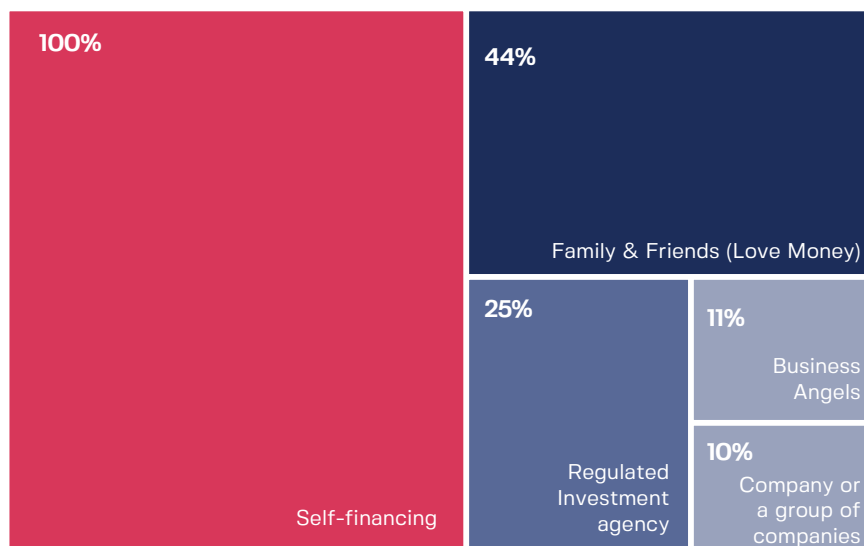
The 70 fundraising operations carried out in 2019 in Tunisia were mainly carried out on startups in the early-stage phase.

Indeed, 64 of these operations (92%) were made for amounts less than 1 million TND.

43 investment operations were carried out for tickets between 100 and 600 thousand TND.

It is also interesting to note that few fundraising operations (6) exceed 1 million TND.

## Sources of capital funding for startups

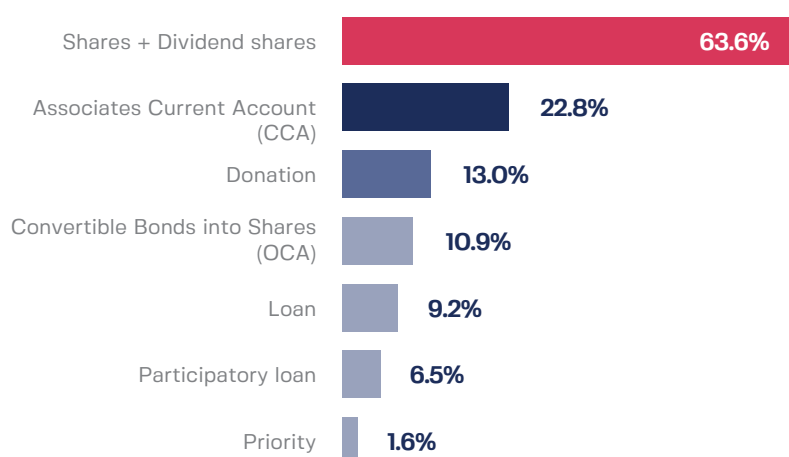


Note : This graph breaks down the main sources of capital funding for startups. These sources of funding are cumulative. For example, self-financing is mentioned by 100% of the interviewed project leaders.

Startups founders in Tunisia today rely mainly on their personal savings or family support to finance the capital of their businesses. This could be explained by the early stage progress of the majority of Startups but also by the lack of maturity of the investment ecosystem in Tunisia.

Indeed, the way of financing by Business angels, widely adopted by early-stage startups in other markets, concerns only 11% of the structures studied. The investment via dedicated VC funds covers only 1 out of 4 startups.

