

Bangladesh Startup Investment Report 2022

A Year In Review

January 2023





At LightCastle, we take a **data-driven** approach to creating opportunities for growth and impact. We consult and collaborate with development partners, public sector and private organizations to promote **inclusive economic growth** that positively **changes the lives of people** at scale.

Our services include Management Consulting, Entrepreneurship Ecosystem & Investments, Market Entry Advisory and Digital Transformation. Till date, we have consulted for **150+ development partners & private organizations** on **250 + projects**, collaborated with **500+ SMEs & startups**, mobilized **USD 150 million+** in investments and supported **40+ accelerator/ incubator programs** across Bangladesh.

LightCastle also hosts the largest market and industry datasets in Bangladesh across **30+ industries**.

For any queries, please contact Bijon Islam, Co-Founder and CEO at LightCastle Partners at bijon.islam@lightcastlebd.com.

Know more @ www.lightcastlebd.com



Disclaimer

All rights reserved by LightCastle Partners, Startup Bangladesh Limited, Anchorless Bangladesh, BD Startup Founders, and Bangladesh Angels Network. LightCastle Partners reserves the right to distribute this publication via all of their media properties and channels. No part of this publication may be reproduced by a third party in any form or by any means - graphic, electronic, or mechanical, including photocopying, recording, taping, and information storage and retrieval systems - without the express written permission of LightCastle Partners.

Contents of this publication are based on information from sources believed to be reliable, but accuracy and completeness can not be guaranteed. This material does not purport to contain all of the information and is not to be relied upon as such or used in substitution for the exercise of independent judgment.

Data and assurance integrity

Considering the opaque nature of the Bangladeshi market, we strive to constantly update our data to maintain accuracy. If you spot an error or inaccuracy, please contact Bijon Islam, Co-Founder and CEO at LightCastle Partners at bijon.islam@lightcastlebd.com.

Copyright LightCastle Partners © 2022



Table of Contents

1	Executive Summary	5	8	Investors Of 2022	14-16
2	Global Startup Funding Trends	6	9	Investment Trends By Rounds	18
3	Startup Investment Trends in Asia	7	10	Funding By Sector	20-21
4	Background on the Bangladesh Economy	8	11	Top 20 Deals Of 2022	23-25
5	Overall Bangladesh Startup Funding Trends	10	12	A Timeline Of 2022	27
6	Bangladesh Startup 2022: Key Highlights	11	13	Trends To Watch Out For	28
7	Investor Source & Type Breakdown	12	14	Acronyms	30





What You Need To Know About Bangladeshi Startup Investments In 2022

USD 439 Bn

Investments raised by startups around the world*

Startups across the globe saw a year-on-year drop of 29% in 2022, due to the recent global economic conditions owed to post-pandemic recovery and the Russia-Ukraine war.

USD 112 Mn

Raised by Bangladeshi startups

Compared to the previous year, 2022 saw a 73% drop in investments, reflected more significantly in the second half of the year.

USD 1 Mn

Average investment size across all quarters

This average excludes the largest-ticket investment of 2022, a USD 65 Mn deal secured by ShopUp from Valar Ventures and Flourish Ventures.

47

Deals secured by startups in Bangladesh

Among these, 26 deals were led by investors at home. With the majority of the deals taking place in the early-stage rounds, the ecosystem appears to be still at a maturing stage.

39

Unique startups receiving funds this year

Supported in large by local investors filling in the gap of reduced global funds, startups raised funding in Financial Services (Embedded Finance/Fintech), logistics and mobility, education, among other sectors in 2022.

Note: The analysis in this report includes disclosed deals only.

*Predicted values

Insider Insights



Sadia Haque

Founder and CEO,
ShareTrip

“ShareTrip, being the largest and leading OTA in the entire travel ecosystem, has done tremendously well despite all the economic and global turmoil. As a startup, it is important to be resilient and observant of the local and global variables that are taking place and also have a strong sense of the projected changes that might arise.

In 2022, we have seen multiple fundraises for many existing and new startups, but a significant portion of these fundraising is skewed towards the early-stage startups. Companies that are in the growth stage are still facing challenges. In 2023, the challenges will significantly impact future fundraising and leads. Local investors, especially Startup Bangladesh Ltd and many others, are playing a major role in creating the right awareness for the startups in the local market while placing Bangladesh's startup ecosystem on the global radar. All of these show positive contributing factors for future fund raises and we are hopeful that it will create a positive impact on the growth stage startups like ShareTrip.

Being a startup, we cannot just admit to the fact that we are out of opportunities. The concept of a startup is to be innovative and proactive, which does not only apply to our own product and service development but also applies to our fund-raising strategies and approaches. 2023 is not going to be easy for anyone, but how we deal with and act on the changes are going to be the deciding factors for the startups, who are here like us leading sustainable companies aiming for long-term goals and results. “

11 January 2023



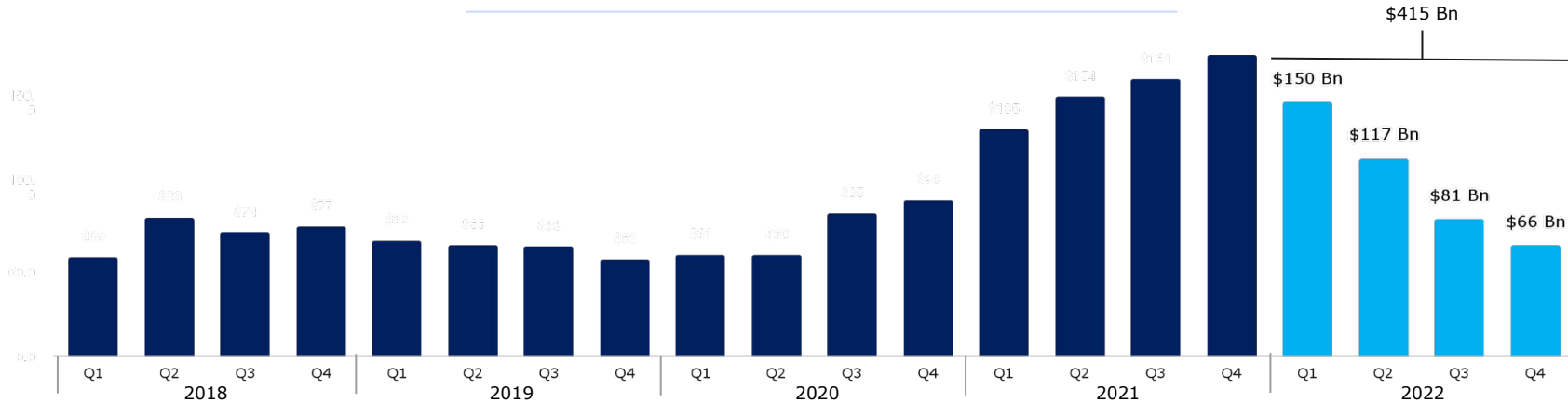
Global Events In The Past Year Have Led To A Funding Slowdown Resulting In A 35% Drop In Investments In Startups Around The World

The Russia-Ukraine war amid the global economy recovering from the pandemic has resulted in supply-chain issues around the world.

