

Press Release

South Africa's Yoco raises US\$83m to scale its financial ecosystem for small businesses

Johannesburg, 27 July 2021 - South African payments and software platform, [Yoco](#), has secured \$83 million (R1.2 billion - SA only) in Series C funding amid a surge in demand for digital payments amongst African small businesses.

This is the largest single investment raised by a small business-focused payments platform in the Middle East and Africa and the largest ever raised by a payments company in South Africa.

The latest investment round brings the total funds raised to date, by Yoco, to US\$107 million. These funds will enable Yoco to accelerate the development of its financial ecosystem for small businesses, which already includes online and in-store payments, business software and capital, as well as expand its market presence beyond South Africa.

Among the company's new investors are Dragoneer Investment Group, which is making its Africa investment debut, after having previously backed fintech giants like Chime, Nubank, Mercado Libre, Square and Klarna. Also joining the round were Breyer Capital, HOF Capital, The Raba Partnership, 4DX Ventures, TO Ventures and several current and former executives from global tech leaders such as Coinbase, Revolut, Spotify and Gojek.

The funding round also included existing Yoco investors Partech, Velocity Capital Fintech Ventures, Orange Ventures and Quona Capital.

According to Katlego Maphai, chief executive officer of Yoco, the successful conclusion of this fundraising round speaks volumes about the growth potential of the African small business sector.

“We are excited to partner with such world-class investors who have joined our quest to break barriers and create access to financial services for millions of small businesses across the continent,” Maphai said, “Looking ahead, this investment will unlock capacity for us to accelerate product development for our merchants and continue on our growth trajectory in South Africa and beyond.”

In less than six years, Yoco has become the preferred payments partner for over 150 000 small businesses across South Africa, processing more than US\$1 billion in card payments per year. Importantly, Yoco’s growth has been driven almost exclusively by small, independent businesses that were previously cash-only due to the complexity and high costs of existing alternatives.

Carl Wazen, Yoco’s chief business officer, says that despite being the largest payments platform in South Africa, Yoco is still at the beginning of its journey. “There are over 6 million small businesses in South Africa and well over 100 million across the Middle East and Africa that still transact only in cash.” Wazen says “recent consumer behaviour shows a shift away from cash and businesses have to rapidly adapt to this change. This presents a huge opportunity and it is our mission to support that transition.”

Yoco has big plans for seizing this opportunity by continuing to deepen its market presence in South Africa and expanding into Africa and the Middle East region over the next two years. The goal, according to Wazen, is to reach at least a million merchants within the next four years.

To support the company’s growth plans, Yoco aims to increase its team by 200 people within the coming year. Already, the business has attracted top talent to its executive ranks from companies such as Monzo, iZettle/Paypal, and Uber. A new Chairman has also been brought on board, Juan Fuentes, former Managing Director of Pagueseguro, a business that he grew into a \$19 billion payments giant in Brazil.

Maphai is confident that this latest successful funding round and Yoco’s unique small business-focused approach, coupled with its depth of talent, and now the backing of some of the world’s leading investors, positions the digital payments platform on a springboard to significant and long term growth.

“Working so closely with small businesses during a global pandemic, and in particular through a challenging socio-economic environment in South Africa, we have a firsthand account of how agile these businesses need to be in a rapidly changing world,” says Maphai. “Removing barriers and levelling the playing field by creating access to

financial tools is a big part of answering these challenges. Yoco is at the forefront of solving what is critical for small businesses and enabling them to thrive. This new capital injection translates into an acceleration of access for small businesses in our region and beyond, bringing our vision of open commerce forward,” concludes Maphai