

PawaPay closes on seed funding of \$9m

African payments company PawaPay, has secured a \$9m seed raise. The round was co-led by MSA and UK-based investment fund 88mph, with participation from Vunani Capital, Kepple Ventures and Zagadat Capital. The capital will be deployed to scale PawaPay's operational presence, find more talent to join the team, and expand into new markets on the continent.



Nikolai Barnwell, CEO of pawaPay

Founded in 2020, PawaPay is focused on the mobile money infrastructure provided by telecommunications companies (telco) in Africa. Each telco in each country provides its own unique mobile money product, which makes the mobile money infrastructure as a whole - across borders and telcos - highly fragmented and opaque.

For merchants, this fragmentation means that it is unnecessarily expensive to use and frustratingly unstable. Through PawaPay's simple API, merchants can access more than 300 million customers in more than ten markets and enjoy seamless, transparent and highly reliable payments.

PawaPay's customers are large Pan-Africa/global merchants and companies needing to make payments to African consumers' accounts. Payments in Africa have long been made difficult by large unbanked populations, declined credit card transactions, charge-backs, fraud, dropped and lost payments, and slow cross-border settlements. The alternative financial infrastructure created by the telco-led mobile money wallets now has more than half a billion registered accounts in Africa, making it both one of the largest financial infrastructures in the world and one of the most under-developed.

PawaPay has positioned itself as an industry leader in high volume mobile money payments and focuses on delivering reliability and transparency for merchants wishing to connect to the customers on the continent. With a single API, PawaPay's customers can access all telco mobile money systems and thus receive and send payments to hundreds of millions of people.

PawaPay handles local operations, compliance, regulatory cover and bank accounts, making it as simple as clicking a button to start receiving payments in a new market. PawaPay is already successfully handling millions of transactions on its rails per week and has operations in 10 countries.

Commenting on the company's raise and growth prospects, Nikolai Barnwell, CEO of PawaPay said, "Africa's alternative financial infrastructure is in an exciting phase with double digits CAGR everywhere. And mobile money has come out as the de facto money infrastructure for hundreds of millions of people on the continent. A quarter of the adult population is an active mobile money user.

A third of all wallet holders have their salaries paid into them. We're making a bet that this infrastructure will continue to grow and offer a superior experience than traditional financial infrastructures such as card and banking. With more than 500 million registered users on the continent - 200 million of which are active frequent users, this isn't a fringe fad or a stepping stone to cards and swift payments. This is an example for the rest of the world of how payments could - and should look. Most of our competitors are largely focused on bank and card payments; but over the past many years we have been laser focused on addressing the unique set of challenges that accompanies specializing in mobile money. I think this gives us a good position to explore the opportunities that are coming up as this alternative financial infrastructure continues to grow.

"We are excited to have world-class investors supporting our vision to connect every mobile money wallet in Africa to each other, and the rest of the world, as we continue to make it simpler to do payments".

Kresten Buch, founder of 88mph, added "When we first invested in Africa in 2010, one of the key drivers was that mobile money was a superior payment method to credit and debit cards when used for online payment. So, we are excited to be an investor in PawaPay's journey and continue to witness the development of digital infrastructure in Africa".

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