Economic slowdowns and climbing inflationary pressures are seen around the world, with the South Asian economy experiencing the bulk of the global conditions.

Year-on-Year decrease in funding was at 35% for startups around the world, from USD 630 Bn in 2021 to USD 415 Bn in 2022.

A total of USD 415 Bn was raised by startups around the globe in the entirety of 2022*



*Predictions used for Q4 2022

Asian Startups Have Seen A Funding Slowdown In 2022

And Bangladesh, At Its Nascent Stage, Has Been Disproportionately Affected

The recent global events have left startups worldwide feeling a gap in funding, with Asian startups in particular being impacted strongly. Even in the strongest hubs such as Singapore and China, investments reduced significantly in 2022 compared to 2021. With the Bangladeshi startup ecosystem at a nascent stage, the slowdown in funding was 73%, from USD 415 Mn to USD 112 Mn.

The Bangladesh startup ecosystem is still at its early stage compared to Asian peers, experiencing the sharpest drop in funding



Country	GDP* 2022	GDP per Capita 2021	Startup Investments Raised 2021	Startup Investments Raised 2022	Startup Investment as a % of GDP 2022	Y-o-Y Change in Startup Investment 2022
Singapore	USD 427 Bn	USD 72,749	USD 15 Bn	USD 6.8 Bn	1.591%	▼ 55%
China	USD 19,170 Bn	USD 12,556	USD 90 Bn	USD 47 Bn	0.24%	▼ 48%
India	USD 3,452 Bn	USD 2,257	USD 31 Bn	USD 21 Bn	0.60%	▼ 33%
Pakistan	USD 369 Bn	USD 1,505	USD 367 Mn	USD 355 Mn	0.10%	▼ 3%
Bangladesh	USD 445 Bn	USD 2,456	USD 415 Mn	USD 112 Mn	0.03%	▼ 73%

Bangladesh Holds Enormous Potential For Startups

With A Booming Digitally Savvy Population And Increasing Consumer Patterns

Population

169 Mn

8th largest in the world
2022

Median Age

28 Years

With 62% under the age of 35
2022

Affluent Consumers

12 Mn

Expected to triple to 34 Mn by 2025
2022

Total GDP

USD 445 Bn

Second highest in South Asia
2022*

GDP Growth Rate

6.94%

Compared to 6.50% in Pakistan
2021

GDP Per Capita

USD 2,456

Surpassing both India and Pakistan
2021

Mobile Financial Services

Accounts

175 Mn

According to Bangladesh Bank
2022

Mobile Phone Users

90%

According to the ICT Survey 2022
2022

Internet Users

39%

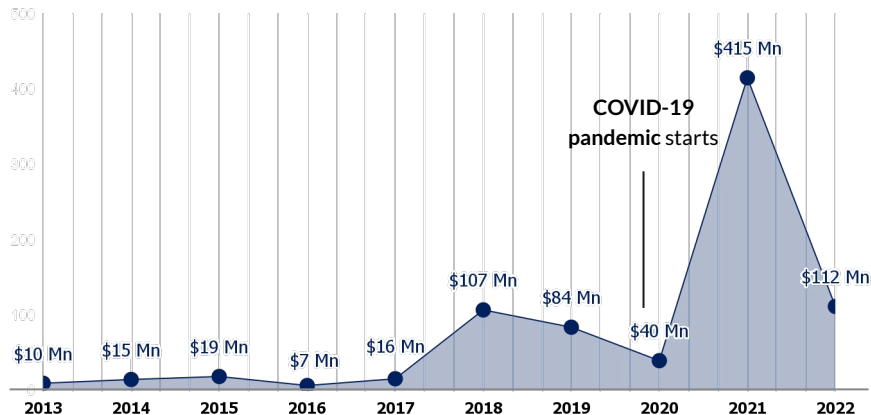
According to the ICT Survey 2022
2022

Bangladesh, Like The Rest Of The World, Saw A Fall In Funds

With An Average Of USD 11 Mn Startup Investments In Each Quarter

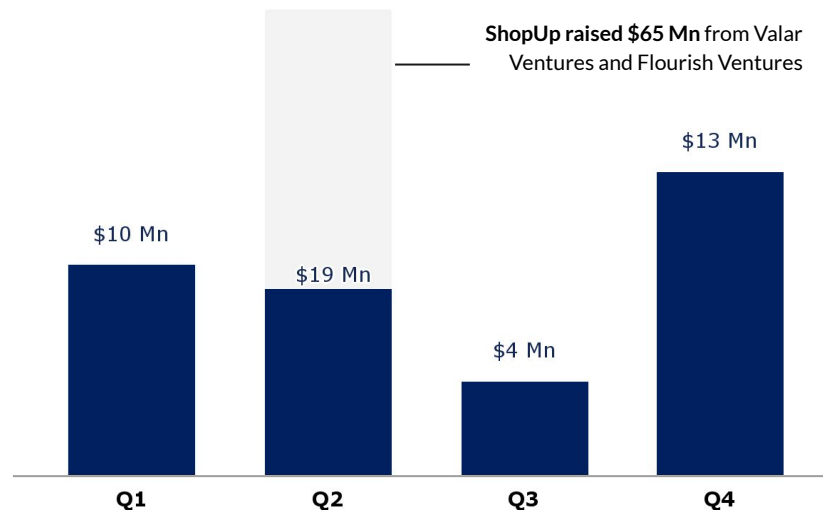
While the COVID-19 pandemic had strong impacts on startup funding in Bangladesh, dropping 2020's investment to the lowest in the past 5-year period, the ecosystem at home showed a healthy recovery in 2021 to USD 415 Mn (including the bKash-SoftBank deal of USD 250 Mn) - an all-time high. **Only a quarter of the previous year's investments was raised in 2022**, at USD 112 Mn, with a 73% year-on-year drop.

