

African fintech company Moove secures R337m in Series A funding

African mobility fintech company Moove announced that it has raised R337m in a Series A funding round. This brings the company's total funding to R997m, including R410m in equity. Moove is the first investment in Africa for many of its US VC backers, underscoring the opportunity for a platform like Moove to address the continent's vehicle financing gap.



Moove founders Jide Odunsi and Ladi Delano | image supplied

The round was led by Speedinvest and Left Lane Capital, with participation from DCM, Clocktower Technology Ventures, thelatest.ventures, LocalGlobe, Tekton, FJ Labs, Palm Drive Capital, Roka Works, KAAF Investments, Class 5 Global, and Victoria van Lennep, co-founder of Lendable.

"Moove will use the funding round to build a full-service mobility fintech that democratises vehicle ownership across Africa. The market opportunity is vast – Africa is home to 1.3 billion people, with 43% in urban areas and growing, and in 2019 had fewer than 900,000 total new vehicle sales compared to 17 million in the US," the company said in a statement.

How Moove works

It embeds its alternative credit-scoring technology onto ride-hailing and e-logistics platforms, which allows access to proprietary performance and revenue analytics of mobility entrepreneurs to underwrite loans.

Moove's model is to provide loans to its customers by selling them new vehicles and financing up to 95% of the purchase within five days of sign up. Customers can choose to pay back their loans over 24, 36, or 48 months, using a percentage of their weekly revenue. All Moove customers sign up to the Moove app to manage all transactions and access other financial products on the platform.

"In four months of operating in South Africa, we have established our foothold in the market, built a strong team on the ground, and delivered a product that improves our customers' experience. With this focus, we have seen rapid growth in sign-ups and a 4x increase in both revenue and completed trips since launch" said Sinako Cetyiwe, South Africa country manager for Moove.

"Now that we have proven product-market fit, this funding will allow us to scale up and expand in Johannesburg and other cities in South Africa, including Durban and Cape Town. Our Drive-To-Own product will also be introduced to the market, enabling drivers in South Africa to begin their entrepreneurial journey."

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