## Types of financial instruments used by startups

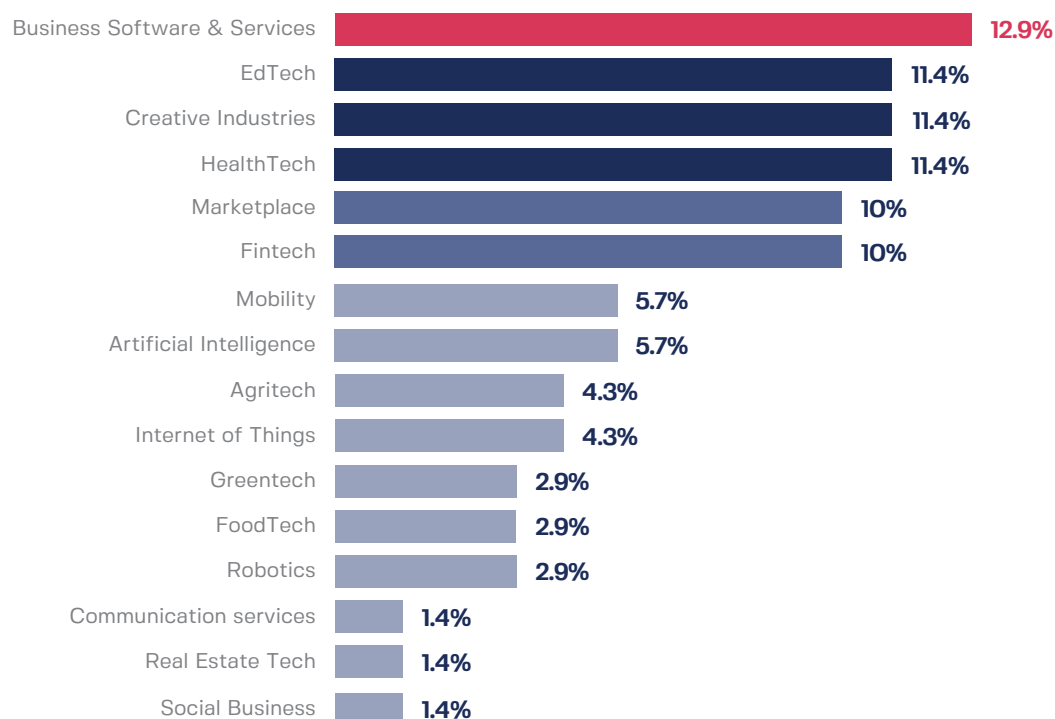


Equity shares are undoubtedly the most widely used instrument for equity financing. It is often accompanied by associates current accounts as well as convertible bonds which have a strong share in the financing of structures respectively with 22.8% and 10.9%.

That said, startups have to resort to other instruments to ensure their activities.

13% were supported by donations received from donors or other startup support programs.

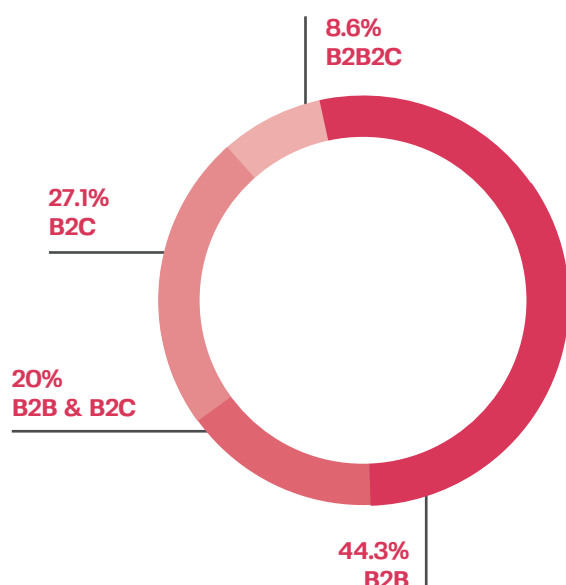
## Priority investment sectors



The analysis of investment transactions by sector of activity shows a significant dispersion. Indeed, the first investment sector (Business Software and Services) accounts for barely 13% of the total operations listed.

In addition, the first 6 sectors take over more than two thirds of investment operations in 2019.

## Economic models favored by investors



Almost half of the investments are focused on startups operating in Business to Business (B2B), while 27% of these investments are directed towards startups serving private customers (B2C).

One in five investment transactions (20%) is geared towards startups operating in both a B2B and B2C model.

With the predominance of the Business to Business (B2B) model, investors in Tunisia focus mainly on startups providing innovative solutions to corporate customers.

# About Smart Capital

Smart Capital is a management company approved by the Financial Market Council (CMF) placed under the supervision of the Ministry of the Economy, Finance and Investment Support and the Ministry of Communication Technologies.

Smart Capital is an innovative company created in 2019 at the instigation of the Caisse des Dépôts et Consignations (CDC) with public shareholding, a public-private governance and private management according to the best international standards.

Smart Capital's mission is to design and implement the Startup Tunisia initiative (*including among others, the Startup Act and the ANAVA Fund of Funds*), in order to make Tunisia a country of startups at the crossroads of the Mediterranean, from the MENA region and Africa.

## Team:

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