In 2022, Bangladeshi startups raised a total of USD 112 Mn, a quarter of what was raised in 2021



2022 saw a total investment of **USD 112 Mn raised in all quarters**. This includes the sizable USD 65 Mn deal by Shopup, Valar Ventures, and Flourish Ventures. Excluding this, **the quarters averaged at a ticket size of USD 1 Mn**, with the majority of the funds being raised in the first half of 2022.

An average of USD 1 Mn was raised across all quarters of 2022, excluding the USD 65 Mn ShopUp deal



Startups At Home Raised USD 112 Mn In 2022

With Investors At Home Making Up Increasingly Large Portions of Investments

USD 112 Mn
Total Investments

▼ 73% from 2021

47
Deals Made

▼ 33% from 2021

USD 588 K
**Average Early
Stage Investment**

▼ 90% from 2021

USD 9 Mn
**Average Late
Stage Investment**

▼ 82% from 2021

26
**Deals By Local
Investors**

▼ 8% from 2021

8%
**Funds From Local
Investors**

▲ 1205% from 2021

39
**Unique Startups
Funded**

▼ 33% from 2021

20+
**Investors Funding
Startups**

▼ 44% from 2021

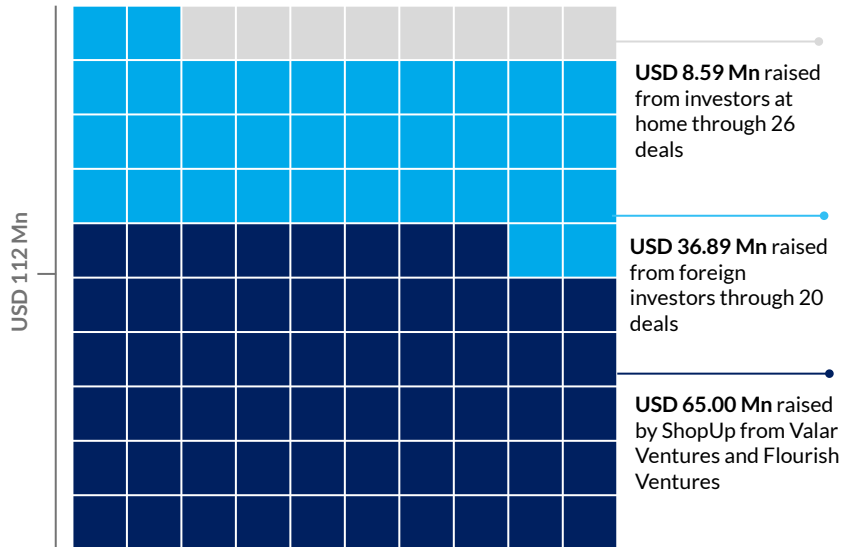


Locally Sourced Investments Grew

Accounting For 8% Of All Funds Raised In The Year

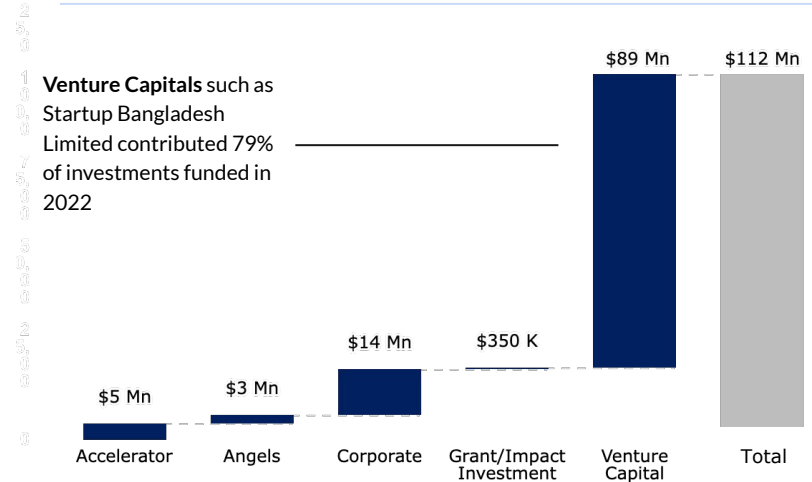
58% of the total investments raised came from ShopUp's USD 65 Mn deal. Excluding this deal, 34% came from foreign sources, and 8% came from local investors. Despite their lower funding volume, local investors made up 55% of all deals in 2022.

Excluding the ShopUp deal of USD 65 Mn, investments from international sources made up 92% of all investments



Venture Capital made the majority of all investments (79.9%) through 28 deals. Funding USD 14 Mn, Corporate investors funded 12.8% of all funds through 2 deals. Angel Investors made up 11 deals, investing 2% of all funds, while the remaining was funded by Accelerators and Incubators, Impact Investors, and Development Financial Institutions.

Venture Capital made up the largest portion of investments in 2022, at 79%



Insider Insights



Nirjhor Rahman

Chief Executive Officer,
Bangladesh Angels
Network

“Some of the trends we’ve seen last year are a reversal of what we’ve seen in the last 10. For example, 97% of funds into the startup sector has so far been from international sources. But last year, particularly in the second half, local funding from local institutions led the majority of investments. Startup Bangladesh [government backed VC fund] in particular has been quite active, but so has IDLC [largest NBF1]. I expect that to continue.

I also see more companies adjusting themselves to the new normal, potentially swallowing flat, down and inside rounds to extend the runway. Many companies raised rounds with massive multiples in 2021-early 2022, and that may no longer be possible, especially if price sensitive local investors are leading the rounds. Some scale-up stage companies may also look to venture debt to augment their capital stack. Without a doubt, the cost of capital will rise in 2023 compared to the last few years.

