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Sote, An African Supply Chain Company, Raises \$4M In A Seed Extension Round



Bernadette Giacomazzo. Jan 21, 2022.

Sote, an African supply chain-focused company, has announced [its recent round of funding](#).

In a press release announcement provided to AfroTech, [it was revealed that the company](#) — which launched the “continent’s first licensed tech-enabled customs clearing and forwarding service“ — raised an additional \$4 million in its seed funding extension round. The funding, which was led by Social Capital, Chamath Palihapitiya’s fund, brought Sote’s total fundraising efforts to \$8 million.

In addition to the African supply chain-focused company completing the funding round, it also placed Ray Ko, [the growth partner](#), on its board.

Other [participating financiers](#) include Harry Hurst, Founder/CEO at Pipe; MaC Venture Capital “doubling down,” per the press release; and K50 ventures.

“Sote has always been about the people. A group of passionate individuals driven to build the future of Africa. We’re excited about bringing Samora and John under one roof with our Logistics and

Engineering teams to create uniquely compelling solutions for our customers and the value chain

beyond them,” said Felix Orwa, the [Kenyan-born](#) Founder and CEO of Sote, in the press release announcement.

He continued: “If the African supply chain is composed of the flow of product, the flow of information, and the flow of cash, then Sote already controls the first two. With the launch of our Fintech solution, we will have control and a positive influence on all three. This creates a powerful flywheel effect with our customers as they find more holistic and convenient bundled services between logistics and capital solutions.”

[As AfroTech previously reported](#), Sote initially raised a \$3 million seed round, bringing its total fundraising round to \$4.4 million, at that time. That round was largely led by early-stage venture capital firm MaC Venture Capital, with participation from other investors that include Acceleprise, Backstage Capital, Future Africa, and Rob Solomon — Chairman at GoFundMe. In addition to the funding announcement, Marlon Nichols — Managing General Partner at MaC VC — also joined Sote’s Board of Directors.

Editorial Note: This piece has been edited for clarity and revised since initially published.

What does the African supply chain entail?

Though the term “supply chain” is a buzzword being used, lately, in political discourse, it’s actually quite a simple concept. The supply chain refers to the network a company has with its suppliers. The ultimate end goal of the supply chain is getting the company’s product into the consumer’s hands. For example, if you have a company and it manufactures [couches](#), anything your company uses to get that couch into the hands of your buyer — from the fabric manufacturer to the trucking company that delivers your couch to stores — is part of your company’s supply chain.

The African supply chain, however, has been disrupted due to the ongoing COVID-19 crisis. With American supply chains in disruption, African companies can’t receive products that were manufactured in the United States — products, according to [The Washington Post](#), that they use in the manufacture of their own wares. So, in response, many African countries are turning their supply chains *inward* — that is, increasing domestic manufacture, which in turn could make the goods cheaper for the consumer to purchase.

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