At the end of the day, there’s plenty of capital within the country to support the ecosystem. The issue is that a lot of it - via family offices, conglomerates’ and FIs’ balance sheets - are staying on the sidelines because they’ve yet to see a true “idea to IPO or M&A” exit. They also struggle to get their heads around the valuations and large multiples. The moves the Dhaka Stock Exchange is taking to allow startups to list is a good step. A lot of conglomerate-backed brokerage firms and Asset Management Companies would like to get involved if there was a path to local IPOs, because they have plenty of experience in this. More local participation, particularly from strategics, would give confidence to international investors as well to join rounds. They would feel confident that there are major institutions with the wherewithal and know-how to support and scale these companies.”

8 January 2023



Investors Of 2022

Accelerators & Incubators funded USD 4.55 Mn (4.3% of total)

SURGE 

SM² Accelerate
SBK SOSV MOX MIAKI

GoAhead
— VENTURES —

Sturgeon Capital

Angel investors funded USD 2.51 Mn (2.3% of total)

Bangladesh Angels

VALAR

flourish

wavemaker PARTNERS

KEYSTONE CAPITAL

SOSV

Haitou Global
INVEST IN LIFE

Grants, Impact Investors, and others funded more than USD 350K (0.6% of total)

BRIDDHI
Scaling Impact Enterprises of Bangladesh

**Biniyog Briddhi is a multi-year program, supported by the Embassy of Switzerland in Bangladesh and implemented by Roots of Impact and LightCastle Partners.*

ANCHORLESS BANGLADESH

STARTUP BANGLADESH LIMITED™

SHOROOQ PARTNERS

SBK Tech Ventures

Corporate Investors funded USD 14.00 Mn (12.8% of total)

Ecom Express
Fulfilling e-commerce and beyond...

south asia tech

IDLC
financing happiness

VERGE
HYPER

Venture Capital funded USD 89.4 Mn (79.9% of total)



Local And Global Investors

Funded 40 Bangladeshi Startups In 2022

Global Impact Investor	Global Accelerator/Incubator	Global Corporate Investor	Global Venture Capital
 <p>Scaling Impact Enterprises of Bangladesh</p> <p>A scale-up program by the Embassy of Switzerland, Roots of Impact, and LightCastle Partners invested in</p> 	 <p>A scale-up program by Sequoia Capital India invested in</p> <p>SHAJGOJ</p> 	 <p>Fighting e-commerce and beyond...</p> <p>A leading end-to-end technology enabled logistics solutions provider based in India invested in</p> 	 <p>A global early-stage venture firm invested in</p> 
Global Venture Capital			
 <p>An early-stage VC fund investing exclusively in healthcare technology invested in</p> 	 <p>A global venture capital firm that offers multi-stage investment invested in</p> 	  <p>Two global asset allocation and fund management firms invested in</p> 	 <p>Two U.S.-based venture capital firms invested in</p> 

Local And Global Investors

Funded 40 Bangladeshi Startups In 2022

Global Venture Capital | Local Venture Capital

 <p>A Singaporean cross-border venture capital firm invested in</p> 	 <p>A U.S.-based Bangladesh-focused early stage venture investment fund invested in</p> 	 <p>A leading technology investor in the Middle East, North Africa and Pakistan invested in</p> 	 <p>Bangladesh's leading multi-product Non-Banking Financial Institution invested in</p> 	 <p>The flagship venture capital fund of ICT Division invested in</p> 
--	--	--	---	--

Global Venture Capital | Local Angel Investors

 <p>A post-accelerator growth platform focused India & Bangladesh invested in</p> 	 <p>An early stage Venture Capital fund based in Silicon Valley invested in</p> 	<p>LCMA Ventures by</p>  <p>myAsiaVC and Notable Angels</p> <p>Local angel and strategic investors invested in</p> 	 <p>Bangladesh's first angel investment network invested in</p> 	    
---	---	--	---	---

Not an Exhaustive List

Insider Insights



Waseem Alim
Co-Founder & CEO,
Chaldal

“Bangladesh needs to solve startup funding, or its demographic dividend will evaporate. Thanks to the internet, a teenager growing up in rural Bangladesh has access to the same knowledge as a teenager in New York. However, we need to provide them with opportunities, otherwise we risk losing our smartest minds to emigration.

Many Bangladeshi families have accumulated generational wealth, but this wealth is often stuck in monolithic enterprises with a single decision maker. The lesson from other countries that have gone through this phase is that such enterprises rarely survive two generations, unless the management structure evolves. The smartest families will have to learn to diversify out of their core business.

The science behind venture capital or funding for research is not well understood by the investment community, and hence we are stuck with a feudal mindset of investing in property. More than entrepreneurs, we need smart venture financiers.

Bangladesh has the opportunity to jump a few decades if we focus on fostering an innovation ecosystem. It requires a multi-pronged, collaborative approach. If we miss the train on this, we will pay the price in terms of lower GDP growth and wastage of carefully saved capital.”

16 January 2023

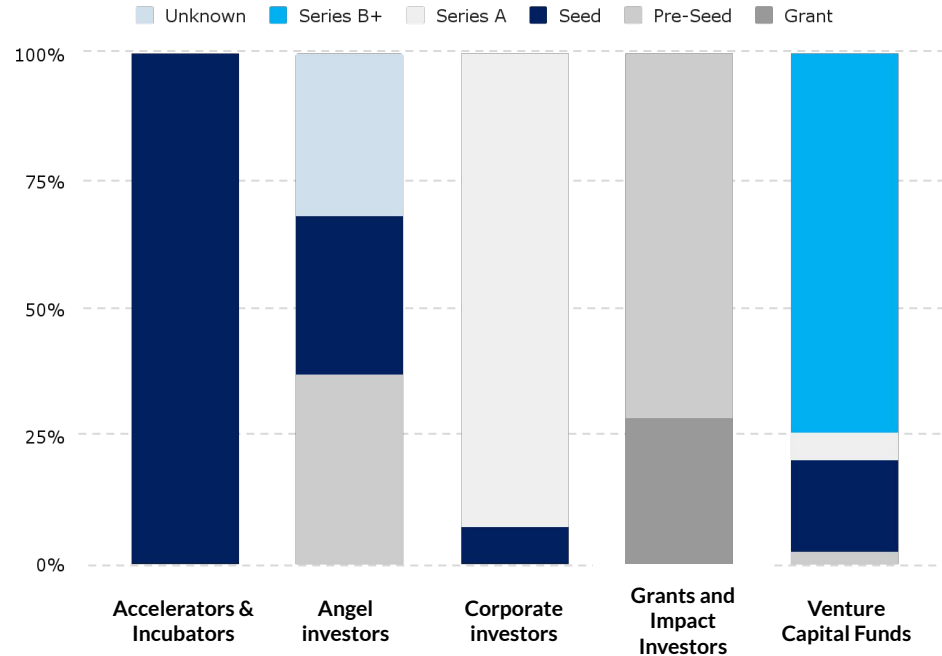


Early Stage Funding Continued To Dominate The Number Of Deals Funded by Venture Capitals, Angels, and Accelerators & Incubators

As the Bangladeshi startup ecosystem matures, late stage investments are making up an increasing portion of the total investments raised. Yet, early stage fundings continue to make up the majority of deals made.

- **59% of total investments went to Series-B+ rounds.** A large proportion of the Series-B+ investments were by Venture Capital Funds to ShopUp and Chaldal.
- **Early stage fundings, such as pre-seed and seed rounds, made up 30 out of 46 deals (58%),** led mostly by Venture Capital Funds and Angel Investors.
- **On average Seed stages and Series-A rounds received the largest investments** other than the USD 65 Mn Series-B+ injection into ShopUp.

Later-stage funding has been on an upward trend, as local VC funds took the lead to fill in drop in global investments



Insider Insights



Samad Miraly

Partner,
IDLC VC Fund I

“We continue to believe in the technology sector of Bangladesh, and 2022 saw us doubling down on existing investments as well as deploying fresh capital. Growth in our types of markets still outpaces most other global markets, with enviable demographics being a driving force. Naturally, as venture capitalists, we take a bottom up approach in investing, and it has served us well. However, we still think being a professionally managed local venture capital fund provides not only strategic value to our portfolio companies, but also serves as a signal or confidence-booster to encourage global investors to look at Bangladesh as a whole.”

10 January 2023

“Given recent global events and economic uncertainties, 2022 was a tumultuous year for startups around the world. Despite this, we have seen homegrown founders come up with some fascinating and impactful innovations. Startup Bangladesh is proud to support these entrepreneurs and contribute to the government of Bangladesh’s Smart Bangladesh vision, and we look forward to supporting homegrown startups financially & strategically to scale up through the Shotoborshe Shoto Asha campaign in 2023 as well.”

10 January 2023



Sami Ahmed

Managing Director,
Startup Bangladesh
Limited



Financial Services (Embedded Finance/Fintech) Remained The Star Sector With ShopUp's USD 65 Mn Deal Securing 2022's Biggest Investment

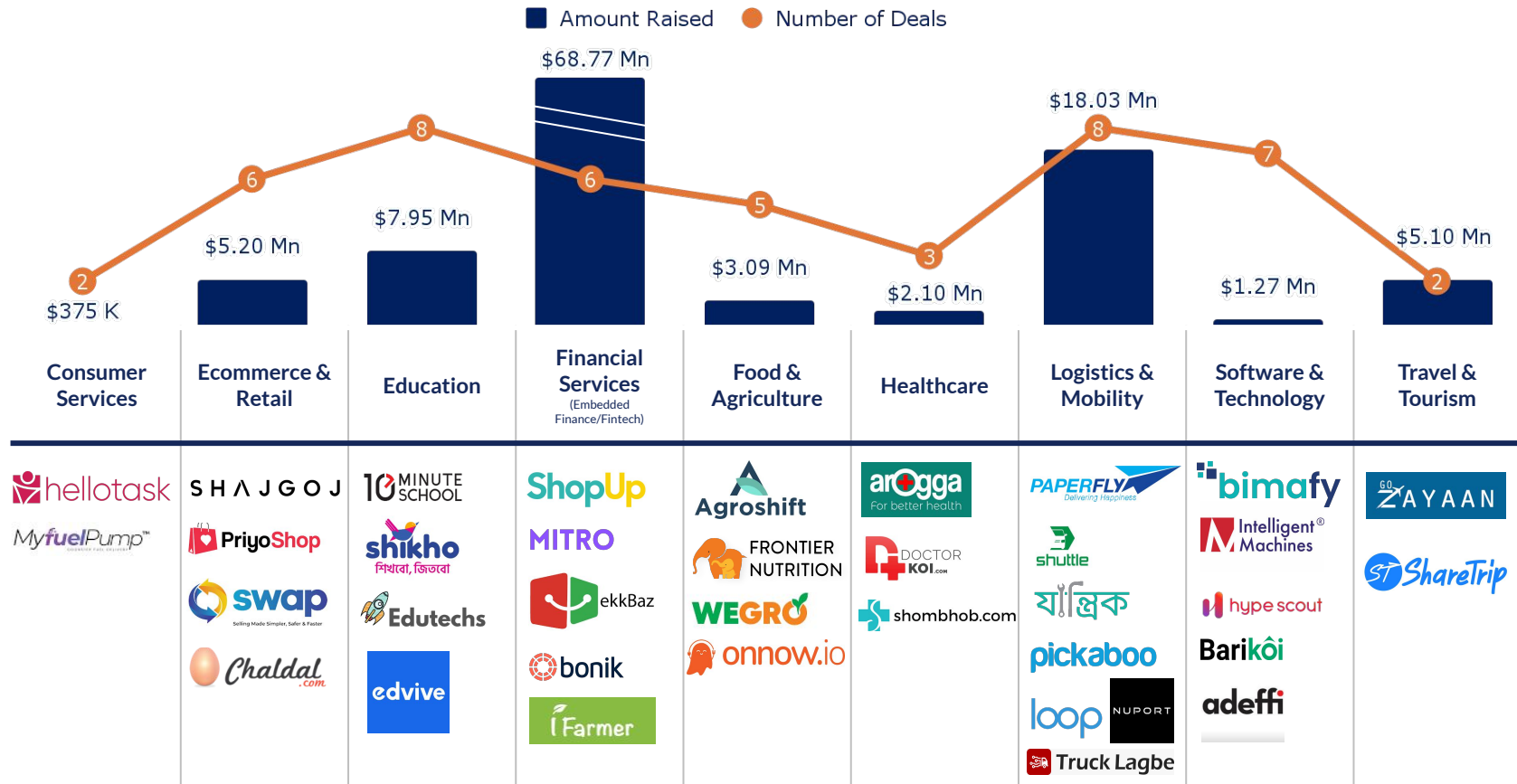


Financial service startups took the spotlight in both years, bringing in significantly large deals in both 2022 and 2021

Sector	2022	2021	% Change
Financial Services (Embedded Finance/Fintech)	USD 68.77 Mn <i>Includes ShopUp raising USD 65.00 Mn</i>	USD 360.37 Mn <i>Includes bKash raising USD 250 Mn</i>	▼ 81%
Logistics & Mobility	USD 18.03Mn	USD 27.13 Mn	▼ 34%
Education	USD 7.95 Mn	USD 1.83 Mn	▲ 335%
Ecommerce/Retail	USD 5.20 Mn	USD 2.12 Mn	▲ 144%
Travel & Tourism	USD 5.10 Mn	USD 2.60 Mn	▲ 100%
Food & Agriculture	USD 3.09 Mn	USD 6.72 Mn	▼ 58%
Healthcare	USD 2.10 Mn	USD 8.46 Mn	▼ 75%
Software & Technology	USD 1.27 Mn	USD 4.30 Mn	▼ 71%
Consumer Services	USD 0.38 Mn	USD 1.20 Mn	▼ 69%

Despite a dip from 2021, **Financial Services (Embedded Finance/Fintech)** took the lead once again in raising the most investments in 2022. **Logistics & Mobility** and **Education** also saw a high investment volume.

Education, Ecommerce & Retail, And Travel & Tourism Funding Surged Followed By Software & Technology And Food & Agriculture



Source: LightCastle Analytics, FutureStartup.com, Crunchbase, Startup Bangladesh Limited, Bangladesh Angels Network, Anchorless Bangladesh

Not an Exhaustive List

Insider Insights



Robin Butler, CFA

Partner & Head of Impact,
Sturgeon Capital

“Sturgeon Capital started looking at the Bangladesh startup ecosystem in 2022, bucking the trend of international investors who have shied away from these emerging markets over the course of the year. Countries like Bangladesh at the beginning of their digital transformation are our core focus, and we believe that Bangladesh is primed to develop significantly over the next 3-5 years. If we look at 2022 relative to the path that Bangladesh had been on up until 2020, accepting that 2021 was an anomaly driven by cheap money and distorted by two large deals in the country, then it is clear that the ecosystem is moving in the right direction still. The presence of international funds on Bangladeshi cap tables, even if they are not making new investments, will only help in raising the profile of the country. Now the onus is on those founders to successfully build their businesses so that international investors are encouraged to return and deploy more capital in the ecosystem. For everyone active in Bangladesh, it is vital to raise the profile of the country, because investors won’t invest in something they don’t know about.”

9 January 2023

"Bangladesh continues to be a vast, growing consumption powerhouse of 170 million people, including 35 million in the middle and rising middle class. With valuations being regionally low, startups that solve for this market should have little problem attracting capital. The key remains for founders to focus on institutional rounds so that capital for future growth is more visible."

15 January 2023






















Rahat Ahmed

Founding Partner & CEO,
Anchorless Bangladesh



Top 30 Deals Of 2022




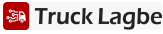






Part I Of III

Company Name	Sector	Lead Investors	Total Amount Raised In 2022
 ShopUp	Financial Services	Valar Ventures, Flourish Ventures	 \$65.0 Mn
 PAPERFLY Delivering Happiness	Logistics & Mobility	Ecom Express	 \$13.0 Mn
 GO ZAYAAN	Travel & Tourism	Undisclosed	 \$4.6 Mn
 shikho শিক্ষা বা, জিজ্ঞাসা	Education	Wavemaker Partners	 \$4.0 Mn
 10 MINUTE SCHOOL	Education	Startup Bangladesh Limited, Surge, Undisclosed	 \$3.8 Mn
SHAJGOJ	Ecommerce & Retail	Surge	 \$2.2 Mn
 iFarmer	Financial Services	Startup Bangladesh Limited, IDLC Finance	 \$2.0 Mn
 Agroshift	Food & Agriculture	Sharooq Partners, Anchorless Bangladesh, Biniyog Briddhi	 \$1.8 Mn
 PriyoShop	Ecommerce & Retail	SOSV	 \$1.5 Mn
 shuttle	Logistics & Mobility	Startup Bangladesh Limited, South Asia Tech	 \$1.5 Mn



Top 30 Deals Of 2022











Part II Of III

Company Name	Sector	Lead Investors	Total Amount Raised In 2022
 arogga For better health	Healthcare	Hyper	\$1.3 Mn
 MITRO	Financial Services	Undisclosed	\$1.0 Mn
 যাত্রিক	Logistics & Mobility	Bangladesh Angels Network	\$780 K
 Truck Lagbe	Logistics & Mobility	Startup Bangladesh Limited	\$590 K
 FRONTIER NUTRITION	Healthcare	Startup Bangladesh Limited	\$590 K
 ShareTrip	Travel & Tourism	Startup Bangladesh Limited	\$500 K
 swap Setting Made Simpler, Safer & Faster	Ecommerce & Retail	Startup Bangladesh Limited	\$500 K
 ekkBaz	Financial Services	Haitou Global, KeyStone Capital, Artesian, and Enterprise Singapore	\$500 K
 DOCTOR KOI.com	Healthcare	Verge Healthtech Firm	\$500 K
 Chaldal.com	Ecommerce & Retail	Startup Bangladesh Limited	\$500 K



Top 30 Deals Of 2022

Part III Of III

Company Name	Sector	Lead Investors	Total Amount Raised In 2022
 hype scout	Software & Technology	Anchorless Bangladesh, Bangladesh Angels Network	\$480 K
 onnow.io	Food & Agriculture	GoAhead Ventures	\$350 K
 shombhob.com	Healthcare	Bangladesh Angels Network	\$300 K
 NUPORT	Software & Technology	Bangladesh Angels Network	\$300 K
 MyfuelPump™	Consumer Services	Bangladesh Angels Network	\$300 K
 Barikôï	Software & Technology	Undisclosed	\$250 K
 Agroshift	Food & Agriculture	Sharooq Partners, Anchorless Bangladesh, Biniyog Briddhi	\$250 K
 adeffi	Software & Technology	Bangladesh Angels Network	\$235 K
 Intelligent Machines	Software & Technology	Startup Bangladesh Limited	\$200 K
 loop	Logistics & Mobility	Startup Bangladesh Limited	\$120 K



Insider Insights



Hasan A. Arif

Head of Portfolio
Investment,
Startup Bangladesh
Limited

"Innovations, potential and dreams of Bangladeshi entrepreneurs cannot continue to mostly depend on foreign investments. We have plenty of local capital that can accelerate investments in local startups, neutralizing the instability and uncertainty of the current global financial crisis. Startup Bangladesh had been the most active venture capital firm in Bangladesh in 2022. But that's not all. We are actively engaged in promoting and facilitating opportunities of startup investments to the local angel and institutional investors to unleash local capital. Regardless of the global economic condition, I feel the year 2023 holds a lot of promise for the startups and the whole startup ecosystem in Bangladesh contributing to the vision of Smart Bangladesh."

11 January 2023

"2022 was a difficult year globally. Bangladesh is yet a risky choice for investors for several reasons. Therefore, we need to follow our "Dhaka Valley" recipe - a blend of prioritizing cash flow management and envisioning a sustainable growth path as key success metrics."

9 January 2023



Adnan I. Halim

Chief Executive Officer,
Sheba Platform Limited



A Timeline Of 2022

Q'1

Paperfly (USD 13.0 Mn; Ecom Express)
Shikho (USD 4.0 Mn; Wavemaker Partners)
Shajgoj (USD 2.5 Mn; Surge)
10 Minutes School (USD 2.0 Mn; Undisclosed)
Zantrik (USD 0.8 K; Bangladesh Angels Network)
MyFuelPump (USD 300 K; Bangladesh Angels Network)
10 Minute School (Undisclosed; Startup Bangladesh Limited)
Best Aid Limited (Undisclosed; YY Ventures)
Bangladesh Women Investor Network launched
Shikho acquires Mainly Coding, a platform to learn programming
DSE-SME, the small cap board, eased participation rules for buying and selling of SME stocks
Startup Bangladesh Limited invests USD 1.7 Mn in 8 startups

Keys:

Deal (Amount; Lead Investor)
Event
Merger & Acquisition
Government Initiative

Q'2

ShopUp (USD 65.0 Mn; Valar Ventures, Flourish Ventures)
iFarmer (USD 2.1 Mn; IDLC)
Arogga (USD 1.3 Mn; Hyper)
DoctorKoi (USD 500 K; Verge Healthtech Firm)
Adefi (USD 235 K; Bangladesh Angels Network)
Nuport (USD 130 K; Bangladesh Angels Network)
Shape (USD 100 K; Undisclosed)
Deal Bazaar (USD 100 K; Undisclosed)
Edutechs (USD 100 K; Undisclosed)
Edvive (USD 50 K; Undisclosed)
Bonik (USD 47 K; Angel Round)
Chalkpencil (Undisclosed; Undisclosed)
14 Startups graduate from YY Goshthi Incubation Program Fall 2021 Cohort by YY Ventures
SM ² Accelerate launched by SBK Tech Ventures., Orbit Startups, Miaki
Startup Ecosystem Networking Dinner hosted by Biniyog Briddhi*
Idea Incubator held by EMK Center
GoZayaan acquires FindMyAdventure, a Pakistani tourism marketplace
Campus-Based Business Incubator launched in Bangladesh
Startup Sandbox Scheme announced

Q'3

Chaldal (USD 500 K; Startup Bangladesh Limited)
Barikoi (USD 250 K; Undisclosed)
WeGro (Up to USD 100 K in non-repayable investment; Biniyog Briddhi)
Frontier Nutrition (Undisclosed; Startup Bangladesh Limited)
Hello Task (Undisclosed; Startup Bangladesh Limited)
iFarmer (Undisclosed; Startup Bangladesh Limited)
Loop (Undisclosed; Startup Bangladesh Limited)
Shuttle (Undisclosed; Startup Bangladesh Limited)
Truck Lagbe (Undisclosed; Startup Bangladesh Limited)
Zantrik (Undisclosed; Startup Bangladesh Limited)
Sharetrip (USD 500 K; Startup Bangladesh Limited)
Startup Venture Studio launched by Turtle Ventures
YY Goshthi Incubation Program Fall 2022 Cohort held by YY Ventures
She Loves Tech Bangladesh 2022 launched
Huawei ICT Incubator 2022 inaugurated
Fit for the Future 3.0 held by EMK Center
Financing for Gender Inclusion and Empowerment Event Held by Biniyog Briddhi
GP Accelerator 3.0 'Demo Day' held by Grameenphone
"Using Information Technology to Empower Women in Today's World" held by BASIS Women's Forum
Bangladesh Impact Investment Strategy and Action Plan (BIISAP) launched
Startup Bangladesh Limited invests in 9 startups

Q'4

Go Zayaan (USD 4.6 Mn; Undisclosed)
Agroshift (USD 1.8 Mn; Anchorless Bangladesh, Shorooq Partners)
Agroshift (Up to USD 100 K in non-repayable amount; Biniyog Briddhi)
10 Minutes School (Undisclosed; LCMA Ventures)
10 Minutes School (Undisclosed; Sequoia Capital India)
PriyoShop (USD 1.5 Mn; SOSV)
Pickaboo (USD 1.5 Mn; Startup Bangladesh Limited)
Shuttle (USD 1.5 Mn; South Asia Tech)
SWAP (USD 500K; Startup Bangladesh Limited)
HypeScout (USD 280 K; Anchorless Bangladesh)
Bimafy (USD 100K; Startup Bangladesh Limited)
Huawei ICT Incubator 2022 program announces top 6 startups
Social Impact Lab inaugurated at BRAC University
BASIS National ICT Awards 2022

*Biniyog Briddhi is a multi-year program, supported by the Embassy of Switzerland in Bangladesh and implemented by Roots of Impact and LightCastle Partners.

** Angels not included



Trends To Watch Out For

Point Towards A Bustling Future For The Startup Ecosystem In Bangladesh

- 01.** The global economic downturn is predicted to continue to 2023, resulting in the funding slowdown to continue. Yet, the world recovers from the pandemic and local conditions stabilize, startup investments are **projected to pick up at the beginning of 2024.**
- 02.** Climate change concerns are dominating as one of the key issues in the world. As such, **climate and sustainability startups are predicted to become increasingly attractive** to investors at home and abroad.
- 03.** As Bangladeshi startups and the ecosystem gains national and international confidence, **a significant number of global investors are investing in Bangladesh for the first time** - a trend that is forecasted to increase in the coming years.
- 04.** Against the backdrop of a global recession, **new ventures by Bangladeshi professionals who are returning from abroad** are on the rise. At the same time, Bangladesh is also seeing a rise of **startups operating in a structure where an international holding company owns majority in a Bangladeshi entity which acts as the operating company.**
- 05.** With the Government of Bangladesh's consistent focus on building a Digital Bangladesh, **the ecosystem wants to create at least five unicorns by 2025.**



Insider Insights



Zahedul Amin

Director, Finance,
Strategy and Consulting
Services,
LightCastle Partner

"During the pandemic, Bangladesh performed well compared to its South Asian peers in terms of year-on-year GDP growth rate. The nation's efforts on transportation infrastructure, energy generation capacity, economic zones, suitable policies for the manufacturing industries along with broader industrialization, digitization of financial and government services, and accommodating political landscape both within and outside of the nation's border have placed Bangladesh in a stronger position than ever before. These capture a brilliant opportunity for young and innovative entrepreneurs to bring tangible, positive changes to the country through new technologies and improved digitization. With adequate support from the Government of Bangladesh, the startup landscape in Bangladesh holds tremendous power to transform the country at root-level, and I am excited to see new solutions being developed to tackle some of the most pressing challenges of our times through these impact enterprises."



Acronyms

a2i	Aspire to Innovate	M&A	Mergers and Acquisitions
BASIS	Bangladesh Association of Software and Information Services	MFI	Microfinance Institution
BB	Bangladesh Bank	MFS	Mobile Financial Service
BAN	Bangladesh Angels Network	Mn	Million
Bn	Billion	Q-o-Q	Quarter-on-Quarter
BBS	Bangladesh Bureau of Statistics	SBL	Startup Bangladesh Limited
GDP	Gross Domestic Product	SME	Small and Medium-Sized Enterprise
GoB	Government of Bangladesh	UN	United Nations
GSMA	Global System for Mobile Communications Association	USD	United States Dollar
ICT	Information and Communications Technology	VC	Venture Capital
IT	Information Technology	WB	World Bank
K	Thousand	Y-o-Y	Year-on-Year



Authors



Raidah Morshed

Lead Author

Business Analyst,
LightCastle Partners



Fariha Kabir

Support Author

Sr. Business Consultant
& Project Manager,
LightCastle Partners



Mustafa Hamid

Support Author

Business Consultant,
LightCastle Partners



Farhana Yasmin

Design Support

Creative Design Lead,
LightCastle Partners

Advisors and Editors



Sami Ahmed

Managing Director,
Startup Bangladesh
Limited



Hasan A. Arif

Head of Portfolio
Investment,
Startup Bangladesh
Limited



Rahat Ahmed

Founding Partner & CEO,
Anchorless Bangladesh



Nirjhor Rahman

Chief Executive Officer,
Bangladesh Angels
Network



Mohi Zaman

Principal,
Anchorless Bangladesh



Ahmed Jawad Yusuf

Advisory Lead,
Bangladesh Angels
Network



Adnan I. Halim

Chief Executive Officer,
Sheba Platform Limited



Mehad ul Haque

Project Manager & Sr.
Business Consultant,
LightCastle Partners



Zahedul Amin

Director, Finance, Strategy
and Consulting Services,
LightCastle Partners



Ivdad Ahmed Khan Mojlish

Managing Director,
LightCastle Partners



Bijon Islam

Chief Executive Officer,
LightCastle Partner

Key Partners



Startup Bangladesh Limited is the flagship venture capital fund of ICT Division and the first and only venture capital fund sponsored by the government of the people's republic of Bangladesh. Starting its journey on March 2020 with an allocated capital of BDT 500 crores (USD 65 million), this effort aims to enable the nation to innovate faster, create new jobs, develop technical skills, and realize the vision of Digital Bangladesh. The fund supports technology-based innovations to create new employment opportunities, promote under-represented tech groups, foster entrepreneurship culture and bring transformational changes to lives of millions

Know more @ www.startupbangladesh.vc



Bangladesh Angels is the country's first angel investing platform, founded with a mission to elevate the country's startup entrepreneurs to the highest level. To be registered as an independent, not for profit company, it is a collaborative endeavor bringing together the leaders in the local entrepreneurial ecosystem and global partners – who share a passion to create value and growth for the startups.

Know more @ www.bdangels.co



Anchorless Bangladesh is a New York-based early stage venture capital fund dedicated to investing in fundamentally critical businesses required to empower Bangladesh's socio-economic growth. Led by a diverse team of internationally experienced investors working with exceptional founders, the fund activates unique opportunities across the country by harnessing global capital to deliver outsized financial returns while optimizing for social impact. They invest across industries, with a focus on fintech, healthcare, agriculture, garments, education, logistics and SaaS, primarily at the seed stage, and work actively with local partners to further accelerate the quality and growth of the ecosystem.

Know more @ www.anchorless.vc



BD Startup Founders Group is the leading startup community of Bangladesh that connects the prominent active startup founders and ecosystem builders in the country. The group strives to serve as a common platform for all startups, aiming to be the voice of the startup community and support founders in their journey as well as connect to key private and public stakeholders.



Previous Publications

Bangladesh Startup Ecosystem Update Q'3 22

Navigating Global Funding Undercurrents

October 2022



Bangladesh Startup Ecosystem Update Q'3 2022

October 2022

Bangladesh Startup Ecosystem 2021-2022

July 2022

Bangladesh Startup Ecosystem 2021-22

Coming of Age

July 2022



Bangladesh Startup Ecosystem

The Untapped Digital Goldmine of Asia



Bangladesh Startup Ecosystem 2021

December 2021



Contact Us



LightCastle Partners

Level 5, House 10/12, Road 1, Block B, Niketan
Gulshan 1, Dhaka 1212, Bangladesh.

Email: info@lightcastlebd.com

Mobile: +88 01711 385988, +88 01747 353438

Web: www.lightcastlebd.com

Data on Demand Platform: dataabd.co

